Pershing Square Holdings, Ltd.
Interim Report and Unaudited Condensed Interim Financial Statements
June 30, 2025

Pershing Square Holdings, Ltd.

2025 Interim Report and Unaudited Condensed Interim Financial Statements

Interim Report

Unaudited Condensed Interim Financial Statements

Disclosures

Company Overview

The Company

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

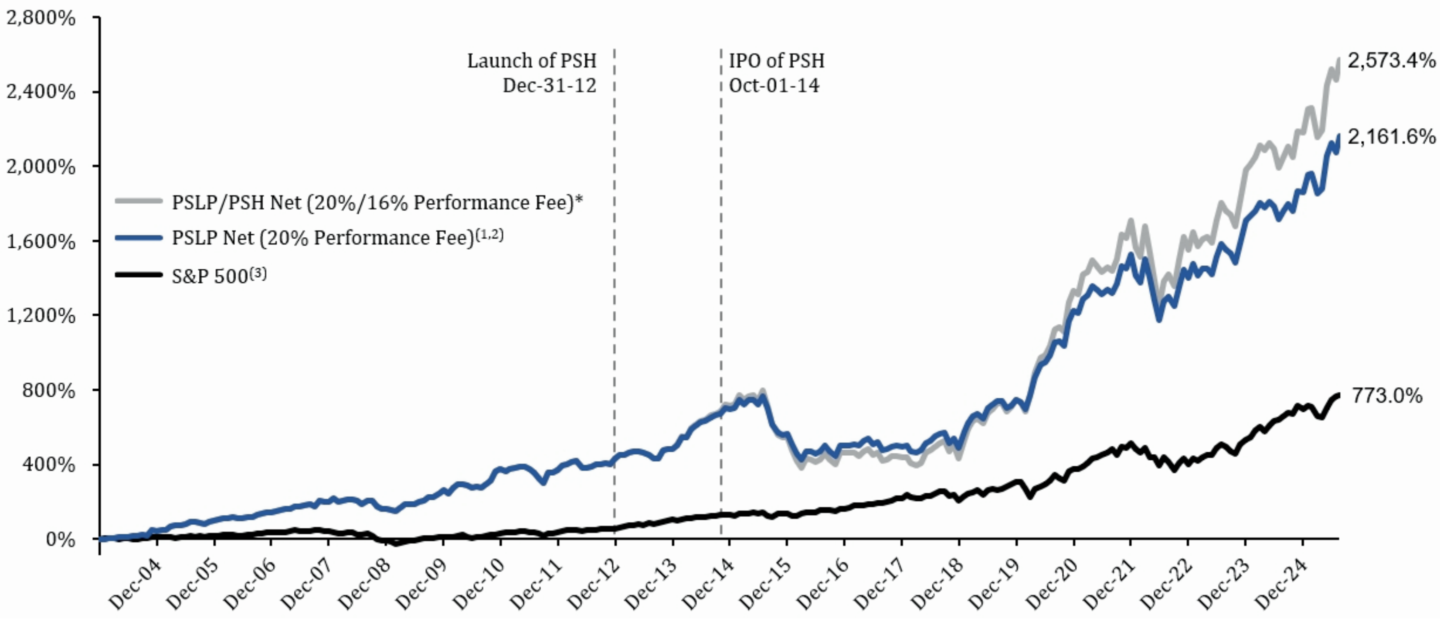
PSH was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It commenced operations on December 31, 2012 as a registered open-ended investment scheme, and on October 1, 2014 converted into a registered closed-ended investment scheme. Public Shares of PSH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

PSH has appointed Pershing Square Capital Management, L.P. ("PSCM" or the "Investment Manager"), as its investment manager. PSCM was founded by William A. Ackman on January 1, 2004. The Investment Manager has the responsibility, subject to the overall supervision of the Board of Directors, for the investment of PSH's assets and liabilities in accordance with the investment policy of PSH set forth in the 2024 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 22 years, the investment strategy pursued by the Investment Manager has generated a 16.4% annualized net return and a cumulative net return of 2,573.4% for PSLP/PSH (as converted) compared to a 10.5% annualized net return and a cumulative net return of 773.0% 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 %	42.6 %	10.9 %
2005	39.9 %	39.9 %	4.9 %
2006	22.5 %	22.5 %	15.8 %
2007	22.0 %	22.0 %	5.6 %
2008	(13.0)%	(13.0)%	(37.0)%
2009	40.6 %	40.6 %	26.4 %
2010	29.7 %	29.7 %	15.1 %
2011	(1.1)%	(1.1)%	2.1 %
2012	13.3 %	13.3 %	16.0 %
2013	9.6 %	9.7 %	32.4 %
2014	40.4 %	36.9 %	13.7 %
2015	(20.5)%	(16.2)%	1.4 %
2016	(13.5)%	(9.6)%	11.9 %
2017	(4.0)%	(1.6)%	21.8 %
2018	(0.7)%	(1.2)%	(4.4)%
2019	58.1 %	44.1 %	31.5 %
2020	70.2 %	56.6 %	18.4 %
2021	26.9 %	22.9 %	28.7 %
2022	(8.8)%	(7.8)%	(18.1)%
2023	26.7 %	20.8 %	26.3 %
2024	10.2 %	8.2 %	25.0 %
Six-month period ended June 30, 2025	15.5 %	13.3 %	6.2 %
Year-to-date through August 19, 2025	17.7 %	15.4 %	9.9 %
January 1, 2004–August 19, 2025[1,4]			
Cumulative Return (Since Inception)	2,573.4 %	2,161.6 %	773.0 %
Compound Annual Return	16.4 %	15.5 %	10.5 %
December 31, 2012–August 19, 2025[1,4]			
Cumulative Return (Since PSH Inception)	404.3 %	326.6 %	465.7 %
Compound Annual Return	13.7 %	12.2 %	14.7 %

* 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 51. 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 51-54.

Chairman's Statement

INTRODUCTION

The complex macroeconomic and geopolitical dynamics that have defined recent years continued to play a role in the first half of 2025, contributing to an environment marked by broad uncertainty. On the economy, much of the volatility stemmed from evolving U.S. tariff policy. In addition, market sensitivity around the path of interest rates persisted, even as inflation in the U.S. continued to moderate, at least in the short-term. From a geopolitical perspective, ongoing conflicts in Eastern Europe and the Middle East added another layer of instability to an already complicated global backdrop.

Particularly in this environment, the Board is pleased to report that PSH delivered strong absolute and relative performance over the first six months of the year. As of June 30, 2025, PSH's NAV per share, including dividends, increased 15.5%, compared with a 6.2% return for the S&P 500 over the same period.[i,ii]

The Board notes the significant value that the Investment Manager has generated for PSH shareholders this year. The Investment Manager's disciplined approach to investing in excellent businesses that are largely insulated from external shocks, including tariffs and macro-driven volatility, has served PSH shareholders well. As recent periods have demonstrated, maintaining a consistent investment approach and focusing on high-quality businesses should lead to meaningful outperformance.

In this difficult economic environment, the Board remains focused primarily on long-term performance and is supportive of the Investment Manager using periods of market fluctuation to deploy capital into excellent opportunities and businesses at attractive valuations. We provide additional information on PSH's investment performance and investment activities in the sections that follow.

INVESTMENT PERFORMANCE

For the first half of 2025 and year-to-date through August 19, 2025, the Company's NAV per share, including dividends, increased by 15.5% and 17.7% respectively, and the Company's share price increased by 9.9% and 16.5%, respectively.[iii] The S&P 500 increased by 6.2% and 9.9% over the same period.

PSH's compound annual return over the past five years to June 30, 2025, has been strong with a NAV return of 19.6% (PSH's share price 19.4%, S&P 500 16.6%) during that period.[iv]

PORTFOLIO CHANGES

The Board was pleased to see continued robust idea generation from the Investment Manager this year. In April, the Investment Manager disclosed that it had initiated a position in Hertz at the end of 2024. Also in April, the Investment Manager exited its investment in Canadian Pacific which it continues to believe is a fantastic business but one that is more sensitive to tariffs and other macroeconomic factors relative to the rest of the portfolio. The proceeds from the sale were used to increase investments in existing portfolio companies at attractive valuations, and to initiate a position in Amazon – a business that the Investment Manager had followed for some time.

