PLURAL INVESTING LLC

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	Partnership (Gross)	Partnership (Net)	MSCI World	Russell 2000	MSCI EAFE Small Cap	FTSE AIM All-Share
2020[1]	122.9%	97.1%	46.8%	72.9%	55.0%	87.8%
2021	38.7%	29.9%	21.8%	14.8%	10.1%	5.0%
2022	-32.0%	-32.7%	-18.1%	-20.4%	-21.4%	-38.0%
2023	-5.5%	-6.4%	23.8%	16.1%	13.2%	-1.5%
2024	-5.1%	-5.6%	11.7%	1.7%	0.5%	0.4%
Annualized	16.1%	10.4%	18.1%	15.8%	10.5%	4.6%

Note: All indices measured in US dollars

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

July 29, 2024

To our Partners:

Plural Partners Fund L.P. delivered a gross return of -1.0% and net return of -1.3% in Q2. Our goal is to deliver returns over a five-year period significantly above that of global markets.

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 7.7x their FCF in three years' time and will still be growing at double digit rates then. These businesses generally have strong balance sheets with little or no debt, earn an average post-tax return on tangible capital of 19%, and are run by well-aligned management teams with an average insider ownership of 13%.

Small cap, value, and international markets continue to underperform large cap US growth indices, but there were some signs after the quarter that this long period of underperformance may be reversing, including in the UK where we have several investments. Regardless of whether the environment becomes more favorable we are increasingly finding reasonable businesses trading at a single digit or low double digit multiple of FCF.

Below, we profile Watches of Switzerland and Endor. Watches of Switzerland is a new investment that trades at 10x this year's FCF despite a strong balance sheet, competent and aligned management, and a long runway to deploy capital at 20% returns. Endor is an investment we exited.

Portfolio Allocation	
% of Net Assets by Business Type:	
Consumer	35%
Payments	25%
Travel	17%
Industrials	15%
IT	8%
Special Situations	-4%
Others	0%
Cash	4%
	100%
Portfolio Statistics:	
Net Exposure	96%
Long Exposure	105%
Short Exposure	-10%

Watches of Switzerland (WOSG.LN)

We published a 35-page writeup on Watches of Switzerland in July, which you can view here.

Watches of Switzerland is a retailer and partner to Rolex and other luxury watch brands. It trades on 10x this year's FCF despite double digit growth and we think can return 32% p.a. for three years for a 130% total return.

We believe most of the company's value lies in its relationship with Rolex, which only sells through authorized retailers like WOSG who act as gatekeepers to the Rolex universe. That relationship gives WOSG far superior economics to a typical retailer, and makes it closer to a subsidiary of Rolex. Almost every Rolex is sold off a customer waitlist and prices only go up over time, while stores strictly adhere to Rolex's recommended retail prices. That means no price competition and no inventory risk. There is no online competition either, as that would prevent customers from being vetted and having the 'Rolex experience' in a store. Many sources told us that being selected as a Rolex retailer is like being given a license to print money.

WOSG's management are competent, experienced, and well incentivized, with CEO Brian Duffy owning £32mm of stock. Duffy joined in 2014 and his strategy of investing in stores to elevate customer experiences has successfully grown WOSG's share of Rolex sales in the UK from around 35% to 50%. This encouraged Rolex to entrust WOSG with replicating its strategy in the US, where WOSG is now the number one player with 10% share and has grown at 30% p.a. for the last five years.

The stock has fallen 75% since 2022 after Rolex acquired another retailer and the luxury watch bubble burst. Investors are concerned that WOSG's relationship with Rolex is in danger, but our work suggests it is more likely getting stronger. The company's scale is an advantage that allows it to invest significantly more in flagship stores than competitors can, particularly in a US market that is dominated by mom & pops. As Rolex continues to shrink its store base, we expect WOSG will continue to gain share as weaker competitors shutter.

WOSG is likely to grow at 10-15% p.a. for years given the large opportunity for growth in the US. It trades for just 10x our estimate of this year's FCF despite its qualities and historically traded for 20x. We expect the stock will re-rate as short term concerns ease and the company continues to deploy capital at 20% returns.

Endor AG (E2N.MUN)

Endor makes racing wheels, pedals, and other hardware for gamers playing motorsport games like Gran Turismo. The company was run by industry pioneer Thomas Jackermeier and has the leading market share, brand and technology in the premium segment of the market. Despite these advantages, we sold out of our position throughout the first half of the year after realizing that we had misjudged management's competence and character. While we always haircut our expectations to reflect the risk of management misexecution and understood that meant there was a small chance of substantial downside, the company's position at the forefront of a rapidly growing industry meant we saw a very bright future, multi-bagger upside, and on balance a favorable risk/reward. Yet as management continued to misexecute we believed the risk of our downside scenario had increased greatly and so the investment was no longer attractive. We therefore sold our position.

When we discussed our position in last year's Q2 letter, Endor was suffering from a global chip shortage. Management had exacerbated this problem by substantially overordering new chips in response. This caused a cash outflow just as it ran out of products in stock and therefore cash inflows. Funding the resulting shortfall required the company to tap into credit facilities that were intended to finance temporary seasonal cash fluctuations.

This and other mistakes had caused the stock to decline heavily, but we believed that Endor was now trading at a distressed price for a premium brand in an attractive industry that would be worth a multiple if conditions normalized. Our analysis of the company's cash flow suggested there was limited room for further mistakes, and so we were pleased to see normalization appearing to begin in Q4 as we expected. Endor had recruited a new COO and CFO, inventory was coming back in stock, and a series of major product launches that had been delayed were debuting in time for Black Friday and Christmas. Management announced at the end of November that Black Friday sales were up 240% y/y, full year profit guidance would be met, and investors should expect significant growth in 2024 with new products and the first ever listings on Amazon.

That recovery did not continue. We were surprised when just a few weeks after announcing strong Black Friday results that management reversed course by stating Endor had actually made a substantial loss. This was partly due to further mistakes: major shipping issues meant many customers were not receiving their orders, and incredibly the company had sold a product it had not yet received a license for. Our work suggested that meant the company had seen a further cash outflow during what should have been the most profitable period of the year. Given Endor's already overdue credit, we judged that our downside scenario was playing out. When our follow-up conversations with management and other sources left us dissatisfied, we concluded that the risks had increased significantly and the company was no longer an attractive investment. We therefore sold out of our position.

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 August 6 at 10am Eastern Time / 3pm UK Time

Join Zoom Meeting

https://us06web.zoom.us/j/82957902734?pwd=aVINYegHGmxpxtqURwrV2pp8jcpt1B.1

Meeting ID: 829 5790 2734

Passcode: 199614

Find your local number: https://us06web.zoom.us/u/keFj6kzbkC

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

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, the Russell 2000 Net Return Index, MSCI EAFE Small Cap Net Return Index, FTSE AIM All-Share Index, or similar indexes (collectively, the "Comparative Indexes") for informational purposes only. All Comparative Indexes are denominated in US dollars. 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.