Pershing Square Holdings, Ltd.
Interim Report and Unaudited Condensed Interim Financial Statements
June 30, 2023

Pershing Square Holdings, Ltd.

2023 Interim Report and Unaudited Condensed Interim Financial Statements

Interim Report

Unaudited Condensed Interim Financial Statements

Appendices

Company Overview

The Company

Pershing Square Holdings, Ltd. (“PSH”, or the “Company”) (LN:PSH) (LN:PSHD) (NA:PSH) 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.

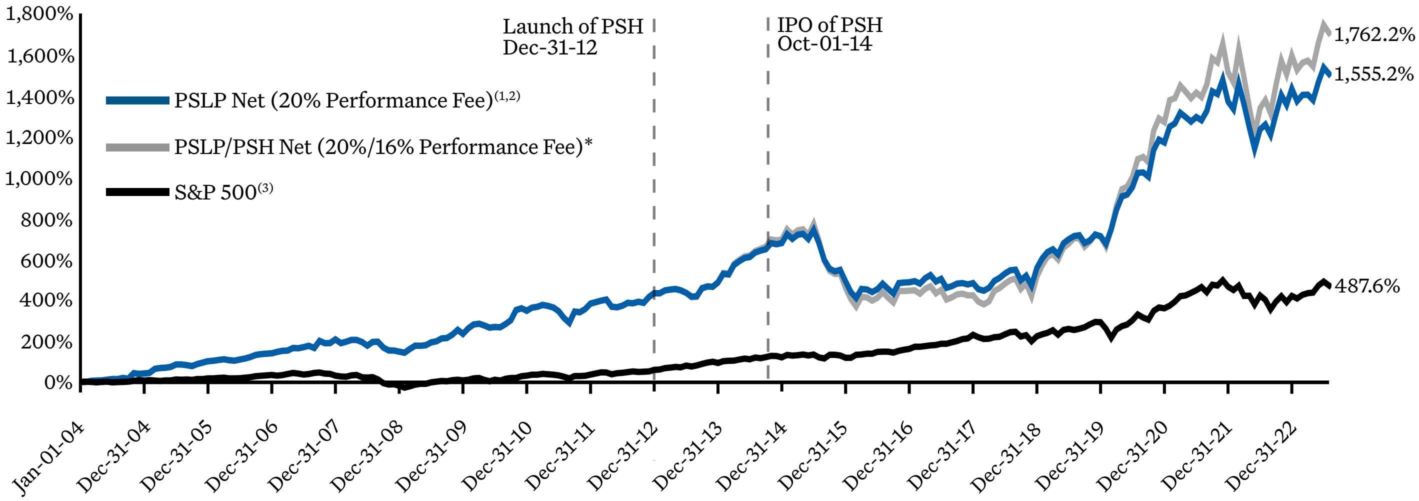
PSH was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It commenced operations on December 31, 2012 as a registered open-ended investment scheme, and on October 1, 2014 converted into a registered closed-ended investment scheme. Public Shares of PSH commenced trading on Euronext Amsterdam N.V. on October 13, 2014. On May 2, 2017, PSH’s Public Shares were admitted to the Official List of the UK Listing Authority and commenced trading on the Premium Segment of the Main Market of 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 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 in the 2022 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 nearly 20 years, the investment strategy pursued by the Investment Manager has generated a 16.1% annualized net return and cumulative net returns of 1,762.2% for PSLP/PSH (as converted) compared to a 9.4% annualized net return and cumulative net returns of 487.6% for the S&P 500, PSH’s historical benchmark index, during the same period.[1,3]

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[1,2]	S&P 500[3]
2004	42.6 %	Pershing Square, L.P.	42.6 %	10.9 %
2005	39.9 %		39.9 %	4.9 %
2006	22.5 %		22.5 %	15.8 %
2007	22.0 %		22.0 %	5.5 %
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 %	Pershing Square Holdings, Ltd.	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)%
Six-month period ended June 30, 2023	10.0 %		7.6 %	16.9 %
Year-to-date through August 15, 2023	13.1 %		10.4 %	16.8 %

January 1, 2004 – August 15, 2023[1,4]

Cumulative (Since Inception)	1,762.2 %	1,555.2 %	487.6 %
Compound Annual Return	16.1 %	15.4 %	9.4 %

December 31, 2012 – August 15, 2023[1,4]

Cumulative (Since PSH Inception)	251.3 %	212.2 %	280.7 %
Compound Annual Return	12.6 %	11.3 %	13.4 %

* 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 47. 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 46–49.

Chairman's Statement

INTRODUCTION

The year began with significant and widespread uncertainty for global markets as central banks continued to raise key rates to tame inflation while avoiding an overreaction that would have a material negative impact on the economy. I am pleased to report that the Investment Manager has navigated this challenging backdrop well and delivered strong performance for PSH shareholders. While interest rates have continued to rise, the U.S. economy has maintained broad-based positive momentum, avoiding a recession to date.

The Investment Manager pursues a long-term investment strategy and aims to invest in businesses that will perform well over time and through various macroeconomic cycles, and to mitigate downside risk through asymmetric hedging strategies. Most of PSH's portfolio companies contributed positively to the growth in our NAV in the first half of 2023. They have all continued to make substantial business progress and are well positioned for future growth.

INVESTMENT PERFORMANCE

For the first half of 2023 and year-to-date through August 15, 2023, PSH's NAV per share, including dividends, increased by 10.0% and 13.1% respectively,[i] and PSH's share price, including dividends, increased by 5.4% and 10.1%, respectively.[ii] The S&P 500 increased by 16.9% and 16.8% over the same period.[iii]

PSH's compound annual return over the past five years to June 30, 2023 has been strong with a NAV return of 25.8% (PSH's share price 21.6%, S&P 500 12.3%) during that period.[iv]

The performance of the entire portfolio is discussed in more detail in the Investment Manager's Report.

PORTFOLIO CHANGES

A significant change to the PSH portfolio in H1 2023 was the addition of Alphabet, the parent company of Google. The Investment Manager had been following Alphabet for some time, and when the company's share price declined earlier this year, primarily due to concerns about the impact of AI, the Investment Manager's knowledge of the company led it to believe that the shares were trading at an attractive valuation. Since initiating the investment, Alphabet has been one of the best performing stocks in PSH's portfolio.[v] The PSH Board is pleased to note that the Investment Manager's concentrated long-term approach to investing allows it to undertake deep diligence on multiple investment opportunities, and to remain patient until an appropriate entry point presents itself. The Investment Manager sets out its thesis for Alphabet in more detail in the Investment Manager's Report. The Investment Manager has also considered the potential impact of AI on each of our portfolio companies, and believes that although there may be challenges ahead, they are well placed to capitalize on the opportunities that may arise.

The Investment Manager has filed a public registration statement, and multiple amendments thereto, for Pershing Square SPARC Holdings, Ltd. ("SPARC" or "Special Purpose Acquisition Rights Company").[v] SPARC has been designed to be a significantly more efficient and improved successor to the traditional Special Purpose Acquisition Company ("SPAC"). SPARC remains under SEC review, and if the registration statement for SPARC's distribution of subscription rights ("SPARs") is declared effective, SPARC will allow the Investment Manager to work on a potential merger transaction without burdening SPAR holders with the opportunity cost of keeping their money in a trust account as is the case with traditional SPACs. The Investment Manager will continue to update shareholders as SPARC progresses.

CORPORATE ACTIONS

During the first half of the year, the Board announced an additional $100 million share repurchase program. Since PSH commenced its first share buyback program on May 2, 2017 through August 15, 2023, we have repurchased 61,641,310 PSH Public Shares for a total of $1.19 billion at an average price of $19.33 and an average discount of 28.7%. The Board and the Investment Manager believe that this is a good use of capital given the current economic environment, the discount to NAV at which PSH shares trade, and the Investment Manager's belief that PSH's underlying portfolio companies also trade at a discount.

DISCOUNT TO NAV

During the first half of the year, the discount widened from 33.2% to 36.1%, but has since narrowed slightly to 35.2% as of August 15, 2023.[vii] Shareholders have captured over 76% of the value of the increase in NAV this year as the share price has appreciated 10.1% year to date.[viii] The Board closely monitors the discount to NAV at which PSH's Public Shares trade and is not satisfied with the current discount as it does not reflect the current market value of the portfolio, or the track record of the Investment Manager in growing the NAV.

In my Annual Letter to you, I detailed the corporate actions that the Board has taken in recent years to address the discount, and in the 2022 Interim Report, the Investment Manager devoted a significant portion of its letter to shareholders to analyzing why the discount persists despite strong investment performance. I encourage shareholders who have not yet read both to do so. The Board continues to believe that the discount will close over time if PSH continues to deliver strong investment performance, and if more potential investors learn about our strategy and long-term track record.

The Board remains confident in PSH's investment strategy, its Investment Manager, Pershing Square Capital Management, and its long-term track record. I look forward to writing to you again in our 2023 Annual Report.

/s/ Anne Farlow
Anne Farlow
Chairman of the Board
August 17, 2023

Investment Manager's Report

LETTER TO SHAREHOLDERS(5)

To the Shareholders of Pershing Square Holdings, Ltd.:

In the first half of 2023, Pershing Square Holdings generated NAV performance of 10.0%, and a total shareholder return of 5.4% due to the widening of the discount to NAV at which PSH's shares trade.[6] PSH's year-to-date NAV return through August 15, 2023 was 13.1% compared to 16.8% for the S&P 500 index over the same period.[7]

Investors who invested in Pershing Square, L.P. at its inception on January 1, 2004, and transferred their investment to PSH at its inception on December 31, 2012 ("Day One Investors") have grown their equity investment at a 16.1% compound annual rate over the last nearly 20 years, compared with a 9.4% return had they invested in the S&P 500 over the same period.[8]

With the benefit of compounding, our 16.1% compound annual NAV return translates into a cumulative total NAV return since inception of 1,762% versus 488% for the S&P 500 over the same period. In other words, Day One Investors have multiplied their equity investment by 18.6 times versus the 5.9 times multiple they would have achieved had they invested in a zero-fee S&P 500 index fund.[9] Using PSH's stock price return rather than its per-share NAV performance, Day One Investors have earned a 13.8% compound annual return, a 12.6 times multiple of their original investment, less than our NAV return due to the widening of the discount to NAV.[10]

It has been more than five years since we restructured Pershing Square to a smaller, more investment-centric organization with the expectation that future asset growth would be principally driven by investment results rather than asset accumulation. A critical part of our restructuring was refocusing our strategy on our core investment principles. The combined effect of these initiatives has contributed to an extremely strong period of outperformance compared to the market and other investment funds, even when compared to our longer-term record.

Since the announcement of the Pershing Square restructuring in March of 2018,[a] PSH has generated a compound annual rate of return of 28.1% and a cumulative return of 278% compared to the S&P 500 which has generated 12.1% and 84% returns respectively over the same period.[11] According to Investec Research, for the five-year period ended May 31, 2023, PSH's NAV return ranked #1 out of 141 funds in Investec's North American closed-end fund peer group, which includes all constituents of the AIC North America and IA North America sectors.[b] PSH's performance exceeded the next best performing fund by 1,115 basis points per annum and by 121% in cumulative returns over the same period.

We believe that to continue our record of strong performance, we just need to do more of the same:

- Invest in the highest quality durable growth companies at sensible prices,
- Ensure our portfolio companies have excellent leadership, good governance, and proper oversight, and
- Hedge "black swan" and other global macro risks when the market affords us the opportunity to purchase low-cost "insurance" against these risks.