EFFICIENT CAPITAL STRUCTURE

The Board and the Investment Manager remain focused on initiatives to enhance long-term shareholder value while maintaining an efficient capital structure aligned with PSH's investment objectives.

PSH's closed-ended fund structure, strong long-term performance record, and portfolio comprised of well-capitalized large companies have enabled PSH to garner strong investment grade credit ratings and to issue a prudent amount (PSH's leverage has generally been within a range of 15% to the low 20s% of total assets) of investment grade debt financing without mark-to-market or other margin-like covenants.

This low-cost, long-term leverage enhances PSH's long-term investment returns, without adding unacceptable risk to the portfolio. PSH continues to believe that its ability to access low-cost, long-term, investment grade debt is a competitive advantage. PSH's long-term debt management strategy is to manage leverage over time by increasing NAV through strong performance and laddering maturities through new issuances. In April, PSH completed a €650 million senior notes issuance, due 2030, at an attractive rate of 4.250%. PSH's current debt profile is comprised of a deliberate and considered set of maturities, matching its long-term investment horizon, with a weighted average maturity of 6 years and a weighted average cost of capital of 3.3% as August 19, 2025.

The Board believes that this amount of leverage is conservative, particularly given the quality, liquidity and mark-to-mark nature of PSH's portfolio assets. PSH does not have any margin leverage nor any mark-to-market covenants on its outstanding bonds.

HOWARD HUGHES HOLDINGS

In May, the Investment Manager invested $900 million to acquire nine million newly issued shares of Howard Hughes Holdings ("HHH") and announced its plans to transform HHH into a diversified holding company. PSH did not acquire additional shares in the transaction. In connection with the investment, HHH entered into a Services Agreement with the Investment Manager, pursuant to which the Investment Manager will provide investment, advisory, and other ancillary services to HHH, and HHH will pay the Investment Manager a quarterly fee (further described in the joint press release: investor.howardhughes.com/news-releases/news-release-details/pershing-square-invest-900-million-acquire-nine-million-newly). The Investment Manager will reduce the management fees paid by PSH by an amount equal to the fees paid by HHH to the Investment Manager that are attributable to the HHH common stock held by PSH. The Board was supportive of the transaction.

SHARE BUYBACK

In June, the Board and the Investment Manager determined that it was appropriate, given the current market conditions and PSH's available free cash, to authorize a share buyback program for $200 million of PSH's outstanding public shares.

DISCOUNT TO NAV

During the first half of the year, the discount widened slightly from 31.2% to 34.6%.[v] It has since narrowed to 32.2% as of August 19, 2025. The Board closely monitors the discount to NAV at which PSH's Public Shares trade.

The Board continues to believe that the most powerful driver of long-term shareholder returns will be strong absolute and relative NAV performance. As discussed in my recent letters, the Board also believes that the introduction of additional funds managed by the Investment Manager will be a positive catalyst to narrow the discount to NAV at which PSH shares currently trade since a portion of the fees earned by the Investment Manager on new funds it launches will reduce the performance fees paid by PSH.

CORPORATE GOVERNANCE / BOARD

I am delighted to welcome Jean-Baptiste Wautier and Bilge Ogut to the Board.

Jean-Baptiste Wautier was elected to the Board at the most recent Annual General Meeting. His deep experience in private equity, mergers and acquisitions, board governance, and corporate finance has already provided valuable perspectives to our Board discussions.

Bilge Ogut joined the Board earlier this month. Her global investment expertise and deep sector knowledge will bring additional depth to the Board's strategic thinking and bolster our capabilities.

SHAREHOLDER ENGAGEMENT

I look forward to seeing many of you at our annual investor event in London next year. I will write to you again in our 2025 Annual Report and in the meantime, I thank you for your continued support. The Investment Manager will keep you informed of any significant developments in the portfolio.

/s/ Rupert Morley
Rupert Morley
Chairman of the Board
August 20, 2025

Investment Manager's Report

LETTER TO SHAREHOLDERS[5]

To the Shareholders of Pershing Square Holdings, Ltd.:

PSH generated strong NAV performance in the first half of 2025 of 15.5% compared with a 6.2% return for the S&P 500 over the same period.[6] PSH's year-to-date NAV return as of August 19, 2025 was 17.7% compared to 9.9% for the S&P 500 over the same period.

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 16.4% compound annual rate over the last nearly 22 years, a 27-times multiple of their original investment, compared with a 10.5% return (9-times multiple) had they invested in the S&P 500 over the same period.[7]

Using PSH's stock price return rather than per-share NAV performance, Day One Investors have earned a 14.4% compounded return, an 18-times multiple of their original investment.[8] This lower return reflects the 32.2% discount to NAV at which PSH's stock currently trades. Our strong preference is for PSH's shares to trade at or around intrinsic value for which we believe PSH's NAV per share is a conservative estimate.[9]

The Year to Date

We have had a highly productive and profitable year to date driven by the continued strong business performance of our portfolio companies, and portfolio repositioning that has mitigated some risk and created opportunities for future profits. While we are generally a long-term holder and don't typically trade around positions, the large amount of stock price volatility this year – largely associated with tariffs and other geopolitical issues – created significant opportunities to make additions to existing holdings (Brookfield and Hertz) and make a new investment (Amazon).

The volatility also created opportunities to trim holdings that had reached a disproportionately large size (UMG), that offered lower rates of return at their then near-time high market values (Hilton and Chipotle) or that we chose to exit due to increased risk and uncertainty due to tariffs (Canadian Pacific). Our portfolio activity both mitigated risk as we sold portions of existing positions at prices above their subsequent trading prices and created opportunities for future profits. Our new investment in Amazon, and additions to some of the positions we had trimmed earlier in the year (Alphabet and Hilton) at materially more attractive valuations when prices dropped after the initial tariff announcement, fall into the latter category.

I mention the above trading activity because it is unusual for Pershing Square as we tend to be a buy and hold investor. The high degree of liquidity of our holdings, combined with stock market volatility, does, however, occasionally create portfolio repositioning opportunities from which we can benefit.

Howard Hughes Holdings

We spent the first few months of the year negotiating a transaction for Pershing Square Holdco, L.P., the owner of Pershing Square Capital Management, L.P. (PSCM), to acquire a $900 million, 15% stake in HHH for $100 per share, a 48% premium to the stock's pre-announcement trading price on May 2, 2025. The purchase was part of a transaction in which I returned to HHH as Executive Chairman and Ryan Israel became CIO. With our addition to the board, Pershing Square affiliates now hold three of eleven seats. As part of the transaction, we have committed to make available the full resources of Pershing Square to the company in exchange for a base and incentive management fee. We are reducing the management fees we receive from PSH dollar for dollar by the proportionate share of fees paid to PSCM by HHH.

Our approach to HHH's transformation is similar to that of other companies we have owned that have underperformed their potential. In these cases, we make changes to governance and management to improve the company's long-term prospects. The difference here is that we were already a long-term holder prior to our recent transaction, and the additions to management and the board come from Pershing Square rather than from another company.

HHH has been a long-term holding that has underperformed its potential. Nearly 15 years ago, we backstopped a rights offering for HHH at $50 per share along with Blackstone, Brookfield, and Fairholme, and the stock has appreciated only about 50% over the period.[10] We originally created HHH to hold the non-core assets of General Growth Properties (GGP) as part of its emergence from bankruptcy. GGP has been Pershing Square's most successful portfolio company investment as the stock and spinoffs from the company collectively appreciated from $0.34 at the inception of our purchases to about $35 per share at our exit of GGP, from which the Pershing Square funds made $2.8 billion.[11]

Nearly 15 years later, we believe HHH is well positioned to create substantial long-term value in the business of owning and developing master planned communities (MPCs) as the company has sold or spun off non-core assets and now owns a focused and highly profitable portfolio of some of the most desirable real estate communities in the U.S. Despite HHH's high quality assets, excellent management and optimized form, its stock has failed to trade at a price which reflects its intrinsic value and highly attractive future prospects.

