PLURAL INVESTING LLC

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	Partnership (Gross)	Partnership (Net of Fees)	MSCI World Index
2020 (Apr 1-Dec 31)	122.9%	97.1%	46.8%
2021	38.7%	29.9%	21.8%
2022	-32.0%	-32.7%	-18.1%
2023	-6.9%	-7.4%	15.1%
Annualized	22.9%	15.5%	17.4%

July 18, 2023

To our Partners:

Plural Partners Fund L.P. delivered a gross return of -13.1% and net return of -13.3% in Q2. Our goal is to deliver returns over a five-year period significantly above that of global markets. We believe the poor returns this quarter reflect an extreme reaction to disappointing short term results in a couple of our holdings at a time when they are relatively illiquid.

We are value investors. We invest in businesses that we believe are worth substantially more than the price they are trading at. We think of risk primarily as the chance of a loss over a five-year horizon and not the temporary drawdowns in stock prices that occur from time to time. We manage this risk by only investing in businesses trading at a substantial discount to a conservatively calculated intrinsic value and that we would be happy to own if the market shut for five years. We welcome stock price volatility as it often presents opportunities to invest further at even better prices. When such opportunities cannot be found we hold cash instead.

The majority of our capital is typically allocated to our six to eight best investments. We look for qualities such as attractive business economics and management teams who possess and foster a culture of high integrity, customer focus, and prudent capital allocation. Our businesses may be 'hidden gems' because they are small, receive little coverage, listed on under-researched exchanges, operating in unpopular industries, or offer terrific opportunities beyond short term concerns. We develop a research edge over other investors by doing extensive primary research and utilizing quantitative tools. This edge can be significant when we are competing mostly against retail investors or the small positions of larger institutions, which is why we deliberately fish in those waters.

A one-page appendix entitled "Principles of Our Partnership" is attached to this letter. This should give you an idea of what you can and cannot expect from our partnership.

We estimate that our businesses trade for 6.5x their net profits in three years' time and will still be growing at double digit rates then. These businesses have strong balance sheets with little or no debt, earn an average post-tax return on tangible capital of 20%, and are run by well-aligned management teams with an average ownership of 21%. While our portfolio will experience drawdowns from time to time, we are confident that the value of this group of businesses will be recognized over our investment horizon of 3-5 years.

This year has been a difficult one for global small cap value investing. Large cap tech indices like the NASDAQ Composite have returned around 35%, while the MSCI World Small Cap Index has returned 4%.

Below, we discuss Endor AG. The company is the biggest detractor to our portfolio this year, but we continue to own the shares and think they are undervalued. We also discuss Currency Exchange International, which is a company that has continued to execute well but saw its stock pull back in the quarter.

Portfolio Allocation	
% of Net Assets by Business Type:	
Payments	37%
Consumer	34%
Travel	12%
IT	5%
Special Situations	0%
Others	0%
Cash	12%
	100%
Portfolio Statistics:	
Net Exposure	88%
Long Exposure	102%
Short Exposure	-14%

Endor AG (E2N)

Endor has around 60% market share in the premium segment of the sim racing market. The company makes racing wheels, pedals, and other hardware for gamers playing motorsport games like Gran Turismo. The company is run by industry pioneer Thomas Jackermeier, has the leading culture, brand and technology, and several catalysts coming in H2. Jackermeier owns 50% of the company and even bought €7.7mm more shares in 2021 at more than double today's prices. Despite this, the stock has declined around 60% over the last 18 months after the company made several mistakes, which it is correcting. We believe that even moderately successful execution from here puts the stock on a mid-single digit multiple of earnings in three years and that as the leading company in a high growth and premium consumer goods industry it will trade for a double digit multiple at that point. Our cost basis is €16.5/shr, the stock trades at €7.5/shr today, and we estimate intrinsic value will be €30/shr in three years. Our intrinsic value estimate has reduced from over €50/shr as we think there is a greater risk that management fail to fully capitalize on the company's leading position. Our best expectations remain unchanged.

We estimate that the sim racing industry has grown at 25% p.a. for the last decade, propelled by the growth in gaming, Formula 1, and equipment and games that are becoming so realistic the younger F1 drivers train on them extensively. Endor not only has the industry pioneer as CEO and leading group of people, but unique partnerships with Formula 1, World Rally Car, NASCAR, Gran Turismo, Porsche, BMW, and Bentley. As one example, Endor is featured prominently in the upcoming Gran Turismo movie, and players in the game can directly access the Endor webstore.

Despite these advantages, the company has made mistakes and we could have mitigated some of these with our position sizing.

Endor's first mistake was how it managed its supply chain. When the global chip shortage hit the company ran out of chips, causing all key products to be out of stock from June 2022 until April this year. As a result, revenues were down 63% in Q1 against a tough comparable period, and Q2 will likely be poor too. The company also had to write down some chips it purchased over the last year because their market prices have now declined.

