



Pershing Square Holdings, Ltd.  
2024 Annual Report



# Pershing Square Holdings, Ltd.

## 2024 Annual Report and Audited Financial Statements

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# Company Overview

## The Company

Pershing Square Holdings, Ltd. (“PSH”, or the “Company”) (LN:PSH) (LN:PSHD) is an investment holding company structured as a closed-ended fund principally engaged in the business of acquiring and holding significant positions in a concentrated number of large capitalization companies. PSH’s objective is to maximize its long-term compound annual rate of growth in intrinsic value per share.

PSH was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It commenced operations on December 31, 2012 as a registered open-ended investment scheme, and on October 1, 2014 converted into a registered closed-ended investment scheme. Public Shares of PSH commenced trading on Euronext Amsterdam N.V. on October 13, 2014 and were delisted from that exchange on January 31, 2025. On May 2, 2017, PSH’s Public Shares were admitted to the Official List of the UK Listing Authority and commenced trading on the London Stock Exchange (“LSE”).

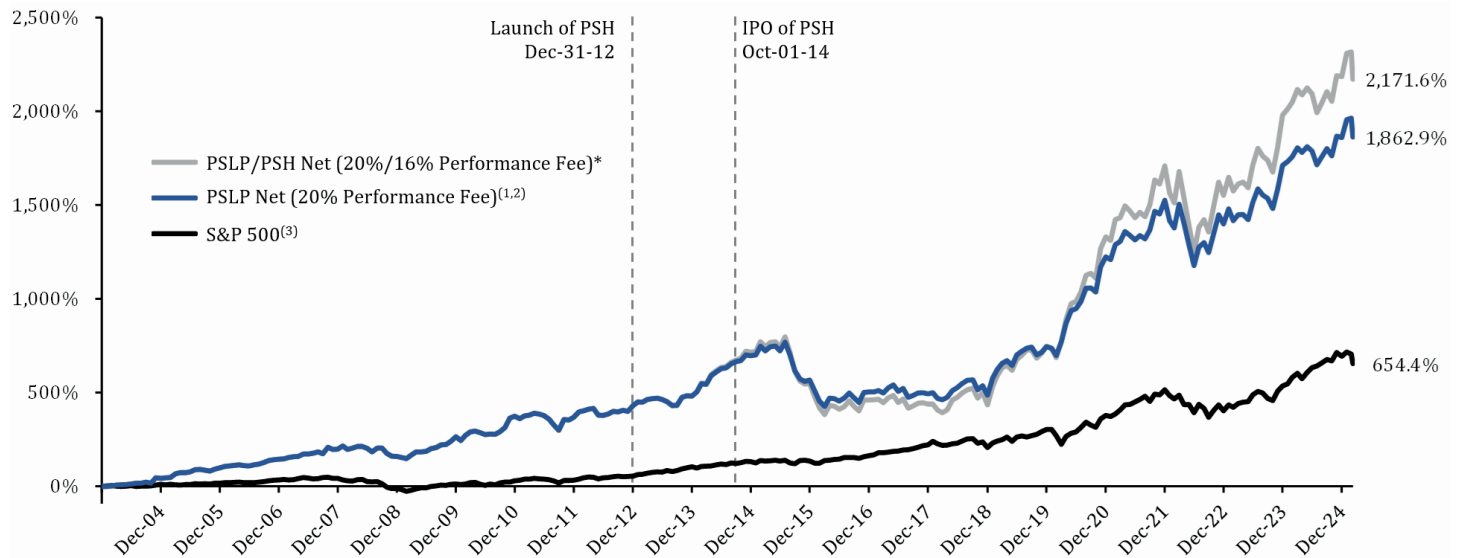
PSH has appointed Pershing Square Capital Management, L.P. (“PSCM,” the “Investment Manager” or “Pershing Square”), as its investment manager. PSCM was founded by William A. Ackman on January 1, 2004. The Investment Manager has the responsibility, subject to the overall supervision of the Board of Directors, for the investment of PSH’s assets and liabilities in accordance with the investment policy of PSH set forth on pages 38-39 of this Annual Report (the “Investment Policy”).

The substantial majority of the Company’s portfolio is typically allocated to 8 to 12 core holdings usually comprising liquid, listed large capitalization North American companies. The Investment Manager seeks to invest in high-quality businesses, which it believes have limited downside and generate predictable, recurring cash flows. The Investment Manager is an active and engaged investor that works with its portfolio companies to create substantial, enduring and long-term shareholder value. The Investment Manager aims to manage risks through careful investment selection and portfolio construction, and may use opportunistic hedging strategies to mitigate market-related downside risk or to take advantage of asymmetric profit opportunities. For more than 21 years, the investment strategy pursued by the Investment Manager has generated a 15.9% annualized net return and a cumulative net return of 2,171.6% for PSLP/PSH (as converted) compared to a 10.0% annualized net return and a cumulative net return of 654.4% for the S&P 500, PSH’s historical benchmark index, during the same period.<sup>1,3</sup>



# Company Performance

Pershing Square Holdings, Ltd. and Pershing Square, L.P. ("PSLP") NAV Performance vs the S&P 500



	PSLP/PSH Net Return*	PSLP Net Return <sup>(1,2)</sup>	S&P 500 <sup>(3)</sup>
2004	42.6 %	42.6 %	10.9 %
2005	39.9 %	39.9 %	4.9 %
2006	22.5 %	22.5 %	15.8 %
2007	22.0 %	22.0 %	5.6 %
2008	(13.0)%	(13.0)%	(37.0)%
2009	40.6 %	40.6 %	26.4 %
2010	29.7 %	29.7 %	15.1 %
2011	(1.1)%	(1.1)%	2.1 %
2012	13.3 %	13.3 %	16.0 %
2013	9.6 %	9.7 %	32.4 %
2014	40.4 %	36.9 %	13.7 %
2015	(20.5)%	(16.2)%	1.4 %
2016	(13.5)%	(9.6)%	11.9 %
2017	(4.0)%	(1.6)%	21.8 %
2018	(0.7)%	(1.2)%	(4.4)%
2019	58.1 %	44.1 %	31.5 %
2020	70.2 %	56.6 %	18.4 %
2021	26.9 %	22.9 %	28.7 %
2022	(8.8)%	(7.8)%	(18.1)%
2023	26.7 %	20.8 %	26.3 %
2024	10.2 %	8.2 %	25.0 %
Year-to-date through March 11, 2025	(0.6)%	0.1 %	(5.0)%

## January 1, 2004–March 11, 2025<sup>(1,4)</sup>

Cumulative Return (Since Inception)	2,171.6 %	1,862.9 %	654.4 %
Compound Annual Return	15.9 %	15.1 %	10.0 %

## December 31, 2012–March 11, 2025<sup>(1,4)</sup>

Cumulative Return (Since PSH Inception)	328.5 %	270.3 %	388.8 %
Compound Annual Return	12.7 %	11.3 %	13.9 %

\*NAV return an investor would have earned if it invested in PSLP at its January 1, 2004 inception and converted to PSH at its launch on December 31, 2012. Also see endnote 1 on page 125. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and important disclaimers on pages 124-128.





# Chairman's Statement

## INTRODUCTION

The past several years have been marked by some of the most complex macroeconomic conditions in recent history, and 2024 was no exception. Investors continued to grapple with inflationary pressures that, while moderating, remained above central bank targets. The prolonged tightening cycle has caused shifting expectations around rate cuts, which created a complicated environment for markets.

2024 also presented a complex geopolitical landscape, with markets remaining volatile amid uncertainty surrounding the U.S. presidential election for most of the year and ongoing conflicts in Eastern Europe and the Middle East. The associated uncertainty and tension added another layer of complexity to an already challenging macroeconomic environment.

Despite these headwinds, U.S. equity markets demonstrated resilience, driven largely by the strength of a handful of mega-cap technology companies. While the results of those companies led to strong index-level returns, they also underscored the growing dispersion in results among the underlying companies. Against this backdrop, the Board is pleased to report that PSH delivered solid performance over the year, benefiting from a disciplined investment approach and a focus on high-quality, durable businesses positioned to make sound business progress in varying economic environments.

The Investment Manager takes a long-term approach to investing and the Board does not expect NAV appreciation to outperform the S&P 500 every year. Rather, it expects the Investment Manager to outperform over the long-term – and it has done so over recent periods. The Board commends the Investment Manager's impressive 22.9% seven-year compound annual NAV return and 22.2% five-year compound annual NAV return as of December 31, 2024; as well as share price appreciation of 21.1% and 21.6%, respectively, over the same periods.<sup>i,ii</sup> So, while the Investment Manager underperformed the S&P 500 in 2024, it has outperformed the S&P 500 over the seven and five year periods.<sup>iii</sup>

The Investment Manager has had a strong relative start to 2025 with a year-to-date return of -0.6% and share price appreciation of 0.1% as of March 11, 2025.<sup>iv</sup> By comparison, the S&P 500 has decreased 5.0% over the same period.

During the year, the Board engaged in a number of corporate actions to benefit shareholders, which I discuss in detail below. The Investment Manager also undertook several corporate initiatives designed to position itself for continued long-term success. The Board was pleased to see that in addition to these initiatives, the Investment Manager made three new investments over the past year, demonstrating robust idea generation and investment activity.

I detail PSH's investment performance as well as provide additional information about recent actions taken by the Board in the pages that follow.

## INVESTMENT PERFORMANCE

During the year ended December 31, 2024, PSH's Net Asset Value ("NAV") per share, including dividends, increased by 10.2% net of fees, ending the year at \$71.11 per share. PSH's share price increased by 8.3% over the same period as a result of the widening of the discount to NAV at which PSH shares traded from 29.6% to 31.2%.<sup>v,vi</sup> By comparison, the S&P 500 increased 25.0% during the year ended December 31, 2024.

The performance of the entire portfolio along with additional information about the Investment Manager's hedging program is discussed in more detail in the Investment Manager's Report.



## INVESTMENT MANAGER

The Board has delegated the task of managing PSH's assets to the Investment Manager as set out in the Investment Management Agreement ("IMA") entered into by PSH and PSCM at the inception of PSH (as amended from time to time). Although the Board does not make individual investment decisions, the Board is ultimately accountable for oversight of the Investment Manager.

The Investment Manager is a fundamental value investor that utilises a range of engagement strategies to unlock long-term value for shareholders and, among other things, seeks to invest in excellent businesses, which it believes have limited downside. These businesses tend to be large cap companies domiciled in North America that generate relatively predictable and growing free cash flows, with formidable barriers to entry and a compelling value proposition. The Investment Manager continues to engage constructively with many of PSH's portfolio companies through direct board representation in some situations, and less formal, private engagement in others.

PSH continues to believe that its ability to access low cost, long-term, investment grade debt is a competitive advantage, and its long-term debt management strategy is to manage leverage over time by increasing NAV through strong performance and replacing maturing bonds with new issuances. PSH's debt profile is comprised of a laddered set of maturities, matching its long-term investment horizon, with a weighted average maturity of 7 years and a weighted average cost of capital of 3.1% as of March 11, 2025. PSH's total debt to total capital ratio as of March 11, 2025 is 15.7%.<sup>vii</sup> The Board believes that this amount of leverage is conservative, particularly given the quality, liquidity and mark-to-market nature of PSH's portfolio assets. PSH does not have any margin leverage nor any mark-to-market covenants on its outstanding bonds.

## PORTFOLIO CHANGES

As I wrote in my letter to you in August, the Investment Manager established new investments in Nike, which is in the early stages of a turnaround under new CEO Elliott Hill, and Brookfield, a leading alternative asset manager with high-quality and rapidly growing cash flows. Earlier this year, the Investment Manager also initiated an investment in Uber, the world's leading rideshare and delivery marketplace that is well positioned for rapid earnings growth over the medium-term.

Further information on the PSH portfolio can be found in the Investment Manager's Report.

## CORPORATE ACTIONS

The Board has undertaken a number of corporate actions over the past year.

- On June 3, 2024, the Investment Manager announced that it completed a sale to strategic investors of a 10% common equity interest in Pershing Square Holdco, L.P., a newly formed limited partnership that owns 100% of the Investment Manager. The Board was supportive of this transaction which it believed would not impact the Investment Manager's team, its role in managing PSH, or the Investment Manager's obligations under the IMA. The Board further recognises that the strategic sale to a group of world-class, long-term partners will bolster the Investment Manager's business, for the benefit of PSH shareholders.
- Since 2022, the Company has utilised a methodology for determining the future dividends that PSH pays which increase based on NAV growth. In January 2025, based on this methodology, the dividends for 2025 increased by 13%, the third increase since the adoption of the methodology. The dividend has now increased by 65% since the commencement of the dividend program.



- In January 2024, the Board engaged outside advisors to review the Company's listing on the Euronext Amsterdam in light of the fact that the majority of the trading of PSH's shares occurs on the LSE. The Board concluded that delisting from Euronext Amsterdam and consolidating trading on the LSE would reduce regulatory complexity and improve liquidity of PSH's shares which would be to the benefit of PSH shareholders. The last day of trading of PSH Shares on Euronext Amsterdam was on January 30, 2025, and delisting occurred on January 31, 2025.
- The Board authorised a total of \$200 million in share repurchase programs in 2024. During the year ended December 31, 2024, the Company repurchased 2.5 million shares at an average price of \$47.07 and an average discount to NAV of 30.6%. As of December 31, 2024, PSH has spent \$1.4 billion to repurchase 67.0 million shares, representing 26.9% of initial shares outstanding, at an average price of \$21.24 and an average discount to NAV of 29.3% since initiating its first share repurchase program on May 2, 2017.<sup>viii</sup>

## DISCOUNT TO NAV

The Board closely monitors the discount to NAV at which PSH's Public Shares trade. During 2024, the discount widened to 31.2% as of December 31, 2024, but has since narrowed slightly to 30.9% as of March 11, 2025.<sup>ix</sup>

As discussed in previous communications, in February 2024, the Board disclosed that it approved amendments to the Variable Performance Fee provisions in PSH's IMA that could reduce the performance fees paid by PSH.

In conjunction with that announcement, the Investment Manager discussed plans to launch new investment funds and on July 9, 2024, the Investment Manager launched a roadshow for the initial public offering of the common shares of Pershing Square USA, Ltd. ("PSUS"), a new investment holding company that was to be listed on the New York Stock Exchange. On July 31, 2024, the Investment Manager withdrew the PSUS IPO noting that it had decided to re-evaluate PSUS's structure in light of investor feedback.

During that July period, PSH's discount to NAV narrowed meaningfully in anticipation of the PSUS IPO and potential associated reduction in PSH performance fees.

The Board continues to believe that the introduction of additional funds managed by the Investment Manager will be a positive catalyst to narrow the discount to NAV at which PSH shares currently trade, and that the most powerful driver of long-term shareholder returns and discount narrowing will be continued strong absolute and relative NAV performance.

## CORPORATE GOVERNANCE / BOARD

The Board continues to work effectively and diligently on behalf of all shareholders. Nicholas Botta retired as a non-executive director of the Company on November 15, 2024, having served as a director since 2012. Mr Botta has been a tremendous director and asset to the Board. The Board thanks him for his many contributions.

The Nomination Committee subsequently recommended the appointment of Halit Coussin, Chief Legal Officer and Chief Compliance Officer of the Investment Manager, to the Board as a non-executive director. Ms Coussin joined the Board with effect from November 15, 2024.

## EVENTS / SHAREHOLDER ENGAGEMENT

PSH's annual investor meeting was held on February 11, 2025. We had more investors in attendance this year than ever before and we were pleased to welcome hundreds more to the webcast of the event. I thoroughly enjoyed the opportunity to interact



with many of you and look forward to doing so again next year. During the meeting, the Investment Manager presented a portfolio update. Slides from the presentation are available on PSH's website: [www.pershingsquareholdings.com](http://www.pershingsquareholdings.com).

PSH's 2025 AGM will be held on May 1, 2025. Details of the event will be posted on [www.pershingsquareholdings.com](http://www.pershingsquareholdings.com).

I will report to you on the first half of 2025 in August 2025, and the Investment Manager will keep you informed of any significant developments in the portfolio before then, when appropriate.

/s/ Rupert Morley

Rupert Morley  
Chairman of the Board  
March 14, 2025



# Investment Manager's Report

## LETTER TO SHAREHOLDERS<sup>(5)</sup>

### To the Shareholders of Pershing Square Holdings, Ltd.:

In 2024, Pershing Square Holdings generated solid but not spectacular NAV performance of 10.2%, and a 8.3% total shareholder return because of the widening of PSH's discount to NAV during the year, largely due, we believe, to the postponement of the Pershing Square USA, Ltd. IPO, which many PSH investors viewed as a potential catalyst for reducing the discount.

Investors who invested in Pershing Square, L.P. at its inception on January 1, 2004, and transferred their capital account to PSH at its inception on December 31, 2012 ("Day One Investors") have grown their equity investment at a 15.9% compounded annual NAV return over the last 21 years, compared with a 10.0% return had they invested in the S&P 500 over the same period.<sup>6,7</sup> With the magic of compounding, our 15.9% compound annual NAV return translates into a cumulative total NAV return since inception of 2,172% versus 654% for the S&P 500 over the same period.

Using PSH's stock price return rather than per-share NAV performance, Day One Investors have earned a 14.0% compounded return, a 16-times multiple of their original investment.<sup>8</sup> This lower return reflects the 30.9% discount to NAV at which PSH's stock currently trades.<sup>9</sup> Our strong preference is for PSH's shares to trade at or around intrinsic value for which we believe PSH's NAV per share is a conservative estimate.

### How We Think About the Last 21 Years

We believe the history of Pershing Square is best understood as being comprised of three distinct periods: The first nearly 12 years of our business during which we earned a 20.9% compound return from inception on January 1, 2004 until July 2015 (the Open End Fund Era), followed by a two-plus-year period of substantial underperformance (the Challenging Period) that we have previously described in great detail (See 2021 Annual Letter p. 7), and the last seven years, which we refer to as the Permanent Capital Era.<sup>10</sup>

Over the last seven years of the Permanent Capital Era, we have generated a 22.2% compound annual return.<sup>11</sup> We believe that our strong results are directly related to the decision we made in 2017 to stop raising capital for our two open ended funds – Pershing Square, L.P. and Pershing Square International, Ltd. – which has had the effect of substantially stabilizing our capital base. As of January 1, 2025, PSH represents 90% of our assets under management, 27% of which is owned by affiliates of the investment manager.<sup>12</sup> Our private funds, which comprise 10% of our assets under management, also have highly stable capital as affiliates of the investment manager represent 36% of their capital, with the balance held by long-term Pershing Square investors, many of whom have been limited partners since our earliest days.

The benefits of permanent capital are empirically demonstrated by our strong absolute and relative returns during the last seven years, a particularly challenging time for most equity investors as Covid, the Federal Reserve's rapid increase in interest rates, and heightened geopolitical and macro risks led to a challenging market environment. Having the ability to invest without regard to capital flows – inflows as well as outflows – is an enormous competitive advantage in a world in which nearly all of our competitors operate with capital that can be redeemed on an annual, quarterly, monthly, or even daily basis.



Volatility is the enemy of the asset manager with short-term capital, and the friend of the investor with permanent capital. We have been able to be opportunistic when our competitors have been forced to reduce market exposure, an important contributor to our returns since inception, and a large driver of returns over the last seven years. With more than \$4.1 billion of equity capital invested alongside our shareholders and other investors, the Pershing Square team is highly aligned and appropriately incentivized to achieve our goal of high long-term returns while minimizing the risk of a permanent loss of capital.

## **2024 in Review**

In 2024, our portfolio companies' underlying business results exceeded their stock price performance.

Stock prices are often substantially more volatile than underlying business performance. This is especially true for the companies we own, as we principally seek to invest in high-quality growth companies with low volatility business models. We endeavor to invest in companies: (1) whose business models are largely insulated from macro and geopolitical factors, (2) which do not need to continually raise equity capital to implement their business strategies, and (3) have strong balance sheets. Even a great business with a bad balance sheet is a risky proposition.

Despite their durable business qualities and strong balance sheets, our portfolio companies have experienced significant volatility in the public markets as other investors contribute to stock price volatility by buying and selling common stocks as well as index and other mutual funds due to short-term market, macro, and geopolitical factors. The combination of a seemingly unending increase in index fund ownership – which removes a large amount of stock from the public float – and the growing amount of capital managed by so-called “pod shops” – which use large amounts of leverage and have limited tolerance for volatility – accentuates stock price volatility, as the marginal buyer and seller has a disproportionate impact on short-term stock prices.

Many investors interpret stock price volatility as an important measure of underlying business performance even though it is an unreliable indicator. Our job is to understand when negative stock market signals are a harbinger of the future or are simply the effect of short-term capital flows that are unrelated to the long-term performance of the companies we own. We focus on underlying business progress rather than short-term stock prices because long-term business progress on a per-share basis is the most important driver of a company's long-term stock price performance.

The ability to be largely indifferent to the mark-to-market movements of companies in our portfolio when they are not reflective of underlying business issues is an important competitive advantage of Pershing Square. Our ability to withstand volatility comes from our deep due diligence and understanding of the companies we own, the permanent nature of our capital, and our dispassionate, economically rational approach to investing. These elements of our strategy are important contributors to our long-term competitive advantages and investment performance.

Many of the largest hedge funds' competitive advantages come from massive technology and infrastructure investments, large-scale organizations, access to information seconds and even milliseconds before others, and extraordinary trading capabilities. None of these factors is present or relevant in our approach to investing. Importantly, we believe our competitive advantages are more durable than investment strategies that rely on these attributes.

While greater stock price volatility can affect the short-term performance we generate, it is generally an important and beneficial backdrop for our approach to investing, as market volatility occasionally leads to a high degree of undervaluation for even the largest companies. Our ability and willingness to accept a high degree of market volatility – particularly when compared to the increasing amount of capital that is managed by investors who can tolerate only a modest amount of losses – is one of our most important competitive advantages in an increasingly competitive investment environment.



As an active rather than passive investor with a long-term track record in effectuating value-creating changes at the companies we own, we can help our portfolio companies achieve the market recognition they deserve. When needed, we can offer assistance in making sure that: (1) the right management team is in place with the proper incentives, (2) capital is allocated optimally, and (3) companies present themselves to the market in a manner such that investors can best understand a company's business qualities and long-term prospects.

### **Strategic Developments at Pershing Square**

Over the years, I have often been asked about succession planning. For someone who expects to be in this game for many more decades, this always struck me as a premature question, but as the years went by, it became clear that this was a question that we needed to answer. Our appointments of Ryan Israel as CIO and Ben Hakim as President provided a partial, but not complete answer to the question. The combination of permanent capital, an extremely strong team with many decades of runway, and an investment strategy that has been proverbially engraved in stone are important attributes that demonstrate the enduring nature of Pershing Square.

Last year, we sold a 10% primary interest in Pershing Square Holdco, L.P., a newly formed parent entity to Pershing Square Capital Management, L.P. (PSCM), to a group of sophisticated investors including institutions, family offices, and alternative asset company founders, for \$1.05 billion. We also established an independent board comprised of our new investors and independent directors. With sophisticated third-party owners and a new board, we have taken important additional steps toward our goal of making Pershing Square a perpetual life enterprise.

You might ask: Why did we raise growth capital rather than take some chips off the table? The answer is that we believe that continued growth is an important component of long-term sustainability for any organization. While we can earn a very good living managing our existing AUM, we believe that the growth and development of new investment vehicles and strategies improve the long-term health and sustainability of our business as long as the growth is thoughtfully executed.

One of our competitive advantages is our ability to manage a large amount of capital with a small investment team. This is due to the scalability of our investment approach, the permanent nature of our capital, and the desirability of working at Pershing Square, factors which have enabled us to attract and retain the best and brightest, and grow with industry-best talent whenever required.

Over the last 21 years, we have built one of the most well-known brands in the investment industry, a brand that is massively under-monetized. If a disinterested observer were to compare the Pershing Square brand and our AUM with that of other well-known alternative asset managers, one would likely conclude that we have the highest ratio of brand value to AUM of any of our competitors, a fact which did not go unnoticed by our strategic stake investors.

Since the beginning of our Permanent Capital Era seven years ago, our fee-paying asset growth has been entirely organic – investment performance less dividends, buybacks, and net capital flows has driven more than 100% of our growth. Beginning with the potential Howard Hughes Holdings (HHH) transaction and future initiatives that we have identified, we also expect to grow assets inorganically, by raising new funds and investment vehicles. We intend to do so by focusing our growth on permanent capital vehicles that don't require substantial additional investment or organizational resources to be successful. These include companies like HHH that come with extremely capable existing management teams, and listed permanent capital vehicles in new jurisdictions that will pursue our current core investment strategy. Over time, as our business grows, we could consider other investment initiatives, but we won't do so unless we are confident that such growth will not negatively impact, and ideally will improve, the long-term performance of our core funds.





## How Does PSH Benefit by PSCM's Growth in Fee-Paying Assets?

You might ask: "How does PSH benefit by the growth of PSCM's AUM?" As you are likely aware, when we launched Pershing Square Holdings, we structured the incentive fee arrangement to give PSH shareholders the benefit of reduced fees by enabling it to participate in the incentive fees earned by PSCM – aka, the Fee Offset provision – subject first to our recovery of underwriting and other fees paid by PSCM in connection with PSH's IPO. Unfortunately, less than one year after its IPO, PSH began a two-plus year period of underperformance, and we thereafter largely exited our open-end fund business, limiting the potential Fee Offset opportunity for PSH. As a result, until recently, PSH shareholders had not received any benefit from this provision.

Last year, we announced that we were waiving our right to recover the remaining IPO fees, and that we were modifying the Fee Offset provision to provide that if we launch a new fund that invests in public securities that does not pay incentive fees, we will reduce PSH's incentive fees further by an amount equal to 20% of the management fees that we earn from that fund.

While we: (1) have not yet raised new funds, (2) have only a modest amount of fee-paying assets other than PSH, and (3) last year's returns were relatively modest, the fee offset provision generated its first, albeit small, reduction in PSH's incentive fees by about 2%. As our non-PSH fee-paying assets grow, PSH's 16% incentive fee should continue to be reduced, potentially substantially over time. Our long-term goal is to eliminate PSH's incentive fees as we grow PSCM's fee-paying AUM from new funds and other investment vehicles.

## Howard Hughes Holdings and Potential Management Fee Reductions

If we are successful in completing the HHH transaction as we have proposed, PSCM will receive management fees from HHH, and we will reduce PSH's management fees by an amount equal to the fees we earn on the HHH shares held by PSH, dollar for dollar. While this may sound like an illusory benefit because on a 'look-through' basis the fee burden to PSH is unchanged, we believe that the reduced fee burden will be of substantial economic benefit to PSH shareholders.

HHH common stock has been a long-term underperformer, a fact that we believe is unlikely to change without a significant change in the company's strategy. While HHH has made some investment and operational mistakes – in particular, the South Street Seaport development, which is now owned by a separate company with a new management team – the principal reason for HHH's underperformance is due to the fact that the market assigns a high cost of capital to the business, a threshold level of return that HHH, as a pure-play real estate development and master planned community ("MPC") business, has been unable to meaningfully exceed. Put simply, HHH has not been able to earn a return significantly in excess of its high cost of capital. We believe the best way to solve this problem is either to reduce HHH's cost of capital – an effective impossibility if HHH remains a standalone company – and/or by increasing the company's returns on assets, returns which are limited by the competitive nature and relatively low return on assets of real estate.

Real estate development, land ownership and development, and condo development, which comprise the substantial majority of HHH's invested equity, are considered the highest-risk real estate businesses. Real estate is also a notoriously economically sensitive business which compounds the company's cost of capital problem. While HHH has a strong management team that has executed its higher-risk business lines exceptionally well, the equity returns demanded by stock market investors for these business lines is well above that of other public companies. That is why there are few if any other companies comparable to HHH that trade in the public markets. We believe that as a pure-play standalone MPC company, HHH will not be able to overcome its high cost of equity capital.





In order to attempt to earn sufficient returns on equity, HHH has had to use a substantial amount of leverage compared to other public companies, albeit a smaller amount of leverage than private real estate developers. This higher than typical leverage for a public company and the higher-risk nature of HHH's business make it difficult if not impossible for HHH to achieve investment grade credit ratings. As a result, HHH's cost of debt is substantially higher than that of other better capitalized companies. In summary, we do not believe that HHH's cost of capital problem can be solved if it remains a standalone, pure-play real estate development and MPC company.

We believe the solution to HHH's cost of capital problem is an infusion of equity capital and a change in strategic direction to a diversified holding company that grows and diversifies by making investments in high-quality businesses that earn high returns on capital and have less economic sensitivity than HHH's core real estate business. Pershing Square's long-term strategy has been to acquire stakes in high-quality, durable growth companies that have underperformed their potential, which we can improve by catalyzing changes in management, governance, and strategy. With HHH, we are seeking to implement this same strategy with the addition of Pershing Square team members and our other resources rather than our typical approach of recruiting third-party management teams.

We believe that a change in HHH's strategic direction led by the addition of PSCM's investment team, acumen, execution capabilities, equity capital, and other resources will greatly reduce the company's cost of capital and increase its return on investment, which will drive substantially greater long-term performance for the company, net of the incremental cost of any fees it may pay to PSCM. In other words, we believe that if HHH becomes a diversified holding company led by Pershing Square, it will substantially outperform its current potential while reducing the management fees we charge PSH, a substantial net overall performance benefit to PSH.

Because many investors screen funds based on the fees they charge rather than on their long-term performance net of fees, we believe that reduced management and incentive fees will increase investor demand for PSH. While we question this approach to choosing fund managers – it's a bit like choosing a brain surgeon based on cost alone – it is a reality of the investment management industry as many allocators are themselves judged on the fees of the funds in which they invest.

While we do not expect the HHH-related management fee reduction to PSH to initially be particularly large (about an 11% reduction in management fees assuming the transaction is consummated on the terms we have proposed) it is a model for other potential transactions we may do in the future that can lead to further management fee reductions for PSH.<sup>13</sup>

We expect that over the long term, the growth of PSCM's business and our fee-paying AUM will greatly inure to the benefit of PSH by reducing its incentive and management fees, which should increase demand for PSH stock, contribute to a narrowing of the discount to NAV at which PSH trades, and improve its long-term performance.

### **Pershing Square SPARC Holdings, Ltd. (SPARC)**

We have continued to pursue a potential merger candidate for SPARC, but have yet to identify the right transaction partner. To remind you, SPARC is a new form of acquisition company that does not suffer from the structural, compensation, and other problems with other acquisition vehicles. SPARC has no underwriting fees, shareholder warrants or founder stock, nor is there a limited timeframe to identify a transaction (we have almost nine years left to execute a deal).



We believe that SPARC is the most efficient and certain way for a private business to go public, with the benefit of Pershing Square as an anchor investor and with as much as a multi-billion dollar committed investment from us, a commitment that we can make prior to the public announcement of the transaction. As a result, a company seeking to go public can have certainty about its public offering including price per share (i.e., valuation) and the minimum amount of capital that will be raised regardless of market conditions. We have received a substantial number of inbound potential SPARC transaction ideas, but none yet that meet our standards for business quality, durable growth, and sufficient scale. **We welcome ideas for potential transactions and would be delighted to pay advisors, brokers or other finders for bringing us a deal that meets our criteria.**

Some have questioned why the IPO market has had so few offerings of large companies despite the stock market being at near all-time highs. We believe this phenomenon is best explained by the fact that many private businesses owned by asset managers or controlled by founders are marked at last-round values or otherwise at levels in excess of where the businesses would trade as public companies. CEOs and asset managers are reluctant to take these businesses public until their trading value as public companies 'grow into' their current private values. In light of the small number of IPOs, investors in private equity, venture capital, and growth funds have received a limited amount of distributions from these funds. This problem is compounded by the fact that it is difficult for fund sponsors to sell a substantial amount of secondary shares in an initial IPO of a company because IPO investors view large secondary sales in IPOs negatively.

We are largely indifferent to whether companies are selling primary and/or secondary shares as SPARC and we will have the benefit of private due diligence on the company, and we can form our own assessment of business value and management capability. SPARC can also do transactions of nearly unlimited size as we can set the exercise price of our SPARs (the rights to buy stock alongside Pershing Square in a SPARC merger transaction) at a level which would enable us to raise the necessary capital for even the largest transactions. For all of the above reasons, we believe that SPARC is well positioned to take a high quality, durable growth company public when we identify the right transaction.

## **Hedging and Asymmetric Transactions**

We did not enter into significant hedging or asymmetric transactions in 2024. We require two principal factors for such a transaction to make sense for Pershing Square. First, we must have a variant view about the near or intermediate term future, and second, we must be able to purchase an instrument which offers a sufficiently asymmetric payoff if our assessment of the future turns out to be correct. An overall substantial increase in volatility over the past year has made our approach to hedging more challenging as volatility is an important component of the pricing of most asymmetric instruments. While we have had some variant views on macro events during the year, we did not identify any meaningful opportunities to execute on these views as prices for these instruments were too high. Macro funds are generally continually fully invested, often with substantial leverage in various trades. The benefit of our more episodic approach to asymmetric and macro investing is that we are under no pressure to deploy capital. We only do so when we believe the potential profits vastly outweigh the capital invested. Without extraordinary opportunities, we sit tight.

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While perhaps this has always been the case, now seems like an extraordinary time to be alive with the confluence of massive technological change – robots, rockets, AI, and more – coupled with a high degree of geopolitical uncertainty. While one can find many excuses to be pessimistic about the world around us, I continually find myself optimistic about our future and expect that the United States will over time become an even better place to do business.



The entire Pershing Square team is honored to have the opportunity and responsibility to steward and protect your investment assets alongside our own. I am incredibly fortunate to work with such a talented and interesting group of colleagues who are incredibly motivated to deliver on our aspirational long-term goals for our investors.

Thank you for your continued confidence in Pershing Square.

Sincerely,

A handwritten signature in black ink, appearing to read 'William A. Ackman', written over a light gray rectangular background.

William A. Ackman



## PORTFOLIO UPDATE <sup>(14)</sup>

### Performance Attribution

Below are the contributors and detractors to gross performance of the portfolio of the Company for 2024 and year-to-date 2025.<sup>(15)</sup>

January 1, 2024 – December 31, 2024		January 1, 2025 – March 11, 2025	
Alphabet Inc.	4.9 %	Universal Music Group N.V.	2.8 %
Chipotle Mexican Grill, Inc.	4.4 %	Federal National Mortgage Association	1.3 %
Hilton Worldwide Holdings Inc.	4.0 %	Federal Home Loan Mortgage Corporation	0.7 %
Brookfield Corporation	3.8 %	Uber Technologies, Inc.	0.6 %
Federal Home Loan Mortgage Corporation	2.3 %	Share Buyback Accretion	0.3 %
Federal National Mortgage Association	2.2 %	Bond Interest Expense	(0.1)%
Share Buyback Accretion	0.4 %	Nike, Inc.	(0.7)%
Howard Hughes Holdings Inc.	(0.6)%	Alphabet Inc.	(1.5)%
Bond Interest Expense	(0.6)%	Chipotle Mexican Grill, Inc.	(1.6)%
Restaurant Brands International Inc.	(1.6)%	Brookfield Corporation	(1.9)%
Universal Music Group N.V.	(1.7)%	All Other Positions and Other Income/Expense	(0.2)%
Interest Rate Swaptions	(1.9)%		
Nike, Inc.	(2.2)%		
All Other Positions and Other Income/Expense	0.4 %		
<b>Contributors Less Detractors (Gross Return)</b>	<b>13.8 %</b>	<b>Contributors Less Detractors (Gross Return)</b>	<b>(0.3)%</b>

Contributors or detractors to performance of 50 basis points or more are listed above separately, while contributors or detractors to performance of less than 50 basis points are aggregated, except for share buyback accretion and bond interest expense. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and important disclaimers on pages 124-128.

### New Equity Positions:

#### Uber Technologies (“Uber”)

Uber is the world’s leading mobility and delivery platform. The company operates a high-quality, capital-light business with enormous growth potential led by a superb management team. The Pershing Square funds acquired a position in early 2025 as the decline in Uber’s share price at the end of 2024 provided an opportunity to acquire Uber at an extremely attractive valuation. This was made possible due concerns regarding a perceived long-term threat from autonomous vehicles. We believe these concerns are misplaced.

Uber is a great business that benefits from industry leading scale, data leadership, and strong network effects owing to its dense multi-sided marketplace. This unique competitive moat insulates Uber from competitive threats and allows the company to offer a robust, self-reinforcing value proposition for both consumers and platform earners (third-party drivers and couriers). For consumers, Uber provides a consistent and reliable experience in a large variety of global destinations at the lowest possible price, made possible by its eight million drivers. Uber’s dense network both minimizes prices and creates best-in-class latency, with average wait times of four minutes, creating a strong value proposition for consumers. For platform earners, Uber provides demand aggregation from more than 170 million monthly active users, plus an excess of value-added services, including routing, pricing, insurance, regulatory support, post-ride support, and more. Uber’s best-in-class technology and demand aggregation offer earners the highest effective utilization of their time, maximizing their earnings potential.