Year to date, we have accomplished these objectives, and our portfolio companies are continuing to demonstrate strong and resilient performance in a volatile macroeconomic and geopolitical environment. Our companies' outperformance in challenging markets is by design as we principally attempt to mitigate macro, geopolitical, and economic risks by investing in highly durable growth companies that we have selected for their ability to withstand these risks. No matter how robust

a https://pershingsquareholdings.com/wp-content/uploads/2018/03/2017-Annual-Report.pdf

b Source: Investec Research Report on PSH ("Reaping the rewards of a strategic pivot, and fundamentally mispriced"), published June 30, 2023. Peer group incorporates all constituents of the AIC North America and IA North America sectors.

the business, however, certain extrinsic risks can have a negative impact. We therefore attempt to hedge these risks when it makes economic sense to do so.

Hedging and Asymmetric Investments

Our approach to hedging is first to understand global macro and geopolitical risks, and then to identify asymmetric ways to hedge these risks. Profits from successful hedges can often be redeployed opportunistically because when the hedged risks emerge, common stock prices usually decline substantially. Research in connection with our hedging process also leads us to a deeper understanding of the economy and geopolitical factors, which assists us in better understanding our current portfolio companies and identifying potential new investments.

Hedging gains have been a material contributor to our performance since March 2020 when the Pershing Square funds generated $2.6 billion of proceeds from our COVID-related hedge on an immaterial investment in CDS premiums.[12] Beginning in December 2020, we purchased interest rate hedges because we believed there would be a material increase in inflation and that the Federal Reserve would be required to raise short-term rates substantially. We sold these short-term rate hedges last year generating $2.7 billion of proceeds on a total investment of $384 million. We also initiated new interest hedges, this time on long-term rates, beginning in April of last year. At year-end 2022, these hedges were valued at $381 million, an 83% premium to their cost.

Since the end of last year, our interest rate hedges have decreased somewhat in value as long-term rates have declined due to recession fears and the regional banking crisis, and as the passage of time has reduced the value of these option-like hedging instruments. We did not sell these hedges at year end because we remained concerned about the risk of higher long-term rates on our portfolio.

We do not expect our hedging strategy to be profitable unless the risk we are hedging occurs in the time frame that we have estimated. We have to be right on both the nature of the risk and the timeframe in which we expect it to occur for a hedging strategy to be successful. If the hedged risk does not occur, then our equity portfolio should be the beneficiary of the absence of this risk. Relatively low long-term rates for most of 2023 have not been a material headwind to our portfolio companies' year-to-date returns, profits which substantially exceed the drag on our performance from the decline in the value of our hedges.

We structure our hedges using asymmetric investments which at cost typically represent a low, single-digit percentage of our capital. We do so in order that the long-term drag on performance from these hedges is small. In the short-term, however, there can be periods where a profitable hedge declines in value if the identified risk abates before we have exited the hedge.

We continue to hedge the risk of a rise in 30-year Treasury rates because we remain concerned about the risk of higher long-term interest rates on equity valuations. Inflation is showing encouraging signs of moderation, but it remains persistently high. While we have seen promising progress in shelter inflation as asking rents moderate and as goods inflation and supply chains normalize, inflation in non-shelter services – which represents nearly half of personal consumption expenditures – persists, as wages remain elevated.

Despite the Federal Reserve's rapid tightening of monetary policy and widespread predictions for a recession, the labor market and economic growth have remained highly resilient. The pace of job growth has recently slowed somewhat, but remains about twice the level that we would expect in a stabilized economic environment.

We believe that emerging structural forces including higher defense spending, energy scarcity and the transition to green energy, deglobalization, and the increased bargaining power of labor will likely contribute to sustained longer-term inflationary pressures.

In recent weeks, long-term yields have increased substantially, as have the value of our long-term rate hedges, as investors have recalibrated expectations for future growth and the possibility of 'higher for longer' interest rates. The yield on the 30-year Treasury has increased by 0.7% from a low of 3.6% in early April to 4.3%. We believe that long-term interest rates can continue to rise substantially from current levels.

Investors have become so accustomed to low long-term rates for many years that 4.3% seems like a high long-term rate for many fixed income investors. We do not believe that current levels of long-term Treasury rates are high considered in a longer-term historical context, and when one does the math on what long-term rates must be for investors to earn an adequate long-term, risk-free return in excess of inflation.

If inflation declines and stabilizes at 3%, above the Fed's target of 2%, 30-year Treasury yields could reach or exceed 5.5%. We generate our 5.5% estimate of long-term rates by adding: (1) the estimated long-term inflation rate of 3%, (2) the equilibrium real short-term interest rate of 0.5%, and (3) the historical 2.0% average term premium for long-term rates relative to short rates, (3.0% plus 0.5% plus 2.0% = 5.5%).

Furthermore, we expect the supply-demand outlook for long-term bonds to deteriorate in the coming months as the supply of longer-term Treasurys grows, with $1.9 trillion of new issuances during the second half of this year contemporaneous with the Federal Reserve reducing its Treasury holdings through quantitative tightening. A number of the largest foreign holders of U.S. Treasurys including Japan, China, Saudi Arabia, and other nations have or will likely be reducing their holdings of U.S. Treasurys as rates rise in Japan, the US-China decoupling continues, and other nations seek to moderate their U.S. dollar exposures.

In addition, if companies and their management teams continue to reassess their recession scenarios and become more optimistic about the economy, the demand for credit may increase substantially as businesses increase their borrowings to fund new investments. Greater demand for credit will also likely contribute to higher longer-term interest rates.

While predicting the future of interest rates is a challenging endeavor, we believe it is prudent to continue to hedge the risk of higher long-term rates in light of the continued risk to equity valuations.

Stock Repurchases

PSH has an ongoing buyback program which takes advantage of the large discount at which our shares trade. Subject to regulatory constraints, we intend to continue to repurchase shares if: (1) the large discount persists, (2) our portfolio companies are trading at substantial discounts to our estimate of their value, and (3) we have cash on hand to fund purchases that is not needed for potential new investments.

We are living in a highly uncertain geopolitical, economic, and stock market environment. Despite this challenging environment, we are able to implement a long-term investment strategy largely due to the long-term nature of our shareholders and the unique attributes of PSH's structure. We are extremely grateful for your long-term investment in PSH which greatly contributes to our continued progress.

Sincerely,

William A. Ackman

PORTFOLIO SUMMARY[13]

Performance Attribution

Below are the contributors and detractors to gross performance of the portfolio of the Company for the six-month period ended June 30, 2023 and year-to-date 2023.[14]

January 1, 2023 – June 30, 2023	
Chipotle Mexican Grill, Inc.	7.0 %
Alphabet Inc.	2.9 %
Restaurant Brands International Inc.	2.9 %
Lowe's Companies Inc.	2.4 %
Hilton Worldwide Holdings Inc.	1.7 %
Canadian Pacific Kansas City Limited	0.8 %
Share Buyback Accretion	0.3 %
Bond Interest Expense	(0.4)%
Energy Options	(0.9)%
Universal Music Group N.V.	(2.1)%
Interest Rate Swaptions	(4.1)%
All Other Positions and Other Income/Expense	0.4 %
Contributors Less Detractors (Gross Return)	**10.9 %**

January 1, 2023 – August 15, 2023	
Chipotle Mexican Grill, Inc.	4.5 %
Alphabet Inc.	4.1 %
Hilton Worldwide Holdings Inc.	2.5 %
Lowe's Companies Inc.	2.3 %
Universal Music Group N.V.	1.8 %
Restaurant Brands International Inc.	1.6 %
Canadian Pacific Kansas City Limited	0.6 %
Share Buyback Accretion	0.5 %
Energy Options	(0.5)%
Bond Interest Expense	(0.5)%
Interest Rate Swaptions	(2.2)%
All Other Positions and Other Income/Expense	0.1 %
Contributors Less Detractors (Gross Return)	**14.8 %**

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 bond interest expense and share buyback accretion. 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 46-49.

Portfolio Company Holding Chart[15]

Stock Performance

Below are the stock returns for each of the portfolio investments of the Company for year-to-date 2023.[16]

Portfolio Investment	January 1, 2023 – August 15, 2023
Universal Music Group N.V.	5.2 %
Alphabet Inc.*	43.9 %
Chipotle Mexican Grill, Inc.	33.2 %
Restaurant Brands International Inc.	11.5 %
Hilton Worldwide Holdings Inc.	21.9 %
Lowe's Companies Inc.	14.0 %
Howard Hughes Holdings Inc.	(0.7)%
Canadian Pacific Kansas City Limited	6.2 %
Federal National Mortgage Association	41.5 %
Federal Home Loan Mortgage Corporation	42.7 %

* Stock return of Class C shares since the position's March 2, 2023 inception. Class A shares returned 43.6% over the same period.

New Position:

Alphabet Inc. ("Google" or "GOOG")

Earlier this year, we initiated a position in Alphabet, the parent company of Google. We believe that Google is one of the world's greatest businesses with deep barriers to entry and massive network effects underpinning its core search business. After having closely followed the company for many years, we had the opportunity to acquire a stake in Google at a highly attractive valuation as misplaced concerns over its competitive positioning in AI overshadowed the high-quality nature of its business and its strong growth prospects.

Google is the dominant leader in the fast-growing digital advertising market. Google has 85%+ market share in search and, along with YouTube, approximately 50% share of the digital advertising market. With higher and improving returns on investment, we expect digital ads to continue to take market share from traditional ad formats like TV and print, and increasingly drive the total advertising market growth above its historical trend. For example, in retail, rising e-commerce penetration is catalyzing the migration of offline promotion and trade spend dollars into digital ads. With Search and YouTube as two of the highest return and most resilient ad formats, Google is well positioned to benefit from the structural growth in digital ad share across many categories.

Similarly, in its Cloud business, Google is a top three player in an oligopolistic market that is in the early stages of a multi-year shift of IT workloads from on-premise to cloud and hybrid cloud solutions. These powerful secular tailwinds have enabled Google to grow overall revenues at a high-teens compound annual growth rate over the last five years which should continue to support near- double-digit top-line growth in the coming years.

We also believe that Google has a significant margin expansion opportunity. Despite core Google Services revenue (excluding Cloud and Other Bets) nearly doubling from 2018 to 2022, profit margins have risen only approximately 100 basis points. The company is committed to improving its cost discipline and recently reduced its workforce by 6%. Given the fundamentally fixed cost nature and high incremental margins of the core search business, we believe that Google can deliver operating leverage while continuing to invest in AI capabilities. Google's Cloud segment reached break-even profitability for the second straight quarter in the second quarter of this year, and Cloud margins should continue to improve given peers like AWS enjoy nearly 30% operating margins.

In addition to its superb operating and growth characteristics, Google has an extremely strong balance sheet and an attractive capital return program. Cash net of debt comprises 6% of Google's market cap and the company is currently buying back approximately 4% of its shares each year.

Despite Google's compelling attributes, we had the opportunity to initiate our position in the company at a valuation of only 16 times forward earnings, a meaningful discount to the company's mid-20s historical average multiple as concerns around AI's perceived negative impact on Google's search business weighed on the share price. We believe these concerns underestimate Google's structural leadership position in AI for several key reasons.

First, the company's vast scale and the ingrained consumer habit of "Googling" give the company the largest distribution channel to roll out AI into search and their suite of other apps. Google has 15 different products that serve more than a half billion users, and six products that serve over two billion users. Throughout its recently held IO Day developer conference, Google demonstrated how AI is already deeply embedded into each one of its products in its ecosystem – including features like SmartCompose in Gmail to image generation and editing in Google Photos – generative AI features that will only continue to dramatically enhance the user experience in future iterations.

