

PART 2A OF FORM ADV: FIRM BROCHURE

**Dalal Street, LLC**  
**DBA Pabrai Investment Funds**  
4407 Bee Cave Road, Suite 513  
West Lake Hills, Texas 78746-6496

January 16, 2024

Contact:  
Mohnish Pabrai  
Tel: +1.512.999.7110  
mpabrai@pabraifunds.com  
mp@dhandhofunds.com  
Websites: [www.pabraifunds.com](http://www.pabraifunds.com)  
[www.dhandho-holdings.com](http://www.dhandho-holdings.com)

This brochure provides information about the qualifications and business practices of Pabrai Investment Funds. If you have any questions about the contents of this brochure, please contact us using the contact information above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Pabrai Investment Funds is a registered investment adviser. Registration with the United States Securities and Exchange Commission or notice filing with any state securities authority does not imply a certain level of skill or training.

Additional information about Pabrai Investment Funds is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

Since its last brochure dated October 12, 2023, Pabrai Investment Funds has made no material changes to its brochure.

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## **Item 4: Advisory Business**

### **A. General Description of Advisory Firm**

Dalal Street, LLC, which does business as Pabrai Investment Funds, is a limited liability company (the "Adviser") that was formed on May 1, 2005 in California. Effective July 8, 2021, the Adviser converted from a California limited liability company to a Texas limited liability company. There was no practical change in control or management of the Adviser as a result of the conversion. The owner of the Adviser is Mohnish Pabrai. The Adviser provides investment management services to limited partnerships or companies (each, a "Client" or "Private Fund," and, collectively, the "Clients" or "Private Funds") organized under the laws of the United States or the British Virgin Islands. The Adviser or its affiliate serves as general partner to or manager of each Client and tailors its advisory services as described in the relevant Client's private placement memorandum and/or as set forth in such Client's organizational documents. Please refer to Item 8 for a more detailed description of the Adviser's management strategies as well as the securities and other instruments purchased by the Adviser on behalf of the Clients.

As of the date hereof, the Adviser provides investment management services to the following Clients: The Pabrai Investment Fund II, L.P., Pabrai Investment Fund 3, Ltd., The Pabrai Investment Fund IV, L.P. (collectively "Pabrai Funds"), Dhandho Holdings Offshore Ltd., operating as a master-feeder structure, investing substantially all of its assets within Dhandho Holdings, L.P., and Dhandho Holdings Qualified Purchaser, L.P., a parallel fund to Dhandho Holdings L.P. (collectively "Dhandho Holdings"). The Adviser also manages two proprietary accounts. In addition, the Adviser acted as a subadvisor to Dhandho India Zero Fee Fund, L.P. and Dhandho India Zero Fee Fund Offshore Ltd. (collectively "Dhandho India Funds"). The sub-advisory agreement was terminated effective March 1, 2023. The Dhandho India Funds are advised by Dhandho Funds LLC ("Dhandho Funds"), a related adviser which is a subsidiary of Dhandho Holdings.

### **B. Description of Advisory Services**

See Item 8.

### **C. Availability of Customized Services for Individual Clients**

The Adviser tailors its advisory services as described in the relevant Client's private placement memorandum and/or as set forth in such Client's organizational documents.

The Adviser may provide co-investment opportunities to certain underlying investors in Dhandho Holdings (each, a "Dhandho Holdings Investor" and collectively with the underlying investors in the Pabrai Funds, the "Investors") but need not make such investment opportunities available to all Dhandho Holdings Investors *pro rata* or on a uniform basis.

Advisory services for each Client are not tailored to the individual needs of Investors. Investors may not impose restrictions on the Adviser with respect to the investments it makes on behalf of the Clients.

Persons reviewing this Form ADV Part 2A should not construe this as an offering of any of the Clients described herein, which will only be made pursuant to the delivery of a private placement

memorandum to prospective investors.

#### **D. Wrap Fee Programs**

The Adviser does not participate in wrap fee programs.

#### **E. Assets Under Management**

The Adviser's collective Client regulatory assets under management as of December 31, 2022 were \$637,559,594, all of which are managed on a discretionary basis.

### **Item 5: Fees and Compensation**

#### **A. Advisory Allocations**

For the Pabrai Funds, the Adviser is generally entitled to receive an advisory allocation of 25% of the increase in a Client's net assets over an annual rate of 6%, subject to a "high water mark". Such fees are not negotiable.