Uber's robust value proposition has allowed the company to grow bookings (a measure of total value which transacts on its platform) at a 20% compound annual rate since 2019, now \$160 billion. Despite Uber's enormous scale, growth remains robust, with mobility and delivery bookings growing 24% and 18% in the most recent quarter, respectively. Growth is driven by new customers and increasing usage frequency amongst existing customers. The company continues to grow mobility-occasions in more mature markets, while expanding into new geographies and launching new product offerings.

Over time, the company has generated enormous operating leverage. Uber's management team, under the leadership of CEO Dara Khosrowshahi, has demonstrated strong fixed expense control and broad-based optimization of the platform. Notably, current margins are well below their long-term potential. Uber's high rate of revenue growth positions the business for continued rapid earnings growth over the medium-term as it continues to leverage its fixed-cost base. We estimate that Uber will compound earnings at a 30% plus rate over the next several years.

In recent quarters, Uber's share price declined as the market became concerned about the future state of ridesharing in the context of autonomous vehicles ("AVs"). While this theoretical risk is mainly applicable to Uber's US ridesharing business (approximately ~25% of Uber's gross bookings value), it has had the effect of significantly compressing Uber's valuation multiple, now at 25 times earnings – a low multiple in the context of Uber's high growth outlook.

Over the past few years, AV companies have made significant technological advancements towards fully self-driving vehicles, with significant progress from Waymo, Mobileye, Zoox, Wayve, Tesla, and others. While the technology is advancing rapidly, broad-based commercialization will likely be more measured. We believe there are a number of key limitations to commercialization including achieving a consistent "super-human" safety record, establishing a harmonized regulatory framework (including clarity on legal liability and insurance), scaling cost-effective manufacturing, developing on-the-ground infrastructure and operations, and delivering these capabilities through a dense high-utilization network which is responsive to consumer expectations for high availability, low-latency, and low prices.

We believe the next few years are critically important in establishing the safety credentials of AV technology. Tragically, there are approximately 40,000 traffic fatalities each year in the United States. Over time, AVs have the potential to reduce fatalities, but only if the technology is safe and broadly adopted. We believe broad consumer adoption will require strong evidence that AV technology is significantly safer than human drivers. We do not believe it will be acceptable for fatalities to be an ordinary course event in the AV industry, and anticipate consumers will have low tolerance for catastrophic risk. Moving too quickly before AV technology is perfected risks major adoption setbacks.

While most commercialization barriers will ultimately be solved with time and capital, for all of these reasons, we anticipate the near-to-medium-term trajectory of AV expansion is likely to see a measured roll out of AVs within defined geographic operating zones, consistent with Waymo's approach and Tesla's recently announced pilot in Austin.

Notably, there is one challenge which cannot be solved: the highly variable nature of ridesharing demand. An inherent feature of this marketplace is that consumer demand varies massively at different times of the day, different days of the week, and certain months of the year. Demand is typically greatest during the morning and afternoon commute, and on weekend nights. Demand can vary by as much as 10 times over the course of a week,<sup>i</sup> yet consumers expect consistent low latency and stable prices.

Uber's marketplace model is unique because it facilitates dynamic supply. During peak demand periods, drivers enter the marketplace in real time, pushing down prices and maintaining low wait-times. Conversely, an AV-only network will definitionally almost always be under- or over-supplied, leading to sub-optimal utilization. Standalone AV operators can either

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<sup>i</sup> Lyft Autonomous presentation. April 26, 2021.



choose to build their fleet for high-demand periods, in which case it will be massively underutilized most of the day, or build for “average” volume, which will produce better utilization, but will not be able to meet consumers expectations for high availability and low latency during high demand periods. Moreover, a glut of mid-day AVs competing for limited demand is likely to cause market price to plunge, only to see prices spike during high demand periods.

The solution to this problem is to partner with existing rideshare networks who are positioned to offer a hybrid solution – selectively dispatching AVs when it makes sense to do so while using Uber’s marketplace capabilities to bring human drivers into the ecosystem during peak demand periods. To analogize to an energy grid, AVs become a “baseload” solution, with extremely high utilization, while human drivers fulfill peak demand periods. Partnering with Uber allows AV players to scale faster than they could on their own and maximize the unit economics of their vehicles. Uber’s network is uniquely capable of maximizing AV utilization, revenue generation, and unit economics.

In exchange for this value it delivers to its network, Uber is compensated in the form of a 20% payment on the gross trip value, with most of the economics going to the driver (Uber distributed \$20 billion to drivers last quarter alone). AV providers who choose to partner are still able to capture most of the value of this industry. We believe the decision to partner with Uber is one of relative utilization and value – does Uber drive sufficient revenue utilization which justifies their 20% take-rate? We believe this is definitively true and anticipate this will become increasingly obvious to all over time. While certain AV companies may also develop their own first-party networks, we expect that most (and perhaps all) AV players will ultimately partner with Uber and allow their autonomous vehicles to operate on Uber’s network. Similar to other fixed depreciating assets (e.g., hotels being a relevant example), AV owners benefit from the broadest possible distribution to maximize utilization and unit economics. Partnering also avoids billions of dollars in operating expenses which would be needed to recreate Uber’s capabilities. We believe a partnership model is the clear value-maximizing strategy for all industry participants.

Over the long term, we believe AV technology has the potential to cause mobility to evolve in the United States. While current AV costs-per-mile of two dollars are comparable to human drivers, over time the technology will improve. Lower costs per mile will invariably expand the use cases for ridesharing, with the potential on the margin to displace private car ownership. Ridesharing today accounts for less than 1% of all miles driven in the U.S., largely concentrated in expensive urban city centers. It is conceivable that the ridesharing industry could grow massively over the long term as AV technology unlocks new mobility-occasions and expands ridesharing into less dense geographies. Our investment case does not presume meaningful increases in ridesharing market share. If it does occur, Uber will be an enormous beneficiary.

Some of the best investment opportunities occur when one has a contrarian view on a business or an industry. We believe Uber’s current valuation represents a significant discount to intrinsic value because some investors are myopically focused on the risk of AVs, without proper consideration for Uber’s strong value proposition and the potential for AVs to benefit the ecosystem. We anticipate Uber will generate 30% or more earnings growth over the medium-term with potential for multiple expansion as the ultimate industry structure becomes more clear.

### Brookfield Corporation (“BN” or “Brookfield”)

Brookfield is a high-quality, asset-rich, rapidly growing business with a superb management team that has a long-term track record of excellent capital allocation. We met and worked alongside Bruce Flatt, Brookfield’s CEO, in 2010 on our investment in General Growth Properties, the most successful equity investment in the history of Pershing Square. Bruce and his team have done a remarkable job building Brookfield into one of the world’s largest and most profitable alternative investment managers since that time.



We initiated a position in Brookfield in early 2024 as we believed BN's stock was extremely undervalued. We acquired our interest at 11 times distributable earnings ("DE"), a measure of recurring economic earnings which excludes certain non-cash and other items. Our acquisition at this valuation was made possible, in part, due to the complexity of BN's holding company structure, which owns economic interests in a handful of interrelated businesses and contractual cash flow streams.

Brookfield Corporation is a Canadian multinational with a 100-plus-year history as an owner-operator of critical infrastructure and assets which power the backbone of the global economy. Brookfield's principal asset, which comprises two-thirds of BN's value is its 73% ownership of its \$76 billion market cap publicly traded asset manager, Brookfield Asset Management ("BAM"). Brookfield's other major assets include (1) a preferred claim on BAM's carried interest, (2) \$11 billion of capital invested in BAM's private funds, (3) \$15 billion of equity ownership in Brookfield's publicly listed affiliate companies, (4) a \$25 billion real estate investment portfolio, and (5) a rapidly growing wealth and retirement solutions business which specializes in long-dated annuities.

While BN's corporate structure is complex, BAM is a simple, predictable, high-quality, capital-light business, all attributes of a classic Pershing Square investment. In light of BN's complexity, we herewith provide a deep dive into each of its principal business units and assets, which is not required reading (another four pages), but one that is useful if you would like to learn more.

#### BN's Asset Management Subsidiary: Brookfield Asset Management (BAM)

Established in 1997, BAM is one of the world's pre-eminent alternative asset managers, with \$540 billion in fee-paying assets under management, and deep expertise in infrastructure, power, renewable energy, real estate, and credit. BAM generates fee-revenue from the management of Brookfield's affiliated entities and \$370 billion of rapidly growing third-party capital. Megatrends propelling BAM's business include decarbonization, digitization, and deglobalization, which has driven global investment in clean-energy and transition, critical infrastructure, and Artificial Intelligence ("AI"). Brookfield's long history as an owner-operator of real assets with large and varied sources of principal and third-party capital, robust co-investment capabilities, and vertically integrated operating companies make BN a unique partner of choice for some of the world's largest investors and corporate counterparties in these sectors.

Trillions of dollars of infrastructure development are necessary to effectuate the potential of Artificial Intelligence in the areas of energy transition, power and utilities, and digital infrastructure. Brookfield is the largest global owner and builder of renewables and data centers. BN's existing assets, sector-specific investment capabilities, and access to capital make it uniquely positioned to meet these AI-driven demands. Brookfield's investments in AI infrastructure provides technologically agnostic exposure to growth in AI and generates royalties for BAM in the form of management and incentive fees from the backbone of future AI infrastructure investment.

In 2024, BAM generated \$4.7 billion in fee revenues, principally in the form of management fees from long-dated or perpetual capital, and \$2.5 billion of fee-related earnings ("FRE"). We anticipate BAM fee-earnings will roughly double through 2029, as BAM rapidly scales its fee-paying assets under management – on a growth path to more than \$1 trillion. BAM's margins are poised to expand as the company has bolstered its investment and organizational capabilities in recent years.

To highlight the value of BAM in BN, in 2022, Brookfield spun-out a 25% minority interest in the company. In recognition of BAM's high-quality, asset-light, and rapidly growing fee-earnings, the market currently values BAM at 28 times earnings, a ~\$56 billion asset for BN reflecting its 73% proportionate economic ownership. A standalone BAM listing has had the effect of highlighting just how cheap the rest of Brookfield is. While BAM represents most of BN's value, it generates a minority of BN's cash flows.





### Carried Interest

BAM's public market valuation includes minimal credit for carried interest (the promote or profit sharing from the funds it manages). BN retained a disproportionate share of BAM's carried interest when it spun out a minority interest in BAM to shareholders, including 100% of carried interest from funds which existed prior to 2023, and a one-third claim on carried interest on all BAM funds thereafter. We believe BN is poised to realize accelerated growth in carried interest over the medium-term as select vintages of BAM's flagship funds enter key monetization windows.

As of the latest quarter, BN has accrued net unrealized carried interest of \$7 billion attributable to the Corporation. Management estimates the company will generate more than \$10 billion in net cash flows from carried interest over the next five years, and more than \$20 billion in the next 10 years. We believe that BN's carried interest asset receives minimal credit in BN's current valuation as BN's current earnings include minimal contribution from carried interest due to a lack of realization transactions in the funds it manages in recent years. We anticipate a substantial increase in cash flows from carried interest over the medium-term, which should increase recognition of this important asset.

### Brookfield's Publicly Traded Affiliates

BN also generates stable and growing earnings from distributions related to \$15 billion of units it owns in multiple Brookfield-affiliated publicly listed entities, including Brookfield Infrastructure Partners ("BIP") and Brookfield Renewables Partners ("BEP"). These affiliate companies invest their balance sheet capital alongside BAM's limited partners and generate predictable and growing high-quality cash flows. These funds' investments typically feature long-term contracted cash flows and inflation indexation.

BN's listed companies have compounded funds from operations (FFO), a measure of cash flows, at 10% or more over time, and are unique and synergistic to BAM, as they provide a perpetual capital partner with vertically integrated global operating capabilities. They are also managed by BAM – generating perpetual management fees – and pay stable growing distributions to unitholders, of which BN is the largest owner.

In 2021, BN acquired its real estate affiliate, Brookfield Property Group ("BPG"), which today represents a relatively small portion of BN's total capital at approximately 14%. BN's investment in BPG was controversial at the time due to BPG's exposure to office real estate. A disproportionate share of BPG's total value comes from a handful of iconic, high-quality assets, including Brookfield Place and Manhattan West in New York City, Canary Wharf in London, and the Ala Moana mall in Honolulu, amongst others. BPG's core portfolio's occupancy remains strong (~95%), lease terms are well structured (averaging ~10 years), and same-store, net operating income ("NOI") is growing at a healthy mid-single-digit rate supported by robust leasing spreads. We anticipate FFO will grow in the near term as BPG benefits from growing NOI, deleveraging, and the positive impact of lower interest rates on floating rate debt.

BPG also owns a large number of development assets – amounting to \$6 billion of equity in the aggregate – which generate immaterial cash flows today, and are expected to be sold over time, simplifying BN's corporate balance sheet. Brookfield principally finances its real estate using non-recourse, property-specific debt. Accordingly, there is minimal cross-collateralization across BPG's assets, which limits potential exposure to BN. During the past two years, BN has sold 192 real estate assets for \$27 billion to third parties at an average premium of 3% to their carrying values.





We believe that real estate as an asset class, and BPG specifically, has turned the corner, as falling interest rates, tightening credit spreads, improving liquidity, accelerating transaction activity, the trend away from work from home, and stabilizing cap rates have improved real estate's future outlook and led to a narrowing of expectations between buyers and sellers. As economic conditions continue to normalize, and as investors become more constructive on real estate, we believe that BPG may prove to be another shrewd Brookfield investment.

### Brookfield Wealth Solutions

In recent years, Brookfield has assembled a leading retirement and wealth solutions business (Brookfield Wealth Solutions, or "BWS"), and now manages approximately \$120 billion of insurance float-capital. BWS is focused on underwriting low-risk, long-duration annuities which have become an increasingly important savings product for America's aging retirement population. BWS can be favorably compared to Apollo and KKR's symbiotic and highly successful relationships with Athene and Global Atlantic, respectively.

Historically, insurance annuity companies would invest most of their assets in publicly traded investment grade debt, an undifferentiated strategy which generated limited returns on equity. Over the past decade, Apollo transformed this industry by investing its insurance assets in privately originated investment grade debt and by building robust organic debt origination capabilities. Given the inherent leverage of insurance, higher returns on assets drove substantial increases in returns on equity for these insurers, which has led to rapid and profitable growth. Legacy insurers are seeking to find their own differentiated sources of improved asset returns, and increasingly are outsourcing their investment management to Apollo and other private debt managers to remain competitive.

While Brookfield is a later entrant to this industry, it has a unique competitive advantage – Brookfield already owns \$1 trillion of infrastructure, power, and real estate assets. These asset classes have financial characteristics that are uniquely suited for insurance, which include their long-term, contracted cash flows, and inflation indexation. Brookfield is also a massive issuer of investment grade debt to the capital markets. Over time, Brookfield intends to invest a portion of BWS's investment portfolio in Brookfield-related assets, including investment grade debt, and to a smaller degree, in the equity of Brookfield-owned assets or funds.

While detractors have recently taken issue with these related-party transactions, we arrive at a different conclusion. We believe the ability for Brookfield to selectively invest its insurance investment portfolio in assets it already owns and knows intimately well is a unique competitive synergy with strong financial logic. It allows Brookfield to earn higher returns on equity while policyholders benefit from investments in a lower-risk product given Brookfield's informational edge and equity ownership of the underlying assets. Notably, such related-party transactions are subject to third-party valuation assessments as well as regulatory oversight and approvals. Funding is based on a prescriptive risk-based capital framework.

Brookfield's insurance annuity business is synergistic for Brookfield, as BAM invests the insurance float on behalf of policyholders – generating a capital-light and high-margin management fee-stream to BAM – while BN realizes earnings on realized asset yields above the cost of the insurance companies' liabilities, referred to as 'spread earnings.' Leveraging BAM's differentiated investment capabilities, BN is currently generating a low-to-mid-teens returns on equity.

Earnings are poised to expand over the near term as Brookfield repositions an acquired held-to-maturity asset portfolio, inherited through BN's American Equity Life acquisition. BN anticipates accelerating organic origination capabilities over the near term and intends to more than double insurance float to \$300 billion by 2029, driving significant increases in cash flows to BN and fee revenue to BAM. Brookfield Wealth Solutions is likely to remain a meaningful growth asset for Brookfield as the overall market for these products is growing at an attractive rate, and the market is consolidating assets with best-in-class managers. We believe Brookfield has a unique "right to win" in this marketplace.



### Brookfield in Summary

Including its proportionate ownership of BAM, BN generated \$5.3 billion of DE in 2024, with minimal contribution from carried interest. On a pro forma basis, using Wealth Solutions structural earnings power and normalizing for our estimate of BN's steady state carried interest, we estimate BN's DE are approximately \$8 billion. Including our expectations for organic growth, we estimate recurring cash flows will roughly double through 2029 from the current levels to more than \$10 billion, a mid-to-high-teens compound annual growth rate. Growth will be driven by the growth of Wealth Solutions AUM, a large increase in contribution from carried interest, teens plus growth in BAM's fee-related earnings, and stable, mid-single-digit growth across Brookfield's other holdings. Our estimates are conservative compared with BN's own long-term targets of \$13.5 billion of DE by 2029.

With a combination of recurring cash flows, carried interest realizations, and capital return from BN's direct investments and asset sales from BPG, we expect BN to generate more than \$45 billion in cash flows over the next five years. After considering the capital required to fund Wealth Solutions' growth objectives and other investments, this leaves more than \$30 billion in excess cash flows for BN – more than one-third of BN's market capitalization – which can be deployed for intelligent capital allocation or share repurchases.

### BN Sum-of-the-Parts Valuation

Presently, Brookfield Corporation has a market capitalization of \$80 billion. BN's ownership in its publicly listed affiliates nearly explains the entire market capitalization of the Corporation – BN's ownership in BAM, BEP, BIP and BBU collectively sum to \$71 billion of market value at BN's proportionate share. In other words, at the current share price, an investor is paying \$9 billion for the combination of Wealth Solutions (poised to generate ~\$2 billion of pro forma cash flows for BN), BPG (a \$25 billion asset), BN's carried interest cash flow stream (we estimate a ~\$20 billion plus fee stream on a net present value basis) and \$11 billion of direct investments BN has in BAM's private funds. We estimate that BN is trading at a ~38% discount to its sum-of-the-parts value.

### BN Valued Based on Future Cash Flows

Today, BN is trading at 12.5 times our assessment of next 12 months DE, or 10 times adjusted for increased earnings from BWS and our assessment of steady state carried interest. Considering the composition of BN's future cash flows and using a weighted-average multiple, we anticipate Brookfield should generate 25%-plus compounded returns for shareholders, assuming conservative assumptions on an exit-multiple for the business. We apply a 16 to 17 times multiple to BN's 2029 economic earnings, principally driven by a high-twenty's multiple of earnings from BAM, a mid-to-high-teens multiple on the cash flows associated with its affiliate distributions, a 10 times multiple on our estimate of normalized carried interest, and a 10 times multiple on BN's DE from Wealth Solutions. While the composition of BN's future cash flows will remain diversified, a disproportionate share of BN's value will continue to come from BAM given its higher relative valuation.

Comparison to publicly traded peers suggests further valuation upside. The most relevant comparables include KKR and Apollo, which trade at 21 times and 16 times DE, respectively. KKR is more comparable to BN, as it has a similar composition of cash flows diversified across FRE, carried interest, spread earnings, and expects to expand its direct holdings of operating companies. Apollo generates approximately two-thirds of its DE from Athene's (its insurance affiliate's) spread-related earnings, a lower quality earnings stream, which suggests that 16 times DE should be a floor valuation for Brookfield.



As a Canadian domiciled company, Brookfield has been largely ignored by many U.S. institutional investors. We anticipate that improved investor relations and sell-side analyst engagement by BN should help increase ownership of BN among U.S. institutional investors, which should help close the valuation discount, which the company is taking advantage of through a large share repurchase program.

#### Nike Inc. (“NIKE”)

NIKE is one of the world’s most valuable and iconic brands with a dominant market position in the highly consolidated athletic footwear industry. The company has a long-term track record of robust revenue and earnings growth driven by market share gains as well as pricing power and innovation, underpinned by the persistent secular trends of health and wellness and casualization.

Despite the high-quality nature of its business, NIKE is currently in a rare multiyear period of business and stock price underperformance due to poor strategic choices by the prior CEO. These missteps included an overemphasis on direct-to-consumer sales at the expense of wholesale partnerships, a shift from an organizational structure centered around sports to one segmented by gender, and overproduction of key lifestyle franchises to drive easy sales as opposed to the hard work of commercializing and scaling new, innovative products. In early 2024, the prior CEO acknowledged his mistakes and started undoing a lot of these decisions. We were confident that the new strategy would either lead to improving fundamentals if the team could execute, or leadership change if they failed, and we initiated an investment in the company in the spring of 2024. Unfortunately, we learned shortly thereafter when NIKE reported earnings in late June that we had underestimated the degree of near-term revenue declines and operating deleverage that would be necessary to effectuate a turnaround.

Our assessment that the company’s competitive founder and controlling shareholder Phil Knight would not tolerate losing much longer proved correct. In September 2024, NIKE’s Board of Directors announced that Elliott Hill would re-join the company as CEO in mid-October. Hill is a beloved 32-year NIKE veteran who had previously led all commercial and marketing operations for NIKE as President – Consumer and Marketplace, including P&L ownership across all four geographies, before retiring in June 2020. We believe that Hill is the ideal person to reinvigorate culture and morale, unleash product innovation centered on sports, return to powerful brand-focused marketing, and rebuild wholesale relationships and distribution. NIKE’s turnaround requires significant near-term investments in cleaning up marketplace inventories, marketing and sports partnerships, and retailer incentives, all of which are severely depressing near-term margins. In the medium-term, we believe that this strategy will drive financial performance in-line with the company’s long-term track record, including high-single-digit revenue growth and margins that are more than double current levels. With a clear roadmap under new leadership, NIKE is well-positioned to reestablish its dominance in the industry.

In early 2025, we converted our NIKE common equity position to deep in-the-money call options. This structure allows us to maintain exposure to the upside potential of owning the stock outright while unlocking capital for new investments. The positive intrinsic value of these options and their low break-even price minimizes the likelihood of loss, while the multi-year term provides duration through NIKE’s turnaround, which we believe will ultimately be successful, but may lead to short-term share price volatility. In a successful turnaround, the option payoffs should be more than double the returns from owning the common stock. We continue to believe that NIKE has the potential to be one of the great large-cap consumer turnarounds.



## Current Equity Positions:

### Universal Music Group (“UMG”)

Universal Music Group is the world’s leading music entertainment company and a high-quality, capital-light business that can be best thought of as a rapidly growing royalty on greater global consumption and monetization of music. While UMG’s share price was volatile and effectively flat for the year, the company has made considerable progress in growing the business, and earlier this year convincing investors of the duration of its growth opportunity, while signing new favorable agreements with its digital service providers (“DSPs”).

During the summer, UMG’s shares declined sharply when the company reported its second quarter results. The company’s key growth metric, its subscription and streaming revenue growth decelerated from its recent double-digit growth rate to mid-single digit growth. Our belief was that these results represented a shorter-term development related to several idiosyncratic factors combined with a slowdown in the overall economic environment. Since then, UMG has reported strong results that show healthy underlying growth in its subscription revenues while management has provided additional guidance that its streaming revenues will return to growth this year.

In September of 2024, the company hosted a capital markets day in London, where management outlined mid-term targets of 7%+ revenue growth, underpinned by 8% to 10% subscription revenue growth and double-digit, Adjusted EBITDA growth. The company also introduced “Streaming 2.0,” its plan to better maximize customer value with a focus on broader monetization, segmentation of customers, and higher prices. We believe the next era of growth for the company will be driven by continued penetration of streaming, additional and recurring price increases, and new product tiers for superfans.

In a few short months since then, the company has already signed new agreements with Spotify and Amazon that embrace these “Streaming 2.0” principles, including higher wholesale rates. We expect that similar agreements with other major platforms may be completed in the months ahead. We believe these new agreements will lead to higher subscription and streaming growth, as they incorporate higher wholesale rates, like-for-like retail price increases, and new product tiers for superfans.

During the year, we exercised our registration rights for UMG to list its shares in the U.S. We expect the listing to be a positive catalyst as it will provide: (1) increased demand for UMG shares from institutional investors who by mandate cannot purchase non-U.S. listed companies as well as from U.S. retail investors who have difficulty purchasing non-U.S. listed shares, (2) improved analyst coverage, and (3) the potential for inclusion in major U.S. indices. The company also began the search for a new CFO which offers the potential for improvement in shareholder communications and engagement.

At the end of the year, we announced the successful completion of the finite-life PSVII funds,<sup>ii</sup> and distributed the underlying shares of UMG to our limited partners. We believe that UMG’s continued strong market positioning, long runway for sustained earnings growth, and superb business qualities bode well for the company’s future prospects.

### Alphabet (“Google” or “GOOG”)

Alphabet, the parent company of Google, delivered stellar financial performance in 2024, highlighting the company’s dominant position in the fast-growing digital advertising market, underappreciated leadership in AI, and substantial margin expansion opportunity.

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<sup>ii</sup> The PSVII funds include PS VII Master, L.P. and PS VII A International, L.P.



Revenues grew at a robust 15% rate led by strength in its core advertising business and rapid deployment of AI innovations. In Search, the company has successfully rolled out AI-powered summary responses, called “AI Overviews”. Early engagement with AI Overviews has been highly encouraging with consumers searching more frequently, with more detailed queries, and clicking through at higher rates. Google has been able to address two key investor concerns with introducing AI in Search around cost-to-serve and ad monetization. The company has reduced the compute cost per AI query by more than 90% over the last 18 months, a step-function cost reduction which has enabled Google to roll out AI Overviews broadly to more than a billion users. The company also recently introduced ads on AI Overviews and has explained that these ads are already monetizing at the same rate as regular Search ads. Over time, we expect more context-rich AI responses to drive even higher conversion rates and efficacy on ads.

Beyond Search, Google’s AI capabilities continue to differentiate and strengthen the company’s other business lines. AI-powered creative tools have propelled YouTube to be a leading destination for content creators and driven its success in the short-form video format and on Connected TVs, where YouTube is the number one streaming platform in the U.S. by watch time according to Nielsen. Google’s Cloud segment, which is now a nearly \$50 billion run-rate business, grew 31% in 2024 driven by demand for the company’s enterprise AI offerings. Most notably, the segment’s impressive growth rate was potentially capped by near-term capacity constraints, which the company is seeking to alleviate with its expanded \$75 billion capital expenditure plan in 2025. With increasing scale, the Cloud segment has inflected from breakeven profitability in 2023 to 17.5% profit margins in the most recent quarter, with line of sight to achieving the greater than 30% profit margins enjoyed by peers.

More broadly, profitability across Alphabet is improving at a rapid clip. Consolidated profit grew 29% and profit margins expanded 370 basis points in 2024 (excluding one-time severance and restructuring charges) as cost control initiatives and headcount leverage are bearing fruit. Over the last two years, the company’s total headcount has decreased 4% while revenue has grown 27%. In addition to driving revenue growth opportunities, AI integration is also enabling substantial automation gains in Google’s internal workflows and operations. The company recently shared that more than a quarter of all new code is generated by AI and then reviewed and accepted by engineers. We expect these automation efficiencies to continue driving margin expansion over the long-term. To that end, we were encouraged to hear new CFO, Anat Ashkenazi, commit to building on the company’s efficiency initiatives and evaluate where they might be able to accelerate their work.

Despite tremendous business momentum, Alphabet still trades at around 18x forward earnings, a highly discounted valuation for a business of its quality and growth prospects. As the company executes on its AI potential and margin expansion opportunity to drive rapid earnings growth, we expect its share price will increase to better reflect its strong underlying business fundamentals.

### Restaurant Brands (“QSR”)

QSR’s franchised business model is a high-quality, capital-light, growing annuity that generates high-margin brand royalty fees from its four leading brands: Tim Hortons, Burger King, Popeyes, and Firehouse Subs.

QSR’s two largest businesses (Tim Hortons and its international division) collectively contribute approximately 70% to the company’s profits and are outperforming peers and taking market share. At Tim Hortons which represents more than 40% of the company’s profits, the multi-year effort to reinvigorate the brand led to strong performance in 2024. During the year, same-store sales increased by 4%, led by nearly 3% growth in traffic. Tim Hortons has now grown traffic for 15 consecutive quarters and was one of the only large brands in Canada to grow traffic during a challenging year for the industry. As a result of the strong growth, the average franchisee at Tim Hortons saw their profitability increase by 10% to \$305,000, improving already best-in-class unit economics, which we believe will lead to further unit growth, even in Canada’s already mature coffee market. We believe the brand has many operating levers at its disposal including expanding its cold beverage and afternoon



food platforms that will lead to continued growth. QSR's international business, which contributes nearly a quarter of the company's profits, also delivered strong results despite temporary headwinds in China and the negative impact from boycotts related to the conflict in the Middle East. Burger King International's same-store sales of 3% are higher than those of McDonald's in 2024 and cumulatively since the pandemic. We expect the company to deliver even stronger performance this year, as it laps these temporary headwinds.

The turnaround of Burger King U.S. is also progressing according to plan, with franchisee profitability exceeding expectations. QSR's recent \$1 billion acquisition of Carrols, its largest U.S. franchisee, is another major step in accelerating restaurant remodels and refranchising efforts. We expect this transition towards smaller, more entrepreneurial operators will further drive sustainable growth for the brand.

The company is also taking a proactive approach in responding to evolving consumer preferences for cleaner ingredients and fresh preparation of food. The company has already banned certain artificial ingredients and is working towards menus free from colors and artificial flavors at each of its brands where possible. In addition, the company has further differentiated Popeyes with its use of beef tallow for frying, enhancing taste while aligning with shifting consumer health trends. The company is also committed to fresh preparation, with each whopper made-to-order, and fresh coffee brewed at Tim Hortons every twenty minutes.

Management remains committed to its 8%+ operating profit growth target for 2025 and beyond. QSR currently trades at approximately 18 times our estimate of forward earnings, which is more than a 30% discount to peers despite similar long-term earnings growth algorithms. Given QSR's strong operating model, improving financial performance, and deeply discounted valuation relative to peers, we remain confident in the company's long-term growth trajectory and future share price performance.

### Howard Hughes Holdings ("HHH")

HHH delivered solid business performance in 2024, demonstrating the resilience of its uniquely advantaged, high-quality portfolio of master planned communities ("MPCs"). In its residential land sales segment, the company generated a record-high \$349 million in full-year profits. A continued shortage of resale housing inventory has fueled robust demand for new homes and homebuilder demand for land in HHH's amenity-rich MPCs, which are well-located in growth markets with favorable demographic trends.

In the company's portfolio of income-producing operating assets, net operating income ("NOI") grew 6% on a same-store basis in 2024 driven by strong leasing momentum and steady rental rate increases. In its Ward Village condominium development in Hawaii, HHH continues to experience robust sales momentum. The company closed and delivered on its Victoria Place development in Q4 2024, delivering \$211 million in gross profits, and has pre-sold 58% of inventory at its latest luxury condominium tower, The Launiu, despite only having launched sales last February.

On August 1, 2024, HHH successfully completed its spin-off of Seaport Entertainment Group (NYSE: SEG), which is comprised of the Seaport District in New York City, the Las Vegas Aviators minor league baseball team, and certain other noncore entertainment assets. SEG is in the early stages of unlocking the inherent value of its unique collection of assets under the leadership of CEO Anton Nikodemus, a 30-year entertainment industry veteran. Shortly after its spin-off, SEG successfully completed a \$175 million rights offering. Pershing Square backstopped and invested \$73 million in the rights offering, resulting in a 39.5% ownership stake in SEG, and Investment Team member Anthony Massaro joined the board of the company.





## Fannie Mae (“Fannie”) and Freddie Mac (“Freddie”)

Fannie Mae and Freddie Mac appreciated sharply in 2024 as President Trump’s victory increased their probability of exiting conservatorship. Meaningful progress was already made during President Trump’s first term – most significantly former Treasury Secretary Mnuchin’s suspension of the net worth sweep in January 2021. Because of the sweep suspension, both entities have continued to build capital through retained earnings with their combined net worth now reaching \$154 billion, a level that is approaching a fortress-like balance sheets for these critical housing finance institutions.

President Trump has publicly committed to privatizing Fannie and Freddie, most explicitly in a letter he wrote in November 2021, in which he stated that his “Administration would have also sold the government’s common stock in these companies at a huge profit and fully privatized the companies” were it not for the “unconstitutional restriction on firing [former FHFA Director] Mel Watt.” We believe that the economic and policy rationale for privatization remains strong, as it would allow the Treasury to monetize the remainder of its investment in Fannie and Freddie or contribute it to a newly created sovereign wealth fund, shrink the government’s footprint in-line with the objectives of key initiatives such as DOGE, and place significant private capital ahead of the taxpayer in the event of any future housing crisis.

We believe that key recent appointees will support the President’s agenda of releasing the GSEs from conservatorship. Treasury Secretary Scott Bessent and HUD Secretary Scott Turner have both articulated support for privatization, and newly appointed FHFA Director nominee Bill Pulte is expected to focus on executing this agenda. Additionally, Freddie Mac’s hiring of Craig Phillips, a key advocate for releasing the GSEs, as EVP of Corporate Strategy and External Affairs, signals increasing momentum toward re-privatization.

Against this backdrop, we believe there is a clear path for Fannie and Freddie to become fully recapitalized and exit conservatorship within the next two years. As outlined in our January 16th presentation<sup>iii</sup>, “The Art of the Deal,” we believe Fannie and Freddie common shares will be worth a large multiple of today’s trading prices if this likely privatization path occurs.

## Chipotle (“CMG”)

Chipotle continued its strong performance in 2024, delivering robust transaction-driven comps each quarter, expanding margins, making progress on operational initiatives, and opening more than 300 restaurants while laying the groundwork for international expansion.

Same-store sales grew 7% during the year, including transaction growth of over 5% driven by faster throughput and successful marketing. The return of the fan-favorite Chicken Al Pastor and Smoked Brisket limited-time offers also contributed to this momentum. Chipotle’s simple menu, featuring responsibly sourced and wholesome ingredients, resonates with today’s consumers at prices that are 20% to 30% more affordable than offerings from fast-casual competitors.

Restaurant-level margins expanded by 50 basis points in 2024 despite headwinds from investments in portion consistency and wage inflation in California, underscoring Chipotle’s attractive unit economics. Management continues to see significant opportunities to improve in-restaurant execution, including the deployment of new equipment to simplify back-of-house operations, which will further increase profitability and enhance the customer and employee experience in 2025 and longer-term.

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<sup>iii</sup> Refer to <https://assets.pershingsquareholdings.com/2025/01/16112701/Fannie-Mae-Freddie-Mac-01-16-2025-Presentation.pdf>



These results were particularly impressive given the CEO transition that took place in August 2024. Scott Boatwright, Chipotle's COO since 2017, was named Interim CEO upon Brian Niccol's departure, and officially appointed as permanent CEO in late 2024. A seasoned restaurant executive, Boatwright possesses the ideal skillset to lead an operationally intensive business like Chipotle. Scott is supported by an exemplary team, with most key executives having joined Chipotle at the beginning of its turnaround in 2018 or many years before then.

Looking ahead, we believe Chipotle is in the early stages of a decades-long growth story. Management remains committed to expanding its North American restaurant footprint at a rate of 8% to 10% annually, with a goal of reaching at least 7,000 locations. Chipotle is also accelerating international growth by scaling its company-owned restaurant business in Europe and launching a franchise strategy in the Middle East while exploring partnerships in additional geographies. Beyond expanding its restaurant footprint, Chipotle has numerous growth opportunities within existing locations including menu innovation, loyalty program enhancements, and the long-term potential to introduce additional dayparts such as breakfast and integrate automation technology to streamline operations.

#### Canadian Pacific Kansas City ("CPKC")

CPKC is a high-quality, inflation-protected North American railroad operating in an oligopolistic industry with significant barriers to entry. The transformative merger of Canadian Pacific and Kansas City Southern in 2023 created the only direct rail network linking Canada, the United States, and Mexico that is delivering substantial benefits to the market by creating new transportation and logistics opportunities, and driving efficiencies for the company and its customers. CPKC has realized more than \$800 million of run-rate revenue synergies to date, exceeding management's expectations, as customers recognize the unique value proposition of CPKC's network. The company also continues to achieve operations and procurement-related cost savings from the merger. These synergies enabled CPKC to grow earnings per share by 11% in 2024 despite multiple labor disruptions and a challenging freight market.

While uncertainty surrounding trade policy and potential tariffs has weighed on CPKC's stock price, the company's earnings have remained resilient in similar environments. During the first Trump administration, despite increased tariff activity, Canadian Pacific and Kansas City Southern each grew earnings per share at a mid-teens annualized rate. Furthermore, the economies of the U.S., Canada, and Mexico have never been more interconnected as nearshoring has accelerated since the pandemic and the U.S. reduces its reliance on China. While President Trump's policies will likely result in increased U.S. manufacturing and greater trade balance, we believe continued North American trade is also necessary to achieve strong U.S. economic growth. Regardless of the potential tariff outcomes, management guided to earnings per share growth of 12% to 18% in 2025 supported by synergies, improved pricing, and the resumption of share buybacks.