Second, the company's substantial distribution moat is enhanced by having access to the highest quality training data given its immense historical index of consumer behavior and queries.

Lastly, Google has made significant investments in AI for nearly a decade. From its acquisition of DeepMind in 2014 to developing proprietary TPU chips designed specifically for AI applications, the company has consistently prioritized AI and machine learning much earlier than peers and the current wave of emerging start-ups.

On the most recent earnings call, Google's management highlighted encouraging early progress on the integration of generative AI into search. The vast majority of Google search queries today already incorporate some elements of machine learning and, over time, Google plans on serving results powered by generative AI for queries where chat-like responses can improve the user experience. The company has also previewed how context-rich ads can be weaved into generative AI search results. We expect greater AI integration to improve conversion on ads and increase advertiser ROI and monetization. Similarly in its Cloud segment, Google's AI-optimized infrastructure is a key competitive differentiator as more than 70% of generative AI start-up unicorns are Google Cloud customers today.

Google's current valuation represents, in our view, an opportunity to own one of the most advantaged scaled players in AI with an unmatched business model and a long runway for growth. The share price has appreciated nearly 40% from our initial cost and we believe there still remains significant upside given the company's high level of future earnings growth and potential for continued multiple expansion over time.

Portfolio Update:

Universal Music Group ("UMG")

UMG's share price has been volatile year-to-date as some investors questioned the impact of generative AI on the music industry and UMG's ability to reliably expand margins. UMG's business progress, as evidenced by its first half results, and the articulation of the company's AI strategy, on both an offensive and defensive basis, has largely put these concerns to rest. The share price has responded accordingly. We believe that investor concerns about AI displacing major labels and artists are misplaced. Rather, we believe that AI represents a significant opportunity for the company.

AI is not a new phenomenon to the music industry. Over the last several years, more than 100,000 tracks have been uploaded daily to digital streaming providers (DSPs), a substantial proportion of which were already AI-assisted. Despite this proliferation of content, UMG's global market share has remained consistent at ~30%. While excitement around AI will increase the proliferation of content even further, we believe that this long tail of AI-generated content will likely never be heard and will not displace legitimate artists' work. In the handful of instances where unsanctioned AI-generated songs imitating well-known existing artists have achieved virality, they have been promptly removed by DSPs to protect artists' rights. If DSPs or other industry players fail to protect artists in these instances, we believe that federal copyright law and protections for artists' name and likeness will mitigate these risks and create opportunities for artists and their labels compensation.

More importantly, we believe investors are missing the potential for AI to serve as a tailwind to UMG and the music industry broadly. AI is already accelerating the music production process. UMG's partnership with Endel and HYBE's recent release of a track in multiple languages provide a framework for how the company can monetize AI-assisted music. AI also has the potential to make UMG's current roster and vast catalog even more valuable by allowing the company and its artists to involve fans with user-generated content and monetize old music in new and revolutionary ways. We expect UMG to announce additional AI-related partnerships over time.

The debate around AI has distracted from recent positive developments that are improving the monetization of streaming. We have long believed that music is one of the lowest-cost, highest-value forms of entertainment. With Spotify and YouTube's recent price increases, all major DSPs have now increased prices by 10% for their individual subscriptions and more for family and student plans. Starting this quarter, these price increases began to benefit UMG's subscription revenue growth rate. While some investors were concerned that certain DSPs were delaying price increases in order to negotiate preferential terms, both UMG and other smaller music labels have confirmed that these price increases are governed by existing agreements and that the labels' revenues will increase pro-rata along with the DSPs. Over time, we expect regular price increases will become the norm in the audio streaming industry as they are already in the video streaming industry.

Furthermore, led by UMG's industry-leading management team's initiatives, we believe that streaming is moving towards an "artist-centric" economic model that will generate more value for the artists that drive subscriber growth, engagement, and retention. While these changes may take time to be fully implemented, we believe that UMG will be an important beneficiary of this shift, as the power of its immense high quality artist roster will result in a greater share of streaming royalties.

Ultimately, UMG is the dominant player in an oligopolistic industry with decades-long secular growth. UMG's market presence should allow it to successfully navigate technological change and take its fair share of improving industry economics, as it has done numerous times over its multi-decade history. Given UMG's continued strong market positioning and long runway for sustained earnings growth, we believe that the company's current valuation represents a discount to its intrinsic value.

Chipotle ("CMG")

Chipotle's business strength continued in 2023, driven by the company's focus on exceptional food and operational excellence. During the second quarter, Chipotle grew same-store sales by 7.4%, or 40% from 2019 levels. Transactions grew 4.4%, a sequential improvement compared to the first quarter, and price increases from 2022 contributed 5.5% offset somewhat by a shift from group to individual orders which was a 2.5% headwind. The negative group to individual impact should shrink in the balance of the year and cease to be a headwind as we enter 2024.

Chipotle's ongoing traffic momentum is fueled by improving in-restaurant execution and its continued cadence of successful menu innovation. The current limited time offering, chicken al pastor, is ordered in one out of every five transactions. Management plans to launch a new limited time offering later in the third quarter. Unlike most competitors, Chipotle has not yet taken pricing in 2023, thereby further improving its industry-leading value proposition. Management did, however, signal its openness to increasing menu prices later this year if cost inflation persists.

Chipotle's compelling unit economics remain firmly intact, with restaurant-level margin of 27.5% in the second quarter, up 2.3 percentage points year-over-year. Management is optimistic on the opportunity to leverage automation technology to increase restaurant throughput and profitability. Technologies currently in testing include a dual-sided grill that may be rolled out in the medium term, which can reduce cooking times for chicken and steak by up to 75% while improving consistency and taste. Longer-term technology initiatives include a fully automated assembly line for digital orders.

The company remains on track to grow its store base in North America by approximately 8% this year with a longer-term annual store growth target of 10% once permitting and inspection headwinds abate. Chipotle is also laying the foundations for international development beyond its first successful growth market in Canada. Management has been recently investing resources in its company-owned European operations, including sending one of its top U.S. operators to Europe. In July, Chipotle announced its first ever international franchise agreement, which will cover the Middle East in partnership with Alshaya Group, with the first restaurants expected to open in Kuwait and the UAE in 2024.

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: Burger King, Tim Hortons, Popeyes, and Firehouse Subs. QSR's various initiatives are leading to more consistent growth across each of its brands, as demonstrated by its first half results which were well above investors' expectations with accelerating same-store sales trends each quarter. We believe that the addition of Patrick Doyle as Executive Chair of the company has already made a material contribution to the company's operating trajectory.

Burger King's international business, which represents more than half of the brand's profits reported same-store sales, were more than 30% above pre-COVID levels, in-line with best-in-class peers. Management is focused on replicating Burger King's international success in the U.S. through its "Reclaim the Flame" program. While the company is in the early stages of implementing the program, it is already seeing positive results, with domestic same-store sales reaching 11% above pre-COVID levels during the second quarter. With the majority of the funds earmarked for advertising and store refreshes yet to be deployed and a larger store remodeling effort now underway, the brand's results should continue to improve.

Tim Hortons in Canada achieved same-store sales of 15% above pre-COVID levels due to improving traffic trends and new products in the afternoon food and cold beverage categories. Despite having nearly 70% market share in hot beverages and breakfast, Tim Hortons continues to gain share in each category.

QSR's smaller brands, Popeyes and Firehouse, are continuing to grow well, with management accelerating unit growth at both brands. We believe QSR can grow its restaurant count at a mid-single-digit rate for the foreseeable future, with management committing to unit growth accelerating to 5% next year.

Despite improving brand performance and continued strong unit growth, QSR trades at a discount to both our view of its intrinsic value and its peers, which have lower long-term growth potential. Given higher interest rates, the company is currently reducing leverage rather than repurchasing shares. We expect the company to return to repurchasing shares once it has reached its leverage target.

Hilton ("HLT")

Hilton is a high-quality, asset-light, high-margin business with significant long-term growth potential. In the first half of 2023, Hilton generated robust revenue growth. In the second quarter, HLT's revenue per room ("RevPAR"), the industry metric for same-store sales, increased 12% as compared to 2022. Recent quarters continue to benefit from stable demand and rising rates driving leisure growth to new highs, while business transient continues to sequentially accelerate, with group sales just now approaching pre-COVID levels.

While net managed and franchised units grew 4% year-over-year during the most recent quarter, slightly below the full year target which Hilton adjusted to approximately 5% per annum, net unit growth ("NUG") is poised to accelerate in the back half of the year. While management anticipates NUG of approximately 5% this year, they anticipate it will accelerate to 5-6% in 2024 and return to its historical 6-7% range over the next several years. Net unit growth is poised to accelerate in 2024 as Hilton begins to roll out its new premium economy and long-term-stay concepts (Spark and H3, respectively) and as international development activity accelerates. Hilton signed more than 36,000 rooms in the quarter, the largest quarterly signing in the company's history. The company's pipeline includes 441,000 rooms with approximately 50% under construction.

Hilton's RevPAR is now ~9% above the comparative 2019 period even though systemwide occupancy remains 3-4 percentage points below "normal." RevPAR growth has been supported by an increase in average daily rate ("ADR"), resulting from strong consumer demand, a positive mix-shift from large corporations to small and medium-sized businesses within the business transient market, and broad inflationary pressures in recent years. ADRs have largely stabilized 10% to 15% above 2019 levels (representing 3-4% compound annual growth) while occupancy continues to improve, driven by the longer-tail recovery of large corporate transient business travel occasions and group business. These factors, combined with strong and accelerating international RevPAR growth, position HLT for a strong 2023.

Over the medium-term, Hilton stands to benefit from continued RevPAR growth (which historically grows at a premium to inflation), the acceleration of net unit growth back to Hilton's historical industry-leading cadence of 6% to 7%, and continued strong growth from non-RevPAR fee earnings. Strong revenue growth combined with Hilton's excellent cost control, high incremental margins, and substantial capital return program should drive robust earnings growth for the foreseeable future.

Despite Hilton's unique business model and attractive long-term earnings algorithm, the stock remains attractively priced at approximately 24 times forward earnings. We find Hilton's valuation to be compelling given its industry-leading competitive position, superb management team, attractive long-term net unit growth algorithm, and best-in-class capital return policy.

Lowe's ("LOW")

Lowe's is a high-quality business with significant long-term earnings growth potential operated by a superb management team that has been successfully executing a multi-faceted business transformation. In recent quarters, industrywide sales have retrenched slightly, driven by record lumber deflation, moderation in DIY discretionary demand (particularly with big-ticket items), a mix-shift from large to smaller Pro-specific projects, and a general trend of consumers reallocating budgets from goods to services. Sales remain elevated relative to 2019 baseline levels driven by a combination of price and mix, while units have largely normalized. Against this backdrop, Lowe's headline same-store-sales growth has been modestly negative, offset by material margin expansion and the benefits of Lowe's best-in-class share buyback program positioning the company to generate roughly flat earnings growth in 2023.

Lowe's remains well positioned to manage through uncertainty. Nearly two-thirds of Lowe's revenue comes from non-deferrable repair and maintenance activity, which is comparatively insulated from the macroeconomic environment. Lowe's continues to make progress on various business initiatives that should aid the company's ability to improve share and grow revenue even in challenging macro environments. Select initiatives for 2023 include the continued rollout of Lowe's market-based delivery model (now >60% complete, a critical component of Lowe's business transformation objectives), a new 300-store rural localization merchandising program, and enhancements to Lowe's MVP Pro Rewards program.