In addition to the fee described above, the Adviser is entitled to an annual management fee set by the Adviser of up to 1% of the capital contributions for Dhandho Holdings. The management fee is intended to cover the costs and expenses of the general partner incurred in connection with the management of Dhandho Holdings. The management fee will be offset by any directors' fees, consulting and/or advisory fees received by the Adviser or its affiliates from Dhandho Holdings. Such fees are not negotiable.

Dhandho Funds paid the Adviser an annual fee of \$4,000 for each fund for its sub-advisory services to the Dhandho India Funds. The sub-advisory agreement was terminated effective March 1, 2023.

#### **B. Timing of Advisory Allocation**

With respect to the Pabrai Funds, the advisory allocation due to the Adviser (if any) from each Client is allocated to the Adviser as follows. Advisory allocations are paid by Clients in arrears, cannot be paid in advance and are deducted from Client's assets, if applicable.

The Pabrai Investment Fund II, L.P.: Annually on June 30 and on the day immediately preceding (i) a new or existing investment by an underlying investor in The Pabrai Investment Fund II, L.P., and (ii) any withdrawal by a Pabrai Investment Fund II, L.P. investor of all or any portion of such Pabrai Investment Fund II, L.P. investor's investment in excess of \$25,000.

Pabrai Investment Fund 3, Ltd.: On the day immediately preceding (i) a new or existing investment by an underlying investor in Pabrai Investment Fund 3, Ltd. and (ii) any withdrawal by a Pabrai Investment Fund 3, Ltd. investor of all or any portion of such Pabrai Investment Fund 3, Ltd. investor's investment in excess of \$25,000.

The Pabrai Investment Fund IV, L.P.: On the last day of each fiscal quarter and on the day immediately preceding (i) a new or existing investment by an underlying investor in The Pabrai Investment Fund IV, L.P., and (ii) any withdrawal by a Pabrai Investment Fund IV, L.P. investor

of all or any portion of such Pabrai Investment Fund IV, L.P. investor's investment in excess of \$25,000.

For Dhandho Holdings, the management fees (if any) are calculated quarterly but paid annually and deducted from the Client's assets.

For the Dhandho India Funds, the sub-advisory fees are calculated quarterly but paid annually by Dhandho Funds. The sub-advisory agreement was terminated effective March 1, 2023.

### **C. Additional Fees and Expenses**

Each Client may pay the costs and operating expenses incurred in the operation and administration of its account, including fees of third-party administrators, accounting, legal, auditing and all investment expenses, such as brokerage commissions, custodial fees, bank service fees, interest on margin accounts and other indebtedness, if any, and other reasonable expenses related to the purchase, sale or transmittal of Client assets. Clients also bear the costs and expenses associated with their organization. For further information regarding additional expenses incurred, please refer to the relevant Client's private placement memorandum and/or organizational documents.

### **D. Prepayment of Fees**

See Item 5.B.

### **E. Additional Compensation and Conflicts of Interest**

Neither the Adviser nor any of its supervised persons accept compensation for the sale of securities or other investment products. Through its subsidiary Dhandho Funds, Dhandho Holdings has extended interest-bearing loans to employees of Dhandho Funds. This creates a conflict of interest due to a risk of Dhandho Holdings not being paid back and the ramifications to investors of Dhandho Holdings. To mitigate these risks, a note has been established with clear and concise terms, the loan has been made a recourse loan collateralized by units of Dhandho Holdings owned by the employees, and the amounts are not excessive by which to create a financial burden on Dhandho Holdings.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

See Item 5A above. As of the date hereof, the Adviser is potentially entitled to performance-based allocations from each Pabrai Fund. The Adviser and its supervised persons manage Clients that are charged performance-based fees, management fees and fixed fees, however, the Clients have different investment objectives and therefore do not impose a conflict to the Adviser.

## **Item 7: Types of Clients**

The Adviser provides investment management services to private pooled investment vehicles. The offering documents and/or advisory agreement of each Client may set minimum amounts for investment by prospective investors in such Clients. These minimum amounts may be waived by the Adviser.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

For the Pabrai Funds, the Adviser pursues proprietary long-value investment strategies and invests each Client's assets in a portfolio of securities issued by and traded on U.S. and non-U.S. national securities exchanges and well-recognized established financial capital markets. The Adviser may invest or trade in all types of equity and debt securities including common and preferred stock, debt securities convertible into common or preferred stock or other types of securities, bonds, notes, zero coupon bonds, fixed income securities, options and investment company securities. In addition, from time to time, the Adviser invests Client capital in short-term instruments including, but not limited to, commercial paper, bank certificates of deposit, U.S. Treasury Bills and similar investments. Leverage is not employed.