Under the leadership of CPKC's best-in-class management team, we believe the company is well positioned to deliver double-digit earnings and free cash flow per share growth in the years to come.

#### Hilton ("HLT")

Hilton continues to demonstrate its position as a high-quality, asset-light business with a long runway for earnings growth, driven by its exceptional management team and strong operational execution. In 2024, Hilton delivered another year of impressive financial and operational performance, with revenues increasing 9%, supported by strong net unit growth ("NUG") and a 3% increase in revenue per available room ("RevPAR") compared to 2023. Earnings-per-share grew 15% year-over-year, benefiting from Hilton's excellent cost control and continued best-in-class capital return.





The near-term outlook for Hilton remains constructive. Domestic macroeconomic conditions support another year of 2% to 3% systemwide RevPAR growth, with continued improvement in business transient and group travel. Hilton is poised to accelerate its organic NUG to 6%-7% in 2025, bolstered by core brand expansion, the addition of new brand concepts, and heightened conversion activity. These dynamics position Hilton for another year of high-single-digit fee revenue growth and mid-teens earnings-per-share growth.

Hilton's long-term growth prospects remain robust. The company's best-in-class value proposition continues to drive market share gains and industry-leading NUG, supporting high-single-digit fee revenue growth. Coupled with excellent cost control, high incremental margins, and a substantial capital return program Hilton should continue to realize robust mid-to-high-teens compounded earnings growth for the foreseeable future.

We continue to view Hilton as an incredible business that offers a unique combination of predictability, resiliency and capital-light growth. With its best-in-class leadership team, clear strategic vision, and robust growth runway, Hilton remains well-positioned to deliver sustained value to shareholders in the years ahead. In recognition of these dynamics, Hilton's stock performed well in 2024, with its valuation multiple rising to reflect Hilton's attractive financial attributes. We used this as an opportunity to trim our holdings, although we intend to remain a long-term Hilton shareholder.



## PUBLIC COMPANY ENGAGEMENT SINCE INCEPTION<sup>(16)</sup>

### Long Positions

			Atlantic Realty Trust			
2004	2004	2004	2004	2004	2005	2005
						
2006	2006	2007	2008	2008	2008	2009
						Justice Holdings Ltd.
2010	2010	2010	2010	2010	2011	2011
						
2012	2013	2013	2013	2013	2014	2014
						
2015	2015	2015	2016	2017	2018	2018
						
2018	2018	2019	2020	2020	2020	2021
						
2021	2023	2023	2024	2024	2024	

### Short Positions\*

					
2004	2005	2007	2007	2007	2012

\* Short Positions includes options, credit default swaps and other instruments that provide short economic exposure. Pershing Square has no current intention to initiate a public equity short position.

The companies on this page reflect all of the portfolio companies, long and short, as of March 11, 2025, in respect of which (a) Pershing Square or any Pershing Square Fund, as applicable, has designated a representative to the board, filed Schedule 13D, Form 4 or a similar non-US filing or has made a Hart-Scott Rodino filing; or (b) Pershing Square has publicly recommended changes to the company's strategy in an investment-specific white paper, letter or presentation.

Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and disclaimers on pages 124-128.



# Principal Risks and Uncertainties

The Board has ultimate responsibility for the Company's risk management. The Board recognizes that identifying the inherent risks related to the business and operations of the Company and developing an effective strategy to manage and mitigate these risks is crucial to the ongoing viability and success of the Company.

In order to identify these risks, the Board reviews the management of investment risk and the operations of the Investment Manager at each quarterly Board meeting.

In addition, the Board has established a Risk Committee, which at least annually carries out a robust assessment of the existing and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency or liquidity.

The Risk Committee's assessment identified 45 existing risks relevant to the Company's business, including risks arising from the Company's investment activities, structure and operations as well as risks relating to shareholder engagement and regulatory compliance. The Risk Committee has considered the cause of each risk, the likelihood of the risk occurring, and the severity of the impact on the Company if the risk occurs, both before and after taking into account the controls in place to mitigate it. Based on this assessment, the Risk Committee has identified the subset of risks set out below as the principal risks faced by the Company. The discussion of each principal risk below also includes the effect of any applicable emerging risks identified by the Committee.

Risk	Description	Mitigating Factors
<b>Investment Risk</b>	<p>The Company's investments are exposed to the risk of the loss of capital. There is no assurance that the Company's portfolio investments will increase in value and shareholders may lose all, or substantially all, of their investment in the Company.</p> <p>Failure to appropriately integrate risks into investment decisions or to manage risks to which the Company's investments are exposed, including Environmental, Social, and Governance ("ESG") risks such as climate change, may have a material negative impact on the Company's performance.</p> <p>The Board and Investment Manager have identified potential changes to U.S. trade and immigration policy and the impact of artificial intelligence (AI) as emerging risks to the Company's investments.</p>	<p>The Investment Manager is an experienced investor and makes investment decisions in accordance with its investment principles as described in the Company's Investment Policy.</p> <p>The most important criterion in the Investment Manager's investment selection process is its view of the long-term quality of a business, which is informed by, among other things, the Investment Manager's assessment of the potential impact of risks to the business, including ESG risks, and how these risks are managed by its board and management. The Investment Manager assesses risks to the long-term success of the Company's investments by performing extensive research prior to making an investment decision and by ongoing monitoring to deeply understand each business and the industry in which it operates. The Investment Manager's approach to the management of ESG risks as a component of investment risk is further described in its ESG Statement available on the Company's website.</p> <p>The Board receives quarterly updates on the performance of the Company's portfolio positions, including the effect of emerging risks on the portfolio. The Investment Manager assesses the potential impact of emerging risks on the portfolio and seeks to make portfolio investments that are resilient to disruption by, or may benefit from, emerging risks. The Investment Manager believes the portfolio is well-positioned to harness AI's growth opportunities and does not believe the portfolio will be significantly impacted by anticipated changes in U.S. trade and immigration policy, but will continue to monitor these areas. See the Portfolio Update in the Investment Manager's Report for further discussion of the impact of emerging risks on individual portfolio companies.</p> <p>The long-term interests of the Investment Manager are aligned with the Company's shareholders as a result of the substantial investment made by the Investment Manager's personnel in the Company.</p>



Risk	Description	Mitigating Factors
<b>Investment Manager's Authority</b>	<p>The Investment Manager has broad investment authority in executing the Company's strategy and may use whatever investment techniques it believes are suitable for the Company, including novel or untested approaches.</p> <p>In addition, the Company's strategy depends on the ability of the Investment Manager to successfully identify attractive investment opportunities.</p> <p>Performance fees may incentivize the Investment Manager to take on excessive risk within the portfolio.</p>	<p>The Board receives a report from the Investment Manager at each quarterly Board meeting, or as necessary, on developments and risks relating to portfolio positions, financial instruments, and the portfolio composition as a whole.</p> <p>The Investment Manager engages in a thorough diligence process for novel investment structures and is an experienced investor. The Investment Manager seeks to limit the impact of unsuccessful novel investments on the Company's performance by sizing them appropriately and regularly reevaluating any unrealized losses. The Investment Manager has no current intention to initiate a public equity short position.</p> <p>The performance fee calculation takes into account unrealized gains and losses, and no performance fee is paid unless NAV appreciation exceeds the high water mark.</p> <p>Investment team compensation is based on performance of the overall portfolio rather than any individual position.</p> <p>The long-term interests of the Investment Manager are aligned with the Company's shareholders as a result of the substantial investment made by the Investment Manager's personnel in the Company.</p>
<b>Portfolio Concentration</b>	<p>The Investment Manager may invest a significant proportion of the Company's capital in a limited number of investments, including asymmetric hedges, subject to the Company's Investment Policy. Because the Company's portfolio is highly concentrated, it is sensitive to general market fluctuations and its investment results may be volatile. A concentrated portfolio also exacerbates the risk that a loss in any one position could have a material adverse impact on the Company's assets.</p>	<p>The Investment Manager performs extensive research prior to making new investments, along with ongoing monitoring of positions held in the Company's portfolio. The Investment Manager is mindful of sector and industry exposures and other correlations between businesses in which the Company invests. The Investment Manager will reduce position sizes accordingly in investments with greater leverage, business complexity or other factors that create a risk of substantial permanent impairment of value.</p> <p>The Board reviews portfolio concentrations and receives a detailed overview of the portfolio positions no less than quarterly, and more frequently as necessary.</p> <p>The Investment Policy prohibits investments by the Company in, or giving exposure to, the securities of any one issuer representing more than 25% of the Company's gross assets (assets on the statement of financial position prior to deduction of liabilities) measured at the time of making the investment.</p>



Risk	Description	Mitigating Factors
<b>Corporate Engagement</b>	The Investment Manager is an engaged investor and may advocate for managerial, operating and governance changes, which may require the substantial use of time, resources and capital and may involve litigation by or in opposition to the target company's management, board or shareholders.	<p>The Investment Manager has significant experience engaging constructively with the management of portfolio companies, and management has been supportive of its role in the substantial majority of such engagements. The Investment Manager takes an active role where it believes the commitment of time, energy, and capital is justified in light of the potential reward.</p> <p>The Investment Manager does not currently intend to initiate public equity short positions.</p> <p>The Board is kept informed of and reviews the Investment Manager's active engagements with portfolio companies.</p>
<b>Portfolio Liquidity Risk</b>	<p>The Company may be restricted from trading in certain securities in its portfolio for which the Investment Manager has board representation or for contractual, regulatory or other reasons.</p> <p>Stressful market conditions may prevent the Company from having sufficient liquidity to meet its liabilities when due.</p>	<p>The timing of the Company's significant liquidity events (e.g. bond coupon payments, bond maturities, dividends, etc.) is known well in advance by the Investment Manager.</p> <p>The Investment Manager actively monitors positions with trading restrictions to manage its future liquidity needs. The Investment Manager may sell securities subject to restrictions through block sales, during open trading windows or pursuant to automatic trading plans. When joining the board of an issuer, the Investment Manager typically seeks to receive registration rights to facilitate future sales.</p> <p>The Company invests primarily in large-capitalization securities which are highly liquid under normal market conditions. The Investment Manager actively manages the Company's cash and cash equivalents to ensure, as much as possible, that the Company will have sufficient liquidity under both normal and stressed market conditions.</p>
<b>NAV Discount</b>	The Public Shares of the Company have in the past, currently and may in the future trade at a significant discount to NAV, which may affect demand for the Public Shares.	<p>For a summary of actions the Company has taken to address the discount, please see "Discount to NAV" in the Report of the Directors.</p> <p>The Board monitors the trading activity of the shares on a regular basis and reviews the discount to NAV at its quarterly meetings. The Company has retained advisers to engage with existing and potential shareholders and to assist in its consideration of potential measures to reduce the discount of share price to NAV.</p>
<b>Regulatory Risk</b>	Regulatory risk can negatively impact the Company in a number of ways. For example, changes in laws or regulations could have a detrimental impact on the Company's ability to freely acquire and dispose of certain securities or deploy certain investment techniques. In addition, failure to comply with laws or regulations can subject the Company to reputational damage and prosecutions.	<p>Prior to initiating an investment, the Investment Manager considers the possible legal and regulatory issues that could impact its ability to achieve its objective with respect to such position. The Investment Manager's legal and compliance team (supported by professional external advisers) monitors regulatory changes on an ongoing basis and informs the Board of emerging risks.</p> <p>The Board and the Investment Manager maintain policies and procedures designed to prevent violations of applicable laws and regulations. The Board is provided with the Investment Manager's compliance manual and periodic updates thereto.</p> <p>The Board is apprised of any regulatory inquiries or material regulatory developments and receives quarterly updates from the Investment Manager's Chief Legal and Compliance Officer.</p>



Risk	Description	Mitigating Factors
<b>Key Personnel</b>	<p>The departure of Mr Ackman and Mr Israel or of a significant number of members of the investment team could have a material adverse effect on the Company's ability to achieve its investment objective.</p>	<p>To mitigate the risk of Mr Ackman's unforeseen departure, the Investment Manager appointed Ryan Israel, the longest-tenured member of the investment team, as Chief Investment Officer in August 2022.</p> <p>The Investment Manager completed a reorganization of its ultimate ownership structure in 2024 such that future ownership changes, including with respect to Mr Ackman's ownership, will not be deemed to result in an assignment of the IMA or a change of control under the indentures governing the Bonds.</p> <p>The investment team and other senior personnel of the Investment Manager are experienced, longstanding employees, and there is limited turnover. While Mr Ackman has ultimate discretion with respect to all investment decisions, each member of the investment team plays a material role in the construction and management of the portfolio.</p> <p>The Investment Manager has structured the incentive compensation of key personnel to promote their retention and contribute to the long-term success of the Company.</p> <p>Sound corporate governance principles and segregation of duties are well established and effectively practiced. The Investment Manager maintains a contingency plan to facilitate an orderly transition in the management of the Company's affairs and communications to shareholders upon the occurrence of Mr Ackman's death or permanent disability.</p>
<b>Tax Risk</b>	<p>The Company may conduct its affairs in a way that places its tax status at risk. Changes to the tax laws of, or practice in a tax jurisdiction affecting the Company could adversely affect the value of the Company's investments and decrease the post-tax returns to shareholders.</p> <p>Investments in the Company may not be tax efficient for certain shareholders. The Investment Manager may make an investment or trading decision which takes into account tax consequences for some investors and/or is tax efficient for some shareholders, but which may result in adverse tax or economic consequences for other shareholders.</p>	<p>The Company aims to avoid adverse tax consequences and engages experienced tax advisers as appropriate.</p>



Risk	Description	Mitigating Factors
<b>Market Risk</b>	<p>Adverse changes affecting the global financial markets and global economy may have a material negative impact on the performance of the Company's investments or may cause the prices of financial and derivative instruments in which the Company invests to be highly volatile.</p> <p>The Board and the Investment Manager have identified changes in U.S. trade and immigration policy as emerging risks to the stability of global financial markets.</p>	<p>The Investment Manager monitors emerging risks to global markets as part of its portfolio management process and seeks to build a portfolio that has limited exposure to changing market conditions.</p> <p>While the Company is not committed to maintaining market hedges at any time, the Investment Manager may seek to opportunistically invest in hedges to protect the Company's portfolio against specific macroeconomic risks and capitalize on market volatility. In order to mitigate market-related downside risk, the Company may acquire put options, short market indices or baskets of securities and/or purchase index or single-name credit default swaps, interest rate or currency hedges, or engage in other hedging strategies.</p>
<b>Information Security</b>	<p>An information security breach results in the disclosure of the Company's sensitive information and/or access to core systems being disrupted or denied.</p>	<p>The Company's sensitive information is primarily maintained by the Investment Manager and the Administrator, which have implemented robust information security controls, frequent testing, periodic assessments and advanced monitoring of cybersecurity threats. The Investment Manager maintains real-time backups of file data and daily backups of servers.</p> <p>The Investment Manager reviews the information security controls of service providers with access to sensitive Company information to ensure appropriate protections are in place. All core operating systems are regularly backed up.</p> <p>The Investment Manager assesses emerging threats to its information security, including the heightened risk posed by ransomware and other types of cyber attacks and has implemented additional monitoring of network traffic and integrated AI into its monitoring of user activity and phishing campaigns.</p> <p>The Information Security Committee of the Investment Manager meets semi-annually or more frequently as needed to evaluate information security risks and to review the effectiveness of the Investment Manager's information security controls. A new Chief Technology Officer joins the Investment Manager in March 2025 and will bring best-in-class leadership in this area.</p> <p>The Board receives quarterly updates on information security and a periodic overview of the Investment Manager's information security program.</p>



<b>Risk</b>	<b>Description</b>	<b>Mitigating Factors</b>
<b>Service Providers</b>	<p>Key service providers perform inadequately or expose the Company to risk.</p> <p>An external incident (e.g. pandemic, natural disaster, cyber attack) significantly disrupts key service providers.</p>	<p>The Investment Manager has adopted a vendor supervision policy and performs due diligence on service providers, including information security and business continuity reviews, in accordance with its assessment of their risk to the Company.</p> <p>The Investment Manager's business continuity and incident response planning include plans for disruptions to key service providers.</p> <p>The Investment Manager monitors key service providers through frequent contact and reports to the Board as needed.</p> <p>The Board advises on the engagement of service providers as appropriate and the Management Engagement Committee reviews key service providers at least annually.</p>
<b>Insurance</b>	<p>The Company is liable for claims due to the failure of an insurance underwriter or inadequate insurance coverage.</p>	<p>The Company and the Investment Manager maintain insurance policies with reputable insurance underwriters.</p> <p>Insurance arrangements and limits are reviewed annually by the Board to ensure they remain appropriate.</p>
<b>Public Relations</b>	<p>Adverse media coverage or social media of the Investment Manager or its personnel causes reputational damage to the Company.</p>	<p>The Investment Manager has retained an in-house Director of Communications, outside public relations firms and a specialist law firm to monitor media coverage, advise on strategy and actively engage with media sources as needed, including pursuing corrections to inaccurate or unfair coverage.</p> <p>The Company does not use X or social media and communicates with shareholders via press releases and at investor calls/meetings. Announcements (other than routine or portfolio-related) are approved by the Chairman and Senior Independent Director prior to release.</p> <p>PSCM's social media accounts are used only for business-related communications that have been reviewed by internal legal counsel.</p> <p>The Investment Manager's electronic communications policy prohibits employees from using any social media platform for business-related communications unless preapproved by the Investment Manager's Chief Compliance Officer.</p> <p>Pershing Square Foundation, a family foundation established by the CEO of the Investment Manager in 2006, advances the CEO's personal social initiatives.</p> <p>The Board receives quarterly updates on any material public relations issues affecting the Investment Manager or the Company.</p>





## Directors



### **RUPERT MORLEY**

Independent Director  
Chairman of the Board  
Chairman of the Nomination  
and Management  
Engagement Committees

Mr Morley, a UK resident, has been an independent Director of the Company since April 2021. Mr Morley is the chairman of the board of Bremont Watch Company and a trustee of Comic Relief and chair of its investment advisory group and its commercial subsidiary, Comic Relief Ltd. He is also a trustee of the Kennedy Memorial Trust. Mr Morley previously served as CEO of Sterling Relocation, Hamptons estate agency and Propertyfinder.co.uk. He also previously served as a non-executive director of Thistle Hotels, English Welsh & Scottish Railways and Graham-Field Health Products.

He has a degree in economics from Cambridge University and an MBA from Harvard Business School where he was a Kennedy Scholar.



### **HALIT COUSSIN**

Director

Ms Coussin, a U.S. resident, has been a Director of the Company since November 2024. She is also a director of Pershing Square Holdco GP, LLC. Ms Coussin is the Chief Legal Officer and Chief Compliance Officer of the Investment Manager. Prior to joining Pershing Square, Ms Coussin served as an associate attorney at Schulte Roth and Zabel, where her practice focused on advising hedge fund managers on a variety of regulatory and compliance matters. She also previously worked as an associate attorney with Kuhn and O'Toole, LLP.

She received her LL.M. from New York University in 2000 and her LL.B. from Tel Aviv University in 1998.



**BRONWYN CURTIS, OBE**

Senior Independent Director  
Chairman of the  
Remuneration Committee

Ms Curtis, a UK resident, has been an independent Director of the Company since April 2018. Ms Curtis is a global financial economist who has held senior executive positions in both the financial and media sectors. She is the chairman of TwentyFour Income Fund, the Senior Independent Director of BH Macro, a trustee of the Centre for Economic Policy Research and serves as a non-executive director for Mercator Media and the Australia-UK Chamber of Commerce.

Ms Curtis previously served as chairman of the UK Office for Budget Responsibility Oversight Board. She has also been a Governor at the London School of Economics. She held several senior positions at HSBC where she managed the global research operations and was the Head of European Broadcast at Bloomberg LP. Prior to joining Bloomberg, she held positions at Nomura International and Deutsche Bank and worked as a consultant for the World Bank and the UN. Ms Curtis has an honours degree in Economics from LaTrobe University, Australia and a Masters in Economics from the London School of Economics.



**CHARLOTTE DENTON**

Independent Director

Ms Denton, a Guernsey resident, has been an independent Director of the Company since May 2024. She has served on boards for nearly twenty years in both regulated and non-regulated businesses (including listed funds) in both executive and non-executive capacities. She is currently the chairman of Alpha Real Capital and the audit chair of Starwood European Real Estate Finance. Since 2019 she has been a non-executive director of various private companies including the GP boards of private equity groups Cinven, Hitec and NextEnergy Capital.

Ms Denton previously served as a non-executive director of Butterfield Bank (Guernsey) Ltd. During her executive career she worked in various locations through roles in diverse organisations, including KPMG, Rothschild, Northern Trust, a property development startup and a privately held financial services group. Ms Denton holds a degree in politics from Durham University. She is a Fellow of the Institute of Chartered Accountants in England and Wales, a Chartered Director and a Fellow of the Institute of Directors as well as a member of the Society of Trust and Estate Practitioners.



### **ANDREW HENTON**

Independent Director  
Chairman of the Audit and  
Risk Committees

Mr Henton, a Guernsey resident, has been an independent Director of the Company since September 2020. Mr Henton has wide board experience of both regulated and non-regulated businesses (including listed funds) in both executive and non-executive capacities. He serves as chairman of Onward Opportunities Limited, listed on the LSE. He is also chairman of private entities Utmost Worldwide Limited and SW7 Holdings Limited. Mr Henton also serves as a non-executive director of TaDaweb S.A., Longview Partners (Guernsey) Ltd, and Butterfield Bank (Guernsey) Limited. He previously served as a non-executive director of St John Ambulance, Guernsey and as the chairman of Boussard & Gavaudan Holding Limited, a listed closed-ended investment company.

Between 2002 and 2011, Mr Henton held various positions at Close Brothers Group plc, latterly acting as Head of Offshore Businesses. During this time, he led the creation of Close Private Bank, which provided asset management, banking, and administration services to high net worth and institutional clients. Mr Henton previously spent four years working in HSBC's Corporate Finance division and three years as a Fund Manager with Baring Private Equity Partners.

He graduated from Oxford University in 1991 and subsequently qualified as a Chartered Accountant with PricewaterhouseCoopers in London.



### **TOPE LAWANI**

Independent Director

Mr Lawani, a Nigerian national, has been an independent director of the Company since April 2021. He is a co-founder and managing partner of Helios Investment Partners and co-CEO and a director of Helios Fairfax Partners Corp (TSX:HFPC). Prior to forming Helios, he was a principal in the San Francisco and London offices of TPG Capital. He began his career as a mergers & acquisitions and corporate development analyst at the Walt Disney Company.

Mr Lawani serves as a non-executive director of Helios Towers plc, NBA Africa, Professional Fighters League Africa and The END Fund, a leader in the global health movement to tackle Neglected Tropical Diseases. Mr Lawani is a member of the Harvard Law School Dean's Advisory Board and the Massachusetts Institute of Technology Corporation.

He previously was a non-executive director of several public companies, including Vivo Energy plc., Equity Group Holdings Plc (NSE-NAIROBI:EQTY.NR), First City Monument Bank Plc (NSE:FCMB), and Millicom International Cellular (NASDAQ:TIGO). He also previously served on the MIT School of Engineering Dean's Advisory Council, the Overseers' Visiting Committee of the Harvard Business School, the MIT OpenCourseWare Advisory Board and on the Board of Directors of the Emerging Markets Private Equity Association (EMPEA).

Mr Lawani received a B.S. in Chemical Engineering (with a Minor in Economics) from the Massachusetts Institute of Technology, a Juris Doctorate (cum laude) from Harvard Law School and an MBA from Harvard Business School. He is fluent in Yoruba, a widely spoken West African language.



# Report of the Directors

We present the Annual Report and Financial Statements of the Company for the year ended December 31, 2024.

## PRINCIPAL ACTIVITY

The Company was incorporated in Guernsey, Channel Islands on February 2, 2012. It became a registered open-ended investment scheme under Guernsey law on June 27, 2012, and commenced operations on December 31, 2012. On October 1, 2014, the Guernsey Financial Services Commission ("GFSC") approved the conversion of the Company into a registered closed-ended investment scheme.

Please refer to Note 11 for further information on the various classes of shares (any reference to "Note" herein shall refer to the Notes to the Financial Statements).

## INVESTMENT POLICY

The Company's investment objective is to preserve capital and seek maximum, long-term capital appreciation commensurate with reasonable risk. For these purposes, risk is defined as the probability of permanent loss of capital, rather than price volatility.

In its value approach to investing, the Company seeks to invest in long (and occasionally short) investment opportunities that the Investment Manager believes exhibit significant valuation discrepancies between current trading prices and intrinsic business (or net asset) value, often with a catalyst for value recognition.

The Investment Manager may also seek short sale investments that offer absolute return opportunities. In addition, the Investment Manager may short individual securities to hedge or reduce long exposures.

The Company will not make an initial investment in the equity of companies whose securities are not publicly traded (i.e., private equity) but may invest in privately placed securities of public issuers and publicly traded securities of private issuers. Notwithstanding the foregoing, it is possible that, in limited circumstances, public companies in which the Company has invested may later be taken private, and we may make additional investments in the equity or debt of such companies. The Company may make investments in the debt securities of a private company, provided that there is an observable market price for such debt securities.

The Company may invest in long and short positions in equity or debt securities of U.S. and non-U.S. issuers (including securities convertible into equity or debt securities); distressed securities, rights, options and warrants; bonds, notes and equity and debt indices; swaps (including equity, foreign exchange, interest rate, commodity and credit default swaps), swaptions, and other derivatives; instruments such as futures contracts, foreign currency, forward contracts on stock indices and structured equity or fixed-income products (including without limitation, asset-backed securities, mortgage-backed securities, mezzanine loans, commercial loans, mortgages and bank debt); exchange traded funds and any other financial instruments the Investment Manager believes will achieve the Company's investment objective. The Company may invest in securities sold pursuant to initial public offerings. Investments in options on financial indices may be used to establish or increase long or short positions or to hedge the Company's investments. In order to mitigate market-related downside risk, the Company may acquire put options, short market indices, baskets of securities and/or purchase credit default swaps, but is not committed to maintaining market hedges at any time.

A substantial majority of the Company's portfolio is typically allocated to 8 to 12 core holdings usually comprised of liquid, listed mid-to-large capitalization North American companies.



So long as the Company relies on certain exemptions from investment company status under the U.S. Investment Company Act of 1940, as amended, the Company will not purchase more than 3% of the outstanding voting securities of any SEC-registered investment company. The Company will not invest more than 10%, in aggregate, of its total assets in other UK-listed closed-ended investment funds. In addition, investments by the Company in, or giving exposure to, the securities of any one issuer may not, in the aggregate, represent more than 25% of the Company's gross assets, measured at the time the investment is made.

To date, the Company has generally implemented substantially similar investment objectives, policies and strategies as the other investment funds managed by the Investment Manager and its affiliates. Allocation of investment opportunities and rebalancing or internal "cross" transactions are typically made on a pro-rata basis. However, the Investment Manager may abstain from effecting a cross transaction or only effect a partial cross transaction if it determines, in its sole discretion, that a cross transaction, or a portion thereof, is not in the best interests of a fund (for example, because a security or financial instrument is held by such fund in the appropriate ratio relative to its adjusted net asset value, or because a security or financial instrument should be divested, in whole or in part, by the other funds) or as a result of tax, regulatory, risk or other considerations.

The Company may hold its assets in cash, cash equivalents and/or U.S. Treasuries pending the identification of new investment opportunities by the Investment Manager. There is no limit on the amount of the Company's assets that may be held in cash or cash equivalent investments at any time.

The Board has adopted a policy pursuant to which the borrowing ratio of the Company, defined for this purpose as the ratio of the aggregate principal amount of all borrowed money (including margin loans) to total assets (pursuant to the latest annual or semi-annual Financial Statements of the Company), shall in no event exceed 50% at the time of incurrence of any borrowing or its drawdown (e.g. a borrowing under a line of credit). The Board may amend the Company's borrowing policy from time to time, although the Board may not increase or decrease the Company's maximum borrowing ratio without the prior consent of the Investment Manager. This borrowing policy does not apply to and does not limit the leverage inherent in the use of derivative instruments.

The Company may use derivatives, including equity options, in order to obtain security-specific, non-recourse leverage in an effort to reduce the capital commitment to a specific investment, while potentially enhancing the returns on the capital invested in that investment.

The Company may also use derivatives, such as equity and credit derivatives and put options, to achieve a synthetic short position in a company without exposing the Company to some of the typical risks of short selling, which include the possibility of unlimited losses and the risks associated with maintaining a stock borrow. The Company generally does not use total return swaps to obtain leverage, but rather to manage regulatory, tax, legal or other issues.

Material changes to the Company's Investment Policy require approval by a special resolution of the holders of Public Shares.

## RESULTS AND NAV

The Company had a gain attributable to all shareholders for the year ended December 31, 2024 of \$1.17 billion (December 31, 2023: gain of \$2.49 billion). The net assets attributable to all shareholders at December 31, 2024 were \$13.01 billion (December 31, 2023: \$12.06 billion). For the Company's performance returns, please see the Company Performance and Financial Highlights sections on pages 2 and 120, respectively.





The Company announces the weekly and monthly NAV and investment performance of its Public Shares to the LSE and publishes this information on the Company's website ([www.pershingsquareholdings.com](http://www.pershingsquareholdings.com)). In addition, monthly transparency reports created by the Administrator and the Company's fact sheets are published on the Company's website.

The Company released semi-annual financial statements on August 15, 2024 relating to the first half of 2024. The Company intends to release semi-annual financial statements for the first half of 2025 in the third quarter.

## DISCOUNT TO NAV

The Board monitors the discount to NAV at which the Company's Public Shares trade closely and seeks opportunities to narrow it. The discount widened slightly over the course of 2024 from 29.6% at the beginning of the year to 31.2% as of December 31, 2024, despite narrowing to 21% in July 2024 in anticipation of the potential initial public offering of PSUS. The discount has narrowed slightly since year end to 30.9% as of March 11, 2025. The Board and the Investment Manager continue to believe that the Public Shares are undervalued and remain focused on delivering positive performance and attracting long-term investors to narrow the discount.

The Company has taken a variety of actions to better position the Public Shares as an attractive investment opportunity to potential investors in the UK and internationally.

The Company has transitioned its trading to the LSE over time, adding a listing on the Main Market of the LSE (2017) and a USD denominated LSE quotation (2018). The Company was admitted to the FTSE 100 in December 2020 and was the 56<sup>th</sup> largest company on the LSE by market capitalization as of March 11, 2025. As the majority of the Company's liquidity moved to the LSE, the Company consolidated all trading on the LSE and the Public Shares were de-listed from Euronext Amsterdam as of January 31, 2025.

In November 2024, the Board approved the publication of a modified UK Key Information Document ("KID") and European MiFID Template ("EMT") with "0" cost disclosures. The Board believes this approach, taken as a whole with the Company's expense disclosures in this Annual Report, more accurately reflects the reality that the Company's ongoing costs are not directly charged or attributable to shareholders. This approach also avoids other investment firms, which buy the Company's shares for inclusion in client portfolios, having to double-count the Company's costs in their own fee disclosures.

In February 2024, the Investment Manager and the Board expanded the performance fee offset provisions in the Company's IMA, which would reduce the Company's performance fees as the Investment Manager launches new funds. Under the previous arrangement, the Company received a fee reduction of 20% of performance fees earned by the Investment Manager on current and certain future non-PSH funds only once the Investment Manager recovered costs it incurred in connection with PSH's initial public offering. The amendment eliminated the Investment Manager's right to receive the outstanding \$36 million of unrecovered costs, and expanded the fee reduction to also include 20% of any management fees earned from any non-PSH Pershing Square funds that invest in public securities (specifically including those that do not have performance fees, which had hitherto been excluded). The potential impact on the discount of the additional performance fee reduction from new funds was observed in the substantial narrowing of the discount in July 2024 anticipation of the PSUS IPO.

In January 2022, the Company moved to the North American investment sector of the Association of Investment Companies from the Hedge Fund sector, which more accurately reflects the Company's investment focus. The Company also amended its dividend policy in 2022 such that dividends increase with the Company's NAV. As a result, the Company's 2024 quarterly dividend increased to \$0.1456 per Public Share from \$0.1307 per Public Share paid in 2023. The Company also engaged Cadarn Capital Ltd. ("Cadarn Capital") and LodeRock Advisors Inc. ("LodeRock") in June and September 2023, respectively, to provide strategic marketing advice and develop shareholder engagement strategies over a wider geographic focus.



The Company announced share buyback programs in November and December of 2024 (the “2024 Share Buyback Programs”), each of \$100 million or for up to five million of the Company’s outstanding Public Shares. The Company repurchased 1,046,358 shares for \$51 million as of December 31, 2024 at an average discount of 31.9%, representing 25% of the 2024 Share Buyback Programs. Since the Company’s first buyback program in May 2017, including the Company’s May 2018 tender offer, the Company has repurchased a total of 66,999,111 Public Shares for \$1.4 billion at an average discount of 29.3% through December 31, 2024. The Company intends to propose that shareholders renew the Company’s general share buyback authority at the Company’s 2025 Annual General Meeting to allow the Company to engage in share buybacks up to a maximum of 14.99% of the Public Shares outstanding. If approved by shareholders, the Board may decide to utilize the share buyback authority to make further acquisitions of Public Shares in the market if it and the Investment Manager determine it is likely to be an effective use of capital and in the best long-term interests of shareholders after taking into consideration the discount at which shares would be repurchased, unencumbered cash, investment opportunities, current portfolio holdings, leverage and other factors.

The Board continues to be satisfied that the interests of PSH shareholders and the Investment Manager are closely aligned. Affiliates of the Investment Manager beneficially owned approximately 27% of the Company at December 31, 2024 (December 31, 2023: 27%). The Board believes the investment in the Company by the Investment Manager’s team has created a strong incentive for the Investment Manager to generate positive investment performance, which the Board believes will increase the Company’s share price and reduce the discount to NAV over the long term.

## **BONDS IN ISSUE**

On July 25, 2019, the Company closed on a fully committed private placement of \$400 million Senior Notes with a coupon rate of 4.95%, maturing on July 15, 2039 (the “2039 Bonds”).

On August 26, 2020, the Company closed on a fully committed private placement of \$200 million of Senior Notes with a coupon rate of 3.00%, maturing on July 15, 2032 (the “2032 Bonds”).

On November 2, 2020, the Company issued \$500 million of Senior Notes maturing on November 15, 2030 (the “2030 Bonds”). The 2030 Bonds were issued at par with a coupon rate of 3.25% per annum.

On October 1, 2021, the Company issued \$700 million of Senior Notes maturing on October 1, 2031 (the “2031 Bonds”). The 2031 Bonds were issued at 99.670% of par with a coupon rate of 3.25% per annum.

On October 1, 2021, the Company issued €500 million of Senior Notes maturing on October 1, 2027 (the “2027 Bonds” and together with the 2039 Bonds, 2032 Bonds, 2030 Bonds and 2031 Bonds, the “Bonds”). The 2027 Bonds were issued at 99.869% of par with a coupon rate of 1.375% per annum.

The Bonds rank equally in right of payment and contain substantially the same covenants. The Bonds’ coupons are paid semi-annually, with the exception of the 2027 Bonds, which are paid annually. The Bonds are listed on Euronext Dublin with a symbol of PSHNA.

## **DIVIDENDS**

The Company pays a quarterly dividend in an amount determined by multiplying the Company’s average NAV per Public Share for all trading days in December of the prior year by 0.25%, subject to a cap on the total dividends paid for the year of 125% of the average of the total dividends paid in each of the previous three years. Once the dividend is set for a specific year, the Company does not intend to decrease the dividend in future years, even if the NAV per Public Share were to decline. On





January 11, 2024, the Company announced a quarterly dividend of \$0.1456 per Public Share for 2024. On January 20, 2025, the Company announced a quarterly dividend of \$0.1646 per Public Share for 2025.

The Special Voting Share (see Note 11) receives a proportionate quarterly dividend based on its respective net asset value per share, which is contributed to charity. Dividends will be paid in USD unless a shareholder elects to be paid in GBP. Shareholders may also elect to reinvest cash dividends into Public Shares through a dividend reinvestment program (“DRIP”) administered by an affiliate of MUFG Corporate Markets (Guernsey) Limited (“MUFG”, and previously Link Market Services), the Company’s registrar. Further information regarding the dividend, including the anticipated 2025 dividend payment schedule and how to make these elections, is available at [www.pershingsquareholdings.com/psh-dividend-information](http://www.pershingsquareholdings.com/psh-dividend-information).

Each dividend is subject to a determination that, after the payment of the dividend, the Company will meet solvency requirements under Guernsey law, and that, in accordance with the indentures governing the Bonds, the Company’s total indebtedness will be less than one third of the Company’s total capital. The Board may determine to modify or cease paying the dividend in the future.

In the year ended December 31, 2024, the Company paid dividends of \$107,166,682, a net increase of \$8,385,405 from the amount it paid in 2023 due to the increase in the Company’s NAV per Public Share.