While the near-term macroeconomic picture remains uncertain, the medium-to-long-term backdrop for home improvement remains highly favorable. The home improvement market is driven by a confluence of variables, including the continued aging of the country's housing stock, a national housing shortage, the lack of new builder inventory, continued post-COVID-19 hybrid work environments, high levels of home equity (vs. pre-COVID-19 levels), and Millennial cohorts entering homeownership for the first time. In addition, a substantial majority of homeowners are unable or unwilling to move as they would lose the benefits of their low-cost, long-term mortgages. As a result, in order to accommodate their needs, homeowners must renovate or add additions to their current home, which drives significant incremental demand in the home improvement business.

In addition to a constructive medium-term view on home improvement, we remain confident in Lowe's business transformation prospects over the coming years. Notwithstanding our views on Lowe's attractive long-term earnings outlook, Lowe's currently trades at less than 16 times forward earnings, a low valuation for a business of this quality, and a substantial discount to its direct competitor, Home Depot which trades at a price-earnings multiple of nearly 22 times. We are highly confident in management's ability to execute and expect that Lowe's will continue to generate high rates of return for shareholders.

Howard Hughes ("HHH")

HHH's high-quality collection of well-located master planned communities ("MPC") delivered resilient performance in the first half of 2023 led by a strong recovery in the housing market and robust leasing momentum in the company's income producing operating assets.

Mortgage interest rates have stabilized this year after rapidly rising in 2022. The supply of home resale inventory remains constrained as homeowners are reluctant to sell their existing homes and incur more expensive mortgages. As a result, there has been a resurgence in demand for newly built homes. Amidst that backdrop, the relative affordability of HHH's MPCs, which are located in low cost-of-living and low-tax states like Texas and Nevada, remains highly appealing to prospective homebuyers. New home sales in HHH's MPCs increased 11% year-over-year in the first half of 2023, reflecting strong demand for future land sales and causing the company to raise its guidance for full-year 2023 MPC land sale profits by 20%.

In HHH's income-producing operating assets, net operating income ("NOI") grew 6% on a same-store basis during the first half of the year driven by improving leasing velocity and strong rental rate growth. The company's office portfolio is benefiting from a "flight to quality" as companies and their employees are drawn to the desirability of HHH's walkable and amenity-rich MPCs. Likewise, in the company's condominium development at Ward Village, Hawaii, HHH continues to experience durable sales momentum with its latest condo tower already 83% pre-sold within nine months of its launch. In the most recent quarter, the company contracted to sell 43 units, representing an impressive 27% of available unit inventory. At its Seaport development in New York City, the company is focused on driving operational improvements at the recently opened Tin Building food hall, which continues to generate operating losses in its first full year of operations.

HHH is well positioned to navigate what remains a challenging financing environment across the real estate industry. Relative to other real estate companies, HHH's unique ability to self-fund development with cash flow from land sales and operating assets substantially mitigates its dependency on the capital markets. The company has $390 million of cash on its balance sheet and 100% of the company's debt is fixed, capped or hedged, with approximately 87% of the balance due in 2026 or later.

The company recently announced its 2023 Investor Day will be held in New York City on September 6th which we believe will be another opportunity for management to highlight HHH's resilient business model and decades-long growth trajectory.

Canadian Pacific Kansas City Limited ("CPKC")

CPKC is a high-quality business with significant earnings growth potential that operates in an oligopolistic industry with considerable barriers to entry and significant pricing power due to its high quality competitive transportation offering. After receiving regulatory approval from the Surface Transportation Board on March 15, Canadian Pacific closed the acquisition of Kansas City Southern on April 14th and renamed the combined company Canadian Pacific Kansas City.

The combination with KCS is an incredible accomplishment for CPKC's industry-leading management team. CPKC is the first and only single-line railroad linking Canada, the United States, and Mexico. Not only does the combination create tremendous growth opportunities for CPKC, but it also increases competition in the rail industry overall, improving transportation options for shippers, and reducing greenhouse gas emissions by shifting more freight from truck to rail.

While it has only been several months, the management team has hit the ground running and already announced numerous contract wins in the midst of integrating the two networks. In June, CPKC held its inaugural Investor Day as a combined company that highlighted the many growth opportunities unlocked by leveraging CPKC's unique three-country network, and provided 2024-2028 financial targets. If CPKC were to achieve these targets, the company's earnings-per-share would increase to over $8 by 2028, or more than double the current level. In summary, the substantial revenue and cost synergies realized from the merger should lead to accelerated earnings growth for the foreseeable future.

Despite CPKC's attractive long-term earnings outlook, the stock continues to trade at a discount to our view of intrinsic value and its closest peer, Canadian National. We believe the magnitude of synergies is larger and the path for realization is longer than investors originally anticipated, providing CPKC with profitable long-term growth and catalyzing share price appreciation in the years to come.

Fannie Mae ("FNMA" or "Fannie") and Freddie Mac ("FMCC or "Freddie")

In our view, Fannie Mae and Freddie Mac remain valuable perpetual options on the companies' exit from conservatorship. Both entities continue to build capital through retained earnings which has increased their combined capital to $111 billion. There have not been any material updates since PSH's 2022 Annual Report. We believe that it is simply a matter of when, not if, Fannie and Freddie will be released from conservatorship.

Pershing Square SPARC Holdings, Ltd. ("SPARC")

Significant progress has been made towards the launch of SPARC. While there is no guarantee that all of the required approvals will be obtained, we have cleared significant hurdles and continue to be cautiously optimistic that the registration statement for SPARC's distribution of SPARs will soon become effective, which would allow SPARC to begin to seek a potential merger transaction.

We have discussed SPARC's structure in detail in prior communications, including most recently in PSH's 2022 Annual Report. In summary, SPARC offers a private company the opportunity to go public at a fixed price and raise a guaranteed minimum amount of capital from the Pershing Square funds without any of the highly dilutive SPAC founder stock or shareholder warrants of a typical SPAC and without any underwriting fees. We expect that a merger with SPARC will be an efficient way for a private company to go public, even in a highly challenging capital markets environment.

SPARC will expand our investment universe to include private companies who wish to go public, a potentially target rich environment in today's difficult IPO market.

PUBLIC COMPANY ENGAGEMENT SINCE INCEPTION(17)

Long Positions

Wendy's	Sears	Plains Resources	Atlantic Realty Trust	SPI	McDonald's	Sears Canada
2004	2004	2004	2004	2004	2005	2005
Borders	Ceridian	Target	GGP	Longs Drugs	EMC²	Landry's Restaurants, Inc.
2006	2006	2007	2008	2008	2008	2009
Howard Hughes	Fortune Brands	Beam	Alexander & Baldwin, Inc.	jcp	Canadian Pacific	Justice Holdings Ltd.
2010	2010	2010	2010	2010	2011	2011
P&G	Platform Specialty Products Corporation	Air Products	FannieMae	Freddie Mac We make home possible	zoetis	Allergan
2012	2013	2013	2013	2013	2014	2014
Valeant Pharmaceuticals North America	Nomad Foods	Mondelēz International	Chipotle	ADP	Starbucks Coffee	United Technologies
2015	2015	2015	2016	2017	2018	2018
Lowe's	Hilton	Agilent Technologies	Starbucks Coffee	Restaurant Brands International	Pershing Square Tontine Holdings	Universal Universal Music Group
2018	2018	2019	2020	2020	2020	2021
Canadian Pacific	Google					
2021	2023					

Short Positions*

mbia Wisdom in Action	Ambac	FannieMae	Freddie Mac We make home possible	FSA	Herbalife
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, between Pershing Square's inception and August 15, 2023, 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 46-49.

Directors' Report

INTERIM REPORT

The important events that have occurred during the first six months of the Company's financial year and their impact on the Company's performance as shown in the unaudited condensed interim financial statements are given in the Chairman's Statement, the Investment Manager's Report, and the notes to these unaudited condensed interim financial statements.

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 in the 2022 Annual Report and in the Company's Prospectus, available on the Company's website (pershingsquareholdings.com).

The Board has considered the financial prospects of the Company through September 30, 2024 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 June 30, 2023 of $10,727,598,425;
- The liquidity of the Company's assets (at June 30, 2023, 93.4% of its assets were comprised of cash, cash equivalents and Level 1 assets);
- The Company's total indebtedness to total capital ratio of 18.2% at June 30, 2023;
- The liquidity of the Company's assets relative to the future interest and redemption obligations of the Company's outstanding bonds; and
- The low level of fixed operating expenses relative to net assets, such expenses approximating 1.3% for the six-month period ended June 30, 2023.

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 that the Company is well placed to manage its business risks. Furthermore, the Directors confirm that 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 unaudited condensed interim financial statements.

RELATED-PARTY TRANSACTIONS

Other than those disclosed in Note 9, there were no changes to the related-party transactions described in the 2022 Annual Report that had a material effect on the financial position or performance of the Company in the first six months of the current financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to a number of risks specific to its investment activities, structure and operations, as well as risks relating to general market conditions. 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 Risk Committee performs an annual assessment of the existing and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency or liquidity. Based on this assessment, the Risk Committee has identified the subset of risks listed below as the principal risks faced by the Company:

- Cybersecurity
- Investment Manager Engagement
- Insurance
- Investment Manager's Authority
- Investment Risk
- Key Man Risk
- Market Risk
- NAV Discount

- Portfolio Concentration
- Portfolio Liquidity Risk
- Regulatory Risk
- Service Providers
- Tax Risk

Further details of each of these risks and how they are mitigated are discussed in the Report of the Directors within the 2022 Annual Report. The Board believes these risks are applicable to the six-month period ended June 30, 2023 and the remaining six months of the current financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing this interim report and the unaudited condensed interim financial statements and are required to:

- Prepare the unaudited condensed interim financial statements in accordance with Disclosure and Transparency Rules ("DTR") 4.2.4R and International Accounting Standard 34: Interim Financial Reporting;
- Include a fair review of the information required by DTR 4.2.7R, being important events that have occurred during the period, and their impact on the interim report and unaudited condensed interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year;
- Include a fair review of information required by DTR 4.2.8R, being related-party transactions that have taken place during the period which have had a material effect on the financial position or performance of the Company; and
- Prepare the interim report and unaudited condensed interim financial statements in accordance with applicable law.

The Directors confirm that the interim report and unaudited condensed interim financial statements comply with the above requirements.

The Board of Directors is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for:

- Selecting suitable accounting policies and applying them consistently;
- For making judgments and estimates that are reasonable; and
- Establishing and maintaining internal procedures which ensure that all major financial information is known to the Board of Directors so that the timeliness, completeness and correctness of the external financial reporting are assured.

As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the Directors confirm that to the best of their knowledge:

- The Company's unaudited condensed interim financial statements for the six-month period ended June 30, 2023 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the period; and
- The interim report for the six-month period ended June 30, 2023 includes a true and fair review of the information for the Company required pursuant to article 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

By order of the Board.

/s/ Anne Farlow	/s/ Andrew Henton
Anne Farlow Chairman of the Board	Andrew Henton Chairman of the Audit Committee
August 17, 2023	August 17, 2023

Independent Review Report to Pershing Square Holdings, Ltd.