We believe that Wall Street has largely ignored HHH because of the complexity of its underlying assets (it can take months for an investor to perform due diligence on the company's portfolio), and because investors instinctually assign a high cost of capital to a real estate development company with about half of its enterprise value invested in land. Ultimately, we concluded that we could not solve HHH's cost of capital problem while it remained a pureplay MPC enterprise. We believe that as HHH becomes a more diversified holding company in other higher-returning businesses that require less use of financial leverage, its cost of capital will come down. And as the MPC business becomes a smaller part of the overall enterprise, HHH's MPC business' inherent complexity will be a lesser deterrent to investment.

We are working to transform HHH into a modern-day Berkshire Hathaway. We begin with a significant advantage at the inception of its transformation. In contrast to Berkshire's dying textile operations circa the late 1960s, HHH's MPC business will begin to generate substantial and growing cash flows that will not be required to be reinvested in its MPCs and can therefore be redeployed into building a diversified holding company. With the addition of our $900 million of capital to the company, HHH can also immediately begin pursuing investments outside of real estate.

Our first initiative is for HHH to acquire a diversified property casualty insurance company whose assets we will manage. A careful analysis of Berkshire Hathaway's history (I strongly recommend The Complete Financial History of Berkshire Hathaway by Adam Mead) reveals how important Berkshire's insurance operations have been to the creation of Berkshire's long-term shareholder value. The benefit of a well-run insurer as an important driver of shareholder value for a diversified holding company is that a profitable insurance operation is inherently a highly cash-generative business. Insurers write premiums and pay claims later which generates float, or to quote Buffett, "money that the insurer holds but does not own." With the power of compounding, a profitable insurer whose assets are managed intelligently can compound its equity capital at a high rate over the long term without the need to issue common equity to grow.

In contrast to typical insurance companies, Berkshire's insurance operations have been managed in a low-leveraged fashion. That is, they have written relatively small amounts of premium relative to capital, and the ratio of their invested assets to capital has been lower than for a typical insurer. This low-leverage approach to insurance and investments, plus the additional credit support provided by Berkshire's diversified holding company structure, has enabled its insurance companies to invest a substantially higher percentage of their assets in common stocks. As a result, Berkshire's insurance operations have earned high returns largely because of the higher returns that they have generated on their investment portfolios. This approach compares favorably with nearly all other insurance companies which principally rely on profits from underwriting combined with a higher-leverage fixed income investment strategy to generate attractive returns on equity.

Since HHH's insurance operations will be part of a diversified holding company owned by an extremely well capitalized 47% owner (15% by Pershing Square Holdco, L.P. and 32% by the Pershing Square funds), we believe that HHH is well positioned to implement a similar approach to Berkshire.[12] Our intended approach to acquire and grow an insurance company at HHH should not be confused with that of hedge funds that have acquired or partnered with insurance companies in order to increase fee-paying assets under management or by other alternative investment managers that have acquired life insurers and issued annuities in order to fund leveraged private credit portfolios.

We will be investing the assets of a future HHH insurance subsidiary directly in fixed income securities (principally U.S. Treasurys) and common stocks, not in the Pershing Square funds, and we will be doing so for no consideration. As a result, HHH's insurance operations will have the benefit of best-in-class investment management without the associated costs, which will give its insurer a significant competitive advantage.

One of the key success factors to Berkshire's insurance operations has been the fact that there was no dictate from headquarters to write business. Similarly, HHH's insurer will be under no pressure to write business or to grow. Running a profitable insurance operation requires a willingness to step away from taking on new risks when market conditions are unfavorable. This 'cycle management' approach is difficult for standalone publicly traded insurance companies to implement because of pressures from investors and analysts who seek quarterly progress, and similarly challenging when they are owned by private equity investors who are positioning their insurance companies for an eventual sale in a relatively short period of time.

We intend for HHH's insurance operations to be a permanent holding, and it will not be under pressure to deliver short-term results. Furthermore, we expect that HHH's future insurance company will generate long-term profits from investing a substantial portion of its assets in a diversified portfolio of common stocks and will therefore be less reliant on growth and profits from underwriting risk than a typical insurer. If HHH can buy and/or build the right insurance operation managed by the right team, its insurer can generate substantial profits on underwriting profitable business <u>and</u> its investment portfolio. That's when the magic can really happen.

While there is no certainty that we will be able to execute on the above strategy because HHH must first acquire an insurance company or build one from scratch, and it must both operate the insurer effectively and invest its assets well, we are optimistic that it will be able to do so. While HHH won't overpay, it can afford to pay a full and fair price for an insurer that meets our criteria. Alternatively, we are confident that we can recruit a first-class management team to build an insurance operation from a standing start. We are currently exploring a number of potential transactions.

Our goal for HHH is for it to increase its intrinsic value per share at a high compound rate over the long term. Owning businesses that are self-funding that can reinvest capital at high rates of return are instrumental toward achieving that goal. An insurance company is a good place for HHH to start because we can bring unique value in managing the assets of the insurer for free. We look forward to sharing more on HHH's insurance strategy at the upcoming HHH annual meeting.

HHH Annual Shareholder Meeting

HHH will be holding its Annual Shareholder Meeting at the Pershing Square Signature Center at 480 West 42nd Street in New York City on September 30th. The meeting will be open to the public with a preference given to HHH shareholders and

Pershing Square investors in the event we run out of space. We will be holding an open question and answer session with shareholders to address questions about HHH, its future insurance operations, and general market and other developments. As HHH is a substantial and long-term core holding of PSH, we wanted to make you aware of the meeting in case you wish to attend. If you would like to attend, we ask that you pre-register. The pre-registration information will be available shortly on the Howard Hughes website at https://investor.howardhughes.com/.

Reasons for Optimism

With about a third of the year left, I will put forth some optimism for the balance of the year. It appears that we are closer to a resolution of the wars in Europe and the Middle East, which if achieved will save lives and reduce global risk premia. Inflation appears to have moderated, setting up the prospects for Fed easing in September and the Fall. Incentives in the new tax bill for investment, in particular, 100% bonus depreciation, will likely start to have a significant effect toward the end of the year. The Administration is now focusing its economic policy initiatives on removing Fannie and Freddie from conservatorship (decade-plus holdings of ours) and deregulation, which will be an important driver of the economy. All of the above are occurring at a time when AI is starting to generate productivity gains while driving massive new investment. But a few words of caution. Markets are ebullient. Signs of speculative activity are <u>everywhere</u>. In short, we are heading into a strong economic backdrop, but investment selection will be paramount.

Thank you for your long-term investment in Pershing Square Holdings. We are grateful for your support.

Sincerely,

William A. Ackman

PORTFOLIO UPDATE(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, 2025 and year-to-date 2025.(14)

January 1, 2025 – June 30, 2025	
Uber Technologies, Inc.	5.3 %
Federal National Mortgage Association	4.8 %
Universal Music Group N.V.	3.7 %
Federal Home Loan Mortgage Corporation	3.6 %
Amazon.com, Inc.	1.7 %
Brookfield Corporation	1.5 %
Hertz Global Holdings, Inc.	1.3 %
Hilton Worldwide Holdings Inc.	0.6 %
Share Buyback Accretion	0.5 %
Bond Interest Expense	(0.3)%
Chipotle Mexican Grill, Inc.	(0.7)%
Howard Hughes Holdings Inc.	(1.0)%
Nike, Inc.	(1.3)%
All Other Positions and Other Income/Expense	(0.5)%
Contributors Less Detractors (Gross Return)	**19.2 %**

January 1, 2025 – August 19, 2025	
Federal National Mortgage Association	6.1 %
Uber Technologies, Inc.	5.8 %
Federal Home Loan Mortgage Corporation	4.3 %
Brookfield Corporation	2.2 %
Amazon.com, Inc.	2.0 %
Universal Music Group N.V.	1.7 %
Alphabet Inc.	1.6 %
Share Buyback Accretion	0.8 %
Hilton Worldwide Holdings Inc.	0.7 %
Hertz Global Holdings, Inc.	0.6 %
Bond Interest Expense	(0.5)%
Nike, Inc.	(0.6)%
Chipotle Mexican Grill, Inc.	(2.7)%
All Other Positions and Other Income/Expense	0.0 %
Contributors Less Detractors (Gross Return)	**22.0 %**

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, if any. 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 51-54.