For Dhandho Holdings, the Adviser may invest with the same strategies as Pabrai Funds. In addition, the Adviser may invest in leveraged and unleveraged controlling interests ("Portfolio Company Acquisitions") consisting of at least a majority of the voting securities or assets of one or more privately held businesses. The Adviser may also make additional investments in relation to the privately held businesses through loans and equity contributions or additional equity interests. Dhandho Holdings may also invest in marketable securities offered to the Pabrai Funds, however, the Pabrai Funds will be allocated such opportunities first.

For the Dhandho India Funds, the Adviser pursues a similar long-value strategy as it does for the Pabrai Funds (as it is described in this section), but does so to achieve the specific investment objectives of the Dhandho India Funds, which the Pabrai Funds do not have. The investment objective of each Dhandho India Fund is to earn long-term appreciation by investing at least 2/3 of its assets (at cost) in marketable securities of companies that are publicly listed in India and/or have significant operations in India ("Indian Companies") or in cash and cash equivalents, and up to 1/3 of its assets (at cost) in marketable securities of Indian Companies and non-India Companies. The Adviser's sub-advisory agreement with the Dhandho India Funds was terminated effective March 1, 2023.

### **Risks Relating to Investment Strategies**

A potential investor or Investor in a Client managed by the Adviser should review the offering memorandum for such Client for a more detailed discussion of risks.

#### **Market Risks**

Clients will be exposed significantly to all of the risks of investing in securities, including the risk that significant changes in the securities markets may adversely affect performance of their account. Therefore, there is a risk that Investors in a Client may not profit from their investment or that they may lose some or all of their investment.

#### **Minimal Restrictions on Concentrations of Investments**

The Adviser is generally not restricted with respect to the amount of Client assets that it can invest in any particular industry or in the percentage of Client assets that may be invested in any

particular security. Therefore, each Client may be exposed to greater risk than would otherwise be the case if the Adviser were required to ensure additional portfolio diversification for its Clients.

### **Lack of Diversification of Investments**

Client portfolios will not generally be diversified among a wide range of issuers, industries or areas. Accordingly, the investment portfolio of a Client may be subject to more rapid changes in value than would be the case if the Adviser were required to maintain a wide diversification among investment areas, securities and types of securities and other instruments on behalf of such Client.

### **Lack of Liquidity**

Client assets may, at any given time, consist of significant amounts of securities and other financial instruments or obligations which are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to accurately value any such investments.

### **Small Cap Stocks**

At any given time, Client assets may be invested in smaller sized companies of a less seasoned nature whose securities are traded in the over-the-counter market. These “secondary” securities often involve significantly greater risks than the securities of larger, better-known companies.

### **Portfolio Turnover**

The Adviser will purchase and sell securities at such times as it deems in the best interest of each Client and is not restricted with respect to the amount of portfolio turnover in any Client’s account. To the extent that the Adviser trades securities on behalf of a Client for the short - term, such Client’s portfolio turnover rate can be expected to increase. The turnover rate may vary from year to year, and at different times during the same year, and may also be affected by such Client’s cash requirements. A high turnover rate involves correspondingly greater brokerage commissions and expenses which must be borne directly by the Client and ultimately by its Investors.

### **Certain Risks Specific to Portfolio Company Acquisitions**

Dhandho Holdings’ ability to successfully execute Portfolio Company Acquisitions will be impacted by a number of factors, including the ability to identify acquisition candidates. The process of integrating acquired businesses into Dhandho Holdings’ existing operations may result in unforeseen operating difficulties and may require additional financial resources and attention. In addition, Dhandho Holdings may not be able to realize the anticipated benefits from Portfolio Company Acquisitions. Achieving those benefits depends on the timely, efficient and successful execution of a number of post-acquisition events, including integrating the acquired business into Dhandho Holdings. Factors that could affect Dhandho Holdings’ ability to achieve these benefits include:

- if Dhandho Holdings pays too much to purchase portfolio companies;
- if Dhandho Holdings’ due diligence process is not sufficient to identify all material liabilities with respect to the business;



- new liabilities may arise that may diminish the value of the acquired portfolio companies;
- difficulties in integrating and managing personnel, financial reporting and other systems used by acquired portfolio companies;
- failure of acquired portfolio companies to perform in accordance with expectations;
- failure to achieve anticipated synergies;
- the loss of customers of acquired portfolio companies; and
- the loss of key managers of acquired portfolio companies.