CONCLUSION

We have been engaged by the Company to review the unaudited condensed interim financial statements for the six months ended June 30, 2023 which comprises the Unaudited Condensed Interim Statement of Financial Position, Unaudited Condensed Interim Statement of Comprehensive Income, Unaudited Condensed Interim Statement of Changes in Equity, Unaudited Condensed Interim Statement of Cash Flows and the related Notes 1 to 13. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited condensed interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed interim financial statements for the six months ended June 30, 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE 2410") issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

CONCLUSION RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE 2410, however future events or conditions may cause the Company to cease to continue as a going concern.

RESPONSIBILITY OF THE DIRECTORS

The Directors are responsible for preparing the interim report and unaudited condensed interim financial statements in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the interim report and unaudited condensed interim 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 REVIEW OF THE FINANCIAL INFORMATION

In reviewing the interim report and unaudited condensed interim financial statements, we are responsible for expressing to the Company a conclusion on the unaudited condensed interim financial statements. Our conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

USE OF OUR REPORT

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

/s/ Ernst & Young LLP
Ernst & Young LLP
Guernsey, Channel Islands
August 18, 2023

Unaudited Condensed Interim Financial Statements

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As of June 30, 2023 and December 31, 2022
(Stated in United States Dollars)

	Notes		2023 Unaudited		2022 Audited
Assets					
Cash and cash equivalents		$	450,179,827	$	1,147,443,227
Due from brokers			434,943,190		506,639,045
Trade and other receivables			14,276,364		13,993,525
Financial assets at fair value through profit or loss					
Investments in securities	4		12,236,501,224		10,578,784,192
Derivative financial instruments	4		200,906,123		704,954,822
Total Assets		**$**	**13,336,806,728**	**$**	**12,951,814,811**
Liabilities					
Due to brokers		$	174,880,000	$	670,670,000
Trade and other payables			16,715,524		6,179,416
Deferred tax expense payable	12		58,778,599		52,217,931
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	4		11,027,283		10,245,916
Bonds	11		2,347,806,897		2,332,567,827
Total Liabilities		**$**	**2,609,208,303**	**$**	**3,071,881,090**
Equity					
Share capital	6	$	5,722,349,692	$	5,722,349,692
Treasury shares	6		(562,273,922)		(506,863,152)
Retained earnings			5,567,522,655		4,664,447,181
Total Equity			**10,727,598,425**		**9,879,933,721**
Total Liabilities and Equity		**$**	**13,336,806,728**	**$**	**12,951,814,811**
Net assets attributable to Public Shares		$	10,727,238,027	$	9,879,604,584
Public Shares outstanding			189,257,179		190,858,442
Net assets per Public Share		$	56.68	$	51.76
Net assets attributable to Special Voting Share		$	360,398	$	329,137
Special Voting Share outstanding			1		1
Net assets per Special Voting Share		$	360,397.66	$	329,137.40

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2023 and June 30, 2022
(Stated in United States Dollars)

	Notes		2023 Unaudited		2022 Unaudited
Investment gains and losses					
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		$	1,444,194,629	$	(4,112,302,497)
Net realized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of 2023: nil, 2022: nil)			(177,559,948)		1,074,207,959
Net change in unrealized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of 2023: nil, 2022: nil)			(244,583,790)		22,205,689
	4		1,022,050,891		(3,015,888,849)
Income					
Dividend income			91,177,188		71,506,732
Interest income			9,753,922		1,222,051
Other income			–		37,159
			100,931,110		72,765,942
Expenses					
Management fees	8		(75,070,165)		(84,640,227)
Interest expense			(45,901,253)		(56,291,283)
Performance fees	8		(7,763,569)		–
Professional fees			(5,865,506)		(3,621,219)
Other expenses			(954,931)		(1,348,718)
			(135,555,424)		(145,901,447)
Net gain/(loss) on currency translation of the Bonds	11		(10,356,339)		45,110,821
Profit/(loss) before tax attributable to equity shareholders			**977,070,238**		**(3,043,913,533)**
Deferred tax expense	12		(6,560,669)		77,446,189
Withholding tax (dividends)			(17,716,148)		(15,734,044)
Profit/(loss) attributable to equity shareholders		**$**	**952,793,421**	**$**	**(2,982,201,388)**
Earnings per share (basic & diluted)[(1)]					
Public Shares	10	$	5.01	$	(14.99)
Special Voting Share	10	$	31,956.14	$	(95,389.01)

All the items in the above statement are derived from continuing operations. There is no other comprehensive income for the periods ended June 30, 2023 and June 30, 2022.

(1) EPS is calculated using the profit/(loss) for the period attributable to equity shareholders divided by the weighted-average shares outstanding over the period as required under IFRS. See Note 10 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 unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2023 and June 30, 2022
(Stated in United States Dollars)

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
As of December 31, 2022	**$ 5,722,349,692**	**$ (506,863,152)**	**$ 4,664,447,181**	**$ 9,879,933,721**
Total profit/(loss) attributable to equity shareholders	–	–	952,793,421	952,793,421
Share buybacks[(1)]	–	(55,410,770)	–	(55,410,770)
Dividend distribution to equity shareholders	–	–	(49,717,947)	(49,717,947)
As of June 30, 2023 (Unaudited)	**$ 5,722,349,692**	**$ (562,273,922)**	**$ 5,567,522,655**	**$ 10,727,598,425**
As of December 31, 2021	**$ 5,722,349,692**	**$ (242,956,239)**	**$ 5,929,801,795**	**$ 11,409,195,248**
Total profit/(loss) attributable to equity shareholders	–	–	(2,982,201,388)	(2,982,201,388)
Share buybacks[(1)]	–	(54,059,384)	–	(54,059,384)
Dividend distribution to equity shareholders	–	–	(44,776,719)	(44,776,719)
As of June 30, 2022 (Unaudited)	**$ 5,722,349,692**	**$ (297,015,623)**	**$ 2,902,823,688**	**$ 8,328,157,757**

(1) During the six months ended June 30, 2023 and June 30, 2022, 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. Any repurchased Public Shares were subsequently held in Treasury. As of June 30, 2023 and June 30, 2022, 21,699,571 and 13,589,068 Public Shares were held in Treasury, respectively. See Note 6 for further details.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the six months ended June 30, 2023 and June 30, 2022
(Stated in United States Dollars)

	Notes	2023 Unaudited	2022 Unaudited
Cash flows from operating activities			
Profit/(loss) for the period attributable to equity and management shareholders		$ 952,793,421	$ (2,982,201,388)
Adjustments to reconcile changes in profit/(loss) for the period to net cash flows:			
Bond interest expense	11	37,282,731	54,012,411
Bond interest paid[1]	11	(32,400,000)	(64,193,910)
Net (gain)/loss on currency translation of the Bonds	11	10,356,339	(45,110,821)
(Increase)/decrease in operating assets:			
Due from brokers		71,695,855	(522,241,049)
Trade and other receivables		(282,839)	(3,106,181)
Investments in securities	4	(1,657,717,032)	4,087,114,564
Derivative financial instruments	4	504,048,699	(202,206,546)
Increase/(decrease) in operating liabilities:			
Due to brokers		(495,790,000)	344,225,406
Trade and other payables		9,145,302	(461,575,060)
Deferred tax expense payable	12	6,560,668	(77,446,189)
Derivative financial instruments	4	781,367	6,157,925
Net cash (used in)/from operating activities		**(593,525,489)**	**133,429,162**
Cash flows from financing activities			
Purchase of Public Shares	6	(54,019,964)	(50,338,983)
Dividend distributions	6	(49,717,947)	(44,776,719)
Bond retirement	11	–	(630,623,000)
Expenses relating to issuance of the Bonds	11	–	(55,611)
Net cash (used in)/from financing activities		**(103,737,911)**	**(725,794,313)**
Net change in cash and cash equivalents		(697,263,400)	(592,365,151)
Cash and cash equivalents at beginning of period		1,147,443,227	1,767,776,549
Cash and cash equivalents at end of period		**$ 450,179,827**	**$ 1,175,411,398**
Supplemental disclosure of cash flow information			
Cash paid during the period for interest		$ 41,841,446	$ 65,638,358
Cash received during the period for interest		$ 7,799,446	$ 754,660
Cash received during the period for dividends		$ 92,798,158	$ 69,751,568
Cash deducted during the period for withholding taxes		$ 17,745,818	$ 15,600,978

(1) In accordance with the amendments to IAS 7, the Company's reconciliation of financing liabilities related to the Company's Bonds is further detailed in Note 11.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

Notes to Unaudited Condensed Interim 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 (pershingsquareholdings.com).

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

Investment Policy

Please refer to "Investment Policy" in the Report of the Directors in the 2022 Annual Report for the Investment Policy of the Company.

Bonds

Current Bonds Outstanding

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

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

Redeemed Bonds

On June 26, 2015, the Company closed on the offering of $1 billion Senior Notes that matured on July 15, 2022 (the "2022 Bonds" and together with the Outstanding Bonds, the "Bonds"). The 2022 Bonds were issued at par with a coupon rate of 5.50% per annum, which was paid semi-annually.

On September 22, 2021, the Company commenced a cash tender offer for the 2022 Bonds. Bonds in the amount of $369,377,000 were tendered and cancelled on October 4, 2021. Bond holders participating in the tender received consideration from the Company of $1,032.82 per $1,000 of principal plus accrued and unpaid interest through October 3, 2021, equating to a total payment of $385,958,128. The consideration paid in excess of principal resulted in a one-time extinguishment expense of $12,122,953 to the Company. Following the cancellation, the aggregate principal amount of the 2022 Bonds outstanding was $630,623,000.

On June 15, 2022, the Company redeemed all outstanding 2022 Bonds at a redemption price equal to 100% of the principal amount of $630,623,000, plus accrued and unpaid interest through June 14, 2022 of $14,451,777. Following the redemption, the 2022 Bonds were retired.

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. William A. Ackman is the managing member of PS Management GP, LLC, the general partner of PSCM.

Board of Directors

The Company's Board of Directors is comprised of Nicholas Botta, President and a partner of the Investment Manager, Bronwyn Curtis, Anne Farlow, Andrew Henton, Tope Lawani, Rupert Morley and Tracy Palandjian, all of whom are non-executive Directors. All Directors other than Mr. Botta are considered independent. Anne Farlow is the Chairman of the Board.

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. Mr. Botta is a member of the Risk and Nomination Committees. The other committees are comprised solely of independent Directors who are not affiliated with the Investment Manager. Further information regarding each committee and each committee's written terms of reference are available on the Company's website or, on request, from the Company Secretary, Northern Trust International Fund Administration Services (Guernsey) Limited.

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

The Company's Public Shares trade on the Premium Segment of the Main Market of the LSE and on Euronext Amsterdam. Shares are quoted and traded in USD in Amsterdam and in USD and Sterling in London.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The unaudited condensed interim financial statements of the Company for the six months ended June 30, 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting principles used to prepare these unaudited condensed interim financial statements comply with IFRS as issued by the International Accounting Standards Board and are consistent with those set out in the notes to the Company's annual financial statements for the year ended December 31, 2022. The unaudited condensed interim 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 unaudited condensed interim financial statements do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2022.

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, has adequate resources to continue in operational existence through September 30, 2024 and do not consider there to be any threat to the going concern status of the Company. For these reasons, they have adopted the going concern basis in preparing these unaudited condensed interim financial statements.

Net Assets Attributable to Management Shareholders

In accordance with IAS 32, the Company classifies its Public Shares and the Special Voting Share as equity as shareholders do not have any rights of redemption.