We were aware of how Endor's quarterly results were going to be throughout this period as we have data which allows us to estimate the company's sales in real-time. However, we did not reduce our position as we believed that investors would look through these disappointing but temporary product shortages and focus on the longer-term prospects of the company. We also did not want to reduce our position ahead of what could be the most material product launch in the company's history in H2.

Endor's second misstep was harder to anticipate. The company correctly paid US sales taxes but incorrectly added it to revenues rather than subtracting it. This embarrassing error was caught but resulted in 2022 revenues being lowered from €124mm to €118mm. That further hurt the stock.

The silver lining to these mistakes is that they have led to meaningful changes that will strengthen the company. The CFO, FD, and Head of Bookkeeping are all being replaced. An ERP system is being implemented that will lead to more robust checks. A former manager at Siemens was appointed CTO twelve months ago and has been a success. He has now taken over as COO. Products can now use a variety of chips. A second manufacturer in China has been found which has reduced costs.

Endor believes there are also some mitigating circumstances given revenues have multiplied tenfold since 2016 and headcount has multiplied by four. The company is small and was low down the priority list for chip manufacturers when there were unprecedented shortages. The extent of these ramifications surprised us.

This type of execution is of course not what we expect from our businesses. We will closely monitor the company's operations to better understand whether these mistakes are a one-off or likely to be repeated. The company's new hires will likely help it improve operational processes and checks, but we have reduced our expectations in our base and bearish cases going forwards.

Our best expectations remain unchanged as the growth and opportunities for the sim racing industry have proved better than we initially expected. Endor is now accelerating the build out of its management team and operations, which should enable it to capitalize on being the leader in an attractive industry with a long runway for growth.

The stock price has declined to reflect its mistakes, but in our view does not price in any return to normality or the terrific long term future of the company. We believe there are several catalysts coming in H2 and that three years from now the stock will be worth a multiple of where it is trading at today.

Currency Exchange International (CXI.TO / CURN)

CXI is one of only three major suppliers of foreign currency banknotes in the United States and of US dollar banknotes internationally. Banknotes are typically used for travel and the Covid induced downturn masked major market share gains made by the company after its key competitor Travelex exited. CXI is run by its Founder Randolph Pinna, who owns 21% of the company and has high integrity, delights customers, and a 35 year track record of building two banknotes businesses that have delivered strong shareholder returns. The company trades on 10x net profits today and we expect earnings to double over the next three years as travel recovers and new businesses bear fruit. That puts the stock on just 4x our estimate of profits in three years' time when cash generated in the interim is included. We started buying shares at US$14/shr in mid-2022, it trades at US$18.5/shr today, and we believe intrinsic value will be US$55/shr in three years.

CXI reported strong results in the quarter, with revenues up 30% y/y and EBIT up 44%. The outlook for travel this summer continues to be positive.

We see two key opportunities for the business which investors underappreciate.

The first opportunity is to invest in growing outside the US. In 2021 CXI became one of only three companies licensed to export US dollars from the Federal Reserve across the world. We estimate this market is worth around $380mm in annual revenues and is dominated by Bank of America, whose heightened compliance costs have caused it to retrench from smaller clients for several years. CXI's lower cost base gives it an advantage and we believe the Fed is now guiding the company on its expansion.

As a result, CXI recently won major customers across Europe, North America, Brazil, and Singapore. We believe that the company will take a substantial share of this $380mm market in the coming years, which compares with its total revenues of $75mm today.

CXI is now also in discussions with the European Central Bank and the Bank of Canada to form similar relationships, although the market sizes for the euro and Canadian dollar are smaller.

The company's second large opportunity is to deploy the cash that has built up on its balance sheet. CXI holds $101mm of cash and $15mm of debt, a sizable amount of net cash compared to its $120mm market cap.

We estimate that $80mm of this cash needs to be held as physical banknotes so should be thought of as inventories, meaning excess cash that could be deployed is closer to $20mm. Still, increasing the amount of credit financing these inventories from $15mm to $40mm would result in a still conservative 0.5x loan-to-value ratio and free up an additional $25mm in excess cash. That would bring total deployable cash up to $45mm while still leaving a strong balance sheet with no debt beyond modest inventory financing. We believe that management is cognizant of how it can use this cash and will do so in a disciplined manner.

As the cross-border travel recovers, the growth of CXI's international business accelerates, and management deploys cash, we believe the company's revenue and earnings growth will result in investors appreciating the far stronger competitive position and opportunities the company finds itself with post the Covid downturn.

The dial-in details for our quarterly call are attached on the next page.

Please do not hesitate to contact us at chris.waller@pluralinvesting.com.

Best Regards,

Chris Waller
Portfolio Manager

Dial-In Details for Quarterly Call

Time: Tuesday July 25, 2023 at 10am Eastern Time / 3pm UK time.