## DIRECTORS

The present members of the Board, all of whom are non-executive Directors, are listed on pages 35-37. Further information regarding the Board is provided in the Corporate Governance Report.

The Company maintains directors’ and officers’ liability insurance in relation to the actions of the Directors on behalf of the Company. Information regarding Directors’ remuneration and ownership in the Company is set out in the Directors’ Remuneration Report on pages 49-51.

## MATERIAL CONTRACTS

The Company’s material contracts are with:

- PSCM, the Investment Manager to the Company. PSCM receives a quarterly management fee and may receive a performance fee from the Company as described more fully in Note 15.
- Northern Trust International Fund Administration Services (Guernsey) Limited (“Northern Trust”), the Company’s Administrator and Company Secretary. The Administrator provides the Company with administration services, including, among other things, the computation of the Company’s NAV and the maintenance of the Company’s accounting and statutory records.
- MUFG, the Company’s registrar. The Company has also engaged an affiliate of MUFG to administer the Company’s DRIP.
- Goldman Sachs & Co. LLC and UBS Securities LLC, the Company’s Prime Brokers and custodians.
- The Bank of New York Mellon, the Company’s bond indenture trustee, custodian and securities intermediary for derivatives subject to uncleared margin rules.
- Jefferies International Limited (“Jefferies”), the Company’s corporate broker and buyback agent. Jefferies also previously served as the adviser for the Company’s share tender offer and was the Company’s sponsor in connection with its LSE listing.



- Cadarn Capital and LodeRock, investor relations advisers to the Company based in the UK and Canada, respectively.

Although the Investment Manager is authorized to engage service providers on behalf of the Company, the Board is advised of and given the opportunity to review and execute material contracts.

The Board and, where appropriate, the Investment Manager monitor the performance of these service providers throughout the year, and the Management Engagement Committee conducts a formal review annually. For further details of the review conducted by the Management Engagement Committee of these and other service providers to the Company, please see “Management Engagement Committee” in the Corporate Governance Report.

The Board has reviewed the recommendations of the Management Engagement Committee with respect to the engagement of the Investment Manager and the Company’s other material service providers and agrees with the Committee’s conclusion that their continued appointment is in the interests of the Company’s shareholders as a whole. The Board will continue to monitor their performance closely.

## ESG

As an investment company without employees or physical operations, the Company does not directly engage in activities that impact the environment or the community. Although the Board has delegated the responsibility for making individual investment decisions to the Investment Manager, the Board has encouraged the Investment Manager to consider ESG best practices, including the risks and impact of climate change, within its own organization, and to actively engage on these issues with its portfolio companies when appropriate.

As further described in the Investment Manager’s ESG Statement, available on the Company’s website, the Investment Manager has integrated ESG into its investment selection, risk management and stewardship processes, and has embedded ESG considerations into its operations as a firm. The Investment Manager analyzes the exposure of a business to ESG risks and its approach to ESG at the time of its initial investment and as part of its ongoing stewardship by performing extensive diligence on the business, the industry sector and the context in which the business operates. A business that has not addressed material ESG risks or that has unsustainable business practices will generally not meet the Investment Manager’s investment criteria unless the Investment Manager’s intent is to use its influence to actively address these issues. As highlighted in “Public Company Engagement Since Inception,” the Investment Manager continues to be an engaged investor on the Company’s behalf, and it considers many of the Company’s current portfolio companies to be active engagements. The Investment Manager has formal representation on the boards of HHH, SEG and UMG, and an ongoing informal dialogue with representatives of other portfolio companies.

The Investment Manager provides a detailed portfolio review to the Board at each quarterly Board meeting and discusses any material ESG issues at each portfolio company as part of its report. Topics discussed in 2024 meetings included the impact of crop volumes on demand for rail transport at CPKC, antitrust litigation on GOOG and governance changes at several portfolio companies. In addition, the Investment Manager’s Portfolio Update on pages 14-27 incorporates material ESG-related developments at each portfolio company where appropriate. The Board has been pleased to note that all of the Company’s portfolio companies address ESG issues and sustainability as part of their strategic planning, including by adopting environmental stewardship programs, community initiatives, public advocacy and by measuring their progress toward sustainability targets. Links to their ESG practices are available in the Investment Manager’s ESG Statement on the Company’s website. The Board will continue to monitor the Investment Manager’s integration of ESG issues into investment decisions to ensure its approach promotes the long-term success of the Company and the sustainability of the Company’s business model.



The Investment Manager continues to cultivate a diverse team of high-performance professionals and seeks meaningful ways to promote a collaborative work environment, care for its employees and contribute to community projects. In addition, the CEO of the Investment Manager is co-Trustee of the Pershing Square Foundation, which together with its affiliate entities has committed more than \$750 million in grants and social investments since its inception in target areas including health and life sciences, education, economic development and social innovation.

## MODERN SLAVERY ACT 2015

Although the Company does not fall within the scope of the UK Modern Slavery Act 2015, it has assessed its supply chains for potential sources of modern slavery or human trafficking. The Company has minimal contact with countries and sectors most likely to have a risk of modern slavery or human trafficking. The Company's major suppliers are providers of professional services, including the Investment Manager, Administrator, auditor and other legal and financial advisors. These suppliers operate in the United States, United Kingdom, Western Europe, and other countries that are generally regarded as low risk. Prior to engaging a supplier with higher-risk attributes, the Company will perform additional due diligence on the supplier's employment practices to ensure that it is not engaged in modern slavery or human trafficking.

## SECTION 172(1) STATEMENT

The Directors have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to its stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006, in the decisions taken during the year ended December 31, 2024 as described in this Report of the Directors.

The following are some examples of how the Directors have discharged their section 172 duties during the year:

- The Board approved amendments to the performance fee offset provisions in PSH's IMA that could reduce the performance fees paid by PSH and the discount to NAV over time. The amendments are discussed in "Discount to NAV" on pages 40-41.
- In line with the Company's dividend policy, the Board authorized a quarterly dividend of \$0.1456 per Public Share for 2024, an increase of 11% from the 2023 dividend. The dividend policy is described in "Dividends" on page 41.
- Trading in the Company's Public Shares was consolidated on the LSE to improve liquidity for shareholders.
- The Board approved publication of a "0" cost KID and EMT, by which it is intended to remove an impediment to demand for the Company's shares and a potential contributor to the discount to NAV.
- The Board has identified shareholders as key stakeholders and actively sought to engage with them. As a closed-ended investment company, PSH has no employees or operations, and its shareholders are both customers and investors. The Board's approach to engagement with its stakeholders is discussed further in "Shareholder Engagement."
- The Board has maintained close relationships with its major suppliers of services – the Investment Manager, Administrator, auditor, and its other professional service providers.
- The Board approved a deemed assignment of the Company's IMA in connection with the reorganization of the Investment Manager's ultimate ownership structure, mitigating the impact on the Company of a future key man event. The Investment Manager remains the counterparty to the IMA and its obligations to the Company are unchanged as a result of the deemed assignment.



- The share buyback programs authorized by the Board permitted the Company to repurchase 2,505,136 Public Shares at an average discount of 30.6% for the benefit of shareholders in 2024.
- The Board continued to responsibly manage the Company's debt obligations to maintain conservative debt levels and investment-grade ratings.
- The Board's nomination of Rupert Morley to replace Anne Farlow as Company Chairman and Charlotte Denton as an additional Guernsey-based director facilitated the smooth transition of the Chairman role to an experienced member of the Board and planning for future succession. Mr Morley and Ms Denton were appointed by shareholders at the Company's 2024 Annual General Meeting.
- The Board continues to monitor the Investment Manager's approach to ESG issues to ensure that the Company's investment activities are consistent with the long-term success of the Company and for the benefit of the Company's stakeholders. The Board's approach and examples of how the Investment Manager has practically applied its principles are discussed further in "ESG".

Further details regarding the processes by which the Board has considered the requirements of 172(1) in its decision-making are included in "The Board's Processes" in the Corporate Governance Report.

## SHAREHOLDER ENGAGEMENT

As the Company's shareholders are also its customers, the Board recognizes the importance of soliciting shareholder feedback to understand shareholders' issues and to address their concerns regarding the Company.

The Directors report to shareholders throughout the year on a formal basis with the publication of the annual and semi-annual reports. Shareholders also receive a live update from the Chairman of the Board and the Investment Manager at the Company's annual investor event. The 2025 annual investor event was held in-person and webcast simultaneously on February 11, 2025, providing accessibility to shareholders unable to attend in person and eliminating the cost and environmental impact of travel. The event's format, including an extended question and answer session, is designed to provide the Board a meaningful opportunity to engage with and hear from shareholders directly. A record number of shareholders attended the 2025 event in person, and together with virtual attendance, approximately 34% of the Company's NAV was represented (excluding affiliate ownership). In addition to the annual investor event, the Chairman and other Directors are available for meetings with shareholders as their schedules permit. Shareholders may contact the Directors in writing at the Company's registered office or by email at [PSHDirectors@ntrs.com](mailto:PSHDirectors@ntrs.com).

The Board regularly assesses the nature and quality of its and the Investment Manager's engagement with shareholders. To ensure the Board remains apprised of shareholder requests and feedback, the Board and the Investment Manager have adopted procedures governing interactions with shareholders. In addition, Company announcements, other than routine or portfolio-related announcements, are approved by the Chairman and the Senior Independent Director prior to their release. The Board receives quarterly updates from the Investment Manager regarding investor contact during the quarter, which include, among other items, a summary of common discussion topics, meeting highlights, and metrics regarding the number, type, location and investment timeframe of shareholders contacted.

To understand the views of the Company's key stakeholders, and to assist the Board's consideration of shareholder interests, the Investment Manager maintains regular contact with shareholders via quarterly communications, including semi-annual investor calls and letters to shareholders, the annual investor presentation, the publication of weekly and monthly NAV estimates, and on an ad-hoc basis when queries from shareholders arise. In addition, a representative of the investor relations team is present for the substantial majority of board discussions regarding key decisions to be made by the Board.



The Investment Manager continues to augment formal shareholder communications with in-person and virtual shareholder calls and meetings. Over the course of 2025, the Investment Manager conducted several hundred shareholder calls and meetings, thereby engaging with holders of a majority of the Company's Public Shares, including several of the Company's largest shareholders, representing a variety of regions, types, and investment strategies.

Jefferies continues to act as corporate broker to the Company to support communications with shareholders and advise the Company on shareholder sentiment. The Company engaged Cadarn Capital and LodeRock in 2023 to raise the Company's profile and cultivate demand from institutional investors and retail platforms in key international jurisdictions. Their activities include advising on the Company's marketing strategy, identifying potential investors and liaising with their respective target markets, organizing one-to-one investor meetings and sharing shareholder insights. The Company continues to see increased interest and growth in its shareholder register from these regions. Investor feedback from meetings conducted by Jefferies, Cadarn Capital and LodeRock is reported to the Board on a regular basis.

## GOING CONCERN

Risks associated with the Company's investment activities, together with existing and emerging risks likely to affect its future development, performance and position are set out in Principal Risks and Uncertainties on pages 29-34 and in Note 13.

The Board has considered the financial prospects of the Company through April 30, 2026 and made an assessment of the Company's ability to continue as a going concern. In assessing the going concern status of the Company, the Directors have considered:

- The Company's net assets attributable to all shareholders at December 31, 2024 of \$13,011,230,090;
- The liquidity of the Company's assets (at December 31, 2024, 99.2% of its assets comprised of cash and cash equivalents and Level 1 assets);
- The Company's total indebtedness to total capital ratio of 15.5% at December 31, 2024;
- The liquidity of the Company's assets relative to the future interest and redemption obligations of the Outstanding Bonds; and
- The low level of fixed operating expenses relative to net assets, such expenses approximating 2.2% for the year ended December 31, 2024.

After making reasonable enquiries, and assessing all data relating to the Company's liquidity, particularly its cash holdings and Level 1 assets, the Directors and the Investment Manager believe the Company is well placed to manage its business risks. Furthermore, the Directors confirm they have a reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For these reasons, the Directors have adopted the going concern basis in preparing the Financial Statements.

## VIABILITY STATEMENT

In accordance with Principle 33 of the Association of Investment Companies ("AIC") Code, the Board has carefully considered the existing and emerging risks set out in Principal Risks and Uncertainties alongside the measures in place to mitigate those risks — both at the Investment Manager level and the Company level. It has determined that those controls are sufficient such that the risks will not likely impair the long-term viability of the business. The Board has made this assessment with respect to the upcoming three-year period ending December 31, 2027.



The Board has also evaluated the sustainability of the Company's business model, taking into account its investment objectives, sources of capital and strategy. The Board believes the Company's closed-ended structure and Investment Policy position it to invest over the long-term, and provide the Company with the flexibility to meet its investment objective in a variety of market conditions. In addition, the 2024 amendments to the performance fee offset provisions in the Company's IMA have the potential to meaningfully reduce the performance fees paid to the Investment Manager over time and improve the Company's NAV per share performance.

The Board has also evaluated quantitative data as of December 31, 2024 including net assets attributable to shareholders, the liquidity of the Company's assets, and the Company's total liabilities. It has also considered projections of expected net cash outflows for the next three years. The Board believes a three-year timeframe is appropriate given the general business conditions affecting the Company's portfolio positions, the typical duration of equity positions taken by the Company and the regulatory environment in which the Company operates, which is undergoing constant change. The Board is confident these projections can be relied upon to form a conclusion as to the viability of the Company with a reasonable degree of accuracy over the three-year timeframe.

On the basis of these projections and the considerations described above, the Board has determined that the Company will remain viable for the upcoming three-year period. This assessment is conducted annually by the Board.

## **KEY INFORMATION DOCUMENT**

The Company voluntarily prepares a standardized KID. The KID is available on the Company's website ([www.pershingsquareholdings.com/corporate](http://www.pershingsquareholdings.com/corporate)).

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Report of the Directors and the Financial Statements in accordance with applicable laws and regulations. The Companies (Guernsey) Law, 2008 requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of the profit or loss of the Company for that year. In preparing those Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008, Protection of Investors (Bailiwick of Guernsey) Law, 2020, the listing requirements of the UK Listing Authority, the Company's governing documents and applicable regulations under English law. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Each of the Directors confirms to the best of her or his knowledge and belief that:

- the Financial Statements, prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties faced.

The Directors further confirm that they have complied with the above requirements, and that this Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.

## DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each of the Directors is aware, there is no information relevant to the audit of which the Company’s auditor is unaware, and each has taken all steps he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

By order of the Board.

/s/ Rupert Morley  
Rupert Morley  
Chairman of the Board  
March 14, 2025

/s/ Andrew Henton  
Andrew Henton  
Chairman of the Audit Committee  
March 14, 2025





# Directors' Remuneration Report

The Board aims to compensate the Directors in a manner that promotes the strategy and long-term success of the Company, and has formed a Remuneration Committee to ensure that the Company maintains fair and appropriate remuneration policies and controls. The Remuneration Committee has been delegated responsibility for determining the remuneration of the Chairman and recommending remuneration for the non-executive Directors of the Company. The Committee is encouraged to exercise independent judgment when considering the remuneration of each Director.

The Remuneration Committee consists of Ms Curtis, Ms Denton and Mr Lawani. Mr Morley was a member of the Committee until Ms Denton's appointment to the Committee on May 8, 2024. Mr Lawani joined the Committee on November 7, 2024. Ms Curtis is the Chairman of the Remuneration Committee.

The Directors, other than Ms Coussin, are all independent non-executive Directors. The Directors are the only officers of the Company. Each Director has executed an appointment letter setting forth his or her responsibilities. Copies of the Directors' letters of appointment are available upon request from the Company Secretary, and will be available for inspection at the annual general meeting.

## DIRECTOR REMUNERATION POLICY

The Directors shall be paid such remuneration for their services as determined by the Board, save that, unless otherwise approved by ordinary resolution, each Director's remuneration shall not exceed £150,000 per annum, the limit set in the Company's Articles of Incorporation. All Directors are entitled to be reimbursed for all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties. At the recommendation of the Remuneration Committee, the Board has adopted a travel and expense policy to ensure business expenditures are appropriate and cost-effective.

The Remuneration Committee, in making its recommendations, will take into account the Company's and each Director's performance, the time commitments and responsibilities of the Directors, the level of skill and experience of each Director, overall market conditions, remuneration paid by companies of similar size and complexity, and any other factors the Committee determines are relevant. The Remuneration Committee may recommend that additional remuneration be paid, from time to time, on a time spent basis to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company. The Committee's review may not result in any changes to previous recommendations to the Board.

Only Directors unaffiliated with the Investment Manager will receive fees for their services. Directors are not eligible for bonuses, share options, long-term incentive schemes or other performance-related benefits. No Director will be involved in deciding their own remuneration.

The Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities arising out of any claims made against them in connection with the performance of their duties as a Director of the Company.

All Directors are required to submit themselves for re-election by shareholders at each annual general meeting in accordance with the Articles of Incorporation of the Company. On termination of the appointment, Directors are entitled to fees accrued through the date of termination, together with reimbursement of expenses incurred prior to that date. The Company does not pay any remuneration to the Directors for loss of office.



## ANNUAL REPORT ON REMUNERATION

### Service Contract Obligations and Payment on Loss of Office

No Director has a service contract with the Company and, as such, no Director is entitled to compensation payments upon termination of their appointment or loss of office.

### Total Remuneration Paid to Each Director

The total remuneration of the Directors for the years ended December 31, 2024 and December 31, 2023 was as follows:

Director	2024	2023
Nicholas Botta	—	—
Halit Coussin	—	—
Bronwyn Curtis	£90,000	£75,000
Charlotte Denton <sup>1</sup>	£53,448	—
Anne Farlow <sup>2</sup>	£45,780	£125,000
Andrew Henton	£90,000	£75,000
Tope Lawani	£75,000	£65,000
Rupert Morley <sup>3</sup>	£113,273	£70,000
Tracy Palandjian <sup>4</sup>	—	£65,000

(1) Elected as a Director on May 8, 2024.

(2) Retired as Chairman on May 8, 2024.

(3) Replaced Anne Farlow as Chairman on May 8, 2024.

(4) Retired as a Director on January 1, 2024.

The Chairman of the Board, the Chairman of the Audit Committee and the Senior Independent Director received higher fees to reflect the additional responsibilities required of these roles. Members of the Audit Committee received an additional £7,500 for their oversight of the audit process. Mr Botta and Ms Coussin did not receive fees for their services as Directors.

All of the above remuneration relates to fixed annual fees. There are no pension arrangements in place for the Directors of the Company. Accordingly, there were no other items in the nature of remuneration, pension entitlements or incentive scheme arrangements which were paid or accrued to the Directors during the year.

The Remuneration Committee reviewed the Directors' remuneration in November 2024. The Committee recommended that the Chairman's fee be increased to £140,000 to reflect peer remuneration practices and appropriately compensate the Chairman for the demands of the role. No other changes to the Director's 2025 remuneration were proposed.

The Board has accepted the recommendation of the Remuneration Committee and the Directors will receive the following remuneration for 2025:

Directorship	2025
Chairman of the Board	£140,000
Chairman of the Audit Committee	£90,000
Senior Independent Director	£82,500
Non-Executive Directors	£75,000

Members of the Audit Committee (with the exception of the Chairman of that Committee) will receive additional remuneration of £7,500.



The Remuneration Committee intends to review the Directors' remuneration in November 2025.

### **Directors' Shareholdings in the Company**

Directors are not required under the Company's Articles of Incorporation or letters of appointment to hold shares in the Company. At December 31, 2024, the Directors' interests in the Company were as follows:

<b>Director</b>	<b>Class of Shares Held</b>	<b>Number of Shares</b>
Halit Coussin	Public Shares	109,758
Bronwyn Curtis	Public Shares	7,398
Charlotte Denton	Public Shares	2,675
Andrew Henton	Public Shares	4,775
Tope Lawani	Public Shares	12,000
Rupert Morley	Public Shares	4,000

There have been no changes in the interests of the Directors between December 31, 2024 and the date of signing of this report.



# Corporate Governance Report

The Company is a member of the AIC and reports against the AIC Code of Corporate Governance published in February 2019 (the “AIC Code”). The AIC Code provides a framework of corporate governance best practices for investment companies.

As an entity authorized and regulated by the Guernsey Financial Services Commission (the “GFSC”), the Company is subject to the GFSC’s “Finance Sector Code of Corporate Governance” (the “Guernsey Code”). By reason of the Public Shares’ listing on the LSE, the Company is also required by the UK Listing Rules of the Financial Conduct Authority to report on how it has applied the UK Corporate Governance Code (the “UK Code”). The Company is deemed to meet its reporting obligations under the Guernsey Code and the UK Code by reporting against the AIC Code. The AIC Code addresses all of the principles set out in the Guernsey Code and closely reflects the UK Code. In addition, the AIC Code contains additional principles and recommendations on issues that are of specific relevance to investment companies. Accordingly, the Board believes that applying the AIC Code provides the appropriate corporate governance framework for the Company and reporting for its shareholders. The Board notes that the updates to the AIC Code published in August 2024 will apply to the Company’s accounting period beginning January 1, 2025.

The AIC Code is available on the AIC’s website, [www.theaic.co.uk](http://www.theaic.co.uk). The UK Code is available on the UK Financial Reporting Council’s website, [www.frc.org.uk](http://www.frc.org.uk).

The Company’s compliance with the AIC Code is explained in this Corporate Governance Report, the Report of the Directors, the Directors’ Remuneration Report and the Report of the Audit Committee. As set forth in these reports, the Company has complied with the principles and recommendations of the AIC Code and the relevant provisions of the UK Code.

The Board strongly believes that its focus on maintaining high standards of corporate governance contributes to the Company’s success, as described throughout this report and the reports of its committees.

## THE BOARD COMPOSITION AND DELEGATION OF FUNCTIONS AND ACTIVITIES

The Board consists of six non-executive Directors, five of whom are independent. Ms Coussin, as the Chief Legal Officer and Chief Compliance Officer of the Investment Manager, is deemed not to be an independent Director of the Company. Mr Morley, Ms Curtis and Mr Henton serve as Chairman of the Board, Senior Independent Director and Chairman of the Audit Committee, respectively.

Nicholas Botta, the former Vice Chairman of the Investment Manager, retired as a Director on November 15, 2024, after serving on the Board since 2012. Ms Coussin joined the Board on the same date. Ms Denton was elected as a new Director and Anne Farlow retired at the 2024 Annual General Meeting of the Company. Tracy Palandjian retired as a Director as of January 1, 2024, having served since 2021.

The Company has no executive directors or employees, and has engaged external parties to undertake the daily management, operational and administrative activities of the Company. In particular, the Directors have delegated the function of managing the assets comprising the Company’s portfolio to the Investment Manager, which is not required to, and generally will not, submit individual investment decisions for the approval of the Board. In each case where the Board has delegated certain functions to an external party, the delegation has been clearly documented in contractual arrangements between the Company and the external party. The Board retains accountability for the various functions it delegates. Further information is provided in the Report of the Audit Committee.



## COMPANY CULTURE

While the Company does not have employees, the Board and the Investment Manager believe that it is important to the Company's success to promote a culture of high ethical and professional values, engage in prudent risk management and utilize effective control processes and systems. The Company has adopted an investment policy, which describes the Company's investment objective, the instruments in which the Company may invest and the types of opportunities the Investment Manager seeks on the Company's behalf. Risk management is integrated into the Investment Manager's investment process and operations. The Investment Manager creates strong operational systems by maintaining a robust compliance function, continually seeking to enhance its infrastructure and controls, and incentivizing personnel to collaborate and act with professional integrity.

The Board periodically receives reports on the Investment Manager's culture and is exposed to that culture through its close contact with the Investment Manager's management team and support personnel. The Board continues to believe that the Investment Manager's experienced, high-performance team and its lean, investment-centric business model have contributed to the success of the Company.

## DIVERSITY

The Directors recognize that the diversity of the Board and its committees contribute to the success of the Company by enhancing the Board's effectiveness through good corporate governance. In accordance with the AIC Code, the Board regards its own diversity as an important mechanism by which to balance the necessary mix of skills, experience, independence, opinions and knowledge appropriate for the Company.

The Board is committed to appointing the best possible applicant for any open Board positions, taking into account the composition and needs of the Board at the time of the appointment. Both appointments and succession planning will be based on merit and objective criteria. Within this context, it is the intention of the Board that Board members include Directors representing diversity in all its forms, including diverse genders, abilities, ethnicities and socioeconomic backgrounds, who bring together a mix of cognitive and personal strengths, knowledge and experience. It is the goal of the Board that the composition of Board committees reflects the overall diversity of the Board where consistent with the skills, knowledge and experience required to be an effective member of the committee.

The Nominations Committee will be responsible for recommending the appointment of new Directors to the Board. When evaluating candidates, the Nomination Committee will give full consideration to the aspects that distinguish each Director candidate, including those described above, in the context of the composition and diversity of the current Board and its committees, the challenges and opportunities facing the Company, the need for orderly succession planning and with a view to ensuring that the Board has the combination of skills, knowledge and experience needed to be effective in the future. The Nomination Committee will also give consideration to the length of service of the Board as a whole and the need for membership to be refreshed regularly. Where appropriate, the Nomination Committee may retain external search consultants to assist in securing a diverse pool of candidates for open board positions.

The Board acknowledges the three targets regarding board diversity set by UK Listing Rule 6.6.6R (9) and met these targets as of December 31, 2024 (the reference date that the Company uses for these purposes). As of December 31, 2024:

- the Board was comprised of 50% women;
- the Senior Independent Director was a woman; and
- there was one Director from an ethnic minority background.



<b>Gender as of December 31, 2024</b>	<b>Number of Board Members</b>	<b>Percentage of the Board</b>	<b>Number of Senior Positions on the Board (CEO, CFO, SID and Chairman)<sup>1,2</sup></b>
Men	3	50%	1
Women	3	50%	1
Not specified / Prefer not to say	—	—	—

<b>Ethnicity as of December 31, 2024</b>	<b>Number of Board Members</b>	<b>Percentage of the Board</b>	<b>Number of Senior Positions on the Board (CEO, CFO, SID and Chairman)<sup>1,2</sup></b>
White British or other White (including minority white groups)	5	83%	2
Mixed / Multiple ethnic groups	—	—	—
Asian / Asian British	—	—	—
Black / African / Caribbean / Black British	1	17%	—
Other ethnic group, including Arab	—	—	—
Not specified / Prefer not to say	—	—	—

(1) As the Company is externally managed by the Investment Manager, it does not have the roles of CEO or CFO and so only two of the four roles specified by the UK Listing Rules are applicable to it.

(2) As the Company is externally managed by the Investment Manager, it does not have executive management and therefore, as permitted by UK Listing Rule 11.4.23, the requirement to include data regarding the number and percentage of executive management in each table is inapplicable and is not displayed here.

The Investment Manager's approach to diversity is discussed in its ESG Statement available on the Company's website.

## BOARD TENURE AND SUCCESSION PLANNING

All Directors are required to submit themselves to re-election by shareholders at each annual general meeting, and any Director appointed in accordance with the Articles of Incorporation will hold office only until the next following annual general meeting and will then stand for re-election. In accordance with the AIC Code, if and when any Director, including the Chairman, has been in office (or upon re-election would at the end of that term, be in office) for more than nine years, the Board will consider whether there is a risk that such Director might reasonably be deemed to have lost independence through long service. The Board believes that this policy will provide for its regular refreshment while allowing it the flexibility to maintain the proper balance of skills, experience and independence that will contribute to the Company's success.

Ms Farlow, having served on the Board for greater than nine years, did not offer herself for reelection at the 2024 Annual General Meeting. Ms Palandjian, who had served as non-executive Director since April 2021, retired from the Board as of January 1, 2024. The Board nominated Mr Morley to replace Ms Farlow as Chairman of the Company and Charlotte Denton as a new independent non-executive Director. Both were approved by shareholders at the 2024 Annual General Meeting.

Further details regarding the selection of Ms Denton and other succession planning undertaken by the Nomination Committee are provided under "Nomination Committee" on pages 58-59.



## THE BOARD'S PROCESSES

The content and culture of board meetings are a critical means by which the Board's governance contributes to the Company's success. The Board meets regularly throughout the year, at least on a quarterly basis. Board meetings prioritize open discussion and debate. The Board's decision-making actively considers the likely consequences of any decision in the long term, reputational risks to the Company and the need to consider the interests of shareholders as a whole.

The Chairman maintains regular contact with the Investment Manager to identify information that should be provided to the Directors, and invites Director comments on meeting agendas. At the beginning of every Board meeting, Directors disclose their potential conflicts, including ownership in the Company, personal interests in the business to be transacted at the meeting, and potential appointments to other public companies. The Chairman is actively involved in all aspects of Board decision making, seeks input from other Directors, and encourages their participation in matters involving their expertise. Minutes of meetings reflect any Director's concerns voiced at Board meetings.

At each quarterly Board meeting, the Board receives updates regarding the Investment Manager's operations and investor relations activities during the quarter. The Board also reviews the Company's investments, share price performance, and the premium/discount to NAV at which the Company's Public Shares are trading, and receives an update on litigation and regulatory matters. The Board conducts a comprehensive review of the Company's expenses semi-annually or more frequently, as needed.

In order to perform these reviews in an informed and effective manner, the Board receives formal reports from the Investment Manager at each quarterly Board meeting. The Board may also request focused reports to review the Investment Manager's controls in certain operational areas such as information security, regulatory compliance or media relations, and may request enhanced operational controls as appropriate. In between meetings, the Board maintains regular contact with the Investment Manager, the Company Secretary and the Administrator, and is informed in a timely manner of investments and other matters relevant to the operation of the Company that would be expected to be brought to the Board's attention.

An induction program, including training and information about the Company and the Investment Manager, is provided to Directors upon their election or appointment to the Board. Each Director is encouraged to consider their own training needs on an ongoing basis, and the Chairman also assesses the individual training requirements for each Director. Directors, where necessary in the furtherance of their duties, also have access to independent professional advice at the Company's expense.

## BOARD ATTENDANCE

All Board members are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance may be unavoidable in certain circumstances. The following table details the number of Board meetings attended by each Director in the year ended December 31, 2024:





	Scheduled Quarterly Board Meetings (Attended/Eligible)	Ad-hoc Board and Subcommittee Meetings (Attended/Eligible)
Nicholas Botta <sup>1</sup>	4/4	3/4
Halit Coussin <sup>2</sup>	0/0	1/1
Bronwyn Curtis	4/4	5/5
Charlotte Denton <sup>3</sup>	3/3	2/3
Anne Farlow <sup>4</sup>	1/1	2/2
Andrew Henton	4/4	7/7
Tope Lawani	3/4	5/5
Rupert Morley	4/4	7/7
Tracy Palandjian <sup>5</sup>	0/0	0/0

(1) Retired from the Board on November 15, 2024.

(2) Joined the Board on November 15, 2024.

(3) Joined the Board on May 8, 2024.

(4) Retired from the Board on May 8, 2024.

(5) Retired from the Board on January 1, 2024.

The Board meets formally four times a year. Ad-hoc Board meetings may be convened at short notice to discuss time-sensitive matters arising in between scheduled meetings and require a quorum of two Directors.

## COMMITTEES OF THE BOARD

The Board has established an Audit Committee, a Remuneration Committee, a Management Engagement Committee, a Nomination Committee and a Risk Committee. Committee membership is further described in the report of each Committee.

### Audit Committee

Further details as to the composition and role of the Audit Committee are provided in the Report of the Audit Committee.

### Remuneration Committee

The Remuneration Committee consists of Ms Curtis, Ms Denton and Mr Lawani. Mr Morley was a member of the Committee until Ms Denton's appointment to the Committee on May 8, 2024. Mr Lawani joined the Committee on November 7, 2024. Ms Curtis is the Chairman of the Remuneration Committee.

The Remuneration Committee reviews the remuneration of the Company's Chairman and non-executive Directors and seeks to ensure that the Company maintains fair and appropriate remuneration policies and controls. Further details regarding the Directors' remuneration are provided in the Directors' Remuneration Report.

Below is a summary of Director attendance at the Remuneration Committee meetings in the year ended December 31, 2024:

	Remuneration Committee Meetings (Attended/Eligible)
Bronwyn Curtis	1/1
Charlotte Denton <sup>1</sup>	1/1
Tope Lawani <sup>2</sup>	1/1
Rupert Morley <sup>3</sup>	0/0

(1) Joined the Remuneration Committee on May 8, 2024.

(2) Joined the Remuneration Committee on November 7, 2024.

(3) Left the Remuneration Committee on May 8, 2024.



The written terms of reference of the Remuneration Committee are available on the Company's website or, on request, from the Company Secretary.

### Management Engagement Committee

The Management Engagement Committee consists of the independent Directors of the Company who are not affiliated with the Investment Manager. Mr Morley is the Chairman of the Management Engagement Committee. The Management Engagement Committee reviews the performance of the Investment Manager in the management of the Company's affairs and the terms of engagement and performance of the Company's other key service providers, and then reports and makes recommendations to the full Board.

Below is a summary of Director attendance at the Management Engagement Committee meetings in the year ended December 31, 2024:

	<b>Management Engagement Committee Meetings (Attended/Eligible)</b>
Bronwyn Curtis	1/1
Charlotte Denton <sup>1</sup>	1/1
Anne Farlow <sup>2</sup>	0/0
Andrew Henton	1/1
Rupert Morley	1/1
Tope Lawani	1/1
Tracy Palandjian <sup>3</sup>	0/0

(1) Joined the Management Engagement Committee on May 8, 2024.

(2) Left the Management Engagement Committee on May 8, 2024.

(3) Left the Management Engagement Committee on January 1, 2024.

The written terms of reference of the Management Engagement Committee are available on the Company's website or, on request, from the Company Secretary.

The Management Engagement Committee reviewed the performance of and fees paid to the Company's key service providers for 2023 and the first quarter of 2024, including the Investment Manager, in May 2024. The review also included the Investment Manager's risk assessment of each service provider and a summary of the diligence the Investment Manager performs. The Committee made certain recommendations to the Board and the Investment Manager based on its assessment of each service provider's performance.

The Committee's review of the Investment Manager during the year, which included a visit to its premises and meeting with operational personnel, found that it had successfully managed strategic initiatives while maintaining strong NAV performance and remaining responsive to the Board and shareholders. The Company's FTSE index ranking continued to rise and shareholder feedback had been positive. The Committee also reviewed the fees earned by the Investment Manager and confirmed they were calculated in accordance with the terms of the IMA. Although the management fee paid by the Company is higher than many UK investment trusts, it is comparable to other alternative investment funds. This notwithstanding, the amendments to the performance fee offset provisions in the IMA agreed with the Board should reduce the level of fees over time. The Committee believes that competitive remuneration is critical to the Investment Manager's ability to recruit and retain the personnel who contribute to the long-term success of the Company. The Investment Manager has also implemented a long-term equity program to retain key personnel. Furthermore, the significant investment in the Company by the Investment Manager's team has closely aligned its interests with those of the Company.



For the above reasons, the Committee found PSCM's engagement to be in the long-term best interest of the Company and recommended that the Board continue to engage PSCM as the Investment Manager. The Committee will complete its next formal review of the Investment Manager in May 2025.

## Nomination Committee

The Nomination Committee consists of Ms Coussin, Mr Lawani and Mr Morley. Mr Morley was appointed to the Committee upon Ms Farlow's retirement from the Board on May 8, 2024. Ms Coussin was appointed to the Committee upon Mr Botta's retirement from the Board on November 15, 2024. Mr Morley is the Chairman of the Nomination Committee. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, succession planning for Director departures and identifying and nominating suitable candidates to fill vacancies, taking into account the challenges and opportunities facing the Company and the skills, knowledge and experience needed on the Board. The Committee reports its recommendations to the full Board. It is the policy of the Board that if the Chairman of the Board is a member of the Nomination Committee, the full Board will consider the matter of the succession to the chairmanship of the Board.

The Nomination Committee also reviews the commitments of the Directors to confirm that they continue to have sufficient time to meet their responsibilities to the Company and that their other commitments do not create any conflicts of interest. To ensure that Directors continue to have sufficient time to be effective contributors to the Company, Directors are limited in the number and type of directorship appointments they may hold in accordance with overboarding guidelines, and seek the approval of the Board prior to accepting new appointments. In considering whether to grant approval, the Board will assess any impact the appointment may have on the time the Director is able to devote to the Company, any impact on the Director's independence, and relevant guidelines on overboarding. Various appointments were approved by the Board in 2024 in accordance with these considerations.

Below is a summary of Director attendance at Nomination Committee meetings in the year ended December 31, 2024:

	Nomination Committee Meetings (Attended/Eligible)
Nicholas Botta <sup>1</sup>	3/3
Halit Coussin <sup>2</sup>	0/0
Anne Farlow <sup>3</sup>	2/2
Tope Lawani	3/3
Rupert Morley <sup>4</sup>	1/1

(1) Left the Nomination Committee on November 15, 2024.

(2) Joined the Nomination Committee on November 15, 2024.

(3) Left the Nomination Committee on May 8, 2024.

(4) Joined the Nomination Committee on May 8, 2024.

The written terms of reference of the Nomination Committee are available on the Company's website or, on request, from the Company Secretary.