New Equity Positions:

Amazon

Earlier this year, we initiated a position in Amazon, a company we have long studied and admired. Amazon operates two of the world's great, category-defining franchises: its Amazon Web Services (AWS) cloud business and its e-commerce retail operations. Both AWS and the company's retail operations are supported by decades-long secular growth trends, occupy dominant positions in their respective markets, and have significant long-term opportunities for margin expansion. Moreover, despite operating in different industries, both businesses share the core tenets of Amazon's ethos: a relentless focus on the customer, leveraging scale to be the lowest-cost provider, and continually reinvesting to improve their value proposition.

AWS, which accounts for approximately 60% of Amazon's total profits, is the leader in the highly concentrated cloud hyperscaler market with over 40% market share. As the first mover in the space, AWS is exceptionally well-positioned to capitalize on the multi-decade shift of IT workloads from on-premise to cloud solutions. Currently, only about 20% of IT workloads are estimated to be hosted in the cloud, a percentage that is expected to steadily increase and eventually invert over time. Similarly, Amazon's retail business is powered by strong secular growth in e-commerce adoption. In the U.S., for example, e-commerce sales penetration has doubled in the past decade yet still accounts for less than 20% of total retail sales. Within this rapidly expanding market, Amazon holds a leadership position by offering consumers the widest selection, the lowest prices, and the fastest delivery, all enabled by a one-of-a-kind logistics network that fulfills over $700 billion in gross merchandise value annually.

Despite these compelling attributes, concerns about the sustainability of AWS's AI-driven growth and the impact of tariffs on the retail business weighed on the company's share price. This allowed us to initiate our position at an attractive valuation of 25 times forward earnings. We believe these concerns underestimate Amazon's competitive strengths, the resiliency of its business model, and the duration of its growth runway for several reasons.

With respect to the growth of its cloud business, AWS is already a ~$120 billion run-rate revenue business that continues to maintain an annual growth rate in the high-teens. Despite this impressive growth, AWS has been limited by capacity constraints in recent quarters, as customer demand for AI compute has far exceeded the pace at which hyperscalers can bring new supply online. We believe current investments to accelerate the deployment of additional capacity to meet existing demand are an efficient and high-return use of capital. Over time, we expect AI to spur greater cloud adoption and are cautiously optimistic that it will sustain, or potentially even accelerate, AWS's revenue growth. On the profitability front, while AWS margins face near-term headwinds in 2025 from increased depreciation, we expect them to improve long-term as the business better leverages its upfront AI infrastructure investments.

With respect to the potential impact of tariffs, while the situation remains highly dynamic, the company has seen limited impact on its results to-date. We believe the retail segment can successfully navigate a wide range of outcomes. Compared to the broader retail industry, Amazon's merchandising mix is not uniquely exposed to tariffs. In fact, with its extremely broad selection of over hundreds of millions of unique SKUs, Amazon is much better equipped than competitors to weather through any substitution effects and product trends that emerge. As we saw during the pandemic, uncertainty drives customers toward reliable and trusted providers. Amazon's selection, value pricing, convenience and delivery speed have helped the company gain market share through past periods of disruption and we believe they are similarly well positioned through this current period of uncertainty.

Additionally, while tariffs could result in some additional sourcing and fulfillment costs in the near term, we see significant latent headroom for margin expansion in the retail segment. For context, after adjusting for differences in business mix compared to its peers and factoring in its fast-growing, high-margin advertising revenue, we estimate the retail segment's structural profitability could be nearly double its 5% profit margin in 2024. Moreover, the company is seeing meaningful productivity gains from warehouse automation and its recent initiative to re-architect its transportation network into a more regional fulfillment model. As a proof point, per-unit shipping costs in the most recent quarter were down approximately 5% year-over-year.

Amid broader tariff-related market volatility in April, we were able to react quickly and build a position in Amazon at a deeply discounted valuation for a business of its quality. Although the company's share price has appreciated meaningfully from our initial purchase, we believe substantial upside remains given its ability to drive a high level of earnings growth for a very long time.

Hertz (“Hertz”)

Late last year, we began accumulating shares in Hertz, a leading car rental company undergoing a turnaround. We believe Hertz’s share price can increase by a multiple of our cost in reasonably likely scenarios, but in light of its financial leverage, the risk of a permanent loss of capital is higher than for our typical core holdings. We acquired our position in Hertz (representing at inception 1.6% of our total assets) at an average cost of $3.81, as the market had discarded Hertz as an unprofitable business burdened by significant financial leverage, with many investors drawing unfavorable comparisons to the company’s bankruptcy during the COVID-19 pandemic when travel was brought to a standstill.[15,16] We believe the new Hertz is poised for a recovery, with a favorable industry backdrop and a management team executing a sound turnaround strategy.

We believe the car rental industry has improved considerably since the pandemic. Following decades of consolidation, the car rental industry now functions as an oligopoly dominated by Enterprise, Avis, and Hertz, which together control ~95% of the market. Pricing discipline has improved since the pandemic as operators keep vehicle supply within the demand curve. The success of privately held Enterprise, which we estimate operates at 20%+ margins through a decentralized model, advantageous business mix, and profitable used car sales, underscores the industry’s potential when managed well.

Under CEO Gil West, Hertz has embarked on an ambitious turnaround by rotating its fleet, increasing unit revenues, and reducing costs. The company has refreshed its fleet substantially, with more than 80% of vehicles now less than a year old. Earlier this year, Hertz secured its 2025 model-year purchases at attractive pre-tariff prices, shielding the business from near-term tariff impacts. The newer fleet has helped Hertz avoid many of the recall issues affecting the broader industry, lower operating expenses, and sustain high utilization rates. Additionally, elevated used car prices, driven in part by tariffs, allowed Hertz to sell older vehicles at favorable values, reducing depreciation per unit per month to $250 this quarter, well below its $300 target. With lower capitalized costs on its newer fleet and a supportive used car pricing environment, Hertz is well positioned to outperform its depreciation goals. As an early sign of the success of the turnaround, the company reported its first profitable quarter since 2023, and we expect the company to report a sizeable profit in the second half of the year.

While the market questioned Hertz’s liquidity position earlier this year, the management team also made significant progress in strengthening the company’s balance sheet. The company now has ample flexibility, with $1.4 billion in liquidity. With ongoing cash generation, we believe Hertz can naturally de-lever and has multiple options to address upcoming maturities towards the end of next year.

Looking ahead, management sees a path to $1 billion in normalized EBITDA in 2027, with continued growth as operations improve. Beyond its core car rental business, Hertz is also well positioned to be a significant player in the autonomous vehicle ecosystem, offering a potential new avenue for growth. The company’s expertise in purchasing, financing, deploying, and maintaining large fleets provide it with a natural advantage as a fleet operator. With a global network of purpose-built locations, trained personnel, and an established EV infrastructure, Hertz has the capability to deploy autonomous vehicles at scale virtually overnight. Given the combination of improving industry structure, sound execution, and significant strategic optionality, we believe Hertz offers an attractive, asymmetric return profile and we remain excited about the company’s future.

While we think it is likely that our investment in Hertz will be successful, we recognize that the company has a significantly higher degree of financial and operational leverage than our typical core investments and, as a result, have a smaller position size that is consistent with how we have historically sized asymmetric investments.