If acquired portfolio companies do not operate as anticipated, it could materially impact Dhandho Holdings' business, financial condition and results of operations. In addition, acquired portfolio companies may operate in industries in which the Adviser has little or no experience. In such instances, Dhandho Holdings will be highly dependent on existing managers and employees to manage those businesses, and the loss of any key managers or employees of the acquired portfolio company could have a material adverse effect on Dhandho Holdings' financial condition, results of operations, cash flows and liquidity.

The indemnification provisions of acquisition agreements by which Dhandho Holdings acquires portfolio companies may not fully protect Dhandho Holdings and may result in unexpected liabilities.

The Adviser has the authority, acting in its sole discretion, to issue additional limited partnership interests in Dhandho Holdings in consideration for some or all of the purchase price for Portfolio Company Acquisitions and/or follow-on investments. Although the Adviser will set the prices for all such additional limited partnership interests in good faith, any such issuances may lead to significant dilution to the existing limited partners of Dhandho Holdings.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a Client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer Registration Status**

The Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the Securities and Exchange Commission (the "SEC") as a broker-dealer or registered representative of a broker-dealer.

### **B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status**

The Adviser and its management persons are not registered as, and do not have any application to register as, a futures commission merchant, commodity pool operator, commodity trading adviser or an associated person of the foregoing entities.

### **C. Material Relationships or Arrangements with Industry Participants**

The Adviser is affiliated with Dhandho Funds, an investment advisor sharing the same office and controlling persons as the Adviser. Dhandho Funds is an adviser to private funds and a mutual fund. Investors of the Private Funds of the Adviser may be recommended to the private funds or mutual fund managed by Dhandho Funds and vice versa. This presents a potential conflict due to the financial incentive to recommend services to an affiliated adviser. Clients and investors are not under any obligation to invest with any of the private funds or mutual fund. The fees paid are separate and distinct between the two Advisers. The Adviser acted as the subadviser to the Dhandho India Funds, which are advised by Dhandho Funds; the sub-advisory agreement was terminated effective March 1, 2023.

The Adviser manages several Clients, each of which is a private pooled investment vehicle. In addition, the Adviser may in the future establish, sponsor and become affiliated with other pooled investment vehicles and companies that have investment programs that are similar or substantially similar to the investment program of its current Clients. As a result of the foregoing, the Adviser and its personnel may have conflicts of interest in allocating their time and resources between Clients, in allocating investments among Clients and other entities, and in effecting transactions between Clients and other entities, including ones in which the Adviser or its personnel may have a financial interest. Accordingly, the Adviser will devote as much of its time and will allocate the time and resources of its operations team to its Clients as in its judgment the conduct of each Client's account reasonably requires.

In addition, generally, the Adviser exercises investment responsibility on behalf of, or directly or indirectly purchases, sells, holds or otherwise deals with, any portfolio investment for the account of multiple Clients and multiple businesses. Neither Clients nor their Investors will have any right to participate in any manner in any profits or income earned or derived by or accruing for the Adviser from the conduct of any business or from any transaction in investments effected by the Adviser for any account other than its own.

To address these potential conflicts of interests in its material relationships, the Adviser has adopted policies and procedures, including a Code of Ethics and allocation procedures. For a more detailed discussion of the Adviser's Code of Ethics and allocations and conflicts of interest policies, please see Item 11.

### **D. Material Conflicts of Interest Relating to Other Investment Advisers**

Not Applicable

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

The Adviser is committed to the highest standards of ethical conduct. In furtherance thereof, the Adviser's chief compliance officer ("CCO") is charged with the implementation of the Adviser's code of ethics (the "Code of Ethics"). The Code of Ethics specifies and prohibits certain types of transactions deemed to create actual conflicts of interest, the potential for conflicts, or the

appearance of conflicts, and establishes general guidelines for the conduct of the Adviser's personnel as well as clearance and/or reporting requirements and enforcement procedures.

In recognition of the trust and confidence placed in the Adviser by Investors in each Client, and to give effect to the Adviser's belief that its operations should be directed to the benefit of the Clients, the Adviser adopted the following general principles to guide the actions of its employees:

- The interests of the Clients are paramount. All employees must conduct themselves and their operations to give maximum effect to this tenet by assiduously placing the interests of the Clients before their own.
- All permitted personal transactions in securities by employees must be accomplished so as to avoid the appearance of a conflict of interest on the part of such personnel with the interests of the Clients.
- All employees must avoid actions or activities that allow a person to profit or benefit from his or her position with respect to the Clients or that otherwise improperly bring into question the person's independence or judgment.
- All employees must report any violation(s) of the Code of Ethics or inappropriate conduct to the CCO.
- All employees must comply with all applicable laws, rules and regulations, including Federal securities laws.