In anticipation of Ms Farlow's retirement as Chairman, the full Board nominated Rupert Morley as her replacement to ensure a smooth transition of the role to an experienced member of the Board. Mr Morley was elected as Chairman by shareholders at the 2024 Annual General Meeting. The search for a new director to fill the vacancy created by Ms Farlow's retirement was focused on candidates outside the United States due to regulatory requirements for the Board's composition. The Board received a diverse range of recommendations from its service providers, Board members and the Investment Manager and therefore did not find it was necessary to engage an external search consultant to identify additional candidates. After consideration of the balance of skills, knowledge and experience needed for the Board to be effective in the future, the Board



nominated Charlotte Denton as an independent non-executive Director of the Company. Ms Denton was elected by shareholders at the 2024 Annual General Meeting, bringing additional audit expertise and a second Guernsey-based director to the Board.

The Nomination Committee has engaged Egon Zehnder, a global leadership advisory firm with no other connection to the Company, to fill the vacancy created by Ms Palandjian's earlier departure. The Committee will consider a range of candidates consistent with its policy on Board diversity and the balance of skills, knowledge and experience needed for the Board to be effective in the future.

## Risk Committee

The Risk Committee consists of all Directors of the Company. Mr Henton is the Chairman of the Risk Committee. The Risk Committee is responsible for reviewing the Company's risk profile, as described in the Company's Investment Policy, borrowing policy and other risk disclosures; identifying, evaluating and reporting to the Board any emerging risks to the Company; ensuring that appropriate controls and reporting are in place to allow for the identification, monitoring and management of key risks to the Company's business; conducting and submitting to the Board an annual assessment of the material risks applicable to the Company's business; and making recommendations to the Board regarding risk mitigation.

The written terms of reference of the Risk Committee are available on the Company's website or, on request, from the Company Secretary.

Below is a summary of Director attendance at the Risk Committee meetings in the year ended December 31, 2024:

	<b>Risk Committee Meetings (Attended/Eligible)</b>
Nicholas Botta <sup>1</sup>	2/2
Halit Coussin <sup>2</sup>	0/0
Bronwyn Curtis	2/2
Charlotte Denton <sup>3</sup>	1/1
Anne Farlow <sup>4</sup>	1/1
Andrew Henton	2/2
Tope Lawani	1/2
Rupert Morley	2/2
Tracy Palandjian <sup>5</sup>	0/0

(1) Left the Risk Committee on November 15, 2024.

(2) Joined the Risk Committee on November 15, 2024.

(3) Joined the Risk Committee on May 8, 2024

(4) Left the Risk Committee on May 8, 2024.

(5) Left the Risk Committee on January 1, 2024.

The Risk Committee conducted its annual business risk assessment in February 2025 and identified 45 risks relevant to the Company's business. These risks consist of risks arising from the Company's investment activities, structure and operations as well as risks relating to shareholder engagement and regulatory compliance.

The Risk Committee has considered the cause of each risk and has assigned each risk a rating based on the likelihood of the risk occurring and the severity of the impact on the Company if the risk occurs, both before and after considering the controls in place to mitigate them. Risks with the highest residual risk have been included in "Principal Risks and Uncertainties".



The Risk Committee first identified the impact of artificial intelligence on the Company's portfolio investments as an emerging risk in 2023 and continued to monitor its development in 2024. The Committee also identified potential changes to U.S. trade policy as a new emerging risk. The Board, as part of the Investment Manager's quarterly portfolio updates, has reviewed the Investment Manager's approach to integrating these risks into its portfolio management process and the Committee believes that appropriate controls are in place. The Committee also confirmed that the Investment Manager has the appropriate investment and operational personnel and processes in place to support the launch of new products without impacting the quality of services provided to the Company.

## COMMITTEES OF THE INVESTMENT MANAGER

The Investment Manager has a Conflicts Committee, which meets no less frequently than annually and on an as-needed basis; a Best Execution Committee, which meet no less frequently than quarterly and on an as-needed basis; and Information Security, Valuation and Disclosure Committees, which meet no less frequently than semi-annually, and on an as-needed basis. The meeting minutes are presented to the Board at the quarterly Board meetings, or sooner if necessary.

## BOARD PERFORMANCE

The performance of the Board and that of each individual Director is evaluated annually.

The evaluation of the Board's performance in 2024 was performed internally. Each Director completed a questionnaire assessment of the Board's composition, processes, shareholder engagement, committees and effectiveness. The Chairman discussed matters related to individual performance with each Director. The Senior Independent Director conducted a review of the Chairman's performance with the other non-executive Directors. The results of the evaluation were collated by the Company Secretary and were presented to the Board by the Chairman.

The Board evaluation demonstrated that the Board continues to perform highly and is well run. The evaluation highlighted as strengths the Chairman's leadership and commitment to the Board, the Directors' robust discussions and the Board's engagement with and access to the Investment Manager. No material weaknesses were identified in the assessment, and the Board has concluded that it operated effectively in 2024. The Board will use the findings of its assessment to build on its existing strengths in the coming year. The 2022 Board evaluation was externally facilitated by SCT Consultants. The next external review will be completed for 2025.

/s/ Rupert Morley

Rupert Morley  
Chairman of the Board  
March 14, 2025



## Report of the Audit Committee

The Audit Committee consists of Ms Curtis, Ms Denton and Mr Henton. Mr Henton is the Chairman of the Audit Committee. Ms Denton and Mr Henton are chartered accountants and have years of service on audit committees of private and listed companies. Ms Curtis has extensive experience in the financial sector and as a non-executive director to listed investment companies. The Board has considered the qualifications of the members of the Audit Committee and has determined that the Audit Committee has the relevant experience to successfully perform its duties.

Below is a summary of Director attendance at Audit Committee meetings in the year ended December 31, 2024:

	<b>Audit Committee Meetings (Attended/Eligible)</b>
Bronwyn Curtis	5/5
Charlotte Denton <sup>1</sup>	3/3
Andrew Henton	5/5
Rupert Morley <sup>2</sup>	2/2

(1) Joined the Audit Committee on May 8, 2024.

(2) Left the Audit Committee on May 8, 2024.

The Audit Committee has written terms of reference with formally delegated duties and responsibilities. The terms of reference of the Audit Committee are available on the Company's website or, on request, from the Company Secretary.

The Audit Committee considers the appointment, independence and remuneration of the auditor and reviews the annual accounts and semi-annual reports. Where non-audit services are to be provided by the auditor, the Audit Committee reviews the scope and terms of the engagement and considers financial and other implications on the independence of the auditor.

The principal duties of the Audit Committee are to monitor the integrity of the Financial Statements of the Company, including its annual and semi-annual reports and formal announcements relating to the Company's financial performance, and reviewing and reporting to the Board on significant financial reporting issues and judgements communicated to the Committee by the auditor. In particular, the Audit Committee reviews and assesses, where necessary:

- The consistency of, and any changes to, significant accounting policies both on a year-on-year basis and across the Company;
- The methods used to account for significant or unusual transactions where different approaches are possible;
- Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- The clarity of disclosure in the Company's financial reports and the context in which statements are made;
- All material information presented with the Financial Report such as the Chairman's Statement, Investment Manager's Report, Principal Risks and Uncertainties, Report of the Directors, Directors' Remuneration Report and the Corporate Governance Report; and
- The content of the Annual Report and Financial Statements, and advises the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.



## PREPARATION OF FINANCIAL STATEMENTS

The Audit Committee takes an active role in the planning and preparation for the audit. The Audit Committee's November 2024 meeting was devoted to discussing the audit plan and timelines, including the extensive coordination undertaken by the Investment Manager and the Administrator to ensure an efficient audit process. In addition to meetings of the Audit Committee during the audit, the Chairman of the Board and the Chairman of the Audit Committee were in regular contact with the Investment Manager, Administrator and auditor throughout the audit process. This contact, which builds on other interactions with the Investment Manager and Administrator throughout the year, enabled the Audit Committee to assess both processes and control environments in relation to the production of the Financial Statements.

The Audit Committee used its own experience with the Company, and the Investment Manager's and Administrator's knowledge to determine the overall fairness, balance and understandability of the Annual Report and Financial Statements, and carefully reviewed their content prior to final approval by the Board. This allowed the Audit Committee and the Board to be satisfied that the Annual Report and Financial Statements taken as a whole are fair, balanced and understandable.

## SIGNIFICANT REPORTING MATTERS

As part of the year-end audit, the Audit Committee reviewed and discussed the most relevant issues for the Company. In discharging its responsibilities, the Audit Committee made the following assessments during the year:

- The Audit Committee noted the complexity of calculating the Company's performance fee and the 2024 amendments to the performance fee offset provisions in the IMA. The Audit Committee reviewed the auditors' process for confirming the Investment Manager's calculations and the disclosure regarding the performance fee in Note 15. The performance fee is independently calculated by the Company's Administrator as part of its calculation of the Company's NAV, and 1% of the total performance fee is held back by the Company to allow for adjustments, if any, that arise from the Company's audit. The Audit Committee is satisfied with the controls in place for the calculation of the performance fee and has determined that the disclosure is consistent with the relevant accounting standards.
- The Audit Committee has confirmed that where the Investment Manager has fair valued Level 2 or Level 3 assets, including the Company's investment in SPARC Sponsor and the SPARC Committed FPA, the Investment Manager has obtained pricing from an independent service or valuation agent, or otherwise uses a valuation methodology that has been reviewed by the auditor and found to be appropriate for the investment, free of management bias and consistent with the requirements of IFRS.
- The Audit Committee reviewed the completeness and accuracy of the disclosures in the Annual Report and Financial Statements, and satisfied itself that the disclosures appropriately reflected the risks facing the Company and its financial results.
- The Audit Committee reviewed the report of the Risk Committee and the Board's procedures regarding the identification, management, and monitoring of risks that could affect the Company. The Audit Committee is satisfied that the Risk Committee and the Board are engaged on an ongoing basis in the process of identifying, evaluating and managing (where possible) the principal and emerging risks facing the Company as described in Principal Risks and Uncertainties on pages 29-34. The Audit Committee also has access to personnel of the Investment Manager responsible for implementing and maintaining controls to address these risks.
- The Audit Committee confirms that the Board and Investment Manager have monitored the Company's compliance with applicable regulations, listing requirements and corporate governance standards.





After considering the audit process and various discussions with the auditor, Investment Manager and Administrator, the Audit Committee is satisfied that the audit was undertaken in an effective manner and addressed the main risks.

## INTERNAL CONTROLS

The Audit Committee has examined the effectiveness of the Company's internal control systems at managing the risks to which the Company is exposed and has not identified any material weaknesses.

The Board is ultimately responsible for the Company's system of internal controls, and for assessing its effectiveness at managing the operational risks to which the Company is exposed. The internal control systems are designed to manage, rather than eliminate, the operational risk of failure to achieve business objectives, and by their nature can only provide reasonable and not absolute assurance against misstatement and loss. The Board confirms there is an ongoing process for identifying, evaluating and managing the significant operational risks faced by the Company, and that this process was in place for the year ended December 31, 2024, and has been in place up to the date of the approval of the Annual Report and Financial Statements. This is done in accordance with relevant best practices detailed in the Financial Reporting Council's ("FRC") guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Risk Committee, at the direction of the Board, conducts an annual risk assessment to identify the material risks applicable to the Company's business, the likelihood of a risk occurring, and the severity of the impact on the Company, and reviews the controls and reporting in place to monitor and mitigate these risks. Deficiencies and recommendations are provided to the Board. The assessment of risk exposures on a gross (before taking account of mitigating controls) and net basis serves to highlight those controls on which greatest reliance is placed. The Investment Manager's operational controls are reviewed by the Board as part of an operational update provided by the Investment Manager at each quarterly Board meeting.

Neither the Company nor the Investment Manager have an internal audit department. All of the Company's management functions are delegated to independent third parties, and the Board therefore believes that an internal audit function for the Company is not necessary or required. The Board, and where appropriate the Investment Manager, has familiarized itself with the internal control systems of its material service providers, which report regularly to the Board. The Board is satisfied that the controls employed by these service providers adequately manage the operational risks to which the Company is exposed.

## AUDITOR

It is the duty of the Audit Committee, among other things, to:

- Consider and make recommendations to the Board in respect of the Company's external auditor that are to be approved by shareholders at the annual general meeting;
- Discuss and agree with the external auditor the nature and scope of the audit;
- Keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor; and
- Review the external auditor's letter of engagement, audit plan and management representation letter.



Ernst & Young LLP (“EY”) has acted as the Company’s auditor since it was appointed to audit the Company’s first financial statements, for the period of December 31, 2012. The Audit Committee last completed a formal audit tender process in 2022 and EY’s audit partner rotated from Jersey to Guernsey for the 2022 audit year, which was an important consideration when the Audit Committee concluded that the auditor was able to evidence continued independence.

During the year the FRC conducted an Audit Quality Review of EY’s audit of the financial statements for the year ended December 31, 2023. The scope of the inspection covered risk assessment and planning, execution of the audit plan, and completion and reporting (including communication with the Audit Committee). The Audit Quality Review was rated as “Good” with no key findings.

The Audit Committee also reviewed the scope of the audit and the fee proposal set out by the auditor in its audit planning report and discussed these with the auditor at the Audit Committee meeting held on November 7, 2024. The Company regularly undertakes market surveys of auditors’ fees and has found its auditor’s fees to be in line with the market. The Audit Committee recommended to the Board that it accept the auditor’s proposed fee of \$263,000 (2023 Actual: \$217,600) for the audit of the Annual Report and Financial Statements. During the year ended December 31, 2024, the Company also paid \$80,000 (2023: \$74,200) for fees related to the semi-annual review.

The Audit Committee understands the importance of auditor independence. Each year, the Audit Committee reviews the scope and results of the audit, its cost effectiveness, and the independence and objectivity of the external auditor. As part of this review, the Audit Committee receives a report from the external auditor confirming its independence and the controls it has in place to ensure its independence is not compromised.

The auditor did not provide any non-audit services to the Company in 2024 or 2023 other than its review of the interim financial statements. Any engagement of the auditor to provide non-audit services to the Company must also receive the prior approval of the Audit Committee. In considering whether to approve such engagement, the Audit Committee assesses (i) the nature of the non-audit service and whether the auditor is the most appropriate party to provide such service; (ii) the proposed fee for the service and whether it is reasonable; and (iii) whether the engagement will constitute a threat to the objectivity and independence of the conduct of the audit. The Audit Committee may take into account the expertise of the auditor, the potential time and cost savings to the Company, and any other factors it believes relevant to its determination.

To fulfill its responsibility regarding the independence of the external auditor, the Audit Committee considers:

- Discussions with or reports from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- The nature of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the Audit Committee reviews:

- The external auditor’s fulfillment of the agreed audit plan and variations from it;
- Discussions or reports highlighting the major issues that arose during the course of the audit; and
- Feedback from other service providers evaluating the performance of the audit team.

The Audit Committee meets with the auditor independently of the Investment Manager and is satisfied with EY’s effectiveness and independence as external auditor having considered the degree of diligence and professional skepticism demonstrated by them. The Audit Committee has also considered the FRC’s Audit Quality Review of EY’s previous audit work.



Having carried out the review described above and satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that EY be reappointed as external auditor for the year ending December 31, 2025. A resolution to re-appoint EY as auditor will be proposed at the 2025 Annual General Meeting.

Shareholders should note that the primary framework for the Company's audit is International Standards on Auditing (UK); the auditor's report thereunder is set out on pages 66-73. The Annual Report also includes on pages 74-75 a report from the auditor to the Directors in accordance with U.S. Generally Accepted Auditing Standards in order to satisfy various U.S. regulatory requirements.

/s/ Andrew Henton

Andrew Henton

Chairman of the Audit Committee

March 14, 2025



# Report of Independent Auditor

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERSHING SQUARE HOLDINGS, LTD.

### Opinion

We have audited the Financial Statements of Pershing Square Holdings, Ltd. (the "Company") for the year ended December 31, 2024 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related Notes 1 to 20, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

### Conclusions Relating to Going Concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of the Directors' going concern assessment process for the Company by engaging with the Directors and Investment Manager early in the audit process to ensure all key factors were considered in its assessment;
- Obtaining the Investment Manager's going concern assessment for the Company which comprised a cashflow forecast and bond covenant reverse stress test, acknowledging the liquidity of the investment portfolio, the significant net asset position and cash balances which are significantly in excess of current liabilities, and testing for arithmetical accuracy;



- We challenged the appropriateness of the Investment Manager's forecasts by applying downside sensitivity analysis and applying further sensitivities to understand the impact on the liquidity of the Company;
- Holding discussions with the Investment Manager and the Directors on whether events or conditions exist that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern;
- Assessing the assumptions used in the going concern assessment prepared by the Investment Manager and considering whether the methods utilised were appropriate for the Company; and
- Reading the going concern disclosures included in the Annual Report and Financial Statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to April 30, 2026.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

## Overview of Our Audit Approach

Key audit matters	Misstatement of the valuation of the Company's level 1 and 2 investments
Materiality	Overall materiality of \$130.0m which represents 1% of Total Equity

### *An Overview of the Scope of our Audit*

#### *Tailoring The Scope*

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the Financial Statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, changes in the business environment and the potential impact of climate change when assessing the level of work to be performed.

#### *Climate Change*

The Company has explained climate-related risks in the "ESG" section of the Report of the Directors and forms part of the "Other Information", rather than the audited Financial Statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements, or our knowledge obtained in the course of the audit, or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the Financial Statements as set out in Note 7 and the conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by IFRS.



Based on our work we have not identified the impact of climate change on the Financial Statements to be a key audit matter or to impact a key audit matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Misstatement of the valuation of the Company's level 1 investments (2024 – assets: \$15,077 million and liabilities: nil; 2023 – assets: \$12,364 million and liabilities: nil) and level 2 investments (2024 – assets: \$51 million and liabilities: nil; 2023 – assets: \$577 million and liabilities: \$32 million)	Updated our understanding of the investment valuation process through a review of the SOC 1 report of the Company's Administrator, performed a walkthrough and evaluated the design of controls in this area.	We confirmed that there were no material instances of use of inappropriate policies or methodologies and that the valuation of the investments was not materially misstated.
Refer to the Report of the Audit Committee (pages 61-65); Accounting policies (pages 83-88); and Note 7 of the Financial Statements (pages 91-95)	For level 1 investments we obtained values for all quoted equities from independent sources and agreed these to management's proposed values.	We also confirmed that there were no material matters arising from our audit work on the valuation of financial instruments, in accordance with IFRS, that we wanted to bring to the attention of the Audit Committee.
The fair value of the investment portfolio may be misstated due to the application of inappropriate methodologies or inputs to the valuations.	For level 2 derivatives instruments, consisting solely of foreign exchange forwards, we developed our own point estimate using inputs from broker confirmations and independent year-end foreign exchange rates. We compared our point estimate valuations to the Company's valuations, assessing differences with reference to our reporting threshold.	
The valuation of the Company's investments is a key driver of the Company's net asset value and total return. Investment valuation could have a significant impact on the net asset value of the Company and the total return generated for shareholders.	We assessed whether the valuation determined is in accordance with IFRS by comparing the valuation methodology to the requirements of IFRS 13.	
There has been no change in this risk from the previous year.		

### Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.



## Materiality

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the Company to be \$130.0 million (2023: \$120.6 million), which is 1% (2023: 1%) of Total Equity. We believe that Total Equity provides us with the best measure of materiality as the Company's primary performance measures for internal and external reporting are based on Total Equity.

During the course of our audit, we reassessed initial materiality and updated its calculation to align with the year-end Total Equity figure.

## Performance Materiality

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely \$97.5 million (2023: \$90.5 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected. Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in the Financial Statements did not exceed our materiality level.

## Reporting Threshold

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$6.5 million (2023: \$6.0 million), which is set at 5% (2023: 5%) of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluated any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

## Other Information

The Other Information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the Other Information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.





We have nothing to report in this regard.

### **Matters on Which We Are Required to Report by Exception**

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Financial Statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Corporate Governance Statement**

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Report relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Report is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 46
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate, set out on page 46;
- Directors' statement on fair, balanced and understandable Financial Statements, set out on page 48;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities, set out on page 46;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 59;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems, set out on page 63; and
- The section describing the work of the Audit Committee, set out on pages 61-65.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 47, the Directors are responsible for the preparation of the Financial Statements, and for being satisfied that they give a true and fair view, and for such internal controls as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

### **Explanation as to What Extent the Audit was Considered Capable of Detecting Irregularities, Including Fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies (Guernsey) Law, 2008, the 2018 UK Corporate Governance Code, AIC Code of Corporate Governance published in February 2019, the listing requirements of the UK Listing Authority and the Protection of Investors (Bailiwick of Guernsey) Law, 2020.
- We understood how the Company is complying with those frameworks by making enquiries of the Investment Manager and those charged with governance regarding:
  - their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the Financial Statements;
  - the Company's methods of enforcing and monitoring non-compliance with such policies;
  - management's process for identifying and responding to fraud risks, including programs and controls the Company has established to address risks identified by the Company, or that otherwise prevent, deter and detect fraud; and
  - how management monitors those programs and controls.
- Administration and maintenance of the Company's books and records is performed by Northern Trust International Fund Administration Services (Guernsey) Limited whom are a regulated firm, independent of the Investment Manager. We corroborated our enquiries through our review of Board minutes and any correspondence received from regulatory bodies. We also obtained their SOC 1 controls report and reviewed it for findings relevant to the Company and evaluated the design of relevant controls. We noted no contradictory evidence during these procedures.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by:



- obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - obtaining management's assessment of fraud risks including an understanding of the nature, extent and frequency of such assessment documented in the Board's risk matrix;
  - making inquiries with those charged with governance as to how they exercise oversight of management's processes for identifying and responding to fraud risks and the controls established by management to mitigate specifically those risks the entity has identified, or that otherwise help to prevent, deter and detect fraud; and
  - making inquiries with management and those charged with governance regarding how they identify related parties including circumstances related to the existence of a related party with dominant influence.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of Board minutes and inquiries of the Investment Manager and those charged with governance including:
    - through discussion, gaining an understanding of how those charged with governance, the Investment Manager and Administrator identify instances of non-compliance by the Company with relevant laws and regulations;
    - inspecting the relevant policies, processes and procedures to further our understanding;
    - reviewing Board minutes and internal compliance reporting;
    - inspecting correspondence with regulators; and
    - obtaining relevant written representations from the Board of Directors.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Other Matters We Are Required to Address**

- Following the recommendation from the Audit Committee, we were appointed by the Company on April 5, 2013 to audit the Financial Statements for the year ended December 31, 2012 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 13 years, covering the years ending December 31, 2012 to December 31, 2024.
- The audit opinion is consistent with the additional report to the Audit Committee.

### **Use of Report**

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not



accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

/s/ Richard Geoffrey Le Tissier

Richard Geoffrey Le Tissier

For and on behalf of Ernst & Young LLP Guernsey

March 14, 2025

(1) The maintenance and integrity of the Pershing Square Holdings, Ltd. website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

(2) Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.



## **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF PERSHING SQUARE HOLDINGS, LTD.**

### **Opinion**

We have audited the financial statements of Pershing Square Holdings, Ltd. (the “Company”), which comprise the Statement of Financial Position as of December 31, 2024 and 2023, and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the years then ended, and the related notes (collectively referred to as the “Financial Statements”).

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Financial Statements that are free of material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Financial Statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the Financial Statements as a whole. The accompanying Condensed Schedule of Investments, Financial Highlights and Certain Regulatory Disclosures are presented for purposes of additional analysis and are not a required part of the Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Financial Statements or to the Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the Financial Statements as a whole.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report set out on pages 1 to 65 and pages 121 to 128 but does not include the Financial Statements, Supplementary Information and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Financial Statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/ Ernst & Young LLP

Ernst & Young LLP  
Guernsey, Channel Islands  
March 14, 2025



# Audited Financial Statements

## STATEMENT OF FINANCIAL POSITION

As of December 31, 2024 and December 31, 2023  
(Stated in United States Dollars)

	Notes	2024	2023
<b>Assets</b>			
Cash and cash equivalents	10	\$ 436,520,113	\$ 1,928,920,630
Due from brokers	13	1,107,529	207,119,255
Trade and other receivables	9	28,772,099	16,312,221
Financial assets at fair value through profit or loss			
Investments in securities	6,7	15,114,606,252	12,701,403,992
Derivative financial instruments	6,7,8	51,380,344	274,844,210
<b>Total Assets</b>		<b>\$ 15,632,386,337</b>	<b>\$ 15,128,600,308</b>
<b>Liabilities</b>			
Due to brokers	13	\$ —	\$ 276,260,000
Trade and other payables	9	232,469,751	321,015,981
Deferred tax expense payables	19	67,885,195	84,826,934
Financial liabilities at fair value through profit or loss			
Derivative financial instruments	6,7,8	—	31,975,102
Bonds	18	2,320,801,301	2,351,915,264
<b>Total Liabilities</b>		<b>\$ 2,621,156,247</b>	<b>\$ 3,065,993,281</b>
<b>Equity</b>			
Share capital	11	\$ 5,722,349,692	\$ 5,722,349,692
Treasury shares	11	(829,368,943)	(711,462,770)
Retained earnings		8,118,249,341	7,051,720,105
<b>Total Equity</b>		<b>13,011,230,090</b>	<b>12,062,607,027</b>
<b>Total Liabilities and Equity</b>		<b>\$ 15,632,386,337</b>	<b>\$ 15,128,600,308</b>
Net assets attributable to Public Shares		\$ 13,010,778,044	\$ 12,062,193,559
Public Shares outstanding		182,956,010	185,461,146
Net assets per Public Share		\$ 71.11	\$ 65.04
Net assets attributable to Special Voting Share		\$ 452,046	\$ 413,468
Special Voting Share outstanding		1	1
Net assets per Special Voting Share		\$ 452,046.08	\$ 413,468.24

The accompanying notes form an integral part of these Financial Statements.





These Financial Statements on pages 76-117 were approved by the Board of Directors on March 14, 2025, and were signed on its behalf by

/s/ Rupert Morley  
Rupert Morley  
Chairman of the Board  
March 14, 2025

/s/ Andrew Henton  
Andrew Henton  
Chairman of the Audit Committee  
March 14, 2025



## STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2024 and December 31, 2023  
(Stated in United States Dollars)

	Notes	2024	2023
<b>Investment gains and losses</b>			
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		\$ 1,676,375,513	\$ 3,026,677,414
Net realized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2024: nil, 2023: nil))		(124,865,760)	(24,866,851)
Net change in unrealized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2024: nil, 2023: nil))		(129,552,453)	(63,136,160)
	6	1,421,957,300	2,938,674,403
<b>Net gain/(loss) on currency translation of the Bonds</b>	18	33,706,191	(16,482,623)
<b>Income<sup>(1)</sup></b>			
Dividend income		152,930,011	161,184,912
Interest income	12	85,936,817	41,648,685
Other income		35,932	—
		238,902,760	202,833,597
<b>Expenses</b>			
Performance fees	15	(226,588,185)	(312,108,882)
Management fees	15	(188,818,228)	(155,469,061)
Interest expense	12	(77,292,603)	(89,892,677)
Professional fees		(10,056,040)	(13,200,099)
Other expenses		(3,031,876)	(2,455,467)
		(505,786,932)	(573,126,186)
<b>Profit/(loss) before tax attributable to equity shareholders</b>		<b>1,188,779,319</b>	<b>2,551,899,191</b>
<b>Taxes</b>			
Withholding tax (dividends)		(32,025,140)	(33,235,985)
Deferred tax expense	19	16,941,739	(32,609,005)
		(15,083,401)	(65,844,990)
<b>Profit/(loss) attributable to equity shareholders</b>		<b>\$ 1,173,695,918</b>	<b>\$ 2,486,054,201</b>
<b>Earnings per share (basic &amp; diluted)<sup>(2)</sup></b>			
Public Shares	17	\$ 6.38	\$ 13.17
Special Voting Share	17	\$ 40,485.66	\$ 84,038.49

All the items in the above statement are derived from continuing operations. There is no other comprehensive income for the years ended December 31, 2024 and December 31, 2023.

(1) In prior reporting years the Company classified income derived from its investments in money market funds as dividend income. The Company has updated its classification of this income to interest income and has reclassified prior year amounts to conform with the current year presentation.

(2) EPS is calculated using the profit/(loss) for the year attributable to equity shareholders divided by the weighted-average shares outstanding over the year as required under IFRS. See Note 17 for further details. All of the Company's share classes participate pro-rata in the profits and losses of the Company based upon the NAV of the share class (before any accrued performance fees) at the time of such allocation.

The accompanying notes form an integral part of these Financial Statements.



## STATEMENT OF CHANGES IN EQUITY

For the years ended December 31, 2024 and December 31, 2023  
(Stated in United States Dollars)

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
<b>As of December 31, 2023</b>	<b>\$ 5,722,349,692</b>	<b>\$ (711,462,770)</b>	<b>\$ 7,051,720,105</b>	<b>\$ 12,062,607,027</b>
Total profit/(loss) attributable to equity shareholders	—	—	1,173,695,918	1,173,695,918
Share buybacks <sup>(1)</sup>	—	(117,906,173)	—	(117,906,173)
Dividend distribution to equity shareholders	—	—	(107,166,682)	(107,166,682)
<b>As of December 31, 2024</b>	<b>\$ 5,722,349,692</b>	<b>\$ (829,368,943)</b>	<b>\$ 8,118,249,341</b>	<b>\$ 13,011,230,090</b>
<b>As of December 31, 2022</b>	<b>\$ 5,722,349,692</b>	<b>\$ (506,863,152)</b>	<b>\$ 4,664,447,181</b>	<b>\$ 9,879,933,721</b>
Total profit/(loss) attributable to equity shareholders	—	—	2,486,054,201	2,486,054,201
Share buybacks <sup>(1)</sup>	—	(204,599,618)	—	(204,599,618)
Dividend distribution to equity shareholders	—	—	(98,781,277)	(98,781,277)
<b>As of December 31, 2023</b>	<b>\$ 5,722,349,692</b>	<b>\$ (711,462,770)</b>	<b>\$ 7,051,720,105</b>	<b>\$ 12,062,607,027</b>

(1) During the years ended December 31, 2024 and December 31, 2023, the Company repurchased Public Shares. This amount includes the accretion relating to the repurchases that was allocated to the Public Shares and the Special Voting Share. All repurchased Public Shares are subsequently held in Treasury. As of December 31, 2024 and December 31, 2023, 28,000,740 and 25,495,604 Public Shares were held in Treasury, respectively. See Note 11 for further details.

The accompanying notes form an integral part of these Financial Statements.



## STATEMENT OF CASH FLOWS

For the years ended December 31, 2024 and December 31, 2023  
(Stated in United States Dollars)

	Notes	2024	2023
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year attributable to equity shareholders		\$ 1,173,695,918	\$ 2,486,054,201
Adjustments to reconcile changes in profit/(loss) for the year to net cash flows:			
Bond interest expense <sup>(1)</sup>	18	75,087,943	74,907,654
Bond interest paid <sup>(1)</sup>	18	(72,495,715)	(72,042,840)
Net gain/(loss) on currency translation of the Bonds <sup>(1)</sup>	18	(33,706,191)	16,482,623
(Increase)/decrease in operating assets:			
Due from brokers	13	206,011,726	299,519,790
Trade and other receivables	9	(12,459,878)	(2,318,696)
Investments in securities	6,7	(2,413,202,260)	(2,122,619,800)
Derivative financial instruments	6,7,8	223,463,866	430,110,612
Increase/(decrease) in operating liabilities:			
Due to brokers	13	(276,260,000)	(394,410,000)
Trade and other payables	9	(86,829,160)	310,193,081
Deferred tax expense payables	19	(16,941,739)	32,609,003
Derivative financial instruments	6,7,8	(31,975,102)	21,729,186
<b>Net cash provided by/(used in) operating activities</b>		<b>(1,265,610,592)</b>	<b>1,080,214,814</b>
<b>Cash flows from financing activities</b>			
Purchase of Public Shares	11	(119,623,243)	(199,956,134)
Dividend distributions	11	(107,166,682)	(98,781,277)
<b>Net cash provided by/(used in) financing activities</b>		<b>(226,789,925)</b>	<b>(298,737,411)</b>
Net change in cash and cash equivalents		(1,492,400,517)	781,477,403
Cash and cash equivalents at beginning of year		1,928,920,630	1,147,443,227
<b>Cash and cash equivalents at end of year</b>	10	<b>\$ 436,520,113</b>	<b>\$ 1,928,920,630</b>
<b>Supplemental disclosure of cash flow information and non-cash activities</b>			
Cash paid during the year for interest		\$ 75,618,209	\$ 87,694,272
Cash received during the year for interest		\$ 89,186,341	\$ 39,605,642
Cash received during the year for dividends		\$ 145,671,679	\$ 161,302,614
Cash deducted during the year for withholding taxes		\$ 29,872,536	\$ 33,265,763
Equity securities received from the distribution in-kind of PS VII Master, L.P. <sup>(2)</sup>		\$ 272,060,600	\$ —

(1) In accordance with the amendments to IAS 7, the Company's changes in liabilities related to the Bonds are further detailed in Note 18.

(2) Refer to Note 16 for further details on the distribution in-kind from PS VII Master, L.P.

The accompanying notes form an integral part of these Financial Statements.



## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

#### Organization

The Company was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It became a registered open-ended investment scheme under Guernsey law on June 27, 2012 and commenced operations on December 31, 2012. On October 1, 2014, the GFSC approved the conversion of the Company into a registered closed-ended investment scheme. The Company's registered office is at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Channel Islands.

A copy of the Prospectus of the Company is available from the Company's registered office and on the Company's website ([www.pershingsquareholdings.com](http://www.pershingsquareholdings.com)).

The latest traded price of the Public Shares is available on Reuters, Bloomberg and the LSE.

#### Investment Policy

Please refer to "Investment Policy" in the Report of the Directors for the Investment Policy of the Company.

#### Bonds

On July 25, 2019, the Company closed on a fully committed private placement of \$400 million Senior Notes with a coupon rate of 4.95%, maturing on July 15, 2039 (the "2039 Bonds").

On August 26, 2020, the Company closed on a fully committed private placement of \$200 million Senior Notes with a coupon rate of 3.00%, maturing on July 15, 2032 (the "2032 Bonds").

On November 2, 2020, the Company issued \$500 million of Senior Notes at par with a coupon rate of 3.25%, maturing on November 15, 2030 (the "2030 Bonds").

On October 1, 2021, the Company issued \$700 million of Senior Notes at 99.670% of par with a coupon rate of 3.25%, maturing on October 1, 2031 (the "2031 Bonds"). On October 1, 2021, the Company also issued €500 million of Senior Notes at 99.869% of par with a coupon rate of 1.375%, maturing on October 1, 2027 (the "2027 Bonds" and together with the 2030 Bonds, 2031 Bonds, 2032 Bonds and 2039 Bonds, the "Bonds").

The Bonds rank equally in right of payment and contain substantially the same covenants. The Bonds' coupons are paid semi-annually, with the exception of the 2027 Bonds' coupon, which is paid annually. The Bonds are listed on Euronext Dublin under the symbol PSHNA.

#### Investment Manager

The Company has appointed PSCM as its investment manager pursuant to the Investment Management Agreement (the "IMA"). The Investment Manager has responsibility, subject to the overall supervision of the Board of Directors, for the investment of the Company's assets in accordance with the Investment Policy of the Company. The Company delegates certain administrative functions relating to the management of the Company to PSCM.



PSCM completed an internal reorganization of its ownership structure in July 2024. As a result of the reorganization, PSCM and its general partner are indirectly controlled by PS Holdco GP Managing Member, LLC, a Delaware limited liability company controlled by senior management of PSCM, including William A. Ackman as the largest owner. The reorganization resulted in a deemed assignment of the Company's IMA for purposes of the Advisers Act (as defined in Note 16), which was approved by the Board of Directors in accordance with the terms of the IMA and the Company's Articles of Incorporation. The reorganization did not have any effect on PSCM's management team or PSCM's role in managing the Company, and PSCM's obligations under the IMA are unchanged by the reorganization.

### Board of Directors

The Company's Board of Directors is comprised of Halit Coussin, Bronwyn Curtis, Charlotte Denton, Andrew Henton, Tope Lawani and Rupert Morley, all of whom are non-executive Directors. All Directors other than Ms. Coussin, who is the Chief Legal Officer and Chief Compliance Officer of the Investment Manager, are considered independent.

Nicholas Botta, the former Vice Chairman of the Investment Manager, retired as a Director on November 15, 2024, after serving on the Board since 2012. Ms. Coussin joined the Board on the same date.

Anne Farlow retired as a Director at the Annual General Meeting of the Company on May 8, 2024 (the "2024 AGM") and Rupert Morley was elected to replace her as Chairman of the Board. Charlotte Denton was elected at the 2024 AGM as a new Director. Tracy Palandjian retired as a Director as of January 1, 2024, having served since 2021.

