



PLURAL INVESTING LLC

	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	9.2%	8.2%	18.7%	11.5%	1.8%	-5.5%
2025	-14.8%	-15.1%	-1.8%	-9.5%	3.7%	-1.8%
Annualized	13.1%	8.2%	16.1%	13.1%	9.9%	2.2%

Note: All indices measured in US dollars.

¹Results 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.

April 23, 2025

To our Partners:

Plural Partners Fund L.P. delivered a gross return of -14.8% and net return of -15.1% in Q1. 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 6.4x their FCF in three years' time and will still be growing at low 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 20%, and are run by well-aligned management teams with an average insider ownership of 19%.

Macro uncertainty around US tariffs significantly impacted the stocks in our portfolio in Q1. Despite this, we believe the vast majority of these businesses will see little impact from tariffs, while one will even benefit. We have adjusted our position sizes to take advantage of this and are seeing exceptional risk/reward opportunities like what we found in March 2020.

As markets move from panic to reflection, we expect that the superior resilience, competitive positions, and valuations of our companies will lead to a rebound in their share prices.

Below, we profile one investment that trades below net cash and that we think has an imminent catalyst to greatly appreciate in value. This company faces no exposure to tariffs and actually benefits from lower stock prices, yet its stock has declined 28% from its peak.

Another investment with no direct impact from tariffs is Jet2, a UK business which trades at 6.5x P/E despite having net cash, double-digit growth prospects, the best competitive position and management team in the industry, and a track record of gaining share during downturns. Despite these qualities, Jet2's stock declined 20% in the quarter.

Seaport Entertainment is another holding that should see no material impact from tariffs, and whose intrinsic value is likely to be determined by whether management can successfully turn it from a loss making business into a successful consumer destination in New York. The company made several impressive announcements in the quarter, yet the stock has declined 31% this year. We profile this business in more detail below.

We believe only two of our companies will see a significant effect from tariffs or an economic slowdown. The first is XPEL, a global supplier of protection films to vehicles which we published an in-depth report on recently [here](#). The second is Watches of Switzerland, which sells luxury watches in the US and UK.

Both companies have strong balance sheets, pricing power, and in our view the best management teams in the industry. We expect tariffs will reduce earnings by a one-time high single-digit to low double-digit amount for both companies and that they will gain market share in a downturn. We provide an update on Watches of Switzerland below.

Portfolio Allocation	
% of Net Assets by Business Type:	
Consumer	27%
Travel	19%
Real Estate	15%
Others	15%
Payments	12%
Industrials	11%
Cash	<u>2%</u>
	100%
Portfolio Statistics:	
Net Exposure	98%
Long Exposure	108%
Short Exposure	-10%

Cash & NOL Shell

One of the fund's largest investments is in a company with a market cap of \$290mm, no operating business and virtually no cash burn, \$300mm in cash, \$2.9bn in NOLs, and an activist CEO who recently struck a deal with a private equity firm to eventually finance an acquisition to monetize those NOLs. We are not disclosing the name of the company as it is relatively illiquid and we would like the opportunity to buy more shares at lower prices. However, this is an example of a stock that has declined 28% from its peak despite benefiting from tariffs reducing stock prices and therefore the price of a future acquisition to monetize the NOLs.

We see almost no sustained downside given the stock trades below net cash and has a well incentivized management team looking to monetize the tax assets.

On the other hand, we believe the upside will be substantial. At a 21% corporate tax rate the \$2.9bn in NOLs could theoretically shield \$609mm in taxes. Realizing that value in full is not realistic because it would require the company to acquire a very large business whose tax bill is \$609mm in one year.

However, we believe the company could acquire one or a few businesses that results in taxes shielded over several years with a present value of around \$300mm. That would lead to the stock roughly doubling.

The CEO appears to agree, having recently joined the company on a compensation package where most of his pay is through options that strike 50% to 200% above the current share price. We believe these options are very material to his net worth and that he and the board are well placed to source an acquisition this year, which should act as a catalyst for the value of the NOLs to be recognized.

Seaport Entertainment (SEG)

Seaport Entertainment was spun out of Howard Hughes in July 2024 and is a complex group of loss-making properties primarily in Lower Manhattan that Howard Hughes invested \$1.5bn into. Seaport trades for a market cap of \$230mm and has net cash. Our thesis is that a couple of the stabilized properties are worth the market cap, while the new and aligned management team will be able to turn around several of the other key buildings. We first bought shares in the company at \$27, the stock trades at \$18 today having declined 31% this year, and we believe intrinsic value in three years will be around \$50. We published our 35-page thesis on the company in November [here](#) and discussed our latest thesis on a podcast [here](#).

Seaport published Q4 results in March that showed the company continued to be heavily loss making. The stock sold off because of that and then declined with the broader market on the announcement of tariffs despite tariffs having no material impact in our view.

We thought significant losses in Q4 were unsurprising given the substantial changes new management have made took place after the quarter ended and this was a seasonally slow period for the company.

We think investors are missing the big picture by focusing on short term losses. Seaport owns prime real estate in New York that suffered from a misplaced strategy by its former owner Howard Hughes, and its future success will depend on how well new management are able to turn key buildings in the neighborhood into consumer concepts with mass market appeal.