The Adviser requires that all Adviser personnel avoid any relationship or activity that might impair, or even appear to impair, such individual's ability to make objective and fair decisions when performing job functions. The Code of Ethics prohibits Adviser personnel from using Adviser property or information for personal gain or personally taking for themselves any opportunity that is discovered through their Adviser position. The Code of Ethics further requires that employees disclose any situation, including situations pertaining to the employee's family members, which reasonably could be expected to give rise to a conflict of interest. The Code of Ethics also contains general prohibitions against fraud, deceit and manipulation, as well as additional restrictions and requirements regarding gifts, entertainment and outside activities.

The Adviser has adopted a securities trading policy that sets forth, among other things, policies and procedures regarding material nonpublic information and proprietary Adviser information, and employee accounts and trading. The policies and procedures contained in the securities trading policy are designed to (a) provide for the proper handling of both material nonpublic information about companies or other issuers and proprietary information of the Adviser, (b) prevent violations of laws and regulations prohibiting the misuse of material nonpublic information about companies or other issuers and/or proprietary information of the Adviser, and (c) avoid situations that might create an appearance that material nonpublic information about companies or other issuers or proprietary information of the Adviser has been misused. In furtherance thereof, employees are prohibited from misusing material nonpublic information and/or nonpublic proprietary information.

The Adviser will provide a copy of the Code of Ethics to any Client or Investor of a Private Fund or prospective client or investor in a Private Fund upon request.

Adviser personnel are required to certify to their compliance with the Code of Ethics, including the securities compliance policy, on an annual basis.

**B. Securities in Which the Adviser or a Related Person Has a Material Financial Interest**

As General Partner or manager to the Private Funds, the Adviser or its affiliate has a material financial interest in recommending investors to the Private Funds. Investors must be, at a minimum, a "qualified client" or "qualified purchaser" to invest in the Private Funds. The offering documents of each Private Fund include all the risks and potential conflicts in investing in the respective Private Fund.

**C. Investing in Securities That the Adviser or a Related Person Recommends to Clients**

See Item 11A

**D. Conflicts of Interest Created by Contemporaneous Trading**

The Adviser may serve as investment advisers to other client accounts and conduct investment activities for their own accounts. Such other entities, clients or accounts may have investment objectives or may implement investment strategies similar to those of a Client. The Adviser may also have investments in certain Clients.

The Adviser may give advice or take action with respect to other Clients that differs from the advice given with respect to any one Client. To the extent a particular investment is suitable for multiple Clients, such investments will be allocated between Clients pro rata based on assets under management or in some other manner which the Adviser determines is fair and equitable under the circumstances to all Clients.

As a result of the foregoing, the Adviser and its principal may have conflicts of interest in allocating their time and activity between Clients, in allocating investments among Clients and in effecting transactions for Clients, including ones in which the Adviser may have a greater financial interest.

Although the Adviser will attempt to allocate investment opportunities in a manner which is in the best interests of all Clients, and in general will allocate investment opportunities believed to be appropriate for Clients among Clients on a pro rata basis in proportion to the relative net worth of each, it is possible that an investment opportunity which comes to the attention of the Adviser will not be allocated to multiple Clients, or that one or more Clients may be unable to participate in such investment opportunity or participate only on a limited basis. In addition, there may be circumstances under which the Adviser will consider participation by certain Clients in investment opportunities in which the Adviser does not intend to invest, or intends to invest only on a limited basis, on behalf of other Clients. The Adviser evaluates investments for each Client based on numerous factors which may be relevant in determining whether a particular situation or strategy is appropriate and feasible for such Client at a particular time, including the nature of the investment opportunity taken in the context of the other investment or regulatory limitations on such Client and the transaction costs involved. Because these considerations may differ for each Client in the context of any particular investment opportunity, investment activities of Clients may differ considerably from time to time.

The Adviser uses its best efforts in connection with the purposes and objectives of each Client and will devote as much of its time and effort to the affairs of such Client as may, in its judgment, be necessary to accomplish the investment purposes of such Client. The Adviser (and its principals, affiliates or employees) may conduct any other business, including any business within the securities industry, whether or not such business is in competition with a Client. Consequently, the Adviser (or its principals, affiliates or employees) may act as investment adviser for other clients, may have, make and maintain investments in its own name or through other entities, and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, securities firms or advisory firms. It may not always be possible or consistent with the investment objectives of such persons or entities and of a Client for the same investment positions to be taken or liquidated at the same time or at the same price.