### Committees of the Board

The Board has established an Audit Committee, a Management Engagement Committee, a Remuneration Committee, a Risk Committee and a Nomination Committee. Ms. Coussin is a member of the Risk and Nomination Committees. The other committees are comprised solely of independent Directors of the Company who are not affiliated with the Investment Manager. Further details as to the composition and role of the Audit Committee are provided in the Report of the Audit Committee; further details as to the composition and role of the Management Engagement, Remuneration, Risk and Nomination Committees are provided in the Corporate Governance Report.

### Prime Brokers

Goldman Sachs & Co. LLC and UBS Securities LLC (the "Prime Brokers") both serve as custodians and primary clearing brokers for the Company.

### Administrator

Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") is the administrator and Company Secretary. The Administrator provides certain administrative and accounting services, including the maintenance of the Company's accounting and statutory records, and receives customary fees, plus out of pocket expenses, based on the nature and extent of services provided.

### Exchange Listings

During the years ended December 31, 2024 and December 31, 2023, the Company's Public Shares traded on the LSE in USD and Sterling and on Euronext Amsterdam in USD. The Company submitted a request to delist from Euronext Amsterdam on December 4, 2024, and the Public Shares were delisted from that exchange on January 31, 2025. The Company's Public Shares continue to trade on the LSE in USD and Sterling.



## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The Financial Statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities at fair value through profit or loss that have been measured at fair value.

The Company presents its statement of financial position with assets and liabilities listed in order of liquidity. An analysis regarding settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 13.

After making reasonable inquiries and assessing all data relating to the Company's liquidity, particularly its holding of cash and Level 1 assets in relation to its liabilities, the Investment Manager and the Board of Directors believe that the Company is well placed to manage its business risks and has adequate resources to continue in operational existence through April 30, 2026. The Board of Directors and the Investment Manager do not consider there to be any threat to the going concern status of the Company. For these reasons, the Company has adopted the going concern basis in preparing the Financial Statements.

### Financial Instruments

#### Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss and Commodity Interests

##### *Classification*

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities. A financial asset or financial liability is measured at fair value through profit or loss if it meets the definition of held for trading.

In applying that classification, a financial asset or financial liability is considered to be held for trading if: (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or (b) on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

##### *Financial Assets*

The Company classifies its financial assets as subsequently measured at fair value through profit or loss or measured at amortized cost based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Financial assets measured at fair value through profit or loss ("FVPL")

A financial asset is measured at fair value through profit or loss if: (a) its contractual terms do not give rise to cash flows on specified dates that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding or (b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or (c) at initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or





liabilities or recognizing the gains and losses on them on different bases. The Company includes in this category investments in securities and derivative financial instruments as both do not give rise to cash flows that are solely principal or interest.

#### Financial assets measured at amortized cost

A debt instrument is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts and other receivables.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired.

#### *Financial Liabilities*

#### Financial liabilities measured at fair value through profit or loss

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. This category would include derivative contracts in a liability position and equity instruments sold short since they are classified as held for trading.

#### Financial liabilities measured at amortized cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category its Bonds and other short-term payables.

#### Derecognition of financial liabilities

The Company will derecognize a financial liability when the obligation under the liability is discharged, canceled or expired.

#### Bonds at Amortized Cost

##### *(i) Classification*

The Company classifies its Bonds, as discussed in Note 1 and Note 18, at amortized cost.

##### *(ii) Recognition*

The Company recognizes its Bonds upon the date of their issuance.

##### *(iii) Initial Measurement*

Bonds are initially measured at their par values minus the original issue discount, if any, and any transaction costs directly attributable to their issuance, which is representative of their fair value at that time.



#### *(iv) Subsequent Measurement*

After initial measurement, the Company measures the Bonds at amortized cost using the effective interest method. Interest expense relating to the Bonds is calculated using the effective interest method allocated over the relevant period and is recognized in the statement of comprehensive income accordingly. The interest expense relating to the Bonds includes the amortization of coupon interest, the original issue discount, if any, and the transaction costs attributable to their issuance.

#### *(v) Derecognition*

The Company will derecognize its liability associated with each of the Bonds upon maturity, tender, or in the event that the Company exercises its prepayment option for all or some of the Bonds, in which case all or some of the liability would be derecognized at the settlement date.

#### **Fair Value Measurement**

The Company measures its investments in financial instruments, such as equities, options and other derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company values equity securities listed on a securities exchange at the official closing price reported by the exchange on which the securities are primarily traded on the date of determination. In the event that the date of determination is not a day on which the relevant exchange is open for business, such securities are valued at the official closing price reported by the exchange on the most recent business day prior to the date of determination. Where the primary exchange does not report an official closing price and the composite price is available, equity securities will be valued at the composite price. Exchange-traded options and securities listed on a securities exchange for which the exchange does not report an official closing price on the date of determination (other than because the relevant exchange was closed on such date) are valued at the average of the most recent "bid" and "ask" prices.

Over the counter ("OTC") options (including commodity, currency, equity and flex options), OTC currency forwards and OTC interest rate swaptions will generally be valued using a third-party pricing service that obtains quotes from multiple dealers to calculate fair value, or if not readily available, in accordance with procedures adopted by the Investment Manager. OTC equity forwards and swaps will be valued by reference to the price of the underlying security, index or other asset, as applicable, and other relevant factors (e.g., fixed and variable financing rates).

Cleared credit default swaps (including index credit default swaps) will generally be valued using pricing obtained from the clearing house that clears the majority of the volume of such swap and/or as necessary, the value of a third-party pricing service if a single clearing house does not clear the majority of such swap. Uncleared credit default swaps will generally be valued using a third-party pricing service that obtains quotes from multiple dealers to calculate fair value.

Other securities that are not listed on an exchange (including derivatives of both equity and debt) but for which external pricing sources (such as dealer quotes or other independent pricing services) may be available are valued by the Investment Manager after considering, among other factors, such external pricing sources, recent trading activity or other information that, in the opinion of the Investment Manager, may not have been reflected in pricing obtained from external sources. When dealer quotes are being used to assess the value of a holding, an attempt is made to obtain several independent quotes. The practical application of quoted market prices to portfolio positions is a function of the quoted differential in bid/offer spreads. Long and short positions generally are marked to mid-market (subject to the Investment Manager's discretion to mark such positions differently if and when deemed appropriate).



Investments that have unobservable inputs are fair valued using valuation methodologies determined by the Investment Manager. The Investment Manager may choose to employ an independent third-party valuation firm to conduct valuations.

The valuation committee of the Investment Manager considers the appropriateness of the valuation methods and inputs, including information obtained after the close of markets, and may request that alternative valuation methods be applied to support the valuation arising from the methods discussed. Any material changes in valuation methods are discussed and agreed with the Board of Directors.

### Offsetting of Financial Instruments

Financial assets and financial liabilities are reported gross by counterparty in the statement of financial position. It is not the Company's intention to settle financial assets and financial liabilities net of the collateral pledged to or received from counterparties.

The Company's derivative assets and liabilities reported by counterparty, showing the effect of netting financial assets and financial liabilities against collateral pledged to or received from the same relevant counterparties, are presented in Note 8.

### Functional and Presentation Currency

The Company's functional currency is USD, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated, and its liquidity is managed, in USD. Therefore, USD is considered the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The presentation currency of the Company's Financial Statements is USD.

### Foreign Currency Translations

Assets and liabilities denominated in non-U.S. currencies are translated into USD at the prevailing exchange rates at the reporting date using the official closing price reported by the exchange on which they are primarily traded. Transactions in non-U.S. currencies are translated into USD at the prevailing exchange rates at the time of the transaction.

The Company includes the portion of gains and losses on investments due to changes in foreign exchange rates with the portion due to changes in market prices of the investments based on the classification of the underlying investment in the statement of comprehensive income.

The portion of gains and losses related to the Bonds' liability (including the interest expense liability) due to changes in foreign exchange rates is included in net gain/(loss) on currency translation of the Bonds in the statement of comprehensive income.

### Amounts Due To and Due From Brokers

Due from brokers consists of cash held at the Company's Prime Brokers, cash and securities pledged in connection with derivative contracts and amounts receivable for securities transactions that have not settled at the reporting date, if any. Cash related to securities sold, not yet purchased, is restricted until the securities are purchased. Due to brokers consists of cash received from counterparties to collateralize the Company's derivative contracts and amounts payable for securities transactions that have not settled at the reporting date, if any.



## Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents in the statement of financial position is comprised of U.S. Treasury Bills and/or money market funds which are invested in U.S. Treasury obligations.

## Investment Income/Expense

Dividend income is recognized on the date on which the investments are quoted ex-dividend and presented gross of withholding taxes, which are disclosed separately in the statement of comprehensive income. Interest income and expense related to cash and cash equivalents and collateral cash received/posted by the Company are recognized when earned/incurred.

## Net Gain or Loss on Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

The Company records its security transactions and the related revenue and expenses on a trade date basis.

Unrealized gains and losses are comprised of (i) changes in the fair value of financial instruments for the year and (ii) the reversal of prior years' unrealized gains and losses for financial instruments which were realized in the reporting period.

Realized gains and losses on disposals of financial instruments classified at fair value through profit or loss are calculated using the highest cost relief method (specific identification). These gains or losses represent the differences between an instrument's initial carrying amount and disposal amount.

## Professional Fees

Professional fees include, but are not limited to, expenses relating to accounting, investment valuation, administrative services, auditing, tax preparation expenses, legal fees and expenses, fees of investment bankers, advisers, appraisers, public and government relations firms and other consultants and experts, and investment-related fees and expenses including research, but excluding investment transaction costs.

## Other Expenses

Other expenses include, but are not limited to, printing and postage expenses, bank service fees, insurance expenses, listing-related fees and expenses relating to corporate engagement, regulatory filings and registrations in connection with the Company's business and investment activities.

## Taxes

The Company is a tax-exempt Guernsey entity under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989, (as amended). The Company is subject to withholding taxes applicable to certain investment income, such as dividends.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. See Note 19 for further details.



## Management Fees and Performance Fees

The Company recognizes management fees and performance fees in the period in which they are incurred in accordance with the terms of the IMA. Refer to Note 15 for detailed information regarding the calculation of both fees.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognized in the Financial Statements and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant effect on the amounts recognized in the Financial Statements:

#### *Assessment of the Company's investments as structured entities*

The Company assessed whether PS VII Master, L.P. ("PS VII Master") and Pershing Square SPARC Sponsor, LLC ("SPARC Sponsor") are structured entities under IFRS 12. IFRS 12 defines a structured entity as an entity that has been designed so that voting or other similar rights of the investors are not the dominant factor in deciding who controls the entity.

PS VII Master, an affiliated investment fund, operated as a co-investment vehicle that invested primarily in securities of Universal Music Group N.V. ("UMG"). PS VII Master commenced operations on August 9, 2021 and ceased operations as of December 31, 2024 (the "Cessation Date"). The Company held an investment in PS VII Master from its commencement until the Cessation Date. As of December 31, 2023, the Company's investment in PS VII Master is reflected under financial assets at fair value through profit or loss in the statement of financial position.

The Company assessed whether PS VII Master should be classified as a structured entity. The Company considered the terms of the investment management agreement between PS VII Master and the Investment Manager along with the voting and redemption rights of the other PS VII Master investors, including their rights to remove the Investment Manager, and determined that the dominant factor of control of PS VII Master is PS VII Master's contractual agreement with the Investment Manager. The Company, therefore, concluded that PS VII Master was a structured entity during its operation.

The Company, Pershing Square, L.P. ("PSLP") and Pershing Square International, Ltd. ("PSINTL" and together with the Company and PSLP, the "Pershing Square Funds") wholly own Pershing Square SPARC Sponsor, a Delaware limited liability company, as non-managing members and are its only source of funding. The business and affairs of SPARC Sponsor are managed exclusively by its non-member manager, PSCM. SPARC Sponsor is the sponsor entity for Pershing Square SPARC Holdings, Ltd. ("SPARC"), a Delaware corporation, which is a company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. SPARC's initial Form S-1 Registration Statement ("SPARC S-1") was filed with the Securities and Exchange Commission ("SEC") on November 24, 2021 and became effective on September 29, 2023 ("SPARC Prospectus"). As of December 31, 2024 and December 31, 2023, the Company held an investment in SPARC Sponsor. This investment is reflected under financial assets at fair value through profit or loss in the statement of financial position.



The Company assessed whether SPARC Sponsor should be classified as a structured entity. The Company considered the terms of the limited liability company agreement of SPARC Sponsor and determined that the dominant factor of control is PSCM's role as non-member manager. The Company concluded that SPARC Sponsor is a structured entity.

All realized and unrealized gains and losses from the Company's investments in PS VII Master and SPARC Sponsor (together, the "Structured Entities") are reflected in the statement of comprehensive income for the years ended 2024 and 2023, as applicable. The Company has not provided any financial or other support to these unconsolidated Structured Entities. See Note 7 for the discussion on the fair value measurement and Note 16 for related-party transactions regarding the Company's investments in the Structured Entities.

### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Fair Value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined by the Investment Manager using prices obtained from counterparties or independent third-party pricing services/valuation agents. The independent third-party pricing services/valuation agents utilize proprietary models to determine fair value. The valuation agents' modeling may consider, but is not limited to, the following inputs: amount and timing of cash flows, probability assessments, volatility of the underlying securities' stock price, comparable transaction data, dividend yields and/or interest rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are calibrated regularly and tested for validity using prices from observable current market transactions in the same instrument (without modification or repackaging) or based on available observable market data. Refer to Note 7 for the sensitivity analysis performed on significant unobservable inputs used in the valuation of Level 3 investments.

## 4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Company has assessed the impact of amendments in 2024 made to IAS 1, IAS 7, IAS 21, IFRS 7 and IFRS 16 and has determined that they do not affect the Company's Financial Statements. The Company has assessed the impact of IFRS 18, which has been issued but is not yet effective. While the presentation of the statement of comprehensive income will change on implementation, the valuation and measurement of balances will not be impacted. The Company will continue to assess the impact of IFRS 18 as additional guidance is released prior to implementation. No other standards that have been issued but are not yet effective are likely to materially affect the Company's Financial Statements.



New Pronouncement	Effective Date
Amendments to IAS 21– <i>Lack of exchangeability</i>	January 1, 2025
Amendments to IFRS 9 and IFRS 7 – <i>Classification and Measurement of Financial Instruments</i>	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – <i>Power Purchase Agreements</i>	January 1, 2026
Volume 11 – <i>Annual Improvements to IFRS Accounting Standards</i>	January 1, 2026
IFRS 18 – <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
IFRS 19 – <i>Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027

## 5. SEGMENT INFORMATION

In accordance with IFRS 8: Operating Segments, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board in order to assess each segment's performance.

Management information for the Company as a whole is provided internally to the Directors for decision-making purposes. The Board's decisions are based on a single integrated strategy and the Company's performance is evaluated on an overall basis. The Company has a portfolio of long investments that the Board and Investment Manager believe exhibit significant valuation discrepancies between current trading prices and intrinsic business value, often with a catalyst for value recognition. Therefore, the Directors are of the opinion that the Company is engaged in a single economic segment of business for all decision-making purposes. The financial results of this segment are equivalent to the results of the Company as a whole.

## 6. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table is a breakdown of the financial assets and financial liabilities at fair value through profit or loss:

As of December 31	2024	2023
<b>Financial assets</b>		
Investments in securities	\$ 15,114,606,252	\$ 12,701,403,992
Derivative financial instruments	51,380,344	274,844,210
<b>Financial assets at fair value through profit or loss</b>	<b>\$ 15,165,986,596</b>	<b>\$ 12,976,248,202</b>
<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
<b>Financial liabilities</b>		
Derivative financial instruments	\$ —	\$ 31,975,102
<b>Financial liabilities at fair value through profit or loss</b>	<b>\$ —</b>	<b>\$ 31,975,102</b>

The following table is a breakdown of the net changes in fair value of financial assets and financial liabilities through profit or loss:

	Year Ended 2024			Year Ended 2023		
	Realized	Unrealized	Total Gains/(Losses)	Realized	Unrealized	Total Gains/(Losses)
Investments in securities (assets)	\$ 1,621,833,721	\$ (59,477,997)	\$ 1,562,355,724	\$ 1,542,715,847	\$ 1,631,858,420	\$ 3,174,574,267
Derivative financial instruments	(152,266,145)	11,867,721	(140,398,424)	(16,002,481)	(219,897,383)	(235,899,864)
<b>Net changes in fair value</b>	<b>\$ 1,469,567,576</b>	<b>\$ (47,610,276)</b>	<b>\$ 1,421,957,300</b>	<b>\$ 1,526,713,366</b>	<b>\$ 1,411,961,037</b>	<b>\$ 2,938,674,403</b>





## 7. FAIR VALUE OF ASSETS AND LIABILITIES

### Fair Value Hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgment and considers factors specific to the asset or liability. Financial instruments are recognized at fair value and categorized in the following table based on the following:

Level 1 – Inputs are unadjusted quoted prices in active markets.

Level 2 – Inputs (other than quoted prices included in Level 1) are obtained directly or indirectly from observable market data at the measurement date.

Level 3 – Inputs, including significant unobservable inputs, reflect the Company's best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

### Recurring Fair Value Measurement of Assets and Liabilities

(in thousands)

As of December 31	2024				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>								
Equity Securities:								
Common Stock:								
Consumer Products	\$ 1,282,901	\$ —	\$ —	\$ 1,282,901	\$ —	\$ —	\$ —	\$ —
Financial Services	2,408,327	—	—	2,408,327	180,114	—	—	180,114
Hospitality	1,198,012	—	—	1,198,012	1,465,027	—	—	1,465,027
Leisure & Hospitality	123,036	—	—	123,036	—	—	—	—
Media	3,007,457	—	—	3,007,457	3,001,037	—	—	3,001,037
Real Estate Development and Operating	1,270,627	—	—	1,270,627	1,413,185	—	—	1,413,185
Restaurant	2,685,426	—	—	2,685,426	3,283,352	—	—	3,283,352
Retail	—	—	—	—	242,826	—	—	242,826
Technology	1,967,033	—	—	1,967,033	1,695,820	—	—	1,695,820
Transportation	1,001,874	—	—	1,001,874	1,048,916	—	—	1,048,916
Preferred Stock:								
Financial Services	132,374	—	—	132,374	33,912	—	—	33,912
Investment in Affiliated Entities:								
Media	—	—	—	—	—	301,842 <sup>(1)</sup>	—	301,842
Special Purpose Acquisition Rights Company	—	—	37,540 <sup>(2)</sup>	37,540	—	—	35,373 <sup>(2)</sup>	35,373
Derivative Contracts:								
Currency Forwards	—	51,380 <sup>(3)</sup>	—	51,380	—	—	—	—
Equity Options	—	—	—	—	—	57,510 <sup>(3)</sup>	—	57,510
Forward Purchase Agreement:								
Special Purpose Acquisition Rights Company <sup>(4)</sup>	—	—	—	—	—	—	—	—
Interest Rate Swaptions	—	—	—	—	—	217,334 <sup>(3)</sup>	—	217,334
<b>Total</b>	<b>\$ 15,077,067</b>	<b>\$ 51,380</b>	<b>\$ 37,540</b>	<b>\$ 15,165,987</b>	<b>\$ 12,364,189</b>	<b>\$ 576,686</b>	<b>\$ 35,373</b>	<b>\$ 12,976,248</b>



As of December 31	2024				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities:</b>								
Derivative Contracts:								
Currency Forwards	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 31,975 <sup>(3)</sup>	\$ —	\$ 31,975
<b>Total</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 31,975	\$ —	\$ 31,975

- (1) Figure relates to the Company's investment in PS VII Master, L.P. as of December 31, 2023. As of December 31, 2023, the instruments underlying the Company's investment in PS VII Master, L.P. included 100.27% of Level 1 financial instruments, -0.30% of Level 2 financial instruments and 0.03% of other assets and liabilities.
- (2) Figure relates to the Company's investment in Pershing Square SPARC Sponsor, LLC. Refer to Note 16 for further details.
- (3) OTC equity options, interest rate swaptions and currency forwards are fair valued by the Investment Manager. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: current market and contractual prices from market makers or dealers, volatilities of the underlying financial instruments, interest rates, and/or current foreign exchange forward and spot rates. The significant inputs are market observable and included within Level 2. The Investment Manager utilizes a third-party pricing service and its widely recognized valuation models to obtain fair values of these financial instruments. Refer to Note 8 for a description of derivatives traded by the Company.
- (4) Refers to the Company's investment in the SPARC Committed Forward Purchase Agreement. Refer to Note 16 for further details.

The Company's cash and cash equivalents and short-term receivables and payables are recorded at carrying value which approximates fair value. The Bonds, which are not included in the table of Recurring Fair Value Measurement of Assets and Liabilities, are classified as Level 1 financial liabilities and the fair values of the Bonds are discussed further in Note 18.

Some of the Company's investments in Level 1 securities represent a significant portion of the Company's portfolio. If such investments were sold or covered in their entirety, it might not be possible to dispose of them at the quoted market price. IFRS does not permit adjustments to the fair value of these investments to account for a potential sale at a discount to quoted market price.

The Directors have considered the impact of climate change on the valuation of the Company's investments. In line with IFRS the Company's investments are valued at fair value, which for substantially all of the Company's investments are, or incorporate, quoted prices for investments in active markets at December 31, 2024 and December 31, 2023 and therefore reflect market participants' view of climate change risk. Climate change risk does not have a material impact on the value of the Company's other investments.

### Level 3 Transfers

Transfers between levels during the year are determined and deemed to have occurred at each financial statement reporting date. There were no transfers into or out of Level 3 fair value measurements since the last financial statement reporting date.

### Level 3 Reconciliation

Level 3 investments are fair valued using valuation methodologies determined by the Investment Manager. In applying its valuation methods, the Investment Manager utilizes information including, but not limited to the following: amount and timing of cash flows, probability assessments, volatility of the underlying securities' stock price, comparable transaction data, dividend yields and/or interest rates. The Investment Manager engaged an independent third-party valuation firm to conduct valuations for the SPARC Sponsor Shares and the SPARC Sponsor Warrants held by SPARC Sponsor and the SPARC Committed FPA (each as disclosed in Note 16). The independent third-party valuation firm provided the Investment Manager with a written report documenting their recommended valuations as of the determination date.

The following table summarizes the change in the carrying amounts associated with Level 3 investments for the years ended 2024 and 2023.



	SPARC Sponsor	SPARC Committed FPA	Total
Balance at December 31, 2023	\$ 35,372,728	\$ —	\$ 35,372,728
Funding for Sponsor expenses	6,165	—	6,165
Net gain/(loss)	2,161,238	—	2,161,238
Balance at December 31, 2024	\$ 37,540,131	\$ —	\$ 37,540,131

	SPARC Sponsor	SPARC Committed FPA	Total
Balance at December 31, 2022	\$ —	\$ —	\$ —
Funding for SPARC Sponsor Warrants	31,555,612	—	31,555,612
Funding for SPARC Sponsor Shares	189,580	—	189,580
Funding for Sponsor expenses	5,957	—	5,957
Net gain/(loss)	3,621,579	—	3,621,579
Balance at December 31, 2023	\$ 35,372,728	\$ —	\$ 35,372,728

As a result of a change in the fair value of the SPARC Sponsor Warrants, the Company had a net gain of \$2,161,238 from Level 3 securities for the year ended December 31, 2024. The fair value of the SPARC Sponsor Shares remained constant for the year ended December 31, 2024.

As a result of changes in the fair values of the SPARC Sponsor Shares and the SPARC Sponsor Warrants, the Company had a net gain of \$3,621,579 from Level 3 securities for the year ended December 31, 2023. The change in the fair value of the SPARC Sponsor Shares, which previously had a fair value of nil at December 31, 2022, was attributable to the SEC declaring effective the SPARC Prospectus. The change in the fair value of the SPARC Sponsor Warrants reflects the increase in their valuation between purchase and as of December 31, 2023.

When the Investment Manager agrees to a SPARC transaction, the SPARC Sponsor Shares and the SPARC Sponsor Warrants will be valued with reference to the market valuation of the post-combination company. During the period before a SPARC transaction, the Investment Manager will value the SPARC Sponsor Warrants and Shares using assumptions determined in accordance with its valuation policy and applicable accounting standards.

### Quantitative Information of Significant Unobservable Inputs – Level 3

The quantitative information about the significant unobservable inputs used in the fair value measurement by the Company for Level 3 investments as of December 31, 2024 and December 31, 2023 are listed below.

#### SPARC Sponsor

Description	December 31, 2024	December 31, 2023
Volatility	25.0%	25.0%
Probability of Not Completing a Deal	30.0%	30.0%
Expected Time to Complete a Deal	4.4 Years	4.9 Years
Probability of Warrant Renegotiation	30.0%	30.0%
Estimated Target Equity Value	\$4.5 billion	\$4.5 billion

The SPARC Sponsor Warrants held through the Company's investment in SPARC Sponsor are valued using a Black-Scholes option pricing model, with the following significant unobservable inputs: (i) Volatility, (ii) Probability of Not Completing a Deal, (iii) Expected Time to Complete a Deal, (iv) Probability of Warrant Renegotiation and (v) Estimated Target Equity Value. The Volatility reflects the anticipated implied volatility of the potential target company from SPARC's business combination over the SPARC Sponsor Warrants' 10-year term. The Probability of Not Completing a Deal reflects a discount relating to



SPARC's deadline to complete its business combination prior to the expiration of its term. The Expected Time to Complete a Deal considers SPARC's timeframe to consummate a business combination with all necessary shareholder and board approvals to be the midpoint of the remaining time until the 10-year deadline. The Probability of Warrant Renegotiation is a discount based on the probability that the SPARC Sponsor Warrants will be restructured at the time of SPARC's business combination. The discount is representative of the average restructuring of the sponsor incentive and founder stock forfeitures in completed blank check company transactions. The Estimated Target Equity Value is the SPARC's assumption of the total equity capital of the entity following its business combination. This assumption factors in SPARC's available capital at the time of the deal which is the estimated proceeds from the exercise of the subscription warrants and the forward purchase agreements, and applies a multiplier to SPARC's available capital based on its observation of the median multiple between historical blank check companies' available capital and the equity value of their eventual merger targets.

The significant unobservable input for the SPARC Sponsor Shares held through the Company's investment in SPARC Sponsor is the Probability of Not Completing a Deal.

#### *SPARC Committed FPA*

As described in more detail in Note 16, the Pershing Square Funds entered into the SPARC Committed FPA, obligating them to purchase at least \$250 million and up to \$1 billion of SPARC Public Shares, determined by the Final Exercise Price (as defined in Note 16). The fair value of the SPARC Committed FPA is mainly driven by SPARC's ability to execute on a business combination that is value-additive, meaning the intrinsic value exceeds the Final Exercise Price. After reviewing independent studies of value creation in business transactions, the valuation agent determined that there was no expected incremental value creation in a SPARC transaction. Based on this determination, the Final Exercise Price and the intrinsic value of the business combination would be equal, leaving all other unobservable inputs irrelevant to the fair value. This analysis will likely remain unchanged until SPARC's subscription warrants are quoted on the OTCQX marketplace of the OTC Markets Group, which will not occur until after a business combination is announced.

### **Sensitivity Analysis to Significant Changes in Unobservable Inputs with Level 3 Hierarchy**

The sensitivity analysis calculates the effect of a reasonably possible change of each significant unobservable input and its effect on the fair value with all other variables held constant as of December 31, 2024 and December 31, 2023.

As of December 31, 2024:

<b>SPARC Sponsor Warrants</b>	<b>Inputs</b>	<b>Sensitivity Used (+)</b>	<b>Effect on Fair Value</b>	<b>Sensitivity Used (-)</b>	<b>Effect on Fair Value</b>
Volatility	25.0%	5%	\$ 3,892,649	5%	\$ (3,894,781)
Probability of Not Completing a Deal	30.0%	5%	\$ (2,496,802)	5%	\$ 2,496,802
Expected Time to Complete a Deal	4.4 Years	1 Year	\$ (1,486,491)	1 Year	\$ 1,552,511
Probability of Warrant Renegotiation	30.0%	5%	\$ (2,496,802)	5%	\$ 2,496,802
Estimated Target Equity Value	\$4.5 billion	5%	\$ 1,747,760	5%	\$ (1,747,760)

<b>SPARC Sponsor Shares</b>	<b>Inputs</b>	<b>Sensitivity Used (+)</b>	<b>Effect on Fair Value</b>	<b>Sensitivity Used (-)</b>	<b>Effect on Fair Value</b>
Probability of Not Completing a Deal	30.0%	5%	\$ (184,637)	5%	\$ 184,637



As of December 31, 2023:

<b>SPARC Sponsor Warrants</b>	<b>Inputs</b>	<b>Sensitivity Used (+)</b>	<b>Effect on Fair Value</b>	<b>Sensitivity Used (-)</b>	<b>Effect on Fair Value</b>
Volatility	25.0%	5%	\$ 4,155,023	5%	\$ (4,211,795)
Probability of Not Completing a Deal	30.0%	5%	\$ (2,341,987)	5%	\$ 2,341,987
Expected Time to Complete a Deal	4.9 Years	1 Year	\$ (1,238,120)	1 Year	\$ 1,286,708
Probability of Warrant Renegotiation	30.0%	5%	\$ (2,341,987)	5%	\$ 2,341,987
Estimated Target Equity Value	\$4.5 billion	5%	\$ 1,639,391	5%	\$ (1,639,391)

<b>SPARC Sponsor Shares</b>	<b>Inputs</b>	<b>Sensitivity Used (+)</b>	<b>Effect on Fair Value</b>	<b>Sensitivity Used (-)</b>	<b>Effect on Fair Value</b>
Probability of Not Completing a Deal	30.0%	5%	\$ (184,637)	5%	\$ 184,637

## 8. DERIVATIVE CONTRACTS

In the normal course of business, the Company enters into derivative contracts for investment and hedging purposes. These instruments are subject to various risks, similar to non-derivative instruments, including market, credit and liquidity risk (see Note 13). The Company manages these risks on an aggregate basis along with other risks associated with its investing activities as part of its overall risk management strategy. All derivatives are reported at fair value (as described in Note 2) in the statement of financial position. Changes in fair value are reflected in the statement of comprehensive income. A description of the derivatives traded by the Company is below.

### Currency Forwards

A currency forward contract is a commitment to purchase or sell a currency on a future date at a negotiated forward exchange rate. Currency forward contracts are used for trading purposes and may hedge the Company's exposure to changes in currency exchange rates on its portfolio investments.

### Equity Forwards

An equity forward contract involves a commitment by the Company to purchase or sell equity securities for a predetermined price, with payment and delivery of the equity securities at a predetermined future date. An equity forward embeds a cost of carry (interest) charge payable by the Company (when the Company commits to purchase) or receivable by the Company (when the Company commits to sell) the underlying securities.

### Options

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument, commodity or currency at a contracted price, either at a fixed future date or at any time within a specified period.

The Company purchases and sells call and put options through regulated exchanges and OTC markets. Options purchased by the Company provide the Company with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option, depending on the option's style of exercise.

The Company is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. Options written by the Company provide the purchaser (the party facing the Company) the opportunity to purchase from or sell to the Company the underlying asset at an agreed-upon value. In writing an option, the Company bears the market risk of an unfavorable change in the asset underlying the written option. The exercise by the purchaser of an option written by



the Company could result in the Company buying or selling a financial instrument at a price higher or lower than the current market value, respectively. The maximum loss for written put options is limited to the number of contracts written and the related strike prices, and the maximum loss for written call options (which could be unlimited) is contingent upon the market price of the underlying asset at the exercise date.

## Swaptions

A swaption is an option contract that provides its owner the right, but not the obligation, to enter into a previously agreed-upon swap on a future date or to cancel an existing swap in the future. A payer swaption is an option to enter into a swap as a fixed-rate payer and receive the floating rate. A receiver swaption is an option to enter into a swap as a fixed-rate receiver and pay the floating rate.

## Fair Value of Derivative Financial Instruments

The following table shows the fair values of derivative financial instruments recorded as assets or liabilities as of December 31, 2024 and December 31, 2023, together with their notional amounts which is indicative of the trading activity throughout the year. The notional amount, which is recorded on a gross basis, is the amount of a derivative's underlying asset, reference rate or index value, and is the basis upon which changes in the value of derivatives are measured.

As of December 31	2024		2023	
	Fair Value	Notional <sup>(1)</sup>	Fair Value	Notional <sup>(2)</sup>
<b>Derivatives primarily held for risk management purposes</b>				
<b>Assets</b>				
Currency Forwards	\$ 51,380,344	\$ 2,156,603,377	\$ —	\$ —
Equity Options	—	—	57,510,370	419,925,279
Interest Rate Swaptions	—	—	217,333,840	12,746,618,000
<b>Total Assets</b>	<b>\$ 51,380,344</b>	<b>\$ 2,156,603,377</b>	<b>\$ 274,844,210</b>	<b>\$ 13,166,543,279</b>
<b>Liabilities</b>				
Currency Forwards	\$ —	\$ —	\$ 31,975,102	\$ 1,246,552,601
<b>Total Liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 31,975,102</b>	<b>\$ 1,246,552,601</b>

(1) The Company also traded equity options, equity forwards, commodity options and interest rate swaptions during 2024 but did not hold these instruments as of December 31, 2024. The average notional amounts traded were \$70.8 million, \$773.1 million, \$9.1 million and \$1.5 billion, respectively.

(2) The Company also traded commodity options, equity forwards and currency call/put options during 2023 but did not hold these instruments as of December 31, 2023. The average notional amounts traded were \$42.4 million, \$105.4 million and \$256.4 million, respectively.

The table below summarizes gains or losses from the Company's derivative trading for the years ended December 31, 2024 and December 31, 2023 that are included in investment gains and losses in the statement of comprehensive income.

Derivatives Trading	Year Ended 2024	Year Ended 2023
Commodity Options	\$ (22,254,479)	\$ (18,617,762)
Currency Call/Put Options	—	(10,655,624)
Currency Forwards	123,973,565	(24,569,588)
Equity Forwards	(50,563,332)	(5,944,939)
Equity Options	40,609,556	(117,382,326)
Interest Rate Swaptions	(232,163,734)	(58,729,625)
<b>Total Net Gain/(Loss)</b>	<b>\$ (140,398,424)</b>	<b>\$ (335,899,864)</b>



## Offsetting of Derivative Assets and Liabilities

IFRS 7 requires an entity to disclose information about offsetting rights and related arrangements. The disclosures provide users with information to evaluate the effect of netting arrangements on an entity's financial position. The disclosures are required for all recognized financial instruments that could be offset in accordance with IAS 32 Financial Instruments Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with IAS 32.

The table below displays the amounts by which the fair values of derivative assets and liabilities could be offset in the statement of financial position as a result of counterparty netting. Collateral pledged/received represents amounts by which derivative assets and liabilities could have been further offset for financial statement presentation purposes if the Company did not include collateral amounts in due from/to brokers in the statement of financial position.

As of December 31, 2024, the Company held derivative assets totaling \$51,380,344, none of which could be offset in accordance with IAS 32 Financial Instruments Presentation or are subject to enforceable ISDA master netting arrangements.

As of December 31, 2023	Gross Amounts <sup>(1)</sup>	Gross Amounts Offset in the Statement of Financial Position	Net Amounts Presented in the Statement of Financial Position <sup>(1)</sup>	Amounts Not Offset in the Statement of Financial Position				
				Financial Instruments <sup>(2)</sup>	Collateral Pledged / (Received) <sup>(3,4)</sup>	Net Amount		
Derivative Assets								
Counterparty A	\$ 184,281,999	\$ —	\$ 184,281,999	\$ —	\$ (184,281,999)	\$ —		
Counterparty I	90,562,211	—	90,562,211	—	(90,562,211)	—		
Total	\$ 274,844,210	\$ —	\$ 274,844,210	\$ —	\$ (274,844,210)	\$ —		
Derivative Liabilities								
Counterparty H	\$ —	\$ —	\$ —	\$ —	\$ 189,967,112	\$ 189,967,112		
Total	\$ —	\$ —	\$ —	\$ —	\$ 189,967,112	\$ 189,967,112		

- (1) As of December 31, 2023, the amounts of derivative contracts presented in the preceding tables differ from the amounts reported in the statement of financial position as a result of derivative assets and liability contracts in the amounts of nil and \$31,975,102, respectively, which are not subject to enforceable ISDA master netting arrangements.
- (2) Amount of financial instruments subject to ISDA master netting agreements, determined by the Company to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance, but were not offset as it is not the Company's intention to settle on a net basis with its ISDA counterparties.
- (3) Amounts of collateral subject to collateral agreements determined by the Company to be legally enforceable in the event of default, but were not offset as it is not the Company's intention to settle on a net basis with its ISDA counterparties. The collateral amounts may exceed the net amounts presented in the statement of financial position. Where this is the case, collateral pledged/received is limited to the net amounts of financial assets and liabilities with that counterparty. As of December 31, 2023, the Company received additional collateral of \$1,415,790 related to independent amounts and/or valuation differences with the counterparty, not presented in the tables above.
- (4) The Company is subject to Uncleared Margin Rules, requiring the Company to post initial margin to individual third-party accounts custodied at a bank separate from the counterparty with which the instruments are traded. The Company is subject to insolvency risk at the bank where these third-party accounts are custodied. The collateral posted to the Company's third-party accounts is represented by "Counterparty H". The Company also received collateral from its counterparties into tri-party accounts at the same bank. The securities posted to these accounts are only accessible in the event of counterparty default. As of December 31, 2023, the value of securities posted to the tri-party accounts was \$381.1 million, which exceeded the Company's net exposure to its counterparties.