Management Shares can be converted into a variable number of Public Shares based upon their net asset values as of the last day of each calendar month and are therefore classified as financial liabilities in accordance with IFRS. At no time can Management Shares be redeemed in cash at the option of the management shareholders. Net assets attributable to Management Shares, if any, are accounted for on an amortized cost basis at the net asset value calculated in accordance with IFRS. Changes in the net assets attributable to Management Shares, if any, other than that arising from dividends, share issuances, share repurchases or conversions, will be recognized in the unaudited condensed interim statement of comprehensive income.

As of December 31, 2020, all Management Shares were converted to Public Shares. There were no Management Shares outstanding or issued as of June 30, 2023 or December 31, 2022. Share conversion rights between Management Shares and Public Shares are summarized in Note 6.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies adopted in the preparation of the unaudited condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2022. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The amendments and interpretations which apply for the first time in 2023 have been assessed and do not have an impact on the unaudited condensed interim financial statements of the Company.

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

Financial assets at fair value through profit or loss:

As of	June 30, 2023	December 31, 2022
Investments in securities	$ 12,236,501,224	$ 10,578,784,192
Derivative financial instruments	200,906,123	704,954,822
Financial assets at fair value through profit or loss	$ **12,437,407,347**	$ **11,283,739,014**

Financial liabilities at fair value through profit or loss:

As of	June 30, 2023	December 31, 2022
Derivative financial instruments	$ 11,027,283	$ 10,245,916
Financial liabilities at fair value through profit or loss	**$ 11,027,283**	$ **10,245,916**

Net changes in fair value of financial assets and financial liabilities through profit or loss:

For the six-month period ended June 30	2023			2022		
	Realized	**Unrealized**	**Total Gains/(Losses)**	**Realized**	**Unrealized**	**Total Gains/(Losses)**
Investments in securities (assets)	$ 551,641,230	$ 971,203,933	$ **1,522,845,163**	$ (311,188,188)	$ (3,895,825,312)	$**(4,207,013,500)**
Derivative financial instruments	(179,914,204)	(320,880,068)	**(500,794,272)**	1,150,188,222	40,936,429	**1,191,124,651**
Net changes in fair value	$ 371,727,026	$ 650,323,865	$ **1,022,050,891**	$ 839,000,034	$ (3,854,888,883)	$**(3,015,888,849)**

5. 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:

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	June 30, 2023				December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets:								
Equity Securities:								
Common Stock	$11,974,162	$ –	$ –	$ 11,974,162	$ 10,304,352	$ –	$ –	$ 10,304,352
Investment in Affiliated Entities	–	233,979[(1)]	2,585[(2)]	236,564	–	250,936[(1)]	–[(2)]	250,936
Preferred Stock	25,775	–	–	25,775	23,496	–	–	23,496
Derivative Contracts:								
Currency Call/Put Options	–	–	–	–	–	11,323[(3)]	–	11,323
Currency Forwards	–	–	–	–	–	17,650[(3)]	–	17,650
Equity Forwards	–	38,222[(4)]	–	38,222	–	–	–	–
Equity Options	–	78,806[(3)]	–	78,806	–	174,893[(3)]	–	174,893
Interest Rate Swaptions	–	83,878[(3)]	–	83,878	–	501,089[(3)]	–	501,089
Total	**$11,999,937**	**$ 434,885**	**$ 2,585**	**$ 12,437,407**	**$ 10,327,848**	**$ 955,891**	**$ –**	**$ 11,283,739**

As of	June 30, 2023				December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Liabilities:								
Derivative Contracts:								
Currency Forwards	$ –	$ 11,027[(3)]	$ –	$ 11,027	$ –	$ 10,246[(3)]	$ –	$ 10,246
Total	**$ –**	**$ 11,027**	**$ –**	**$ 11,027**	**$ –**	**$ 10,246**	**$ –**	**$ 10,246**

(1) These figures relate to the Company's investment in PS VII Master, L.P. as of June 30, 2023 and December 31, 2022. As of June 30, 2023, the instruments underlying the Company's investment in PS VII Master, L.P. included 99.96% (December 31, 2022: 99.92%) of Level 1 financial instruments and 0.04% (December 31, 2022: 0.08%) of other assets and liabilities that are outside the scope of IFRS 13. Due to certain restrictions on when the Company can dispose of its investment, the Investment Manager has determined that PS VII Master, L.P. is a Level 2 financial instrument. Refer to Note 9 for further details.

(2) Figures relate to the Company's investment in Pershing Square SPARC Sponsor, LLC. Refer to Note 9 for further details.

(3) OTC currency call/put options, 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.

(4) Equity forward contracts are fair valued by the Investment Manager using market observable inputs. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: market price of the underlying security, notional amount, and/or fixed and floating interest rates.

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 11.

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 which IFRS requires to be used in determining fair value.

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 June 30, 2023 and December 31, 2022, 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 period 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 a valuation for the SPARC Sponsor Shares held by SPARC Sponsor (as disclosed in Note 9). The independent third-party valuation firm provided the Investment Manager with a written report documenting their recommended valuation as of the determination date.

The following table summarizes the change in carrying amounts associated with Company's Level 3 investments for the six-month period ended June 30, 2023 and the year ended December 31, 2022.

	SPARC Sponsor
Balance at December 31, 2022	$ –
Purchase of SPARC Sponsor Shares	189,580
Contribution to sponsor entity	252
Net gain/(loss)	2,395,079
Balance at June 30, 2023	**$ 2,584,911**

	SPARC Sponsor	SPARC Sponsor Cayman	Forward Purchase Units	PSTH Sponsor	Total
Balance at December 31, 2021	**$ –**	**$ –**	**$ (4,399,803)**	**$ 170,378,058**	**$ 165,978,255**
Purchase of SPARC Cayman common shares	–	815,200	–	–	815,200
Purchase of SPARC Sponsor Shares	3,297,270	–	–	–	3,297,270
Contribution to sponsor entity	5,025	–	–	479	5,504
Distribution from Class B shares	–	–	–	(14,175,871)	(14,175,871)
Net gain/(loss)	(3,302,295)	(815,200)	4,399,803	(156,202,666)	(155,920,358)
Balance at June 30, 2022	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**

The net gain of $2,395,079 for the six-month period ended June 30, 2023, was due to a reassessment of the valuation of SPARC Sponsor Shares in accordance with the Investment Manager's valuation procedures. Between December 31, 2022 and June 30, 2023, SPARC has provided six additional amendments to the registration statement filed with the SEC, with two further amendments after June 30, 2023 until the date of this interim report, in all cases addressing comments from the SEC process and available on the SEC's website. As a result, the Investment Manager re-evaluated the likelihood that SPARC's registration statement could be declared effective and that any further comments could be resolved. The Investment Manager concluded that, with sufficient progress made in the SEC's comment process, the updated valuation was appropriate. However, there is no certainty that the SEC will declare the registration effective or at all.

As disclosed in the table above, the Company had a net loss of $155,920,358 for the year ended December 31, 2022 from Level 3 securities. A majority of the net loss in 2022 was attributable to the Company's investment in PSTH Sponsor due to the liquidation of PSTH as fully described in Note 9.

Quantitative Information of Significant Unobservable Inputs – Level 3

The table below summarizes quantitative information about the significant unobservable input used in the fair value measurement and the valuation process used by the Company for Level 3 investments as of June 30, 2023.

As of June 30, 2023	Financial Asset/Liability	Fair Value	Unobservable Input	Input
Investment in SPARC Sponsor:				
SPARC Sponsor Shares	Financial Asset	$ 2,584,911	Probability of Not Completing a Deal	30%

The Probability of Not Completing a Deal of 30% relates to SPARC's deadline to complete its business combination by the expiration of the term disclosed in SPARC's Form S-1 Registration Statement ("Form S-1").

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

The significant unobservable input used in the fair value measurement of the Level 3 investment together with a quantitative sensitivity analysis as of June 30, 2023.

As of June 30, 2023	Financial Asset/Liability	Unobservable Input	Sensitivity Used	Effect on Fair Value
Investment in SPARC Sponsor:				
SPARC Sponsor Shares	Financial Asset	Probability of Not Completing a Deal	+5%/-5%	$(184,647) / $184,647

6. 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 189,257,179 Public Shares (December 31, 2022: 190,858,442) and the Special Voting Share outstanding as of June 30, 2023. The Company also held 21,699,571 Public Shares in Treasury (December 31, 2022: 20,098,308) for a total of 210,956,750 Public Shares in issue (December 31, 2022: 210,956,750) as of June 30, 2023.

The Company's Articles of Incorporation, in accordance with the 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 2023 Annual General Meeting, 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 18,992,894 Public Shares (equal to 10% of Public Shares outstanding as at the latest practicable date prior to the date of publication of the 2023 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 next year's 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 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 have 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 may from time to time be transferred to affiliates, provided that the transferee agrees 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 may sell the specific Management Shares they held at the time of the IPO, so long as they continue 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 have been converted to Public Shares, so long as they hold 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 remain subject to the Lock-Up Deed as of June 30, 2023 and December 31, 2022.

Share Conversion

Subject to the terms of the Lock-Up Deed, holders of Management Shares are entitled to convert Management Shares into Public Shares and persons who are eligible to hold Management Shares are entitled to convert Public Shares into Management Shares, on a NAV-for-NAV basis at each month end.

During the six-month period ended June 30, 2023 and year ended December 31, 2022, there were no conversions between share classes.

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 Listing Rules.

Specified Matters

In order to comply with the Listing Rules, the Company was required to make certain revisions to its shareholder voting structure. The Listing Rules permit only holders of the Public Shares to vote on certain matters (the "Specified Matters").

Each of the Specified Matters is set forth in the 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.

On February 13, 2019, the Company initiated a quarterly interim dividend of $0.10 per Public Share, which remained in effect until March 28, 2022 when the Company announced an increase to $0.125 per Public Share for the remainder of the calendar year 2022.

The Company's policy was amended to pay quarterly dividends for 2023 and future years in an amount 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. On January 31, 2023, the Company announced a quarterly dividend of $0.1307 per Public Share for 2023.

A proportionate quarterly dividend will be paid per Management Share and the Special Voting Share, based on their respective net asset values per share 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 pershingsquareholdings.com/corporate/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 six-month period ended June 30, 2023, the Company paid dividends of $49,717,947, a higher amount than it paid in the six-month period ended June 30, 2022 of $44,776,719 due to an increase in the quarterly dividend in 2023.

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 2023 Annual General Meeting, 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 London Stock Exchange 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 London Stock Exchange and Euronext Amsterdam (the "2023 Share Buyback Program") of $100 million or for up to 5 million of the Company's outstanding Public Shares. As of June 30, 2023, 551,287 Public shares had been repurchased for $19,317,889 at an average discount of 36.3%, representing 19.3% of the 2023 Share Buyback Program.

Jefferies International Limited is the Company's buyback agent for its share buyback programs. All Public Shares repurchased in the share buyback programs are held in Treasury.

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 60,697,942 Public Shares for $1.2 billion at an average discount of 28.5% through June 30, 2023.

The Public Shares, Special Voting Share and Treasury Shares transactions for the six-month period ended June 30, 2023 and year ended December 31, 2022 were as follows:

	Public Shares	Special Voting Share	Treasury Shares
As of December 31, 2021	**199,120,882**	**1**	**11,835,868**
Share Buybacks	(8,262,440)	–	8,262,440
As of December 31, 2022	**190,858,442**	**1**	**20,098,308**
Share Buybacks	(1,601,263)	–	1,601,263
As of June 30, 2023	**189,257,179**	**1**	**21,699,571**

7. COMMITMENTS AND CONTINGENCIES

As of June 30, 2023 and December 31, 2022, no commitments or contingencies existed.