Current Equity Positions:[17]

Uber Technologies ("Uber")

Uber is the world's leading mobility and delivery platform, operating a capital-light, highly-scalable, and rapidly-growing business. We initiated our investment earlier this year because we believed Uber's stock price significantly undervalued the company's earnings power and growth prospects. We believe the stock was mispriced due to misplaced concerns regarding perceived long-term threats from autonomous vehicles ("AVs").

In recent months Uber has announced a number of partnerships with various technology players, each advancing their own AV technologies. Recent mobility announcements include new and expanded partnerships with Avride, Baidu, Lucid, May Mobility, Momenta, Nuro, Pony.ai, Wayve, WeRide and others. Taken together, Uber is strategically advancing dozens of geographically focused commercial pilots, with a line-of-sight to tens of thousands of autonomous vehicles covering major metropolitan cities operating on Uber's network within the coming years. In Austin and Atlanta, Uber exclusively launched Waymo's commercial operations with its strong preliminary utilization data reinforcing Uber's strong value proposition. Over time, we believe that additional data will further demonstrate that partnering with Uber allows AV players to scale faster than they could on their own while maximizing the unit economics of their vehicles. Furthermore, Uber's value proposition is even more compelling for the many small potential entrants who lack the resources, capabilities and network density to attempt a standalone rideshare service.

In addition to Uber's strategic advances, the company has delivered exceptional financial performance this year, as evidenced by its most recent quarterly results. The company reported an 18% increase in constant-currency booking value driven by a 15% increase in users and a 2% increase in frequency, driving a 18% increase in quarterly trips to 3.4 billion. Trip growth anchored Uber's 18% constant-currency revenue growth, which, coupled with strong cost control, generated Adjusted EBITDA and GAAP earnings-per-share increases of 35% and 49%, respectively.

In particular, Uber's Delivery segment (aka Uber Eats) delivered exceptional performance, with 23% constant-currency revenue growth and 48% growth in segment level profits, as the business continues to scale and margins expand closer towards their structural potential. While often overlooked by investors, Delivery comprises nearly 50% of Uber's total bookings value and is a major source of earnings growth.

Similar to other capital-light business we own, Uber generates substantial excess cash flows, which management intelligently returns to shareholders in the form of a sizable share repurchase program. We believe the company is positioned to repurchase ~4% of its market capitalization this year and is now on a path to permanently reducing outstanding shares. The company recently announced a new $20 billion repurchase authorization, affirming Uber's commitment to capital return as the primary form of capital allocation for excess cash.

We continue to believe the market underappreciates the durability of Uber's moat, the magnitude of its earnings growth, and the strategic role it will play in shaping the future of mobility. We anticipate Uber will generate 30% or greater annual earnings per share growth over the medium-term, and it's likely that over time investors will reward the company with a higher earnings multiple that more appropriately reflects the company's future growth prospects and competitive positioning as the AV industry structure matures.

Brookfield Corporation ("BN" or "Brookfield")

Brookfield is a high-quality, asset-rich, rapidly growing business that has a long-term track record of excellent capital allocation. We initiated a position in Brookfield last year as we believed BN's stock was undervalued in light of its high and accelerating rate of growth in its earnings per share over the medium term. In recent quarters, the company has advanced several important strategic initiatives which we believe will help the company grow earnings while simultaneously simplifying the business and garnering recognition from investors.

BN continues to make progress growing its important annuity and insurance business (Brookfield Wealth Solutions, or "BWS"), which now manages $135 billion in insurance assets. The company also continues to improve its communication regarding the strategic importance and value of this fast-growing funding source. This quarter, the company announced its intention to refocus BN to an "investment-led insurance organization," with capital increasingly funded by individual investors' insurance float. We believe this business evolution remains underappreciated by investors and has strong strategic and financial logic. Critically, Brookfield already manages a $1 trillion portfolio of real assets (including real estate, infrastructure and power), which are ideally suited for annuity capital given their highly contracted cash flows and inflation indexation. Building on this evolution, BWS recently announced the acquisition of Just Group, a U.K. annuity and pension provider. This will increase BWS's annuity portfolio by ~30% and firmly position Brookfield as a major player in the attractive U.K. market where BN is already one of the largest real estate and infrastructure investors. We believe Brookfield is at the inception of a broader evolution which will drive substantial earnings growth and value creation over the coming years.

External financing and stock market conditions have also turned more favorable in recent months, which has helped BN simplify its real estate business by selling off some of its non-core and opportunistic real estate investments while retaining its high-quality, high cash flow trophy assets. We believe BN will continue to simplify its real estate business in the future, which will be well received by shareholders. Improving market conditions have also allowed Brookfield to achieve significant fund level monetizations, which will help boost the earnings from carried interest over the coming years and provide a significant amount of cash flow for share repurchases and strategic growth investments. We believe the company is poised to realize a step-function change in carried interest generation beginning in 2026.

We estimate Brookfield will grow distributable earnings, which is the company's metric for earnings per share, at a mid-teens percentage this year, before significantly accelerating the growth rate to as much as 30% in 2026, as carried interest and BWS both experience a step-function change in their earnings contribution.

The company has also made progress in expanding its potential U.S. investor base by expanding its sell side investment coverage and making progress towards Brookfield Asset Management U.S. index inclusion, which may be a potential precursor to similar actions by BN. In recognition of some of this progress, investors have assigned a higher valuation multiple to BN's earnings over the past year, but the company still trades at a substantial discount to comparable U.S. peers, including KKR and Apollo.

We continue to believe Brookfield is an extremely attractive investment, with ~20% compounded growth in cash flows over the medium-term and potential for further earnings multiple expansion.

Universal Music Group ("UMG")

UMG is the world's leading music entertainment company and a high-quality, capital-light business that can be best thought of as a rapidly growing royalty on greater global consumption and monetization of music.

The company has now delivered four consecutive quarters of high-single-digit subscription revenue growth, with subscription revenues up 9% in the most recent quarter. Streaming revenues also grew 9%, well above investor expectations, driven by strong performance across ad-supported partners. Importantly, UMG's strong growth has been primarily driven by subscriber growth and does not yet reflect the benefit of upcoming pricing actions. UMG recently signed agreements with major digital service providers ("DSPs") incorporating its "Streaming 2.0" principles, which include higher wholesale rates which will lead to higher like-for-like retail prices as well as new product tiers for superfans. The first indication of higher retail prices emerged earlier this month when Spotify announced price increases in many key markets, a move we expect will extend to additional markets with other DSPs likely to follow.

Over the mid to longer term, we continue to expect UMG to benefit from multiple growth drivers including continued penetration of streaming, price increases, and new product tiers.

We are also encouraged by UMG's recent hiring of Matt Ellis as its Chief Financial Officer. Ellis brings public company experience, which we believe can help enhance shareholder communication, refine capital allocation, and improve the company's approach to shareholder returns over time.

In May, Bill stepped down from the Board of UMG due to increasing demands on his time from his other Pershing Square commitments, including his recent appointment as Executive Chairman at Howard Hughes Holdings. We have exercised our rights to request a public offering and U.S. listing which we believe will increase demand from U.S. investors, improve analyst coverage, and potentially enable UMG to be included in major U.S. indices.

We believe that UMG's continued strong market positioning, long runway for sustained earnings growth, and superb business qualities bode well for the company's future prospects.

Alphabet ("Google")

Alphabet, the parent company of Google, is successfully executing on its vast AI potential. The company's key advantages – stemming from industry-leading models, a full-stack approach to technical infrastructure (including proprietary chips), access to high-quality data, rapidly improving product launch velocity and a robust distribution ecosystem of seven different apps with over two billion users each – are beginning to meaningfully widen Google's moat and competitive differentiation in AI.

In its core Search product, the company's AI leadership is most evident in its broad roll-out of AI-powered summary responses, called "AI Overviews". AI Overviews are now being served to more than two billion users across 200 countries, making it the most widely used consumer AI product. AI Overviews are resulting in users asking more detailed questions, clicking through at higher rates and searching with greater frequency. On the back of AI Overviews' success, the company has also introduced "AI Mode", which more closely resembles a chat-like user experience, directly onto the Search page.