## 9. TRADE AND OTHER RECEIVABLES/PAYABLES

The following is a breakdown of the Company's trade and other receivables/payables as reflected in the statement of financial position.

<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
<b>Trade and other receivables</b>		
Dividends receivable	\$ 15,152,991	\$ 10,047,264
Receivable from PS VII Master, L.P.	10,581,212	—
Interest receivable	1,772,235	5,021,758
Prepayments and other receivables	1,265,661	1,243,199
	<b>\$ 28,772,099</b>	<b>\$ 16,312,221</b>
<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
<b>Trade and other payables</b>		
Performance fees payable	\$ 225,356,173	\$ 311,358,114
Settlement of share buybacks	4,409,741	6,126,811
Other payables	2,666,827	2,339,262
Interest payable	37,010	1,191,794
	<b>\$ 232,469,751</b>	<b>\$ 321,015,981</b>

## 10. CASH AND CASH EQUIVALENTS

The following is a breakdown of the Company's cash and cash equivalents as reflected in the statement of financial position.

<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
<b>Cash and cash equivalents</b>		
U.S. Treasury money market funds	\$ 436,520,113	\$ 1,919,676,742
U.S. Treasury Bills	—	9,243,888
	<b>\$ 436,520,113</b>	<b>\$ 1,928,920,630</b>

As of December 31, 2024, money market fund investments in Goldman Sachs Financial Square Treasury Instruments Fund and BlackRock Liquidity Funds Treasury Trust Fund had fair values of \$377,786,506 (2023: \$756,784,660) and \$58,733,607 (2023: \$1,162,892,082), respectively.

## 11. SHARE CAPITAL

### Authorized and Issued Capital

The Board has general and unconditional authority to issue an unlimited number of shares (or options, warrants or other rights in respect of shares). All of the Company's share classes participate pro-rata in the profits and losses of the Company based upon the NAV of the share class (before any accrued performance fees) at the time of such allocation. The NAV of each share class is the proportion of the Company's NAV attributable to such share class at the relevant valuation date, taking into account the assets and liabilities of the Company specifically attributable to such class of shares.

The Company had 182,956,010 Public Shares (December 31, 2023: 185,461,146) and the Special Voting Share outstanding as of December 31, 2024. The Company also held 28,000,740 Public Shares in Treasury (December 31, 2023: 25,495,604) for a



total of 210,956,750 Public Shares in issue (December 31, 2023: 210,956,750) as of December 31, 2024. The Company had no Management Shares outstanding as of December 31, 2024 and December 31, 2023.

The Company's Articles of Incorporation, in accordance with the UK Listing Rules, incorporate pre-emption rights in favor of existing shareholders on the issue or sale from treasury of new equity securities for cash (or to issue any rights to subscribe for or convert equity securities into ordinary shares of the Company). At the 2024 AGM, the Company proposed and shareholders passed a special resolution to approve the disapplication of the pre-emption rights contained in the Articles of Incorporation so that the Board has the authority to allot and issue (or sell from treasury) up to 18,400,236 Public Shares (equal to 10% of Public Shares outstanding as at the latest practicable date prior to the date of publication of the 2024 Notice of the Annual General Meeting). Such disapplication for issuances of 10% or less of outstanding equity is commonly requested by issuers listed on the LSE. The Company intends to propose the same special resolution at the 2025 Annual General Meeting.

In order to maintain the status of the Company as a foreign private issuer under U.S. securities law and regulations, the Company has issued a Special Voting Share to PS Holdings Independent Voting Company Limited ("VoteCo"), a Guernsey limited liability company. The Special Voting Share at all times carries 50.1% of the aggregate voting power in the Company (except for certain matters set forth in the UK Listing Rules on which it may not vote). VoteCo's organizational documents require it to vote in the interest of the Company's shareholders as a whole. The Investment Manager has no affiliation with VoteCo. The members of the VoteCo board of directors are independent from the Investment Manager and have no interest in the Company or the Investment Manager. VoteCo is wholly owned by a trust established for the benefit of one or more charitable organizations outside of the United States, currently the Breast Cancer Society of Canada.

### Lock-up

In connection with the Company's IPO, Mr. Ackman and selected partners of the Investment Manager each entered into a lock-up arrangement with the Company (the "Lock-Up Deed") whereby their aggregate Management Shares held at the time of the IPO are subject to a lock-up of 10 years commencing from October 1, 2014, other than sales of Management Shares (i) required to pay taxes on income generated by the Company; (ii) required due to regulatory constraints; or (iii) following separation of employment from the Investment Manager. Management Shares subject to the Lock-Up Deed could from time to time be transferred to affiliates, provided that the transferee agreed to be subject to the remaining lock-up period. On August 9, 2018, the Company amended the Lock-Up Deed to clarify that parties to the Lock-Up Deed could sell the specific Management Shares they held at the time of the IPO, so long as they continued to hold at least as many Management Shares in the aggregate as they held at the time of the IPO (or, if the Management Shares had been converted to Public Shares, so long as they held at least as many Public Shares as such Management Shares were converted into). Following the conversion of all Management Shares into Public Shares on December 31, 2020, 7,950,974 Public Shares were subject to the Lock-Up Deed until it expired on October 1, 2024.

### Voting Rights

The holders of Public Shares have the right to receive notice of, attend and vote at general meetings of the Company. Public Shares held in Treasury do not have voting rights.

Each Public Share and Management Share, if any, carries such voting power so that the aggregate issued number of Public Shares and Management Shares carries 49.9% of the total voting power of the aggregate number of voting shares. Each Public Share carries one vote and each Management Share carries such voting power so that the total voting power of the Public Shares and Management Shares are pro-rated in accordance with their respective net asset values. The Special Voting Share carries 50.1% of the aggregate voting power in the Company. The Special Voting Share and the Management Shares may not



vote on certain matters specified in the UK Listing Rules.

### Specified Matters

The UK Listing Rules permit only holders of Public Shares to vote on certain matters (the “Specified Matters”). Each of the Specified Matters is set forth in the UK Listing Rules.

### Distributions

The Board may at any time declare and pay dividends (or interim dividends) based upon the financial position of the Company. No dividends shall be paid in excess of the amounts permitted by the Companies (Guernsey) Law, 2008 and without the prior consent of the Board and the Investment Manager.

The Company’s quarterly dividend is determined by multiplying the average NAV per Public Share of all trading days in December of the prior year by 0.25%, subject to a cap on the total dividends paid for the year of 125% of the average of the total dividends paid in each of the previous three years. Once the dividend is set for a specific year, the Company does not intend to decrease the dividend in future years, even if the NAV per Public Share were to decline. The quarterly dividend per Public Share for 2023 and 2024 was as follows:

Year	Announcement Date	Quarterly Dividend Amount
2023	January 31, 2023	\$0.1307
2024	January 11, 2024	\$0.1456

A proportionate quarterly dividend will be paid to the Special Voting Share, based on its net asset value on the ex-dividend date. Dividends will be paid in USD unless a shareholder elects to be paid in GBP. Shareholders may also elect to reinvest cash dividends into Public Shares through a DRIP administered by an affiliate of the Company’s registrar. Further information regarding the dividend, including the anticipated payment schedule and how to make these elections, is available at [www.pershingsquareholdings.com/psh-dividend-information](http://www.pershingsquareholdings.com/psh-dividend-information).

Each dividend is subject to a determination that after the payment of the dividend the Company will continue to meet the solvency requirements under Guernsey law, and that, in accordance with the indentures governing the Bonds, the Company’s total indebtedness will be less than one third of the Company’s total capital. The Board may determine to modify or cease paying the dividend in the future.

In the year ended December 31, 2024, the Company paid dividends of \$107,166,682, a higher amount than it paid in the year ended December 31, 2023 of \$98,781,277 due to an increase in the quarterly dividend for 2024.

### Winding-Up

The assets available for distribution upon the winding up of the Company, after payment of all creditors of the Company, shall be allocated among each class of shares then in issue in proportion to the NAV of such class of shares at the relevant winding-up date. Within each share class, the assets will be distributed among the shareholders of that class in proportion to the number of shares held at the winding-up date.

### Capital Management

The Company’s general objectives for managing capital are:

- To maximize its total return primarily through the capital appreciation of its investments;



- To minimize the risk of an overall permanent loss of capital; and
- To continue as a going concern

To the extent the Investment Manager deems it advisable and provided that there are no legal, tax or regulatory constraints, the Company is authorized to manage its capital through various methods, including, but not limited to: (i) repurchases of Public Shares and (ii) further issuances of shares, provided that the Board only intends to exercise its authority to issue new shares if such shares are issued at a value not less than the estimated prevailing NAV per share (or under certain other specified circumstances).

At the 2024 AGM, shareholders renewed the Company's authority to engage in share buybacks up to a maximum of 14.99% of the Public Shares then outstanding.

The Company announced share buyback programs in May and July of 2022 on the LSE and Euronext Amsterdam (the "2022 Share Buyback Programs") of \$100 million or for up to 10 million of the Company's outstanding Public Shares and \$200 million or for up to 20 million of the Company's outstanding Public Shares, respectively. The Company completed the 2022 Share Buyback Programs on March 31, 2023, repurchasing a total of 9,312,416 shares for \$300 million at an average discount of 33.0% over the course of the programs.

The Company announced a share buyback program in June of 2023 on the LSE and Euronext Amsterdam (the "June 2023 Share Buyback Program") of \$100 million or for up to 5 million of the Company's outstanding Public Shares. The Company completed the June 2023 Share Buyback Program on October 6, 2023, repurchasing a total of 2,706,555 shares for \$100 million at an average discount of 35.8% over the course of the program.

The Company announced a share buyback program in November of 2023 on the LSE and Euronext Amsterdam (the "November 2023 Share Buyback Program") of \$250 million or for up to 10 million of the Company's outstanding Public Shares. Prior to its expiration on the date of the 2024 AGM, 3,099,543 shares had been repurchased for \$136 million at an average discount of 31.2%, representing 54% of the November 2023 Share Buyback Program.

The Company announced share buyback programs in November and December of 2024 on the LSE and Euronext Amsterdam (the "2024 Share Buyback Programs"), each of \$100 million or for up to 5 million of the Company's outstanding Public Shares. As of December 31, 2024, 1,046,358 shares had been repurchased for \$51 million at an average discount of 31.9%, representing 25% of the 2024 Share Buyback Programs.

From the Company's first buyback program in May 2017 through December 31, 2024, including the Company's May 2018 tender offer, the Company has repurchased a total of 66,999,111 Public Shares for \$1.4 billion at an average discount of 29.3%.

The Company intends to propose that shareholders renew its general share buyback authority at the 2025 Annual General Meeting to allow the Company to engage in share buybacks for up to a maximum of 14.99% of the Public Shares then outstanding. If approved by shareholders and depending on market conditions, the Company's available capital and the considerations described in "Discount to NAV" on pages 40-41, the Company may decide to utilize the share buyback authority to make further acquisitions of Public Shares in the market.

Jefferies International Limited is the Company's buyback agent for its share buyback programs. Beginning on October 24, 2019, all Public Shares repurchased in the share buyback programs are held in Treasury.

The Public Shares, Special Voting Share and Treasury Shares transactions for the years ended December 31, 2024 and December 31, 2023 were as follows:



	Public Shares	Special Voting Share	Treasury Shares
As of December 31, 2022	190,858,442	1	20,098,308
Share Buybacks	(5,397,296)	—	5,397,296
As of December 31, 2023	185,461,146	1	25,495,604
Share Buybacks	(2,505,136)	—	2,505,136
As of December 31, 2024	182,956,010	1	28,000,740

## 12. INTEREST INCOME AND EXPENSE

The following is a breakdown of the Company's interest income and expense as reflected in the statement of comprehensive income.

Interest Income	Year Ended 2024	Year Ended 2023
U.S. Treasury money market funds	\$ 49,732,982	\$ 21,938,427
U.S. Treasury Bills	29,162,532	19,328,465
Bilateral collateral balances	6,920,485	331,795
Cash at prime brokers	120,818	49,998
	\$ 85,936,817	\$ 41,648,685

Interest Expense	Year Ended 2024	Year Ended 2023
Bonds coupon expense	\$ 72,106,453	\$ 71,935,256
Amortization of Bonds issue costs incurred as finance costs	2,632,775	2,625,012
Bilateral collateral balances	2,197,258	14,926,735
Amortization of Bonds original issue discount incurred as finance costs	348,715	347,386
Cash or debit balance at prime brokers	7,402	58,288
	\$ 77,292,603	\$ 89,892,677

## 13. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

### Risk Mitigation

The Investment Manager defines investment risk as the probability of a permanent loss of capital rather than price volatility. The Investment Manager does not use formulaic approaches to risk management. Instead, risk management is integrated into the portfolio management process. The primary risk management tool is extensive research completed by the Investment Manager prior to an initial investment. Factors considered by the Investment Manager in assessing long investment opportunities include, but are not limited to:

- The volatility/predictability of the business;
- Its correlation with macroeconomic factors;
- The company's financial leverage;
- The defensibility of the company's market position; and
- Its discount to intrinsic value

The Investment Manager seeks to invest the substantial majority of the Company's capital in high-quality, low-leverage, North American, large-cap companies. The Investment Manager does not have a formulaic approach in evaluating correlations between investments, but is mindful of sector and industry exposures and other fundamental correlations between the



businesses in which the Company invests. Accordingly, the primary risks in the Company's portfolio are company-specific risks which are managed through investment selection and due diligence. The public nature of the investments in the portfolio and portfolio concentration allows the Investment Manager to monitor and evaluate every investment on a daily basis.

The Investment Manager seeks to limit the Company's exposure to risks that may be associated with the use of financial leverage and it believes that an important distinguishing factor about the Company's portfolio is that it does not generally use margin leverage.

At times, the Investment Manager has made investments that, due to the circumstances of the investment (e.g., the highly leveraged nature of the businesses or assets, the relative illiquidity of the investment, and/or the structure of the Company's investment), have a materially greater likelihood of a potential permanent loss of capital for the Company. In light of this greater risk, the Investment Manager generally requires the potential for a materially greater reward if successful, and sizes the investments appropriately.

Refer to Principal Risks and Uncertainties (which are explicitly incorporated by reference into these Notes to Financial Statements) for further information regarding principal risks faced by the Company.

## Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The Company's derivatives and investments held as of December 31, 2024 are presented in the Condensed Schedule of Investments on pages 118-119 (which is explicitly incorporated by reference into these Notes to Financial Statements). Derivative trading activities are discussed in detail in Note 8.

## Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Generally, most financial assets decline in value when interest rates rise and increase in value when interest rates decline. While nearly every one of the Company's investments is exposed to the economy to some degree, the Investment Manager attempts to identify companies for which increases or decreases in interest rates are not particularly material to the investment thesis. The Company does not generally hedge its interest rate exposure as the Investment Manager does not believe that, absent the potential for asymmetric profits, hedging interest rate risk is a prudent use of capital. The Company purchased interest rate swaptions throughout 2023 and 2024 as the Investment Manager continued to identify opportunities for asymmetric profit in the event of significant changes to interest rates.

The following table illustrates the Company's exposure to U.S. interest rates from its investment in interest rate swaptions as of December 31, 2023. The analysis calculates the effect of a reasonably possible percentage change to the underlying interest rates and its effect on the Company's profit or loss with all other variables held constant. The Company did not hold an investment in interest rate swaptions as of December 31, 2024.

Interest Rate (2023)	Exposure	Change in Interest Rate (+)	Effect on Profit/(Loss)	Change in Interest Rate (-)	Effect on Profit/(Loss)
U.S. 1 Year Treasury	\$ 31,685,649	90 bps	\$ (31,685,649)	90 bps	\$ 46,470,305
U.S. 5 Year Treasury	\$ 185,648,191	71 bps	\$ (182,712,002)	71 bps	\$ 185,369,759



As of December 31, 2024 and December 31, 2023 cash and cash equivalents equaled \$436,520,113 and \$1,928,920,630, respectively. The Company did not perform a sensitivity analysis on cash and cash equivalents as it would not have a significant impact on its net assets.

The Bonds have no interest rate risk as the interest rates are fixed and they are carried at amortized cost.

### Currency Risk

The Company invests in financial instruments and enters into transactions that are denominated in currencies other than USD. Consequently, the Company's financial assets or liabilities denominated in currencies other than USD are exposed to the risk that the exchange rate of USD relative to other currencies may change in a manner that has an adverse effect on their fair value. In addition, portfolio companies with foreign operations are also exposed to currency risk, which may adversely affect their valuation.

The Company primarily utilizes forward exchange contracts to hedge currency risk, and it may also invest in currency options if the Investment Manager identifies an investment opportunity with the potential for asymmetric profits. Also refer to the Condensed Schedule of Investments on pages 118-119 (which is explicitly incorporated by reference into these Notes to Financial Statements) for additional details of the Company's financial assets and liabilities.

The following tables show the currencies to which the Company had significant exposure at December 31, 2024 and December 31, 2023 on its financial assets and financial liabilities. The analysis calculates the effect on the Company's profit and loss due to a reasonably possible movement of the currency rate against USD with all other variables held constant.

Currency (2024)	Net Foreign Currency Exposure	Change in Currency Rate (+)	Effect on Profit/(Loss)	Change in Currency Rate (-)	Effect on Profit/(Loss)
CAD	\$ (103,043,519)	6%	\$ (7,537,832)	6%	\$ 7,537,832
EUR	\$ (667,919,753)	7%	\$ (44,298,841)	7%	\$ 44,298,841

Currency (2023)	Net Foreign Currency Exposure	Change in Currency Rate (+)	Effect on Profit/(Loss)	Change in Currency Rate (-)	Effect on Profit/(Loss)
CAD	\$ 88,098,861	6%	\$ (3,851,482)	6%	\$ 3,851,482
EUR	\$ 193,331,563	7%	\$ 13,830,758	7%	\$ (13,830,758)

### Equity Price Risk

The Company's portfolio is highly concentrated, with a significant proportion of its capital in a limited set of investments. A substantial majority of the Company's portfolio is typically allocated to 8 to 12 core holdings usually comprised of highly liquid, listed large cap North American companies. Because the portfolio is highly concentrated and primarily invested in public equities (or derivative instruments which reference public equities), fluctuations in equity prices are a significant risk to the portfolio. Refer to the Company Performance on page 2, Investment Manager's Portfolio Update on pages 14-27 and the Condensed Schedule of Investments on pages 118-119 (each of which is explicitly incorporated by reference into these Notes to Financial Statements) for quantitative and qualitative discussion of the Company's portfolio and additional details regarding the Company's financial assets and financial liabilities.





The following table estimates the effect on the Company's net assets due to a possible change in equity prices with all other variables held constant.

Equity Prices	% Change in Equity Price (+)	Change in Net Assets	% Change in Equity Price (-)	Change in Net Assets
2024	10%	\$ 1,507,706,607	10%	\$ (1,507,706,607)
2023	10%	\$ 1,314,132,110	10%	\$ (1,300,901,855)

The following table analyzes the Company's concentration of equity price risk in the Company's equity portfolio by geographical distribution (based on issuer's place of primary listing or, if not listed, place of domicile).

As of December 31	2024	2023
North America	80%	74%
Europe	20%	26%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The following table analyzes the Company's concentration of equity price risk in the Company's equity portfolio by industry sectors.

As of December 31	2024	2023
Media	20%	26%
Restaurant	18%	26%
Financial Services	17%	2%
Technology	13%	13%
Consumer Products	8%	—
Real Estate Development and Operating	8%	11%
Hospitality	8%	12%
Transportation	7%	8%
Leisure & Hospitality	1%	—
Retail	—	2%
Special Purpose Acquisition Rights Company	—	—
<b>Total</b>	<b>100%</b>	<b>100%</b>

If the Company holds a short position, it represents obligations of the Company to deliver the specified securities and, thereby, creates a liability to purchase the security in the open market at prevailing prices. Accordingly, such transactions may result in additional risk as the amount needed to satisfy the Company's obligations may exceed the amount recognized in the statement of financial position.

## Liquidity Risk

The Company's policy and the Investment Manager's approach to managing liquidity are to ensure, as much as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressful market conditions. The Company invests primarily in liquid, large-capitalization securities which, under normal market conditions, are readily convertible to cash. Less liquidity is tolerated in situations where the risk/reward trade-off is sufficiently attractive to justify a greater degree of illiquidity.

The Company's portfolio investments may be subject to contractual or regulatory restrictions on trading, or "trading windows" imposed with respect to certain issuers for which the Investment Manager has board representation or is otherwise restricted.



However, these restrictions were not taken into consideration in the liquidity calculation below as the Investment Manager has been able to liquidate such securities successfully through block trades or automatic purchase/sale plans. The Investment Manager believes that the appropriate metric for assessing portfolio liquidity is to calculate how many days it would require to liquidate a position assuming the Investment Manager were able to capture 20% of the trailing 90-day average trading volume (the “Liquidation Period”). On a monthly basis, the Liquidation Period is applied to the existing portfolio to assess how long it will take to divest the Company (and the other PSCM-managed funds) of its portfolio positions.

The following tables summarize the liquidity profile of the Company’s assets and liabilities based on the following assumptions:

- Financial assets and financial liabilities at fair value through profit or loss are disposed over their Liquidation Period;
- The receipt/disposition of all other assets and liabilities, including cash and cash equivalents, due to/from brokers, trade receivables and payables and Bonds is based on their contractual interest payments and maturities; and
- Cash flows are undiscounted.

<b>As of December 31, 2024</b>	<b>Less than 1 Month</b>	<b>1 to 3 Months</b>	<b>3 to 6 Months</b>	<b>6 to 12 Months</b>	<b>Over 1 Year</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 436,520,113	\$ —	\$ —	\$ —	\$ —	\$ 436,520,113
Due from brokers	1,107,529	—	—	—	—	1,107,529
Trade and other receivables	28,772,099	—	—	—	—	28,772,099
Financial assets at fair value through profit or loss:						
Investments in securities	9,254,605,391	2,636,197,318	1,343,418,643	1,327,440,095	552,944,805	15,114,606,252
Derivative financial instruments*	51,380,344	—	—	—	—	51,380,344
<b>Total Assets</b>	<b>\$ 9,772,385,476</b>	<b>\$ 2,636,197,318</b>	<b>\$ 1,343,418,643</b>	<b>\$ 1,327,440,095</b>	<b>\$ 552,944,805</b>	<b>\$ 15,632,386,337</b>
<b>Liabilities</b>						
Trade and other payables	\$ 232,469,751	\$ —	\$ —	\$ —	\$ —	\$ 232,469,751
Bonds	12,900,000	—	19,500,000	39,521,469	2,869,117,937	2,941,039,406
<b>Total Liabilities</b>	<b>\$ 245,369,751</b>	<b>\$ —</b>	<b>\$ 19,500,000</b>	<b>\$ 39,521,469</b>	<b>\$ 2,869,117,937</b>	<b>\$ 3,173,509,157</b>



As of December 31, 2023	Less than 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Over 1 Year	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 1,928,920,630	\$ —	\$ —	\$ —	\$ —	\$ 1,928,920,630
Due from brokers	207,119,255	—	—	—	—	207,119,255
Trade and other receivables	16,312,221	—	—	—	—	16,312,221
Financial assets at fair value through profit or loss:						
Investments in securities	6,956,926,488	1,898,488,337	1,092,513,965	2,161,669,703	591,805,499	12,701,403,992
Derivative financial instruments*	274,844,210	—	—	—	—	274,844,210
<b>Total Assets</b>	<b>\$ 9,384,122,804</b>	<b>\$ 1,898,488,337</b>	<b>\$ 1,092,513,965</b>	<b>\$ 2,161,669,703</b>	<b>\$ 591,805,499</b>	<b>\$ 15,128,600,308</b>
<b>Liabilities</b>						
Due to brokers	\$ 276,260,000	\$ —	\$ —	\$ —	\$ —	\$ 276,260,000
Trade and other payables	321,015,981	—	—	—	—	321,015,981
Bonds	12,900,000	—	19,500,000	39,989,656	2,976,493,969	3,048,883,625
Financial liabilities at fair value through profit or loss:						
Derivative financial instruments*	31,975,102	—	—	—	—	31,975,102
<b>Total Liabilities</b>	<b>\$ 642,151,083</b>	<b>\$ —</b>	<b>\$ 19,500,000</b>	<b>\$ 39,989,656</b>	<b>\$ 2,976,493,969</b>	<b>\$ 3,678,134,708</b>

\* In the case of derivatives that reference equity securities, the derivative terms provide that the counterparty, if directed, may terminate the derivative directly in the marketplace without requiring any upfront cash payment and such termination would follow the above liquidation time horizons.

## Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that is entered into with the Company, resulting in a financial loss to the Company. It arises principally from derivative financial assets, cash and cash equivalents, and balances due from brokers.

In order to mitigate credit risk, the Company seeks to trade with only reputable counterparties that the Investment Manager believes to be creditworthy. On a weekly basis, the Investment Manager reviews the credit rating of its counterparties and notes any changes. The Company also monitors its counterparty exposure on a daily basis to ensure it is appropriately collateralized.

Certain of the Company's positions are subject to the Uncleared Margin Rules, which further mitigate the Company's counterparty risk by requiring both the Company and the counterparty to post initial margin to segregated custody accounts. In the event of a counterparty default, the initial margin posted by the counterparty will become accessible to the Company. The initial margin posted by the Company and its counterparties is custodied at Bank of New York Mellon in non-cash collateral and is not considered part of the custodian's balance sheet.

Please refer to the Condensed Schedule of Investments on pages 118-119 (which is explicitly incorporated by reference into these Notes to Financial Statements) for additional details regarding the Company's financial assets and financial liabilities.

The Company maintains its cash and cash equivalents position at major financial institutions. At times, cash balances may exceed federally insured limits and, as such, the Company has credit risk associated with such financial institutions. The cash and cash equivalents balances are reflected in the statement of financial position. At December 31, 2024 and December 31, 2023, cash was primarily invested in U.S. Treasury money market funds and/or U.S. Treasury Bills with daily liquidity as disclosed in Note 10.

The Company's prime brokers are required to provide custody services for the Company's securities. The prime brokers are not permitted under U.S. law to lend out (or "re-hypothecate") the Company's securities if these securities are fully paid for unless the Company enters into a securities lending agreement. If the Company uses margin leverage, the prime brokers may



lend out the Company's securities to fund the prime brokers' business, but are restricted under U.S. law; that is, the prime brokers may only lend out an amount of the Company's securities that is less than or equal to 140% of the debit balance that the prime broker extends to the Company as credit. The Company monitors its accounts to avoid running a debit balance. Additionally, the Company has processes in place that allow it to quickly move securities from its prime brokers into a regulated bank entity which is not legally permitted to re-hypothecate client securities.

The Company's gross maximum exposure to credit risk, which includes the Company's cash and cash equivalents, due from brokers and derivative financial assets, was \$489,007,986 and \$2,410,884,095 as of December 31, 2024 and December 31, 2023, respectively. Gross maximum exposure excludes the effect of collateral received and offsetting permitted under the Company's ISDA master netting agreements. The following table breaks down the components of the Company's gross maximum exposure to credit risk by analyzing the credit ratings of the underlying custodians and counterparties.

<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
AAA	89%	80%
A	11%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The following is a breakdown of the Company's due from and due to brokers as stated in the statement of financial position.

<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
<b>Due from brokers</b>		
Cash held at prime brokers	\$ 1,107,529	\$ 17,152,143
Collateral pledged to third party accounts for derivative contracts	—	189,967,112
	<b>\$ 1,107,529</b>	<b>\$ 207,119,255</b>

<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
<b>Due to brokers</b>		
Collateral received from counterparties for derivative contracts	\$ —	\$ 276,260,000
	<b>\$ —</b>	<b>\$ 276,260,000</b>

## 14. COMMITMENTS AND CONTINGENCIES

As of December 31, 2024 and December 31, 2023, the Company had a commitment relating to the SPARC Committed FPA as described on page 113 of Note 16. No other commitments or contingencies existed as of December 31, 2024 and December 31, 2023.

## 15. INVESTMENT MANAGEMENT AGREEMENT — MANAGEMENT FEES, PERFORMANCE FEES AND TERMINATION

The Investment Manager receives management fees and performance fees, if any, from the Company pursuant to the IMA.

### Management Fee

The Investment Manager receives a quarterly management fee payable in advance each quarter in an amount equal to 0.375% (1.5% per annum) of the net assets (before any accrued performance fee) attributable to fee-paying shares. The fee-paying shares of the Company are the Public Shares and the Special Voting Share. Management Shares, if any, are not charged a



management fee. Management fees paid by Public Shares held by PSCM employees, partners and certain of their affiliated entities are refunded to such shareholders by the Investment Manager.

For the years ended December 31, 2024 and December 31, 2023, the Investment Manager earned management fees from the Company of \$188,818,228 and \$155,469,061, respectively.

### Performance Fee

On February 7, 2024, the Board approved amendments to the IMA's performance fee provisions. Prior to the amendment, the Company was entitled to receive a fee reduction of 20% of the performance fees earned by the Investment Manager from non-PSH funds, which invest in public securities. However, the Company would not benefit from the potential fee reduction until the Investment Manager had first recovered \$120 million of costs it incurred in connection with the Company's IPO in 2014. The amendment eliminated the Investment Manager's right to receive the outstanding unrecovered IPO costs (which had been reduced to \$36 million as of December 31, 2023), and expanded the fee reduction to also include 20% of management fees earned from any non-PSH Pershing Square funds that invest in public securities and do not charge performance fees. As of December 31, 2024, there is no non-PSH fund that generates management fees and does not charge a performance fee.

Generally, the Investment Manager receives performance fees annually and upon payment of dividends in an amount equal to 16% of the NAV appreciation attributable to the fee-paying shares of the Company above a high water mark (the "16% performance fee") and before giving effect to the accrued performance fees minus the Additional Reduction (defined below). The 16% performance fees paid in connection with dividends are prorated to reflect the ratio of the dividend to the Company's net asset value at the time the dividend is paid. The Company's payment of a dividend will reduce the high water mark by the percentage of net asset value the dividend represents. These performance fees are defined as the "Variable Performance Fee" in the IMA. No Variable Performance Fee can be higher than the 16% performance fee, but it may, as a result of the Additional Reduction, be lower (although it can never be a negative amount).

The "Additional Reduction" is an amount equal to the lesser of the 16% performance fee and the Potential Reduction Amount (defined below).

The "Potential Reduction Amount" is equal to (i) 20% of the aggregate performance fees and allocations earned by the Investment Manager and its affiliates in respect of the same calculation period on the gains of current and certain future funds managed by the Investment Manager or any of its affiliates (collectively, the "Other Funds") plus (ii) solely with respect to such Other Funds that as part of their terms (and not due to performance) do not have performance fees or performance allocations, 20% of the dollar value of the management fees that the Investment Manager and its affiliates have earned on the assets of such Other Funds in respect of that period plus (iii) if the Potential Reduction Amount for the previous calculation period exceeded the 16% performance fee, the excess amount (which is in effect carried forward).

For the year ended December 31, 2024, the Investment Manager earned performance fees of \$1,244,457 (December 31, 2023: \$758,352) in connection with the payments of the quarterly dividends and an annual performance fee of \$225,343,728 (December 31, 2023: \$311,350,530) from the Company. For the year ended December 31, 2024, the Company's crystallized performance fees were reduced by a Potential Reduction Amount of \$4,568,501 (December 31, 2023: nil) as a result of performance fees and allocation earned/accrued on current non-PSH funds. Since the 16% performance fee exceeded the Potential Reduction Amount in 2024, no amount is carried forward to future periods.

Performance fees paid by Public Shares held by employees, partners and certain of their affiliated entities are refunded to such shareholders by the Investment Manager.



## Termination

The IMA automatically renews annually, except that it may be terminated (a) as of December 31st of any year upon four months' prior written notice by either party, subject, in the case of termination by the Company, to approval by a 66 2/3% vote (by voting power) of the holders of the then outstanding voting shares of the Company, together with a 66 2/3% vote (by voting power) of the holders of the then outstanding Public Shares; and (b) in case of dissolution or liquidation of either party or if a receiver or provisional liquidator or administrator or similar officer is appointed over any of the assets of such party or if either party commits a material breach of its obligations under the IMA and such breach remains uncured for more than 30 calendar days after the notice thereof delivered to the party in breach by the other party in accordance with the IMA.

The termination of the IMA at any time will be a crystallization event, which will result in the Variable Performance Fee described above being payable.

## 16. RELATED PARTY DISCLOSURES

### PSH Ownership

During the year ended December 31, 2024, Nicholas Botta transferred 0.1 million Public Shares to an entity that he controls. The transfer did not result in a change of beneficial ownership or voting control of Public Shares.

During the year ended December 31, 2023, William A. Ackman and entities that he, or a person closely associated with him, controls transferred a total of 1.7 million Public Shares to other entities that he, or such person closely associated with him, also controls, and Nicholas Botta and an entity that he controls transferred 0.2 million Public Shares to other entities that he also controls. The transfers did not result in a change of beneficial ownership or voting control of Public Shares.

As of December 31, 2024 and December 31, 2023, William A. Ackman, Nicholas Botta, Halit Coussin, other PSCM affiliates and their respective affiliated entities had total net economic share ownership of approximately 27% of the Company.

### Director's Fees

For the year ended December 31, 2024, the Company's independent Directors' fees in relation to their services for the Company were \$598,102 of which none were payable as of December 31, 2024. For the year ended December 31, 2023, the Company's independent Directors' fees in relation to their services for the Company were \$592,753 of which none were payable as of December 31, 2023.

### Management and Performance Fees

The relationship between the Company and the Investment Manager and the fees earned are disclosed in Note 15.

### Beneficial Ownership of Portfolio Companies

In the normal course of business, the Company and its affiliates make concentrated investments in portfolio companies where the aggregate beneficial holdings of the Company and its affiliates may be in excess of 10% of one or more portfolio companies' classes of outstanding securities. At such ownership levels, a variety of securities laws may, under certain circumstances, restrict or otherwise limit the timing, manner and volume of disposition of such securities. In addition, with respect to such securities, the Company and its affiliates may have disclosures or other public reporting obligations with respect to acquisitions and/or dispositions of such securities. Similar restrictions and/or obligations may apply where the Company and its affiliates have a representative on the board of a portfolio company.



As of December 31, 2024, the Pershing Square Funds beneficially owned greater than 10% of the outstanding common equity securities of Howard Hughes Holdings Inc. (“HHH”), Seaport Entertainment Group Inc. (“SEG”) and SPARC. As of December 31, 2023, the Pershing Square Funds beneficially owned greater than 10% of the outstanding common equity securities of UMG, HHH and SPARC. William A. Ackman is a non-executive director of UMG and was chairman of the board of HHH until his retirement at HHH’s annual general meeting on May 23, 2024. On the same date, Ben Hakim, President of PSCM, was elected as a non-executive director of HHH. On July 31, 2024, Anthony Massaro, member of the investment team at PSCM, joined the board of SEG as a non-executive director.

### Associates

As of December 31, 2024, HHH and SEG were deemed to be associates of the Company under IFRS 12 due to the significant ownership of HHH and SEG by the Company.

<b>As of December 31, 2024</b>	<b>HHH</b>	<b>SEG</b>
Nature of the relationship with the Company	Portfolio Company	Portfolio Company
Principal place of business	United States	United States
Beneficial ownership	33.0%	34.6%
Fair value of the investment	\$ 1,270,627,481	\$ 123,036,207

As of December 31, 2023, HHH was deemed to be an associate of the Company under IFRS 12 due to the significant ownership of HHH by the Company.

<b>As of December 31, 2023</b>	<b>HHH</b>
Nature of the relationship with the Company	Portfolio Company
Principal place of business	United States
Beneficial ownership	33.0%
Fair value of the investment	\$ 1,413,184,880

### Seaport Entertainment Group Inc.

On July 31, 2024, HHH separated into two independent publicly-traded companies by distributing one share of SEG common stock at no charge to HHH stockholders for every nine shares of HHH held by such stockholder. The Company received 1,835,424 shares of SEG common stock as part of this distribution.

HHH and SEG also announced that subsequent to the distribution of SEG common stock, SEG would conduct a rights offering by distributing subscription rights to SEG shareholders to purchase on a pro-rata basis up to 7,000,000 of SEG common stock at a price of \$25.00 per share (the “Rights Offering”). Rights holders who fully exercised their subscription rights could also subscribe on a pro-rata basis for additional shares of SEG common stock that remained unsubscribed in the Rights Offering as a result of unexercised subscription rights (“Over-Subscription Right”).

In connection with the Rights Offering, the Pershing Square Funds entered into a standby purchase agreement (the “Standby Purchase Agreement”) with SEG on July 18, 2024, pursuant to which the Pershing Square Funds agreed, severally and not jointly, to (i) exercise their pro-rata subscription rights with respect to the Rights Offering and (ii) to purchase any and all shares not purchased in the Rights Offering at the Rights Offering price up to \$175 million in the aggregate.