8. 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 six-month period ended June 30, 2023 and June 30, 2022, the Investment Manager earned management fees from the Company of $75,070,165 and $84,640,227, respectively.

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 (i) the lesser of the 16% performance fee and the Potential Reduction Amount (defined below), offset (up to such lesser amount) by (ii) the then current portion of the Potential Offset Amount.

The "Potential Reduction Amount" is equal to (i) 20% of the aggregate performance fees and allocation 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 plus (ii) if the Potential Reduction Amount for the previous calculation period exceeded the 16% performance fee, the excess amount (which is in effect carried forward).

The "Potential Offset Amount" refers to the fees and other costs of the offering and admission on Euronext Amsterdam of the Public Shares and the commissions paid to placement agents and other formation and offering expenses incurred prior to the IPO of the Company that were, in each case, borne by the Investment Manager pursuant to the IMA. The Potential Offset Amount will be reduced by each dollar applied to reduce the Additional Reduction, until it is fully reduced to zero.

The Potential Offset Amount is not a Company obligation but instead is a component used in the calculation of the Variable Performance Fee. Thus, if the Company or the Investment Manager terminates the IMA or the Company liquidates and the Company pays the Variable Performance Fee that may crystallize in connection therewith, the Company has no obligation to pay any remaining portion of the Potential Offset Amount.

The Potential Offset Amount equaled $120 million in the aggregate at the time of the IPO. The Potential Offset Amount was reduced from $52.4 million to $41.6 million during the year ended December 31, 2021 and remained unchanged as of June 30, 2023 and December 31, 2022.

As the Company's NAV appreciation for the six-month period ended June 30, 2023 exceeded the high water mark, the Investment Manager accrued an annual performance fee of $7,763,569. The Investment Manager did not earn a performance fee in connection with the payment of its quarterly dividends. For the six-month period ended June 30, 2022, the Investment Manager did not earn or accrue any performance fees.

As the Company did not crystallize performance fees in the six-month period ended June 30, 2023, the Potential Reduction Amount of $0.01 million recorded in 2022 remained the same as of June 30, 2023 and will be carried forward to calculate the Additional Reduction and reduce any future Variable Performance Fee, subject to any offset by the Potential Offset Amount.

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 ⅔% 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.

9. RELATED PARTY DISCLOSURES

PSH Ownership

During the six-month period ended June 30, 2023, William 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.

During the six-month period ended June 30, 2022, William Ackman and Nicholas Botta transferred a total of 41.4 million and 1.6 million Public Shares, respectively, to wholly owned affiliated entities they control. The transfers did not result in a change of beneficial ownership or voting control of Public Shares.

As of June 30, 2023 and December 31, 2022, William Ackman, Nicholas Botta, other PSCM affiliates and their respective affiliated entities had total net economic share ownership of approximately 26% of the Company.

Directors' Fees

For the six-month period ended June 30, 2023, the Company's independent Directors' fees in relation to their services for the Company were $297,182 of which none were payable as of June 30, 2023. For the six-month period ended June 30, 2022, the Company's independent Directors' fees in relation to their services for the Company were $302,499 of which none were payable as of June 30, 2022. The difference is solely due to foreign exchange movements.

Management and Performance Fees

The relationship between the Company and the Investment Manager and the fees earned are disclosed in Note 8.

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 June 30, 2023 and December 31, 2022, the Company and its affiliates beneficially owned in excess of 10% of the outstanding common equity securities of The Howard Hughes Corporation ("HHC") and Universal Music Group N.V. ("UMG"). William A. Ackman is the chairman of the board of HHC and was appointed as a non-executive director of UMG on May 12, 2022.

As of June 30, 2023 and December 31, 2022, the Company, Pershing Square, L.P. ("PSLP") and Pershing Square International Ltd. ("PSINTL" and together with PSLP and the Company, the "Pershing Square Funds"), through their ownership of Pershing Square SPARC Sponsor, LLC ("SPARC Sponsor"), were the sole shareholders of Pershing Square SPARC Holdings, Ltd. ("SPARC").

HHC Tender Offer

On October 14, 2022, PSCM announced that the Pershing Square Funds had commenced a cash tender offer to purchase up to an aggregate of 6,340,000 shares of common stock of HHC, at a price not greater than $60.00 nor less than $52.25 per share, net to the seller in cash, less any applicable withholding taxes and without interest. The exact price would be determined through a modified Dutch auction described in the Offer to Purchase and the Letter of Transmittal (the "Offer"), each dated as of October 14, 2022 and filed with the Securities and Exchange Commission ("SEC"). If the Pershing Square Funds accepted any of the common stock for purchase pursuant to the Offer, PSLP, PSINTL and the Company would have purchased approximately 7.47%, 2.27% and 90.26%, respectively, of those shares. The Offer was scheduled to expire on November 10, 2022 unless the Offer was extended or earlier terminated.

On November 11, 2022, PSCM announced that the Pershing Square Funds had increased the price range of the Offer to not greater than $70.00 nor less than $61.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest. The Pershing Square Funds also extended the Offer to expire on November 28, 2022 unless the Offer was further extended or earlier terminated.

On November 30, 2022, PSCM announced that the Pershing Square Funds had accepted for payment 1,559,205 shares of HHC, at $70.00 per share, for a total purchase price of $109,144,350. The Company purchased 1,407,338 of the shares tendered.

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 filed its initial Form S-1 with the SEC on November 24, 2021 and subsequently filed amendments with the most recent amendment filed on July 28, 2023.

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.

SPARC intends to distribute, at no cost, subscription warrants ("SPARs") to purchase SPARC shares 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.

SPARC remains subject to SEC review. No assurance can be given that SPARC will be effectuated. The amended Form S-1 is available on the SEC's website.

SPARC Sponsor Shares

From November 9, 2021 through June 30, 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. Additionally, the Pershing Square Funds made capital contributions of $6,071 to SPARC Sponsor to pay for its expenses. The Company's capital contributions totaled $3,698,007. As of June 30, 2022 and December 31, 2022, the Company owned 87% of SPARC Sponsor.

The SPARC Sponsor Shares, following 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.

As of June 30, 2023 and December 31, 2022, the fair value of the Company's investment in SPARC Sponsor was $2,584,911 and nil, respectively. Refer to Note 5 for additional detail on the valuation methodology associated with the Company's investment in SPARC Sponsor.

SPARC Cayman Liquidation

Pershing Square SPARC Holdings, Ltd. ("SPARC Cayman"), a Cayman Islands exempted company, and Pershing Square SPARC Sponsor Cayman, LLC ("SPARC Sponsor Cayman"), a Delaware limited liability company, were previously formed for the same purpose as SPARC and SPARC Sponsor, but the Investment Manager later determined to proceed using a Delaware entity. In connection therewith, the Investment Manager liquidated SPARC Cayman and SPARC Sponsor Cayman.

From June 14, 2021 through May 24, 2022, the Pershing Square Funds made total capital contributions of $2,653,160 to SPARC Sponsor Cayman to fund its acquisition of 132,658 shares of SPARC Cayman common shares to pay various organizational and legal costs of SPARC Cayman. The proceeds of SPARC Sponsor Cayman's 2022 share purchases were used specifically by SPARC Cayman to wind down its operations and liquidate. The Company's capital contributions totaled $2,308,940.

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 11). 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.

There were no rebalancing transactions for the periods ended June 30, 2023 and June 30, 2022.

PS VII Master, L.P.

PS VII Master, L.P. ("PS VII Master"), an affiliated investment fund that commenced operations on August 9, 2021, operates as a co-investment vehicle invested primarily in securities of (or otherwise seeking to be exposed to the value of securities issued by) UMG.

On August 9, 2021, the Company, PSLP and PSINTL made capital contributions of $2.5 billion, $202.5 million and $87.2 million respectively, to PS VII Master, for a total of $2.8 billion. The capital contributions were used to acquire 128,555,017 ordinary shares of UMG, representing 7.1% of the share capital of UMG at the time of the acquisition. As a result of the closing of this acquisition, the share purchase and indemnity agreements described under "PSTH's Proposed IBC and Cancellation" transferred to the Company and its affiliates and PSTH was released from its obligations under these agreements to Vivendi S.E.

On August 24, 2021, the Pershing Square Funds made additional capital contributions to PS VII Master of approximately $25 million, of which the Company contributed $22,377,329. The capital contributions were used by PS VII Master to reimburse PSTH for expenses PSTH incurred in connection with PSTH's proposed UMG transaction. The $25 million was reflected in the cost of UMG shares and was ultimately borne by all investors in PS VII Master.

On September 1, 2021, PS VII Master raised $1.18 billion of additional capital, for a total capital raise of $4 billion. On September 9, 2021, a second purchase of 52,769,098 UMG ordinary shares was executed for $1.15 billion. In total, 181,324,115 ordinary shares of UMG were purchased by PS VII Master for $3.9 billion, representing approximately 10% of UMG at the time of acquisition. There are no trading restrictions on the stock acquired.

On September 21, 2021, at the time of UMG's listing on Euronext Amsterdam, PS VII Master's UMG ordinary shares were converted to UMG common stock.

On October 1, 2021, PS VII Master transferred to the Company its ownership of 105,325,592 UMG ordinary shares and cash of $12.5 million, as a partial redemption in kind of its ownership interest in PS VII Master as of September

30, 2021. The market value of these shares at the time of distribution was $2.8 billion with a gain of $510.5 million. This represented 92% of the Company's investment in PS VII Master. The remaining 8% is still invested in PS VII Master for regulatory purposes. The Company is not charged a management fee or performance fee in relation to its investment in PS VII Master.

As of June 30, 2023 and December 31, 2022, the Company had a capital balance of $ 233,979,239 and $250,935,505 in PS VII Master, respectively, representing ownership of 28% of the fund.

Pershing Square Tontine Holdings, Ltd.

PSTH, a Delaware corporation, was a blank check 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. PSTH filed its Form S-1 Registration Statement with the SEC on June 22, 2020 and subsequently consummated its IPO on July 24, 2020.

Pershing Square TH Sponsor, LLC ("PSTH Sponsor"), a Delaware limited liability company, was the sponsor entity of PSTH. The Pershing Square Funds wholly owned PSTH Sponsor as non-managing members and were its only source of funding. The business and affairs of PSTH Sponsor were managed exclusively by its non-member manager, PSCM.

The Company's former investments in PSTH and PSTH Sponsor, both affiliates of PSCM, are described below. PSTH announced on July 11, 2022 that it would redeem all of its outstanding shares of Class A common stock effective as of the close of business on July 26, 2022, and would thereafter liquidate. The effect of the PSTH liquidation on the Company is described in "PSTH Liquidation".

Class B Common Stock

On May 7, 2020, the Pershing Square Funds made a capital contribution of $25,000 to PSTH Sponsor to fund PSTH Sponsor's acquisition of 100 shares of PSTH Class B common stock at a price of $250.00 per share. The Company's portion of the contribution was $21,076.

Sponsor Warrants

On July 21, 2020, PSTH Sponsor purchased warrants from PSTH for an aggregate purchase price of $65,000,000 (the "Sponsor Warrants"). Based on the Company's ownership in PSTH Sponsor, its portion of the purchase price was $58,967,000.