Beyond core Search integrations, the company is also having tremendous success across its broader consumer app portfolio. YouTube continues to lead streaming watch time in the U.S., with AI driving meaningful improvements to its recommendation algorithm, auto-dubbing and content creation tools. Google's state-of-the-art video generation model, Veo3, has been a viral hit with over 70 million videos created since its launch in May. Last month, the company also introduced new agentic capabilities with AI-powered calling to local businesses to make appointments and reservations. This is a feature Google is uniquely positioned to deliver by integrating its Search, Maps, Calendar, and Gmail services for a user.

Google's Cloud segment, a $50 billion run-rate revenue business growing at a 30%-plus rate, is also seeing its AI capabilities accelerate product differentiation. The company signed the same number of over $1 billion deals in the first half of 2025 that they did throughout all of 2024. With increasing scale, the Cloud segment has inflected from breakeven profitability in 2023 (when we initiated our position) to a 21% profit margin in the most recent quarter, with line of sight to achieving the greater than 30% profit margins enjoyed by peers.

Despite tremendous business momentum, Alphabet still trades at a discounted valuation for a business of its quality and growth prospects, partially driven by investor concerns around an upcoming antitrust ruling. As a reminder, a federal court ruled against Google in the DOJ's antitrust case on default search agreements last August. A trial to determine remedies in that case concluded earlier in the year and a final ruling on remedies is expected in the near-term. We believe the company is well-positioned to navigate a range of outcomes including potential remedies which involve a choice screen implementation, for which there is strong precedent from EU antitrust enforcement. Google will also most likely appeal the remedy ruling. We continue to closely monitor the case and expect further clarity shortly.

Fannie Mae ("Fannie") and Freddie Mac ("Freddie")

Since our last update in the 2024 Annual Report, President Trump has demonstrated clear focus on the privatization of Fannie and Freddie. In May, President Trump stated that he was "giving very serious consideration to bringing Fannie Mae and Freddie Mac public," and that he would be discussing the matter with the relevant parties in his administration. Several days later, the President clarified that "the U.S. Government will keep its implicit GUARANTEES," which is consistent with an administrative exit from conservatorship that would be fully within the President's executive authority.

On July 31st, press reports indicated that President Trump was asking bank CEOs for their pitches on monetizing Fannie and Freddie, which was followed by August 8th reports that the administration was preparing to sell between 5% and 15% of Treasury's stock in the companies at a combined valuation of roughly $500 billion by the end of this year. President Trump seemed to endorse the latter article by posting an AI image of himself at the New York Stock Exchange to ring in the listing of "The Great American Mortgage Corporation," dated November 2025.

We believe the relevant parties in the administration are laser-focused on executing the President's vision. Treasury Secretary Scott Bessent's prior statements that Fannie and Freddie would be a key focus after tariffs and tax reform have proven prescient. Secretary Bessent has floated the idea of creating a U.S. sovereign wealth fund with Treasury's ownership stakes in Fannie and Freddie as anchor assets, which we believe would be an ideal way for the government to maintain its ownership in and realize substantial value from the companies over time. At FHFA, Fannie and Freddie's regulator, Director Bill Pulte has moved quickly to instill a private-sector mindset, including by bringing staff back to the office, beginning to rationalize costs at the companies, and making changes to the boards of directors and management teams.

We believe that Fannie and Freddie common shares will be worth a multiple of current prices if an exit from conservatorship is achieved consistent with the framework that we have previously articulated.

Restaurant Brands International ("QSR")

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

The company's two largest profit drivers, Tim Hortons and Burger King International, which together account for roughly 70% of profits, continue to perform well and lead QSR's growth. At Tim Hortons, same-store sales increased 4% in the most recent quarter, marking the 17th consecutive quarter of positive same-store sales growth, which was driven by balanced growth in both higher traffic and average check. We believe Tim Hortons can continue its strong growth by expanding its presence in the food category and by growing its cold beverage business. Burger King International also delivered impressive results, with same-store sales up 4%, outperforming McDonald's in current momentum and cumulatively since the pandemic. We expect Burger King's localized menu innovation, targeted value promotions, and ongoing digital adoption to continue to drive strong results.

In the U.S., Burger King continues to make progress in modernizing the system and returning the business to sustainable growth. The recently acquired Carrols restaurants grew same-store sales by nearly 3%, outpacing the broader system and showcasing the early benefits of remodels and improved operations. The company has already begun refranchising efforts and is actively signing candidates for its "Crown Your Career" program, which supports high-potential internal talent becoming franchise owners. We expect the company's multi-year efforts to remodel its restaurants and improve operations should continue to drive sales momentum.

Despite these strong results at its largest brands, QSR currently trades at less than 17 times our estimate of forward earnings, which is more than a 30% discount to peers with comparable long-term earnings growth potential. With a strong operating model, improving financial performance, and a deeply discounted valuation, we see meaningful upside potential and remain confident in the company's long-term growth trajectory.

Howard Hughes Holdings ("HHH")

On May 5, 2025, Pershing Square invested $900 million to acquire 9 million newly issued shares of HHH. Taken together with the Pershing Square Funds' ownership, Pershing Square now owns 47% of HHH shares outstanding in total. Pershing Square's investment will enable HHH to become a diversified holding company by acquiring controlling stakes in high-quality, durable growth public and private operating companies while continuing to invest in and grow the company's core real estate operations.

As part of the transaction, HHH has entered into a services agreement under which Pershing Square will support the company's transformation by providing investment, advisory, and other ancillary services, including corporate development, transaction execution, and capital markets assistance. Pershing Square will also assist HHH in identifying and hedging macro-related risks. Bill has been named the Executive Chairman of the HHH Board of Directors. Ryan Israel, Pershing Square's Chief Investment Officer, has been named HHH's Chief Investment Officer, a new senior leadership role at the company.

In exchange for services rendered, PSCM will receive a quarterly base fee of $3.75 million and a quarterly management fee equal to 0.375% of the increase in HHH's equity market capitalization over a reference market cap of the company. The reference market cap is fixed to the company's share count at transaction close and is adjusted annually for inflation. Therefore, share issuances will not increase the management fee. It will only increase if the company's share price compounds at a rate in excess of inflation. PSH's management fees will be reduced by an amount equal to the fees that PSCM earns on the HHH shares held by PSH, dollar for dollar. While the HHH-related fee reduction to PSH will not be material initially, we expect the reduction to scale meaningfully over time as HHH's share price appreciates to more accurately reflect its intrinsic value.

As discussed on HHH's most recent earnings call, we believe property and casualty ("P&C") insurance is an ideal business platform to begin HHH's transition to a diversified holding company. The cash generative nature and industry structure of P&C insurance allow for rapid growth and provide a significant source of investment funds for HHH. An insurance business will also be able to leverage Pershing Square's investment's expertise to invest its asset portfolio for no additional fees, which we believe will drive substantially higher returns on equity than a typical P&C insurer. HHH's holding company structure is another major competitive advantage. We expect HHH's capital support will materially strengthen an insurance subsidiary's credit profile and underwriting flexibility. Moreover, an insurance business will benefit from a second layer of capital support by virtue of HHH Itself having a well-capitalized 47% owner in Pershing Square, who has a long-term demonstrated track record of providing capital support to the company. We are actively evaluating several potential P&C insurance acquisition opportunities and intend to give an update on our progress at HHH's Annual General Meeting on September 30 in New York City.

Meanwhile, HHH's core real estate business continues to deliver solid performance led by notable strength in land sales. The company generated land sale profits of $102 million last quarter and the company raised guidance for full-year 2025 MPC land sale profits to approximately $430 million, representing 23% growth. Despite a challenging backdrop for the national housing market, HHH continues to see robust demand from homebuilders for its highly desirable collection of master planned communities ("MPCs"). The average price per acre for residential land sold last quarter was $1.35 million, supported by a mix shift towards higher-priced lots in the company's Summerlin MPC. In its portfolio of income-producing operating assets, net operating income grew 7% in the first half of 2025, on a same-store basis, driven by strong leasing momentum in office and multi-family assets. In its Ward Village condominium development in Hawaii, HHH continues to experience robust sales momentum. In late June, the company launched pre-sales for Melia and 'Ilima, their latest front-row, luxury condo developments, noting exceptional early demand.