Join Zoom Meeting

https://us06web.zoom.us/j/82856466119?pwd=WTNKMWhQZGdzVEhtdHIvYVk4TkRkQT09

Meeting ID: 828 5646 6119

Passcode: 646791

Find your local number: https://us06web.zoom.us/u/kcp0hrusvM

Principles of Our Partnership

I take the trust you place in me very seriously and view this as a partnership. These principles are inspired by a similar letter Warren Buffett wrote in 1962 to his partners at the beginning of their partnership. They are my attempt to be up-front about what I can and cannot promise you, and what I ask from you in return:

1. Success for the fund in five years' time is delivering a substantially higher return than global stock market indices, rather than how many clients or assets are under management. The investment approach and my time are allocated accordingly.
2. I cannot guarantee that the fund will achieve this success. However, I can promise that the vast majority of my liquid net worth will be invested alongside you.
3. The fund will only invest in businesses that I estimate are worth substantially more than the price they are trading at.
4. The fund will only invest in businesses that I would be comfortable owning if the stock market were to shut for the next five years and we had to hold on.
5. I will view the risk of each investment as the chance we lose money over that five year period and not the volatility or beta of the stock price in the meantime. Indeed, I can promise you that the price of our investments will decline 20% from time to time.
6. I will judge the returns of the fund over five year periods.
7. Nobody gets every investment decision right. I will be up-front about mistakes made.

What I ask from you:

1. You should only invest an amount where your sleep will be completely unaffected when the fund has a 20% drawdown. This may mean the right decision is not to invest at all.
2. While I would like you to also judge the performance of the fund over a five year period, three years is the absolute minimum required. I would strongly counsel against reading much into quarterly results as prices are often driven by emotions in the short run. Our patience is essential if we are to let the volatility of prices serve us rather than guide us.

Yours sincerely,

Chris Waller
Portfolio Manager

Performance Comparison

	Partnership (Gross)	Partnership (Net of Fees)	MSCI World	MSCI World Small Cap Value	S&P 500	HFRX Global Hedge Fund
2020[1]	122.9%	97.1%	46.8%	58.0%	46.7%	14.7%
2021	38.7%	29.9%	21.8%	21.1%	28.7%	3.7%
2022	-32.0%	-32.7%	-18.1%	-11.8%	-18.5%	-4.4%
2023	-6.9%	-7.4%	15.1%	4.0%	16.6%	0.6%
Annualized	22.9%	15.5%	17.4%	18.9%	19.7%	4.2%

[1]Results for 2020 represent the total return of the Fund and Comparative Indexes from April 1, 2020 to December 31, 2020.

Important Disclosures

This material does not constitute an offer or solicitation to purchase an interest in Plural Partners Fund LP (the Fund"), or any related vehicle. Any such offer will only be made via a confidential private placement memorandum. An investment in the Fund is speculative and is subject to a risk of loss, including a risk of loss of principal. There is no secondary market for interests in the Fund and none is expected to develop. No assurance can be given that the Fund will achieve its objective or that an investor will receive a return of all or part of its investment. This material is confidential and may not be distributed or reproduced in whole or in part without the express written consent of Plural Investing LLC (the "Adviser").

The performance results shown and discussed herein represents the performance of the Fund, a vehicle managed by the principal of the Adviser (the "Principal"). The Fund began trading on April 1, 2020. "Gross" results shown reflect the deduction of transaction costs actually incurred but are before management fees or performance allocation were incurred. "Net" results shown reflect the deduction of a 1.0% per annum management fee and 20.0% performance allocation.

Results are compared to the performance of the MSCI World Net Return Index, or similar indexes (collectively, the "Comparative Indexes") for informational purposes only. Returns data for the HFRX Global Hedge Fund Index are from source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2023 Hedge Fund Research, Inc. All rights reserved. Past performance is not necessarily indicative of future trading results. The Fund's investment program does not mirror the Comparative Indexes, and the volatility of the Fund's investment program may be materially different from the volatility of the Comparative Indexes. The securities or other instruments included in the Comparative Indexes are not necessarily included in the Fund's investment program and criteria for inclusion in the Comparative Indexes are different from those for investment by the Fund.

The positions presented and discussed herein represent investments in the Fund as of the date listed. These positions are presented for informational purposes only to demonstrate a portfolio allocation of the Principal as of a recent date. Results of large "contributors" to the Fund's returns are also included for informational purposes only. No representation is being made that the Fund will or is likely to hold the same or equivalent positions or allocations in the future.

Certain information contained in this presentation is derived from sources believed to be reliable. However, the Adviser does not guarantee the accuracy, completeness, or timeliness of such information and assumes no liability for any resulting damages. Due to the ever-changing nature of markets, the deductions, interrelationships, and conclusions drawn from historical data may not hold true in the future.

This material contains certain forward-looking statements and projections regarding market trends, Fund allocation, and investment strategy. These projections are included for illustrative purposes only, are inherently speculative as they relate to future events, and may not be realized as described.

These forward-looking statements will not necessarily be updated in the future.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.