## **Item 12: Brokerage Practices**

### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

The Adviser has complete discretion, without obtaining specific Client consent, to (i) buy or sell securities, (ii) determine the amount of the securities to be bought or sold, (iii) select the broker or dealer to be used in such purchase or sale and (iv) negotiate the commission rates paid in connection with such purchase or sale.

The Adviser will effect transactions with brokers that (with respect to U.S. securities) are registered with the SEC and are members of the Financial Industry Regulatory Authority. The Adviser will select brokers on the basis of their ability to provide best execution (including both the trade price and commission).

#### **1. Research and Other Soft Dollar Benefits.**

The Adviser will attempt to negotiate the lowest available commission rates commensurate with the assurance of reliable, high quality brokerage services. However, the Adviser may select brokers that charge a higher commission or fee than another broker would have charged for effecting the same transaction, provided that the selection of a broker will be made on the basis of best execution, taking into consideration various factors, including commission rates, reliability, financial responsibility, strength of the broker and the ability of the broker to efficiently execute transactions, the broker's facilities, and the broker's provision or payment of the costs of research and other services or property that are of benefit to the Adviser or other Clients to which the Adviser provides investment services, provided, further, that the Adviser may be influenced in its selection of brokers by their provision of other services, including, without limitation, capital introduction, marketing assistance, consulting with respect to technology, operations, equipment and office space, and other services or items. Such execution services, research, investment opportunities or other services may be deemed to be "soft dollars"; however, the Adviser has not entered into written soft dollar arrangements or taken advantage of any soft dollar benefits. The provision by a broker of research and other services and property to the Adviser creates an incentive for the Adviser to select such broker since the Adviser would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a Client. Any research, services or property provided by a

broker may benefit any Client of the Adviser and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

## 2. Brokerage for Client Referrals.

As discussed above, subject to best execution, the Adviser may consider, among other things, capital introduction, marketing assistance, consulting with respect to technology, operations, equipment and office space, and other services or items in selecting broker-dealers for Client transactions. The Adviser does not receive Client referrals in exchange for brokerage business.

## 3. Directed Brokerage.

The Adviser does not recommend, request or require that a Client direct the Adviser to execute transactions through a specified broker-dealer.

## 4. Broker.

The Adviser may select one or more firms to serve as broker to hold the funds and securities of, and execute transactions for, any of the Private Funds, consistent with best execution. In addition to custody and execution, these brokers may provide other core functions or value-added items to the Adviser and Private Funds.

The services of the broker will be reviewed on both a quarterly and annual basis to ensure best possible execution for Client accounts. Quarterly, the CCO or designee will review the commissions of the broker as part of its annual review for accuracy. Quarterly, the CCO or designee will review the executed trades as compared to the trade directions given to the broker and ensure trades were executed at limits and quantities as directed. Annually, the Adviser will review the qualitative factors for the broker ranking them from a scale of 1 to 5 to support the Adviser's review of best execution. Currently, these are the qualitative factors for evaluating the broker, which may change over time:

- a. Quality of services provided;
- b. Ability to work with the investment styles of the Adviser;
- c. Effectiveness of communication;
- d. Ability to execute and settle trades; and
- e. Ability to maintain confidentiality.

## **B. Aggregated Orders for Various Client Accounts**

The Adviser does not tend to aggregate trade orders and has created several trading groups to ensure fair and equitable allocation among accounts. The trading groups include the Adviser's Clients as well as accounts managed by its related adviser Dhandho Funds LLC. Each trading group will rotate upon each trading date so that no one group is systematically favored or disfavored. In December of every year, the Adviser will pre-determine the order that will be followed on each trading date of the upcoming year.

Any exceptions to the trading rotation will be documented and most likely be events such as raising cash, investing deposits, adhering to client restrictions, etc.

Within each trading group, the Adviser will typically offer the purchase or sale of the same security to the smallest account first, followed by the second largest, then the third largest and continue in that fashion. The logic here is that if the Adviser is unable to buy the entire target amount (price moves up, for example), the Adviser would like it to have the greatest impact on at least one account by being a meaningful percentage of assets. The account which is the smallest may change over time and, therefore, change in the rotation of the security offering. Sometimes it is an advantage to go first, and sometimes it is a disadvantage because the price may fluctuate.

Although the Adviser will generally follow the trade rotation policy described above, final trade rotation is at the discretion of the Adviser.