Nike ("NIKE")

NIKE is in the early stages of a turnaround under new CEO Elliott Hill. In the ten months since rejoining the company, Hill has moved with urgency, replacing 12 out of his 15 direct reports and resetting the culture and organizational structure with a renewed focus on sport. Hill's "Win Now" strategy targets a return to profitable growth by accelerating product innovation, creating distinctive marketing, and rebuilding wholesale distribution, while right-sizing inventory levels across certain product lines and sales channels following several years of overreliance on direct-to-consumer and lifestyle footwear. While a full turnaround will take time, we are beginning to see encouraging signs of progress.

In the most recent quarter, NIKE delivered results and guidance ahead of expectations. Revenue declined by 11% on a currency-neutral basis as aggressive inventory liquidation and elevated wholesale discounts weighed on results. However, momentum is building in sports performance, with running revenue growing by high-single-digits powered by new franchises such as the Vomero 18. Other near-term priorities include training with the Metcon shoe and 24/7 apparel collection, soccer with the upcoming 2026 World Cup in North America, and basketball with a Caitlin Clark signature shoe expected to be launched in spring 2026. Wholesale partners are excited about the newness, with holiday 2025 order books up year-over-year, supporting better-than-expected guidance for the current quarter of a mid-single-digit revenue decline. Management believes clearing excess inventory by the end of 2025 will allow NIKE's order book and revenue growth to better align, enabling a return to growth in 2026.

While Nike's margins are currently depressed due to intentional actions taken to effectuate the turnaround, we believe the company can return to historical levels of profitability over the next several years. In addition to gross margins improving as inventory clearance actions abate, there is a substantial opportunity to rationalize overhead costs built up under prior management, including in technology, direct-to-consumer infrastructure, and supply chain. Although tariffs represent a more than $1 billion cost headwind, management intends to fully mitigate the impact over time through sourcing changes, sharing costs with suppliers and retail partners, selective price increases, and corporate cost reductions.

We are confident that Nike's obsessive focus on sport under best-in-class leadership will reignite brand momentum and enable the company to achieve its decades-long track record of high-single-digit revenue growth and low-to-mid teens margins.

Chipotle ("CMG")

Chipotle's performance fell short of its long-term potential in the first half of 2025 as an uncertain consumer environment and difficult comparisons impacted results. Management cut full year 2025 guidance for the second time on the second quarter call in July, from low-single-digit growth to approximately flat same-store sales. While some of this same-store sales weakness is clearly due to overall soft consumer spending in restaurants as evident in the performance of competitor brands, the onus is on management to adapt to the current environment and better communicate Chipotle's phenomenal customer value proposition. We fully expect Chipotle to return to its historical growth trajectory once execution improves and macro headwinds moderate.

Same-store sales declined 4% in the second quarter, reflecting a challenging 11% prior-year comparison and softer traffic from lower-income customers. Management attributed the weakness to volatile consumer confidence and believes that some traffic was lost to quick service brands offering price-point-based promotions. Despite the sales pressure, restaurant-level margin and operating income exceeded expectations due to supply chain efficiencies and improved in-restaurant execution.

Management is responding to the sales slowdown by increasing marketing spend, introducing new menu items, and speeding up operations. Chipotle's new summer marketing campaign, including social media advertising and a seasonal program for rewards members, is driving incremental transactions during a seasonally slow period for the brand. Chipotle Honey Chicken, which is included in one out of every four orders, and Adobo Ranch, the company's first new dip in five years, are also helping traffic. In the back of house, Chipotle is rolling out new produce slicers and a high-efficiency equipment package across the system to improve labor efficiency. Early results from these initiatives are promising, with comparable sales turning positive beginning in June and continuing into July.

While the near-term backdrop is uncertain, we believe Chipotle remains one of the most attractive concepts in the restaurant industry, offering fresh, affordable, and customizable meals, with best-in-class unit economics and a long runway for U.S. and international growth. The company is on track to grow units by 9% in 2025 and remains committed to opening at least 7,000 locations in North America over time. Chipotle is also in the early innings of international expansion through scaling its company-owned restaurant business in Europe and franchising in the Middle East and Mexico. Untapped opportunities include introducing new dayparts such as breakfast and deploying automation technologies to streamline operations and enhance the customer experience.

Hilton

Hilton continued to deliver strong growth during the first half of 2025 amid a relatively slower macroeconomic environment, once again demonstrating the unique advantages and durability of Hilton's high-quality, asset-light, high-margin business model. In the second quarter, Hilton delivered 15% earnings per share growth despite revenue per available room ("RevPAR") modestly declining by 0.5%, reflecting some softness in U.S. travel trends.

While near-term domestic RevPAR trends have been tepid, management noted some encouraging signs of improvement in business transient and group bookings, which could provide upside in 2026 as RevPAR growth normalizes. Over the long-term, we expect annual RevPAR growth to be close to a 2% to 3% rate.

Hilton expects full-year net unit growth solidly within its 6% to 7% target range, increasingly supported by hotel conversions, which are expected to represent approximately 40% of system growth this year. Signings and construction starts also remain robust, both up double digits year-over-year, reflecting the continued global demand for Hilton-branded properties.

Beyond Hilton's best-in-class net unit growth, strong capital return continues to be a defining feature of Hilton's return algorithm. The company raised $1 billion of debt earlier this year to support its capital return program (Hilton periodically raises debt to hold its leverage ratio constant on a growing base of earnings) and is on-target to return more than $3 billion of capital this year, or 5% of its market capitalization. Combined with Hilton's consistent cost discipline and high incremental margins, the company's stellar capital allocation supports robust earnings growth and per-share value compounding for years to come.

We continue to view Hilton as an incredible business that offers a unique combination of predictability, resiliency and capital light growth. With its best-in-class leadership team, clear strategic vision, and robust growth runway, Hilton remains well positioned to deliver sustained value to shareholders in the years ahead.

Exited Equity Positions:

Canadian Pacific Kansas City ("Canadian Pacific")

As we previously disclosed, in April 2025, we exited our investment in Canadian Pacific.

PUBLIC COMPANY ENGAGEMENT SINCE INCEPTION[18]

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 Railway	Justice Holdings Ltd.
2010	2010	2010	2010	2010	2011	2011
P&G	Platform Specialty Products Corporation	Air Products	FannieMae	Freddie Mac	zoetis	Allergan
2012	2013	2013	2013	2013	2014	2014
Valeant Pharmaceuticals North America	Nomad Foods	Mondelēz International	Chipotle Mexican Grill	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 Music Group
2018	2018	2019	2020	2020	2020	2021
CPKC	Google	Pershing Square SPARC Holdings	Seaport Entertainment Group	Brookfield	Nike	Hertz
2021	2023	2023	2024	2024	2024	2024

Short Positions*

mbia Wisdom in Action	Ambac	FannieMae	Freddie Mac	FSA	Herbalife
2004	2005	2007	2007	2007	2012

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

The companies on this page reflect all of the portfolio companies, long and short, as of August 19, 2025, in respect of which (a) the Investment Manager or any Pershing Square Fund, as applicable, has designated a representative to the board, filed Schedule 13D, Form 4 or a similar non-U.S. filing or has made a Hart-Scott Rodino filing; or (b) the Investment Manager 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 51-54.

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 2024 Annual Report and in the Company's Prospectus, available on the Company's website (www.pershingsquareholdings.com).

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

- The Company's net assets attributable to all shareholders at June 30, 2025 of $14,714,588,587;
- The liquidity of the Company's assets (at June 30, 2025, 95.7% of its assets were comprised of cash, cash equivalents and Level 1 assets);
- The Company's total indebtedness to total capital ratio of 17.4% at June 30, 2025;
- 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 average net assets, such expenses approximating 1.1% for the six-month period ended June 30, 2025.