We have been very impressed with how quickly new management have made major changes at those key buildings.

At Pier 17, in our opinion by far Seaport's most valuable asset, management announced at results that it had signed a 20-year lease for most of the previously unused office space. The lease is with Meow Wolf, an immersive art installation that has been a success at all five other locations in the US. The locations of a similar size to the New York space have each attracted over one million visitors annually.

We wrote in our initial investment thesis that the most important factor to a turnaround at Seaport succeeding was whether management could put a consumer concept in the empty space at Pier 17 that attracts over one million visitors per year, and it seems like they have successfully done so. These visitors will likely spend at the surrounding restaurants, retail stores, and entertainment venues that Seaport owns, thereby improving the company's economics far beyond Meow Wolf's lease payments.

Management have also made other changes that are yet to kick in, such as:

- Expanding rooftop concerts at Pier 17 throughout the year
- Leasing out the unproductive restaurant space at Pier 17 to a new concept
- Substantially cutting costs and shutting unsuccessful concepts at the Tin Building
- Putting 250 Water St up for sale
- Provisionally winning a bid to take over a successful restaurant in Bryant Park

None of the benefits from these changes were felt during Q4 and most will take several quarters to become clear. But our confidence that management will successfully realize the value in Seaport's properties has significantly increased and so we added to our position in the quarter.

Watches of Switzerland (WOSG.LN)

Watches of Switzerland is a retailer and partner to Rolex and other luxury watch brands. 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, a result of lengthy customer waiting lists, no online competition, and no inventory risk. WOSG's management are competent, experienced, and well incentivized, with CEO Brian Duffy owning nearly £30mm worth of stock. We first bought shares around £3.5 last year, it peaked at £6.0 late last year and now trades around £3.5 again and on 9x this year's FCF. We think intrinsic value in three years will be more than double today's price and you can view our 35-page report on the company [here](#).

When we initially invested in WOSG the stock had sold down heavily after Rolex acquired another retailer and the prices of watches on the secondhand market began declining after the luxury watch bubble burst in early 2022. Our thesis was that WOSG's relationship with Rolex would continue to strengthen and that declines in the secondhand market had very little effect as WOSG primarily sold new watches. We believe the market eventually agreed with our thesis as the stock appreciated from £3.5 to £6.0 late last year.

The stock has declined heavily since then on fears that declining demand for luxury watches will hurt WOSG sales. These concerns were then exacerbated by the US placing a surprisingly high 31% tariff on Swiss imports, despite Switzerland having almost no tariffs on the US.

We believe that these new fears are also overdone. While declining demand and a now reduced 10% tariff will undoubtedly hurt WOSG's earnings, we think the impact will be far less than what the stock is pricing in.

Around 75% of WOSG's profits by our estimates come from Rolex and Patek Philippe sales. Sales in those brands are mostly driven by supply rather than demand because customers

often have to register their interest in a watch months or even years before they are offered a chance to buy it. That means Rolex and Patek effectively sell as many watches as they want to make. The effect of lower demand is likely to be a reduced wait time rather than fewer sales.

Our customer data suggests that waitlists in the US in particular remain strong and WOSG's trading update in February (before tariffs were announced) reiterated guidance for continued momentum in the US and stabilization in the UK.

We attended the industry's biggest trade show, held in Switzerland, shortly after tariffs were announced to better understand the impact on brands and WOSG. Our conclusion is that Rolex has substantial pricing power and that a 31% tariff reduces WOSG's US profits by around 30% and a 10% tariff reduces it by around 10%. Since the US is half of the company's business that translates to a reduction at the group level of 15% and 5% respectively.

While these reductions are certainly a headwind, we believe Rolex and WOSG will manage through them effectively and that the long-term growth of the companies remains largely unchanged. Any downturn would likely also result in WOSG acquiring mom & pop competitors and therefore gaining market share permanently.

We continue to believe that WOSG's economics are closer to a subsidiary of Rolex than a retailer and that the company is a structural winner trading at a very attractive price. We added to our position recently and after tariffs were announced.

We will be in Omaha to attend the Berkshire Hathaway annual meeting in early May and having a drink on Friday May 2 at 5pm at Brickway Brewery & Distillery on 1116 Jackson St. Feel free to stop by with friends for a chat whether you are a client or not.

Thank you for placing your trust in me. I feel extremely fortunate to have a loyal set of partners and your patience allows us to take advantage of the drawdowns that occur in our markets from time to time.

Many of our partners came to us through recommendations from existing ones. If you know someone who might share our long-term value approach and benefit from our insights and investing in the fund, please feel free to connect us. You can always contact me about referrals or anything else at chris.waller@pluralinvesting.com.

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

Best Regards,



Chris Waller
Portfolio Manager

Dial-In Details for Quarterly Call

Time: Tuesday May 6 at 10am Eastern Time / 3pm UK Time

Join Zoom Meeting

<https://us06web.zoom.us/j/82318281824?pwd=Tx2ShmmRNZ8iraS6aYGDTeX2cigVBUR.1>

Meeting ID: 823 1828 1824

Passcode: 422873

Find your local number: <https://us06web.zoom.us/u/kb1ovJHaac>

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,

A handwritten signature in black ink that reads "Chris Waller". The signature is written in a cursive, flowing style.

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.