### **C. Trade Errors**

Trade errors and allocation errors may occur as a result of mistakes made on the part of an executing broker, or mistakes on the part of Adviser personnel including, but not limited to, portfolio managers, traders and operations staff. To the extent that errors occur, the Adviser maintains trade error and allocation error policies and procedures. In accordance with such procedures, trade errors are: (i) corrected by the Adviser as soon after discovery as practicable; and (ii) corrected in a manner whereby the Adviser minimizes any profit and loss as a result of trade errors. The Adviser strives to correct all trade errors prior to settlement. Any profit that results from a trade error is left in the account of the applicable Client. Broker-dealers ("brokers") that cause trade errors as a result of their own mistakes should be responsible for any losses that result from such errors. The Adviser does not compensate brokers with soft dollars for absorbing trade errors. Should an error be made with regard to the allocation of a particular investment opportunity, the details of the error and its resolution are memorialized in the Adviser's books and records.

### **Item 13: Review of Accounts**

Investors receive audited year-end financial statements annually and annual valuation reports based on actual trading results.

Net asset values of all of the funds are calculated and prepared by the fund administrator on a quarterly basis. Net asset value statements are provided to investors quarterly in the case of The Pabrai Investment Fund II, L.P., Pabrai Investment Fund 3, Ltd., and The Pabrai Investment Fund IV, L.P., and annually in the case of Dhandho Holdings, L.P. and Dhandho Holdings Qualified Purchaser, L.P. Investors in Dhandho India Zero Fee Fund, L.P. and Dhandho India Zero Fee Fund Offshore Ltd. also receive net asset value statements quarterly.

Investors have the right to inspect the books and records of the Client in which they are invested as described in the operational documents of such Client.

All Client accounts are reviewed regularly by the general partner or manager.

#### **Item 14: Client Referrals and Other Compensation**

Neither the Adviser nor its related persons directly or indirectly compensate any third-party for client referrals.

#### **Item 15: Custody**

Rule 206(4)-2 promulgated under the Advisers Act (the "Custody Rule") (and certain related rules and regulations under the Advisers Act) imposes certain obligations on SEC-registered investment advisers that have custody or possession of any funds or securities in which any client of such registered investment adviser has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

The Adviser is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a "qualified custodian." Qualified custodians include banks, brokers, futures commission merchants and certain financial institutions.

Rule 206(4)-2 imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors) and surprise examinations relating to such clients' funds or securities. However, an adviser need not comply with such requirements with respect to pooled investment vehicles subject to audit and delivery if each pooled investment vehicle (i) is audited at least annually by an independent public accountant and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to its investors, all limited partners, members or other owners within 120 days (180 days in the applicable case of fund of fund adviser) of its fiscal year-end. The Adviser relies upon this audit exception with respect to the Clients which are pooled investment vehicles. The Adviser has arranged to have an independent public accountant conduct an annual surprise examination for an employee profit sharing plan for which the Adviser is deemed to have custody.

#### **Item 16: Investment Discretion**

The Adviser has been appointed as the investment manager, general partner or subadvisor of each Client with discretionary trading and investment authorization over each Client's account. The Adviser has full discretionary authority with respect to investment decisions, and its advice with respect to each Client is made in accordance with the investment objectives and guidelines as set forth in such Client's respective private placement memorandum. The Adviser assumes discretionary authority or manages the portfolios of each Client through the authority granted to the Adviser by such Client through execution of an investment management agreement and/or through the organizational documents of such Client. Investors in each Client are required to review the organizational documents of such Client and to sign a subscription agreement before investing in such Client. Effective March 1, 2023, the Adviser no longer acts as a subadvisor to the Dhandho India Funds and has no investment discretion over the Dhandho India Funds accounts.



## **Item 17: Voting Client Securities**

The Adviser is committed to voting proxies in a manner consistent with the best interest of the Clients. In cases where the Adviser believes that a material conflict of interest may arise due to business, personal or family relationships of the Adviser, the Adviser will take such steps as necessary to ensure that its voting decision is based on the best interests of the Client and not prompted by any conflict of interest. The Client or an investor cannot direct the Adviser's vote in a particular solicitation. Investors may obtain information from the Adviser about how it voted securities by contacting the Adviser at its contact information included on the cover page. Investors may also obtain a copy of proxy voting policies and procedures upon request.

The Adviser has entered into a formal agreement with an underlying holding in which certain of the Private Funds own a significant interest. The terms of this formal agreement require the Adviser to vote with the underlying holding's Board of Directors' recommendations on all proxies for that holding held in The Pabrai Investment Fund II, L.P. This presents a conflict of interest given the fact that the underlying holding is determining how the Adviser votes its proxy which benefits the interest of the underlying holding and its Board of Directors. The Adviser believes this is in the best interest of the relevant Private Funds because it aligns their ownership in this holding with the Board of Directors.