Pursuant to the Sponsor Warrants agreement filed as an exhibit to the PSTH's Form S-1 Registration Statement, the Sponsor Warrants would have been exercisable, in whole or in part, for that number of shares constituting 5.95% of the common shares of the post-combination business on a fully diluted basis at the time immediately following PSTH's initial business combination ("IBC"), at an exercise price equal to $24.00 per common share of the post-combination business. The Sponsor Warrants would have had a term of 10 years from PSTH's IBC and would generally not have been salable, transferable or exercisable until three years into their term.

Forward Purchase Agreement

The Pershing Square Funds entered into a forward purchase agreement with PSTH on June 21, 2020. Pursuant to the forward purchase agreement, the Pershing Square Funds agreed to purchase an aggregate of $1 billion or 50,000,000 of units (the "Committed Forward Purchase Units"). The forward purchase agreement also provided that the Pershing Square Funds could elect to purchase up to an additional aggregate amount of $2 billion or 100,000,000 of units (the "Additional Forward Purchase Units" and collectively with the Committed Forward Purchase Units, the "Forward Purchase Units"). Each of the Forward Purchase Units had a purchase price of $20.00 and consisted of one share of PSTH Class A common stock and one-third of one warrant. The Pershing Square Funds' obligation or right, as applicable, to purchase the Forward Purchase Units was allocated among the Company, PSLP, and PSINTL at 90.72%, 5.73% and 3.55%, respectively.

PSTH's Proposed IBC and Cancellation

On June 20, 2021, PSTH announced that it had entered into a definitive agreement with Vivendi S.E. to acquire approximately 10% of the outstanding ordinary shares of UMG for approximately $4 billion.

On July 19, 2021, PSTH announced that the PSTH board of directors unanimously determined not to proceed with the UMG transaction and to assign PSTH's share purchase agreement to the Company and its affiliates, an assignment which the Company and its affiliates agreed to assume, committing them to purchase 5% of UMG with an option to purchase an additional 5% of UMG by September 15, 2021. The Company and its affiliates also agreed to assume the indemnity agreement between PSTH and Vivendi, and to reimburse PSTH for the expenses PSTH incurred in connection with the proposed UMG transaction, which were approximately $25 million. The purchase of UMG shares and the reimbursement of expenses to PSTH are discussed in "PS VII Master, L.P." within this Note.

PSTH Liquidation

On July 11, 2022, PSTH announced that it would not consummate an IBC within the time period required by its charter and would redeem all of its outstanding shares of Class A common stock, effective as of the close of business on July 26, 2022, and thereafter liquidate. As a result, the forward purchase agreement was terminated and the Sponsor Warrants expired.

After the liquidation of PSTH was completed and all liabilities were settled, PSTH had $16.8 million of net assets. PSTH distributed available cash of $16.7 million to PSTH Sponsor which held PSTH's Class B common stock and the Sponsor Warrants, with $0.1 million payable to PSTH Sponsor as of June 30, 2023. PSTH Sponsor further distributed such cash to the Pershing Square Funds, the non-managing members of PSTH Sponsor. The Company's portion of the cash distributed and the remaining receivable totaled $14.2 million. PSTH Sponsor initially paid a total cost of $65,025,000 for the Class B common stock and the Sponsor Warrants.

PSTH Litigation

On August 17, 2021, a derivative lawsuit on behalf of PSTH was filed in the U.S. District Court for the Southern District of New York by a PSTH shareholder against PSTH, the independent directors of PSTH, PSTH Sponsor, PSLP, PSINTL and the Company alleging, among other things, that PSTH is an investment company under the Investment Company Act of 1940. The case was dismissed with prejudice by agreement of the parties and terminated August 3, 2022.

10. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the profit/(loss) for the period 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 190,120,424 and 1, respectively for the six-month period ended June 30, 2023, and 198,904,323 and 1, respectively for the six-month period ended June 30, 2022. The Company's share buybacks provided accretion to the Public Shares of $0.15 and $0.13 per share during the periods ended June 30, 2023 and June 30, 2022, respectively. Accretion is not included in calculation of EPS.

11. 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, and in the case of the 2027 and 2031 Bonds, a portion of the proceeds were used to fund the tender offer of the 2022 Bonds described below.

On September 22, 2021, the Company commenced a cash tender offer for the 2022 Bonds. Bonds in the amount of $369,377,000 were tendered and cancelled on October 4, 2021. Bond holders participating in the tender received consideration from the Company of $1,032.82 per $1,000 of principal plus accrued and unpaid interest through October 3, 2021, equating to a total payment of $385,958,128. The consideration paid in excess of principal resulted in a one-time extinguishment expense of $12,122,953 to the Company. Following the cancellation, the aggregate principal amount of the 2022 Bonds outstanding was $630,623,000.

On June 15, 2022, the Company redeemed all outstanding 2022 Bonds at a redemption price equal to 100% of the principal amount of $630,623,000, plus accrued and unpaid interest through June 14, 2022 of $14,451,777. Following the redemption, the 2022 Bonds were retired.

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:

Bond	Par Call Date
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 June 30, 2023 and December 31, 2022 is summarized in the table below:

As of	June 30, 2023	December 31, 2022
Fair Value of the Bonds		
2027 Bonds	$ 466,337,960	$ 442,818,404
2030 Bonds	392,340,000	388,425,000
2031 Bonds	532,546,000	526,904,000
2032 Bonds	143,726,000	149,822,000
2039 Bonds	305,124,000	348,844,000
	$ 1,840,073,960	**$ 1,856,813,404**

In accordance with IFRS 9, the Bonds' carrying value on the statement of financial position as of June 30, 2023 (unaudited condensed interim statement) and December 31, 2022, is $2,347,806,897 and $2,332,567,827, respectively. As of June 30, 2023 and December 31, 2022, the carrying value includes $3,024,736 and $3,011,145 of original issue discount and $25,663,690 and $25,558,581 of capitalized transaction costs, respectively, which are amortized over the life of the Bonds using the effective interest method.

For the six-month period ended June 30, 2023	
At December 31, 2022	**$ 2,332,567,827**
Unrealized currency (gain)/loss on translation during the period	10,356,339
Finance costs for the period	37,282,731
Bonds coupon payments during the period	(32,400,000)
At June 30, 2023	**$ 2,347,806,897**
Finance costs for the period:	
Bonds coupon expense	$ 35,805,771
Amortization of Bonds issue costs incurred as finance costs	1,304,602
Amortization of Bonds original issue discount incurred as finance costs	172,358
Interest expense	**$ 37,282,731**

For the year ended December 31, 2022	
At December 31, 2021	**$ 3,009,416,881**
True-up of 2027 & 2031 Bonds issue costs	(17,657)
2022 Bonds redeemed	(630,623,000)
Unrealized currency (gain)/loss on translation during the year	(34,372,153)
Finance costs for the year	91,383,448
Bonds coupon payments during the year	(103,219,692)
At December 31, 2022	**$ 2,332,567,827**
Finance costs for the year:	
Bonds coupon expense	$ 87,734,757
Amortization of Bonds issue costs incurred as finance costs	3,304,217
Amortization of Bonds original issue discount incurred as finance costs	344,474
Interest expense	**$ 91,383,448**

12. DEFERRED TAX EXPENSE

As a foreign corporation holding a beneficial ownership in a U.S. real property interest (HHC), 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 gain realized upon the disposition. To accrue for this potential withholding the Company assessed a 21% rate on the unrealized gains on the stock purchased. The Company had a deferred tax expense of $6,560,669 for the six-month period ended June 30, 2023. As the stock price of HHC declined for the six-month period ended June 30, 2022, deferred tax expense had a positive impact on the unaudited condensed interim statement of comprehensive income in the amount of $77,446,189.

13. 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 unaudited condensed interim 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 July 28, 2023, SPARC Sponsor purchased warrants from SPARC for an aggregate purchase price of $35,892,480 (the "SPARC Sponsor Warrants"), of which the Company paid $31,555,612.

Pursuant to the SPARC Sponsor Warrants agreement described in the Form S-1, the 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 SPAR exercise price. The 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.

SPARC remains subject to SEC review. No assurance can be given that SPARC will be effectuated. The amended Form S-1 is available on the SEC's website.

Adjusting Subsequent Events

The Company did not have any subsequent events after the reporting period requiring adjustments to the unaudited condensed interim financial statements.

Endnotes and Disclaimers

ENDNOTES TO CHAIRMAN'S STATEMENT

i. The Company's NAV appreciation is calculated with respect to the Public Shares only. 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 decreased by 1.5% and increased 2.7%, respectively, and the share price performance, including dividend reinvestment, of Public Shares listed in USD increased by 3.9% and 8.7%, respectively.

iii. Please see Endnote 3 in "Endnotes to Company Overview, Company Performance and Investment Manager's Report".

iv. 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 and USD increased 22.7% and 21.7%, respectively.

v. Please refer to Performance Attribution in the Portfolio Summary.

vi. Whether and when a distribution of SPARs may take place remains subject to the SEC review process and declaration of effectiveness of an SEC registration statement registering the SPAR distribution under the Securities Act of 1933. The decision to make the SPAR distribution as well as the final terms and conditions of any SPARs is subject to the review and approval of the Board of Directors of Pershing Square SPARC Holdings, Ltd. The terms, if any, of SPARs that are ultimately distributed may be materially different from those described in or implied in this report. No assurance can be given that SPARC will be ultimately effectuated on the outlined terms in this report or at all. This material is for informational purposes and does not constitute an offer of any securities. The receipt of this document by any recipient is not to be taken as investment advice and all recipients are strongly advised to consult their own independent advisors on any investment, legal, tax or accounting issues relating to these materials.

vii. Calculated based on the Company's Public Shares traded on Euronext Amsterdam. Over the same periods, the discount to NAV of Public Shares listed on the LSE in Sterling widened from 31.9% to 36.1% as of June 30, 2023 and narrowed to 35.2% as of August 15, 2023 and the discount for Public Shares listed in USD widened from 32.1% to 36.1% as of June 30, 2023 and narrowed to 35.0% as of August 15, 2023.

viii. Shareholders of Public Shares listed in Sterling and USD have captured 35.4% and 66.6% of the increase in NAV year to date, respectively.

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'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. © 2023 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 (Since Inception)" and "Cumulative (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 ii of the Chairman's Statement.

7. Please refer to Endnote i of the Chairman's Statement and Endnote 3.

8. Annual return reflects performance through August 15, 2023. Please refer to Endnotes 1 and 3.

9. Please refer to Endnote 8.

10. 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. Please refer to Endnote 1. The Company's share return is calculated based on PSH's Public Shares traded on Euronext Amsterdam and includes dividend reinvestment.

11. Performance data is calculated from April 1, 2018 to August 15, 2023. Also refer to Endnote i of the Chairman's Statement and Endnote 3.

12. COVID-related hedges refer specifically to the CDS index hedges initiated in late February through early March of 2020. The Pershing Square Funds' investment in CDS premiums cost $27 million.

13. The Portfolio Summary 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.

14. This report reflects the contributors and detractors to the performance of the portfolio of the Company. Other than bond interest expense and share buyback accretion, positions with contributions or detractions to performance of 50 basis points or more are listed separately, while positions with contributions or detractions to performance of less than 50 basis points are aggregated.

    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 entire calendar year. 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.

15. Reflects each portfolio company in which the Company has publicly disclosed an investment as of August 15, 2023

16. The total return for a portfolio company reflects its stock price performance year to date (or since inception if initiated after January 1, 2023) including reinvestment of the issuer's dividends, if any.

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 positions above 50 basis points in the Company's portfolio from January 1, 2023 to June 30, 2023. 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.