



PERSHING SQUARE CAPITAL MANAGEMENT, L.P.

PERSHING SQUARE HOLDINGS, LTD.

Portfolio Update

October 31, 2016

Summary Results		
	October	YTD 2016
Gross Performance	-4.4%	-21.4%
Net Performance ⁽¹⁾	-4.5%	-22.5%
NAV/Share	\$16.25	

Number of Positions ⁽²⁾	
Long	12
Short	1
Total	13

Equity & Debt Exposure Composition By Market Cap ^{(3) (4)}			
	Net Portfolio	Long	Short
Large Cap	66%	78%	-12%
Mid Cap	20%	20%	0%
Small Cap	0%	0%	0%
Total	86%	98%	-12%

Note: Large Cap >= \$5b; Mid Cap >= \$1b; Small Cap < \$1b

Portfolio Composition by Sector ⁽⁵⁾	
Consumer Products	Industrials/Chemicals
Financials	RE Corp.
Healthcare	Restaurant

Assets Under Management	
Pershing Square Holdings, Ltd. AUM ⁽⁶⁾	\$ 4,046.9M
Total Strategy AUM ⁽⁷⁾	\$ 10,484.3M

Notional Credit Default Swap Exposure	
Single Name & Sovereign CDS	\$ 40.0M
Total CDS	\$ 40.0M

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. All investments involve the possibility of profit and the risk of loss, including the loss of principal. This document does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. All information is current as of the date hereof and is subject to change in the future.

(1) Performance results are presented on a net-of-fees basis and reflect the deduction of, among other expenses, management fees, brokerage commissions, administrative fees, and accrued and/or crystallized performance fees, if any. Net performance includes the reinvestment of all dividends, interest, and capital gains. Depending on the timing of an individual investor's specific investment, net performance for an individual investor may vary from the net performance as stated herein. Performance data and other information contained herein are estimated and unaudited. Net performance is a geometrically linked, time-weighted calculation.

(2) Reflects the number of positions in issuers in which the Company has previously publicly disclosed an investment, which occurs after the Company has completed its accumulation. Cash, cash equivalents, direct or indirect currency or other hedges and income/expense items are excluded. Multiple financial instruments (for example, common stock and derivatives on common stock) associated with one (1) issuer count as one (1) position. A position that is included in the number of positions will be removed from the table only if the investment or if the investment becomes 0.0% of the portfolio.

(3) For the purpose of determining the equity and debt exposures, investments are valued as follows: (a) equity or debt is valued at market value, (b) options referencing equity or debt are valued at market value, and (c) swaps or forwards referencing equity or debt are valued at the market value of the notional equity or debt underlying the swaps or forwards. Whether a position is deemed to be long or short is determined by whether an investment has positive or negative exposure to price increases or decreases. For example, long puts are deemed to be short exposure.

(4) Includes all issuer equity, debt, and derivatives related to issuer equity and debt, and associated currency hedges. Cash, cash equivalents, direct or indirect currency or other hedges and income/expense items are excluded. The market values of associated currency hedges are included as part of the associated investment. In the event that there is a change in market cap category with respect to any non-publicly disclosed position, this information is not updated until such position is publicly disclosed.

(5) Portfolio composition is reflective of the publicly disclosed portfolio positions as of the date of this report. A position in an issuer is only assigned to a sector once it has been publicly disclosed.

(6) "Pershing Square Holdings, Ltd. AUM" equals the assets under management of Pershing Square Holdings, Ltd.. Any performance fees crystallized as of the end of the year will be reflected in the following period's AUM.

(7) "Total Strategy AUM" equals the aggregate assets under management of Pershing Square, L.P., Pershing Square International, Ltd., Pershing Square II, L.P. and Pershing Square Holdings, Ltd.. Redemptions effective as of the end of any period (including redemptions attributable to crystallized performance fees/allocations, if any) will be reflected in the following period's AUM.

Note: Each public share in the Company carries at all times one vote per share. The total voting rights in the Company ("Total Voting Rights") may vary over time given the capital and voting structure of the Company. As of October 31, 2016, Total Voting Rights were 498,981,086. There are 240,128,546 Public Shares, 8,500,796 Management Shares and 5,000,000,000 Class B Shares (held by VoteCo) outstanding (the share classes have 1 vote, 1.0426 votes and 0.0500 votes per share, respectively).

Under the Dutch Financial Supervision Act (Wet op het financieel toezicht), anyone who, directly or indirectly, acquires or disposes of shares in the Company and holds voting rights reaching, exceeding or falling below certain thresholds (including 3%, 5% and 10%) of the Total Voting Rights is required to notify the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten).

In addition, under the Company's Articles of Incorporation, a person is required to notify the Company of the percentage of the public shares it holds or is deemed to hold (through such person's direct or indirect holding of financial instruments) if this percentage reaches, exceeds or falls below 3%, 4%, 4.25%, 4.50%, 4.75% or 5% of the total number of outstanding public shares.

As of the date of the placing of the PSH shares, the total Offset Amount, which is part of the performance fee calculation, was \$120M. As of September 30, 2016, the Offset Amount had been reduced by approximately \$10.4M (net of accrued interest) and was approximately \$109.6M. This amount does not include \$2.7M of an additional reduction that is carried-forward to be credited towards the Offset Amount in future years. The "Offset Amount" is an amount equal to the fees and other costs of the placing and admission of the public shares, commissions paid to placement agents and other formation and offering expenses incurred during the private phase of PSH plus accrued interest of 4.25% per annum. Once the Offset Amount has been fully offset, PSH's incentive fee of 16% will be reduced by 20% of the aggregate incentive fees/allocations earned by the investment manager (and its affiliates) on the gains of other private funds managed by the investment manager.