SEG commenced the Rights Offering on September 23, 2024. The Pershing Square Funds exercised their full basic subscription rights and their Over-Subscription Right, which resulted in the Pershing Square Funds receiving a total of 2,929,107 shares of





SEG common stock, of which the Company received 2,566,587 shares. Due to the outsized demand for the Rights Offering, the Pershing Square Funds did not receive any additional shares through the Standby Purchase Agreement.

#### **Pershing Square SPARC Holdings, Ltd.**

SPARC is a Delaware corporation formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. SPARC's Form S-1 was declared effective by the SEC on September 29, 2023.

SPARC distributed, at no cost, subscription warrants ("SPARs") to purchase SPARC Public Shares (defined below) at a future date to holders of Pershing Square Tontine Holdings, Ltd. ("PSTH") Class A Common Stock (ticker: PSTH) or PSTH warrants (ticker: PSTH.WS) as of the close of business on July 25, 2022 (the last date on which such instruments could have been redeemed or cancelled): one SPAR for every four shares of PSTH common stock and one SPAR for every two PSTH warrants. After SPARC has entered into a definitive agreement for its business combination and distributed to SPAR holders a prospectus, included in an effective registration statement that describes the proposed business combination, SPAR holders may elect to exercise their SPARs. SPARC intends that, at the time during which a holder may elect to exercise, the SPARs will be quoted on the OTCQX marketplace of the OTC Markets Group or other quotation service. The shares issuable upon the exercise of the SPARs (the "SPARC Public Shares") will be issued concurrently with the closing of SPARC's business combination. The SPARC Prospectus is available on the SEC's website.

#### **Pershing Square SPARC Sponsor, LLC**

SPARC Sponsor, a Delaware limited liability company, is the sponsor entity of SPARC. The Pershing Square Funds wholly own SPARC Sponsor as non-managing members and are its only source of funding. The business and affairs of SPARC Sponsor are managed exclusively by its non-member manager, PSCM.

From November 9, 2021 through April 18, 2023, the Pershing Square Funds made capital contributions of \$4,225,330 to SPARC Sponsor to fund its acquisition of 422,533 shares of SPARC common stock ("SPARC Sponsor Shares") to pay various organizational and legal costs of SPARC, of which the Company paid \$3,692,730.

For the year ended December 31, 2024, the Pershing Square Funds made capital contributions of \$7,015 (December 31, 2023: \$6,792) to SPARC Sponsor to pay for its expenses, of which the Company paid \$6,165 (December 31, 2023: \$5,957).

The SPARC Sponsor Shares, following the consummation of SPARC's business combination, will become SPARC Public Shares. If necessary, SPARC will carry out a reverse stock split of the SPARC Sponsor Shares at a ratio such that the effective purchase price per SPARC Sponsor Share equals the exercise price at which SPAR holders will purchase SPARC Public Shares (the "Final Exercise Price").

On July 28, 2023, the Pershing Square Funds made capital contributions of \$35,892,480 to SPARC Sponsor to fund its acquisition of warrants from SPARC (the "SPARC Sponsor Warrants") in a private placement, of which the Company paid \$31,555,612.

Pursuant to the SPARC Sponsor Warrants agreement filed as an exhibit to the SPARC Prospectus, the SPARC Sponsor Warrants will be exercisable, in the aggregate, for up to 4.95% of the SPARC Public Shares that are outstanding as of the time immediately following the consummation of the business combination, on a fully diluted basis, and at an exercise price equal to 120% of the Final Exercise Price. The SPARC Sponsor Warrants will have a term of 10 years from SPARC's business combination and will generally not be salable, transferable or exercisable until three years into their term.



As of December 31, 2024 and December 31, 2023, the Company had an economic ownership of 88% of SPARC Sponsor. Refer to Note 7 for the fair market value associated with the Company's investment in SPARC Sponsor as of December 31, 2024 and December 31, 2023.

### *SPARC Forward Purchase Agreement*

The Pershing Square Funds entered into a forward purchase agreement (the "SPARC Committed FPA") with SPARC on September 29, 2023. Pursuant to the SPARC Committed FPA filed as an exhibit to the SPARC Prospectus, the Pershing Square Funds agreed to purchase at least \$250 million of SPARC Public Shares if the Final Exercise Price is \$10.00 per share, and a proportionally higher amount at a higher Final Exercise Price, up to a maximum of \$1 billion at a Final Exercise Price of \$40.00 or more (the "SPARC Forward Purchase Shares"). The SPARC Committed FPA may not be transferred to any other parties.

Each Pershing Square Fund's obligation to purchase SPARC Forward Purchase Shares will be determined by multiplying the aggregate amount of SPARC Forward Purchase Shares by a fraction, (x) the numerator of which is the gross assets under management of such Pershing Square Fund as of the last day of the month prior to such date of determination, and (y) the denominator of which is the gross assets under management of the Pershing Square Funds in the aggregate as of the last day of the month prior to such date of determination, adjusted in each case for future capital activity, including but not limited to anticipated redemptions, as deemed necessary.

The purchase of the SPARC Forward Purchase Shares will take place in one or more private placements. The closing of any such private placement will occur simultaneously with the closing of SPARC's business combination. The SPARC Public Shares purchased pursuant to the SPARC Committed FPA will be subject to certain transfer restrictions and will have registration rights.

Refer to Note 7 for the fair market value associated with the Company's investment in the SPARC Committed FPA as of December 31, 2024 and December 31, 2023.

### *Rebalancing Transactions*

The Investment Manager may seek to effect rebalancing transactions from time to time pursuant to policies that are intended to result in the Company and the other Pershing Square Funds managed by the Investment Manager generally holding investment positions on a proportionate basis relating to their respective adjusted net asset values, which are equal to each of the entities' net asset values plus any accrued (but not crystallized) performance fees and the amount of any outstanding long-term debt, including the current portion thereof (which in the case of the Company, includes the gross proceeds from the Outstanding Bonds as further discussed in Note 18). Rebalancing transactions involve either the Company purchasing or selling securities or other financial instruments held by/to one or more Pershing Square Funds.

Rebalancing transactions are subject to a number of considerations including, but not limited to, cash balances and liquidity needs, tax, regulatory, risk and other considerations, which may preclude these transactions from occurring or limit their scope at the time of the transactions. The Investment Manager effects rebalancing transactions based on independent market prices, and consistent with the valuation procedures established by the Investment Manager. Neither the Investment Manager nor any of the Pershing Square Funds receive any compensation in connection with rebalancing transactions. In addition, rebalancing transactions are generally effected without brokerage commissions being charged. To the extent that rebalancing transactions may be viewed as principal transactions due to the ownership interests in the Pershing Square Funds by the Investment Manager and its personnel, the Investment Manager will either not effect such transactions or comply with the requirements of Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended, including that the Investment



Manager will notify the relevant entity (or an independent representative of that entity) in writing of the transaction and obtain the consent of that entity (or an independent representative of that entity), and any other applicable law or regulation.

During the year ended December 31, 2024, the Investment Manager effected one rebalancing transaction between the Company and PSINTL with a fair value of \$38,099,020. There were no rebalancing transactions for the year ended December 31, 2023.

#### PS VII Master, L.P.

PS VII Master, an affiliated investment fund that commenced operations on August 9, 2021, operated as a co-investment vehicle invested primarily in securities of UMG. The Company maintained an investment in PS VII Master from its inception until the Cessation Date. The General Partner of PS VII Master decided to wind up the fund and distribute each limited partner's pro-rata share of UMG stock and cash, subject to a 1% holdback. As of the Cessation Date, the Company's economic ownership in PS VII Master was 28%, and it was distributed 10,624,789 shares of UMG with a market value of \$272,060,600 and cash of \$10,581,212. As a result of this distribution in-kind, the Company realized a gain of \$73,926,838 and simultaneously reversed an unrealized gain of \$93,126,938 from its investment in PS VII Master, with both items reflected in the statement of comprehensive income. The Company was not charged a management fee or performance fee in relation to its investment in PS VII Master.

As of December 31, 2023, the Company had a capital balance of \$301,841,912 in PS VII Master, representing an economic ownership of 28%.

## 17. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the profit/(loss) for the year attributable to the Public Shares and the Special Voting Share over the weighted average number of Public Shares and the Special Voting Share outstanding, respectively. In accordance with IFRS, the weighted average shares outstanding for the Public Shares and the Special Voting Share were 184,022,638 and 1, respectively for the year ended December 31, 2024, and 188,818,790 and 1, respectively for the year ended December 31, 2023. Accretion from share buybacks is not included in the calculation of EPS. The Company's share buybacks provided accretion to the Public Shares of \$0.28 and \$0.57 per share during the years ended December 31, 2024 and December 31, 2023, respectively.

## 18. BONDS

The Company has the following Senior Notes issued and outstanding, which are listed on Euronext Dublin with a symbol of PSHNA.

Bond	Date of Issuance	Bond Face	Price of Bonds at Issuance (of Par)	Fixed Rate Coupon (per annum)	Coupon Payment	Maturity Date
2027 Bonds	October 1, 2021	€ 500,000,000	99.869%	1.375%	Annual	October 1, 2027
2030 Bonds	November 2, 2020	\$ 500,000,000	100%	3.250%	Semi-Annual	November 15, 2030
2031 Bonds	October 1, 2021	\$ 700,000,000	99.670%	3.250%	Semi-Annual	October 1, 2031
2032 Bonds	August 26, 2020	\$ 200,000,000	100%	3.000%	Semi-Annual	July 15, 2032
2039 Bonds	July 25, 2019	\$ 400,000,000	100%	4.950%	Semi-Annual	July 15, 2039



The Company used the net proceeds of the offerings for general corporate purposes, including to make investments or hold assets in accordance with the Company's Investment Policy. In the case of the 2027 and 2031 Bonds, a portion of the proceeds was used to fund a tender offer for bonds maturing on July 15, 2022, which were fully redeemed and retired in June 2022.

The Outstanding Bonds rank equally in right of payment with each other and contain substantially the same covenants. Each of the Outstanding Bonds is callable at par plus a customary make whole premium until a certain date (the "Par Call Date") and thereafter becomes callable at 100% of Par. The Par Call Date for each of these Outstanding Bonds is as follows:

<b>Bond</b>	<b>Par Call Date</b>
2027 Bonds	August 1, 2027
2030 Bonds	August 15, 2030
2031 Bonds	July 1, 2031
2032 Bonds	July 15, 2030
2039 Bonds	July 15, 2034

If a key man event (Mr Ackman's death, permanent disability or withdrawal as managing member of the general partner to the Investment Manager) occurs, the specified debt to capital ratio in the Bonds' debt covenants is reduced from 1.0 to 3.0 to 1.0 to 4.0. If, at the time of the key man event, the Company's debt to capital ratio is above 1.0 to 4.0, the Company will be required to either reduce its debt or issue additional equity within 180 days. In the event the Company elects to reduce its debt, the Bonds become callable at 101% of par plus accrued interest in the amount necessary to achieve the required debt to capital ratio and the Company may select which Bonds to redeem.

The fair value of the Bonds as of December 31, 2024 and December 31, 2023 is summarized in the table below:

<b>As of December 31</b>	<b>2024</b>	<b>2023</b>
2027 Bonds	\$ 486,393,726	\$ 490,393,909
2030 Bonds	432,975,000	409,310,000
2031 Bonds	579,719,000	555,128,000
2032 Bonds	150,078,000	146,832,000
2039 Bonds	330,424,000	322,436,000
<b>Total Fair Value</b>	<b>\$ 1,979,589,726</b>	<b>\$ 1,924,099,909</b>

In accordance with IFRS 9, the Bonds' carrying value on the statement of financial position as of December 31, 2024 and December 31, 2023, is \$2,320,801,301 and \$2,351,915,264, respectively. The carrying value includes the original issue discount and capitalized transaction costs, which are amortized over the life of the Bonds using the effective interest method.

**2024**

<b>At December 31, 2023</b>	<b>\$ 2,351,915,264</b>
Unrealized currency (gain)/loss on translation	(33,706,191)
Finance costs	75,087,943
Bonds coupon payments	(72,495,715)
<b>At December 31, 2024</b>	<b>\$ 2,320,801,301</b>

**Finance costs for the year:**

Bonds coupon expense	\$ 72,106,453
Amortization of Bonds issue costs incurred as finance costs	2,632,775
Amortization of Bonds original issue discount incurred as finance costs	348,715
	<b>\$ 75,087,943</b>

**2023**

<b>At December 31, 2022</b>	<b>\$ 2,332,567,827</b>
Unrealized currency (gain)/loss on translation	16,482,623
Finance costs	74,907,654
Bonds coupon payments	(72,042,840)
<b>At December 31, 2023</b>	<b>\$ 2,351,915,264</b>

**Finance costs for the year:**

Bonds coupon expense	\$ 71,935,256
Amortization of Bonds issue costs incurred as finance costs	2,625,012
Amortization of Bonds original issue discount incurred as finance costs	347,386
	<b>\$ 74,907,654</b>

## 19. DEFERRED TAX EXPENSE

As a foreign corporation holding a beneficial ownership in a U.S. real property interest, the Company will be subject to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") income tax withholding upon disposition of such investment. Foreign corporations purchasing U.S. real property interests are required to pay the U.S. corporate tax rate (currently 21%) on the gains realized upon disposition. The Company's investments in HHH and SEG are classified as U.S. real property interests. To accrue for this potential withholding, the Company assesses an expense equal to 21% of the unrealized gains on the stock of HHH and SEG. In 2024, the stock price of HHH declined, leading to an unrealized loss for the Company that surpassed the unrealized gain recognized in SEG. Consequently, the deferred tax expense had a positive impact on the statement of comprehensive income totaling \$16,941,739. The Company had a deferred tax expense of \$32,609,005 for the year ended December 31, 2023 on the statement of comprehensive income. As of December 31, 2024, the deferred tax expense payable on the statement of financial position was \$67,885,195 (December 31, 2023: \$84,826,934).

## 20. EVENTS AFTER THE REPORTING PERIOD

The Investment Manager has evaluated the need for disclosures and/or adjustments resulting from subsequent events during the period between the end of the reporting period and the date of authorization of the Financial Statements. This evaluation together with the Directors' review thereof did not result in any additional subsequent events that necessitated disclosures and/or adjustments, except as follows.



### Non-Adjusting Subsequent Events

On January 20, 2025, the Company announced that it will pay a quarterly dividend of \$0.1646 per Public Share for the calendar year 2025. A proportionate quarterly dividend will be paid to the Special Voting Share, based on its net asset value.

The Company submitted a request to delist from Euronext Amsterdam on December 4, 2024 and the Public Shares were delisted from the exchange on January 31, 2025.

### Adjusting Subsequent Events

The Company did not have any subsequent events after the reporting period requiring adjustments to the Financial Statements.



# Supplemental U.S. GAAP Disclosures

(Stated in United States Dollars)

## CONDENSED SCHEDULE OF INVESTMENTS

Description/Name	Shares	Fair Value	Percentage of Net Assets
<b>Investments in Securities</b>			
<b>Equity Securities</b>			
<b>Common Stock</b>			
Canada:			
Financial Services:			
Brookfield Corporation	31,274,179	\$ 1,796,701,584	13.81 %
Restaurant:			
Restaurant Brands International Inc.	20,710,238	1,349,893,313	10.37
Restaurant Brands International Limited Partnership	140,873	9,137,708	0.07
Transportation:			
Canadian Pacific Kansas City Limited	13,267,340	960,157,396	7.38
Total Canada (cost \$3,081,682,432)		4,115,890,001	31.63
Europe:			
Media:			
Universal Music Group N.V.	117,450,307	3,007,457,461	23.11
Total Europe (cost \$2,619,731,124)		3,007,457,461	23.11
United States:			
Consumer Products:			
Nike, Inc.	16,953,888	1,282,900,705	9.86
Financial Services		611,625,030	4.70
Hospitality:			
Hilton Worldwide Holdings Inc.	4,847,110	1,198,011,708	9.21
Leisure & Hospitality		123,036,207	0.95
Real Estate Development and Operating:			
Howard Hughes Holdings Inc.	16,518,818	1,270,627,481	9.77
Restaurant:			
Chipotle Mexican Grill, Inc.	21,996,590	1,326,394,376	10.19
Technology:			
Alphabet Inc. - Class A	2,798,051	529,671,054	4.07
Alphabet Inc. - Class C	7,547,582	1,437,361,516	11.05
Transportation		41,716,900	0.32
Total United States (cost \$4,296,615,446)		7,821,344,977	60.12
Total Common Stock (cost \$9,998,029,002)		14,944,692,439	114.86
<b>Preferred Stock</b>			
United States:			
Financial Services (cost \$40,813,065)		132,373,682	1.02
Total Equity Securities (cost \$10,038,842,067)		\$ 15,077,066,121	115.88 %





## CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

Description/Name	Shares	Fair Value	Percentage of Net Assets
<b>Investment in Affiliated Entity</b>			
United States:			
Special Purpose Acquisition Rights Company:			
Pershing Square SPARC Sponsor, LLC		\$ 37,540,131	0.29 %
Total Investment in Affiliated Entity (cost \$35,265,490)		37,540,131	0.29
<b>Total Investments in Securities (cost \$10,074,107,557)</b>		<b>15,114,606,252</b>	<b>116.17</b>
<b>Derivative Assets</b>			
<b>Currency Forwards</b>			
Currencies		51,380,344	0.39
<b>Forward Purchase Agreement</b>			
SPARC Committed FPA		—	—
<b>Total Derivative Assets</b>	<b>\$</b>	<b>51,380,344</b>	<b>0.39 %</b>



## FINANCIAL HIGHLIGHTS

For the year ended 2024	Public Shares
<b>Per share operating performance</b>	
Beginning net asset value at January 1, 2024	\$ 65.04
Net gain/(loss) on currency translation of the Bonds	0.18
Change in net assets resulting from financing:	
Share buyback accretion	0.28
Dividends paid	(0.58)
Change in net assets resulting from operations:	
Net investment loss	(0.39)
Net gain/(loss) from investments and derivatives <sup>(1)</sup>	7.81
Performance fees	(1.23)
Net change in net assets resulting from operations	6.19
Ending net asset value at December 31, 2024	\$ 71.11
Total return prior to performance fees	12.13 %
Performance fees	(1.89)
Total return after performance fees	10.24 %
<b>Ratios to average net assets</b>	
Expenses before performance fees	(2.22)%
Performance fees	(1.80)
Expenses after performance fees	(4.02)%
Net investment income/(loss) <sup>(2)</sup>	(2.37)%

(1) Net gain from investments and derivatives includes deferred tax expense. See Note 19 for further details.

(2) Net investment income/(loss) ratio includes dividend income, interest income, performance fees (if any), management fees, interest expense, professional fees, other expenses and withholding tax (dividends) as shown on the statement of comprehensive income.



## Certain Regulatory Disclosures

1. None of the Company's assets are subject to special arrangements arising from an illiquid nature.
2. There have been no material changes to the Company's risk profile and risk management system as disclosed in the Prospectus of the Company dated October 2, 2014.
3. a) There have been no changes to the maximum amount of leverage which the Investment Manager may employ on behalf of the Company since the Company's inception. The terms of the Company's Bonds restrict the Company from incurring indebtedness beyond a total debt-to-capital ratio of 33.3%. If a key man event occurs, the terms of the Bonds reduce the Company's permitted total debt-to-capital ratio to 25%.

Articles 7 and 8 of the Level 2 Regulations of the Alternative Investment Fund Managers Directive (the "Directive") set forth the methodology of calculating the leverage of the Company in accordance with the gross method and the commitment method. Leverage is expressed as the exposure of the Company. Exposures are calculated using the sum of the absolute values of all positions valued in accordance with Article 19 of the Directive and all delegated acts adopted pursuant to Article 19. For derivatives, exposures are calculated using the conversion methodology set forth in Annex II to the Level 2 Regulations. For all other securities, exposures are calculated using market values. The gross method excludes cash and cash equivalents held in the Company's base currency as per Article 7. The commitment method includes cash and cash equivalents and employs netting and hedging arrangements as per Article 8. As of December 31, 2024, the total amount of leverage employed by the Company as per the gross method and the commitment method was \$17,271,209,629 and \$17,707,729,741, respectively.

The Company generally does not expect to use margin financing. In the past, securities purchased by the Company pursuant to prime brokerage services agreements typically, but not always, have been fully paid for. Although it is anticipated that securities purchased in the future typically will be fully paid for, this may not be the case in all circumstances.

In addition, the Company, from time to time, enters into total return swaps, options, forward contracts and other derivatives, some of which have inherent recourse leverage. The Company generally uses such derivatives to take advantage of investment opportunities or manage regulatory, tax, legal or other issues and not in order to obtain leverage. However, depending on the investment strategies employed by the Company and specific market opportunities, the Company may use such derivatives for leverage.

(b) There have been no material changes to the right of the re-use of collateral or any guarantee granted under any leveraging arrangement.

From time to time, the Company may permit third-party banks, broker-dealers, financial institutions and/or derivatives counterparties ("Third Parties"), to whom assets have been pledged (in order to secure such Third Party's credit exposure to the Company), to use, reuse, lend, borrow, hypothecate or re-hypothecate such assets. Typically, with respect to derivatives, the Company pledges to Third Parties cash, U.S. Treasury securities and/or other liquid securities ("Collateral") as initial margin and as variation margin. Collateral may be transferred to the Third Party and/or to an unaffiliated custodian for the benefit of the Third Party. In the case where Collateral is transferred to the Third Party, the Third Party pursuant to these derivatives arrangements will be permitted to use, reuse, lend, borrow, hypothecate or re-hypothecate such Collateral. The Third Parties will have no obligation to retain an equivalent amount of similar property in their possession and control, until such time as the Company's obligations to the Third Party are satisfied.

The Company has no right to this Collateral, but has the right to receive fungible, equivalent Collateral upon the Company's satisfaction of the Company's obligation under the derivatives. Collateral held as securities by an unaffiliated custodian may not be used, reused, lent, borrowed, hypothecated or re-hypothecated. From time to time, the Company may offer



guarantees to Third Parties with respect to derivatives, prime brokerage and other arrangements. These guarantees are not provided by the Company as a guarantee of the payment and performance by other funds managed by the Investment Manager to such Third Parties. Rather, the guarantees are typically to guarantee the payment and performance by entities that are direct or indirect subsidiaries of the Company. Such entities are typically set up to manage regulatory, tax, legal or other issues. To the extent that a subsidiary is not 100% owned by the Company, the Company will typically only guarantee such subsidiary for the benefit of Third Parties to the extent of the Company's ownership interest in the subsidiary.

4. With respect to the liquidity management procedures of the Company, the Company is a closed-ended investment fund, the Public Shares of which are admitted to trading on the LSE. As such, Public Shares have no redemption rights and shareholders' only source of liquidity is their ability to trade Public Shares on the LSE.

5. The Bonds are subject to the following transfer restrictions:

- (a) Each holder of the Bonds is required to be either (a) a qualified institutional buyer ("QIB") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act") who is also a qualified purchaser ("QP") as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940 or (b) a non-U.S. person, provided that, in each case, such holder can make the representations set forth in the Listing Particulars, dated June 24, 2015,
- (b) The Bonds can only be transferred to a person that is a QIB/QP in a transaction that is exempt from the registration requirements of the Securities Act pursuant to Rule 144A or to a non-U.S. person in an offshore transaction that is not subject to the registration requirements of the Securities Act pursuant to Regulation S, or to the Company, and
- (c) The Company has the right to force any holder who is not a QIB/QP or a non-U.S. person to sell its Bonds.

## 6. Remuneration

<b>For the Year Ended 2024</b>	<b>Fixed Remuneration<sup>(1)</sup></b>	<b>Variable Remuneration<sup>(1)</sup></b>	<b>Total</b>	<b>Number of Beneficiaries</b>
Total remuneration of entire PSCM staff <sup>(2)</sup>	\$ 13,987,825	\$ 274,198,432	\$ 288,186,257	44
Remuneration of PSCM staff who are fully or partly involved in the activities of the Company <sup>(3)</sup>	\$ 11,498,501	\$ 273,268,432	\$ 284,766,933	29
Proportion of remuneration of PSCM staff who are involved in the activities of the Company as a percentage of the total PSCM staff remuneration	82.20%	99.66%	98.81%	29 out of 44
Remuneration of senior management and PSCM staff whose actions have a material impact on the risk profile of the Company	\$ 6,884,550	\$ 258,819,316	\$ 265,703,866	13

(1) Fixed remuneration reflects salaries and guaranteed remuneration earned in 2024 by PSCM staff. All other remuneration earned in 2024 is considered to be variable remuneration.

(2) Total remuneration reflects salaries, bonuses and performance fees/allocations earned by PSCM staff in 2024 for services provided to PSCM, the Company and/or other funds managed by PSCM.

(3) Remuneration earned in 2024 by any staff member involved in the activities of the Company for services provided by such staff member to PSCM, the Company and/or other funds managed by PSCM.



## Affirmation of the Commodity Pool Operator

To the best of the knowledge and belief of the undersigned, the information contained in the audited Financial Statements of Pershing Square Holdings, Ltd. for the year ended December 31, 2024 is accurate and complete.

/s/ Michael Gonnella  
Michael Gonnella

By: Michael Gonnella  
Chief Financial Officer

Pershing Square Capital Management, L.P.  
Commodity Pool Operator

Pershing Square Holdings, Ltd.  
Commodity Pool



# Endnotes and Disclaimers

## ENDNOTES TO CHAIRMAN'S STATEMENT

- i. The Company's NAV appreciation is calculated with respect to the Public Shares only and is as of December 31, 2024. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and assume an investor has participated in any "new issues" as such term is defined under Rules 5130 and 5131 of FINRA. Net returns also reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and performance fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance due to these share buybacks is reflected in the returns herein. Performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Past performance is not a guarantee of future results.
- ii. The Company's share price performance is calculated based on the Company's Public Shares traded on Euronext Amsterdam and includes dividend reinvestment. Over the same periods, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling increased by 22.7% and 23.4%, respectively. The share price performance, including dividend reinvestment, of Public Shares listed in USD increased by 22.2% over the same five-year period. Seven-year performance is not available as the Public Shares in USD were not listed on the LSE until May 29, 2018.
- iii. The S&P 500 Total Return Index ("index") has been selected for purposes of comparing the performance of an investment in the Company with a well-known, broad-based equity benchmark. The statistical data regarding this index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses to which the Pershing Square funds are subject. The Pershing Square funds are not restricted to investing in those securities which comprise this index, their performance may or may not correlate to this index and the portfolio of the funds should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Pershing Square funds' portfolios. The S&P 500 is comprised of a representative sample of 500 U.S. large-cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poors. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC. © 2025 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.
- iv. The Company's year to date share price performance is calculated based on the Company's Public Shares listed on the LSE in USD and includes dividend reinvestment. Over the same period, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling decreased by 2.2%.
- v. The Company's 2024 share price performance is calculated based on the Company's Public Shares listed on the LSE in USD and includes dividend reinvestment. Over the same period, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling increased by 9.9% and the share price performance, including dividend reinvestment, of Public Shares traded on Euronext Amsterdam increased by 3.9%.
- vi. Discount to NAV is calculated based on the Company's Public Shares listed on the LSE in USD. Over the same period, the discount to NAV of Public Shares listed on the LSE in Sterling widened from 29.8% to 31.5% and the discount for Public Shares traded on Euronext Amsterdam widened from 28.7% to 33.0%.



- vii. The Company's total debt to capital ratio is calculated in accordance with the "Total Indebtedness to Total Capital Ratio" under the PSH Bonds' Indentures. Under the Indentures, the Company's "Total Capital" reflects the sum of its NAV and its "Total Indebtedness". Total Indebtedness reflects the total "Indebtedness" of the Company and any consolidated subsidiaries (excluding any margin debt that does not exceed 10% of the Company's total capital), plus the proportionate amount of indebtedness of any unconsolidated subsidiary or affiliated special investment vehicle. As defined in the Indentures, "Indebtedness" reflects indebtedness (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof), (iii) representing capital lease obligations, (iv) representing the balance deferred and unpaid of the purchase price of any property or services (excluding accrued expenses and trade payables in the ordinary course of business) due more than one year after such property is acquired or such services are completed or (v) in respect of the Company's capital stock that is repayable or redeemable, pursuant to a sinking fund obligation or otherwise, or preferred stock of any of the Company's future subsidiaries. Indebtedness does not include, among other things, NAV attributable to any management shares, if any, or hedging obligations or other derivative transactions and any obligation to return collateral posted by counterparties in respect thereto. The Company's 2027 EUR-denominated bonds are translated into USD at the exchange rate observed at their issuance on October 1, 2021.
- viii. Initial shares outstanding reflect the conversion of Management Shares outstanding as of May 1, 2017 to Public Shares.
- ix. Discount to NAV as of December 31, 2024 and as of March 11, 2025 is calculated based on the Company's Public Shares listed on the LSE in USD. Over the same period, the discount to NAV of Public Shares listed on the LSE in Sterling narrowed to 30.5%.

## ENDNOTES TO COMPANY OVERVIEW, COMPANY PERFORMANCE AND INVESTMENT MANAGER'S REPORT

1. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and accrued and/or crystallized performance allocation/fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance due to these share buybacks is reflected in the returns herein. The Company's performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Where the Company's performance is presented with that of PSLP, performance results assume that an investor (i) has been invested in PSLP since inception and has participated in any "new issues," as such term is defined under Rules 5130 and 5131 of FINRA and (ii) invested in PSLP at its inception on January 1, 2004 and converted to PSH at its inception on December 31, 2012. Such performance information does not reflect either the performance of PSLP since its inception or PSH since its inception and no individual fund has actually achieved these results. The information is presented to illustrate how Pershing Square's core strategy has performed over a longer time horizon prior to the inception of the Company and is not necessarily, and does not purport to be, indicative, or a guarantee, of future results. This performance provided is calculated based on certain inputs and underlying assumptions, but not all considerations may be reflected therein and such performance is subject to various risks and inherent limitations that are not applicable to the presentation of the performance of either PSH or PSLP alone. Although Pershing Square believes the performance





calculations described herein are based on reasonable assumptions, the use of different assumptions would produce different results. For example, depending on the timing of an individual investor's specific investment in the Company and/or PSLP, net performance for an individual investor may vary from the net performance as stated herein. The performance is also provided to you on the understanding that you will understand and accept the inherent limitations of such results, and will not rely on them in making any investment decision with respect to an investment with Pershing Square.

2. PSLP's net performance results are presented as it is the Pershing Square fund with the longest track record and substantially the same investment strategy to the Company. The inception date for PSLP is January 1, 2004. In 2004, Pershing Square earned a \$1.5 million (approximately 3.9%) annual management fee and PSLP's general partner earned a performance allocation equal to 20% above a 6% hurdle from PSLP, in accordance with the terms of the limited partnership agreement of PSLP then in effect. That limited partnership agreement was later amended to provide for a 1.5% annual management fee and 20% performance allocation effective January 1, 2005. The net returns for PSLP presented herein reflect the different fee arrangements in 2004, and subsequently. In addition, pursuant to a separate agreement, in 2004 the sole unaffiliated limited partner of PSLP paid Pershing Square an additional \$840,000 for overhead expenses in connection with services provided unrelated to PSLP, which have not been taken into account in determining PSLP's net returns. To the extent that such overhead expenses had been included as fund expenses of PSLP, net returns would have been lower.
3. The S&P 500 Total Return Index ("index") has been selected for purposes of comparing the performance of an investment in the Company or PSLP, as applicable, with a well-known, broad-based equity benchmark. The statistical data regarding the index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses to which the Pershing Square Funds are subject. The Pershing Square Funds are not restricted to investing in those securities which comprise this index, their performance may or may not correlate to this index and they should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Pershing Square Funds' portfolios. The S&P 500 is comprised of a representative sample of 500 U.S. large cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poor's. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, are registered trademarks of Standard & Poor's Financial Services LLC. © 2025 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.
4. The performance data presented on page 2 under "Cumulative Return (Since Inception)" and "Cumulative Return (Since PSH Inception)" is calculated from January 1, 2004 and December 31, 2012, respectively.
5. The Investment Manager's Report contains Pershing Square's own views and opinions, based on publicly available information, to illustrate Pershing Square's thinking on the matters therein. An investment in the Company will entail substantial risks, and a prospective investor should carefully consider the risks described in "Principal Risks and Uncertainties" and the disclosures contained in Pershing Square's Form ADV Part 2A and the Company's Prospectus.
6. NAV performance is presented as net returns. Please also refer to Endnotes i and v of the Chairman's Statement.
7. Returns are as of March 11, 2025. Please refer to Endnotes 1 and 3.
8. Stock price performance is as of March 11, 2025. Stock price performance reflects the Company's NAV performance prior to its IPO and the NAV performance of PSLP prior to the inception of the Company. The



Company's share return includes dividend reinvestment and is calculated based on PSH's Public Shares traded on Euronext Amsterdam until December 31, 2024 and Public Shares traded on the LSE in USD thereafter. Please refer to Endnote 1.

9. Please refer to Endnote ix of the Chairman's Statement.
10. Twelve-year performance data is calculated from January 1, 2004 to July 31, 2015. PSLP performance data is used prior to the inception of the Company. Also refer to Endnote 1. The compound annual return from August 1, 2015 to December 31, 2017 was -19.0%.
11. Performance data is calculated from January 1, 2018 to March 11, 2025.
12. Assets under management equal the net assets of the Pershing Square Funds calculated in accordance with U.S. GAAP without deducting amounts attributable to accrued performance fees, while adding back the principal value of the Company's debt outstanding (\$1.8 billion and €500 million translated into USD at the prevailing exchange rate at the reporting date, 1.04). Ownership by affiliates of PSCM also includes their charitable vehicles. Holdings of affiliates of the Investment Manager have not been aggregated for regulatory reporting purposes.
13. Management fee reduction is calculated by eliminating the management fees paid by PSH associated with PSH's stake in HHH, assuming a transaction price of \$90 per share.
14. The Portfolio Update reflects Pershing Square's own views and opinions as a shareholder of the portfolio companies discussed therein and should not be taken to reflect the view or opinions of the board of directors of any portfolio company or that of any individual director.
15. The contributions and detractions to performance presented herein are based on gross returns which do not reflect the deduction of management fees and accrued/crystallized performance fees (if any). Inclusion of such fees and expenses would produce lower returns than presented here. In addition, at times, Pershing Square may engage in hedging transactions to seek to reduce risk in the portfolio, including investment specific hedges that do not relate to the underlying securities of an issuer in which the Company is invested. For each issuer, the gross returns reflected herein (i) include only returns on the investment in the underlying issuer and the hedge positions that directly relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and also purchased puts on Issuer A stock, the gross return reflects the profit/loss on the stock and the profit/loss on the put); (ii) do not reflect the cost/benefit of hedges that do not relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and short Issuer B stock, the profit/loss on the Issuer B stock is not included in the gross returns attributable to the investment in Issuer A); and (iii) do not reflect the cost/benefit of portfolio hedges. Performance with respect to currency hedging related to a specific issuer is included in the overall performance attribution of such issuer. The contributors and detractors to the gross returns presented herein are for illustrative purposes only. The securities on this list may not have been held by the Company for the entirety of the periods presented. All investments involve risk including the loss of principal. It should not be assumed that investments made in the future will be profitable or will equal the performance of the securities on this list. Past performance is not indicative of future results. Please refer to the net performance figures presented on page 2.
16. While the Pershing Square Funds often take an engaged posture with respect to certain investments, they will own, and in the past have owned, other investments, including passive investments and hedging-related positions. "Short Positions" includes options, credit default swaps and other instruments that provide short economic exposure. All trademarks are the property of their respective owners. It should not be assumed that any of the securities transactions or holdings discussed herein were or will prove to be profitable, or that the investment



recommendations or decisions Pershing Square makes in the future will be profitable or will equal the investment performance of the securities discussed herein. Companies shown in this figure are meant to demonstrate Pershing Square's experience engaging with public companies and the types of industries in which the Pershing Square Funds invest, and were not selected based on past performance.

## DISCLAIMERS

### *Limitations of Performance Data*

Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. This report does not constitute a recommendation, an offer to sell or a solicitation of an offer to purchase any security or investment product. This report contains information and analyses relating to all publicly disclosed equity positions above 50 basis points in the Company's portfolio during 2024 and 2025. Pershing Square may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this report for any reason. Pershing Square hereby disclaims any duty to provide any updates or changes to the information contained here including, without limitation, the manner or type of any Pershing Square investment.

### *Forward-Looking Statements*

This report also contains forward-looking statements, which reflect Pershing Square's views. These forward-looking statements can be identified by reference to words such as "believe", "expect", "potential", "continue", "may", "will", "should", "seek", "approximately", "predict", "intend", "plan", "estimate", "anticipate" or other comparable words. These forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Should any assumptions underlying the forward-looking statements contained herein prove to be incorrect, the actual outcome or results may differ materially from outcomes or results projected in these statements. None of the Company, Pershing Square or any of their respective affiliates undertakes any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law or regulation.



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