### **Class Actions and Other Shareholder Actions.**

Shareholder action may be required or solicited with respect to securities held by the Private Funds on other matters including those relating to class actions (including matters relating to opting in or opting out of a class, and approving class settlements), bankruptcy or reorganizations. The Adviser shall be responsible for determining whether it is in the best interest of each Private Fund to participate in any such action.

### **Abstaining from Voting or Affirmatively Not Voting**

The Adviser may abstain from voting or decide not to vote if the Adviser determines that abstaining or not voting is in the best interests of the applicable Private Fund. Factors that may be considered in making such a determination may include the costs associated with exercising the proxy (e.g. travel or translation costs) and any legal restrictions on trading resulting from the exercise of a proxy. The fact that the Private Funds hold a small percentage of the outstanding voting securities of a company is not a sufficient reason for not voting a proxy.

## **Item 18: Financial Information**

The Adviser does not require, nor solicit, prepayment of more than \$1,200 in fees per client, six months or more in advance. The Adviser does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 1  
Cover Page

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

**Mohnish Pabrai**  
**Dalal Street, LLC**  
**DBA Pabrai Investment Funds**

4407 Bee Cave Road, Suite 513  
West Lake Hills, Texas 78746-6496  
+1.512.999.7110

January 16, 2024

This brochure supplement provides information about Mohnish Pabrai that supplements the Dalal Street, LLC DBA Pabrai Investment Funds brochure. You should have received a copy of that brochure. Please contact Pabrai Investment Funds at +1.512.999.7110 or [mpabrai@pabraifunds.com](mailto:mpabrai@pabraifunds.com) if you did not receive Pabrai Investment Funds' brochure, or if you have any questions about the contents of this supplement.

Additional information about Mohnish Pabrai is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Educational Background and Business Experience**

Mohnish Pabrai, born June 12, 1964

Clemson University, B.S. Computer Engineering, 1986

Mr. Pabrai is the CEO and owner of Dalal Street, LLC DBA Pabrai Investment Funds (the "Adviser"), a registered investment adviser and general partner or manager to the following private funds: Pabrai Investment Fund II, L.P., Pabrai Investment Fund 3, Ltd., and Pabrai Investment Fund IV, L.P. (collectively, "Pabrai Funds") and Dhandho Holdings, L.P. and Dhandho Holdings Qualified Purchaser, L.P. (collectively, "Dhandho Holdings"). Since inception in 1999 with \$1 million in assets under management, Pabrai Funds has grown to approximately \$542 million in regulatory assets under management in 2022. Dhandho Holdings was launched in 2013 and has approximately \$24 million in regulatory assets under management in 2022.

Mr. Pabrai is also the Founder and Chairman of the Dakshana Foundation. Dakshana Foundation is focused on providing world-class educational opportunities to economically and socially disadvantaged gifted children worldwide.

Mr. Pabrai was the Founder/CEO of TransTech, Inc., an IT Consulting and Systems Integration company, which he founded and initially operated from his home. From an initial investment by Mr. Pabrai of only \$100,000 from personal funds, and no outside investment at any time during its existence, TransTech, Inc. grew to become an Inc. 500 company with revenues of more than \$20 million per year and over 160 employees until it was sold to a third party in October 2000.

## **Item 3: Disciplinary Information**

Not Applicable

## **Item 4: Other Business Activities**

Mr. Pabrai is the CEO of Dhandho Funds LLC, a registered investment adviser which is owned by Dhandho Holdings. Dhandho Funds LLC serves as General Partner to or manager of four private funds: Dhandho Junoon LP, Dhandho Junoon Offshore Ltd., Dhandho India Zero Fee Fund, L.P. and Dhandho India Zero Fee Fund Offshore Ltd. Dhandho Funds LLC also serves as the adviser to a mutual fund, the Pabrai Wagons Fund (Retail Share: WAGNX, Institutional Share: WGNIX).

### **Item 5: Additional Compensation**

Mr. Pabrai receives compensation for his activities under both the Adviser and Dhandho Funds LLC.

### **Item 6: Supervision**

Mr. Pabrai is the principal and sole owner of the Adviser. He is subject to the Adviser's Compliance Policies and Procedures and the Code of Ethics as monitored by the Adviser's Chief Compliance Officer, Fahed Missmar. Mr. Missmar may be reached at +1.512.999.7110.

### **Item 7: Requirements for State-Registered Advisers**

Not Applicable