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 2024 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 (current and emergent), 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 following subset of risks as the principal risks faced by the Company: investment risk, Investment Manager's authority, portfolio concentration, corporate engagement risks, portfolio liquidity risk, NAV discount, regulatory risk, key personnel risk, tax risk, market risk, information security, performance of service providers, insurance coverage and public relations risks. The impact of tariffs on both a macro economic and individual portfolio company basis continue to be considered in the context of investment and market risk.

Further details of each of these risks and how they are mitigated are discussed in Principal Risks and Uncertainties within the 2024 Annual Report. The Board believes these risks are applicable to the six-month period ended June 30, 2025 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 the Disclosure Guidance 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;
- 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.

By order of the Board.

/s/ Rupert Morley	/s/ Andrew Henton
Rupert Morley	Andrew Henton
Chairman of the Board	Chairman of the Audit Committee
August 20, 2025	August 20, 2025

Independent Review Report

CONCLUSION

We have been engaged by the Company to review the unaudited condensed interim financial statements for the six months ended June 30, 2025 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, 2025 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 section 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

Ernst & Young LLP
Guernsey, Channel Islands
August 20, 2025

Unaudited Condensed Interim Financial Statements

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As of June 30, 2025 and December 31, 2024
(Stated in United States Dollars)

	Notes		2025 Unaudited		2024 Audited
Assets					
Cash and cash equivalents		$	1,403,502,468	$	436,520,113
Due from brokers			114,898,421		1,107,529
Trade and other receivables			13,855,665		28,772,099
Financial assets at fair value through profit or loss					
Investments in securities	4,5		16,538,431,985		15,114,606,252
Derivative financial instruments	4,5		631,189,726		51,380,344
Total Assets		**$**	**18,701,878,265**	**$**	**15,632,386,337**
Liabilities					
Due to brokers		$	413,700,000	$	—
Trade and other payables			376,267,837		232,469,751
Deferred tax expense payables	12		38,099,568		67,885,195
Bonds	11		3,159,222,273		2,320,801,301
Total Liabilities		**$**	**3,987,289,678**	**$**	**2,621,156,247**
Equity					
Share capital	6	$	5,722,349,692	$	5,722,349,692
Treasury shares	6		(984,109,903)		(829,368,943)
Retained earnings			9,976,348,798		8,118,249,341
Total Equity			**14,714,588,587**		**13,011,230,090**
Total Liabilities and Equity		**$**	**18,701,878,265**	**$**	**15,632,386,337**
Net assets attributable to Public Shares		$	14,714,068,801	$	13,010,778,044
Public Shares outstanding			179,929,593		182,956,010
Net assets per Public Share		$	81.78	$	71.11
Net assets attributable to Special Voting Share		$	519,786	$	452,046
Special Voting Share outstanding			1		1
Net assets per Special Voting Share		$	519,786.12	$	452,046.08

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, 2025 and June 30, 2024
(Stated in United States Dollars)

	Notes	2025 Unaudited	2024 Unaudited
Investment gains and losses			
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		$ 2,435,600,016	$ 966,303,106
Net realized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2025: nil, 2024: nil))		—	(107,031,372)
Net change in unrealized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2025: nil, 2024: nil))		—	(129,552,453)
	4	2,435,600,016	729,719,281
Net gain/(loss) on currency translation of the Bonds	11	(96,990,518)	16,476,227
Income			
Dividend income		62,429,011	74,430,858
Interest income		14,283,142	51,649,001
		76,712,153	126,079,859
Expenses			
Performance fees	8	(369,134,126)	(125,012,534)
Management fees	8	(95,092,821)	(93,302,970)
Interest expense		(44,928,001)	(39,542,774)
Professional fees		(3,724,746)	(5,532,241)
Other expenses		(1,192,504)	(1,043,734)
		(514,072,198)	(264,434,253)
Profit/(loss) before tax attributable to equity shareholders		**1,901,249,453**	**607,841,114**
Taxes			
Withholding tax (dividends)		(13,399,623)	(14,505,248)
Deferred tax expense	12	29,785,628	56,997,532
		16,386,005	42,492,284
Profit/(loss) attributable to equity shareholders		**$ 1,917,635,458**	**$ 650,333,398**
Earnings per share (basic & diluted)[(1)]			
Public Shares	10	$ 10.60	$ 3.53
Special Voting Share	10	$ 67,503.05	$ 22,456.82

All the items in the above statement are derived from continuing operations. There is no other comprehensive income for the six-month periods ended June 30, 2025 and June 30, 2024.

(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, 2025 and June 30, 2024
(Stated in United States Dollars)

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
As of December 31, 2024 (Audited)	**$ 5,722,349,692**	**$ (829,368,943)**	**$ 8,118,249,341**	**$ 13,011,230,090**
Total profit/(loss) attributable to equity shareholders	—	—	1,917,635,458	1,917,635,458
Share buybacks(1)	—	(154,740,960)	—	(154,740,960)
Dividend distribution to equity shareholders	—	—	(59,536,001)	(59,536,001)
As of June 30, 2025 (Unaudited)	**$ 5,722,349,692**	**$ (984,109,903)**	**$ 9,976,348,798**	**$ 14,714,588,587**
As of December 31, 2023 (Audited)	**$ 5,722,349,692**	**$ (711,462,770)**	**$ 7,051,720,105**	**$ 12,062,607,027**
Total profit/(loss) attributable to equity shareholders	—	—	650,333,398	650,333,398
Share buybacks(1)	—	(67,021,829)	—	(67,021,829)
Dividend distribution to equity shareholders	—	—	(53,583,340)	(53,583,340)
As of June 30, 2024 (Unaudited)	**$ 5,722,349,692**	**$ (778,484,599)**	**$ 7,648,470,163**	**$ 12,592,335,256**

(1) During the six months ended June 30, 2025 and June 30, 2024, the Company repurchased Public Shares. This amount includes the accretion relating to the repurchases that was allocated to the Public Shares and the Special Voting Share. All repurchased Public Shares are subsequently held in Treasury. As of June 30, 2025 and December 31, 2024, 31,027,157 and 28,000,740 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, 2025 and June 30, 2024
(Stated in United States Dollars)

	Notes	2025 Unaudited	2024 Unaudited
Cash flows from operating activities			
Profit/(loss) for the period attributable to equity shareholders		$ 1,917,635,458	$ 650,333,398
Adjustments to reconcile changes in profit/(loss) for the period to net cash flows:			
Bond interest expense(1)	11	43,131,559	37,383,427
Bond interest paid(1)	11	(32,400,000)	(32,400,000)
Net (gain)/loss on currency translation of the Bonds(1)	11	96,990,518	(16,476,227)
(Increase)/decrease in operating assets:			
Due from brokers		(113,790,892)	(369,790,904)
Trade and other receivables		14,916,434	(6,985,761)
Investments in securities	4,5	(1,423,825,733)	(192,021,380)
Derivative financial instruments	4,5	(579,809,382)	271,823,319
Increase/(decrease) in operating liabilities:			
Due to brokers		413,700,000	(256,070,000)
Trade and other payables		143,264,730	(186,401,051)
Deferred tax expense payable	12	(29,785,627)	(56,997,531)
Derivative financial instruments	4,5	—	198,970,083
Net cash provided by/(used in) operating activities		**450,027,065**	**41,367,373**
Cash flows from financing activities			
Purchase of Public Shares	6	(155,298,188)	(73,148,640)
Dividend distributions	6	(59,536,001)	(53,583,340)
Proceeds from issuance of Bonds	11	738,983,723	—
Expenses relating to issuance of Bonds	11	(7,194,244)	—
Net cash provided by/(used in) financing activities		**516,955,290**	**(126,731,980)**
Net change in cash and cash equivalents		966,982,355	(85,364,607)
Cash and cash equivalents at beginning of period		436,520,113	1,928,920,630
Cash and cash equivalents at end of period		**$ 1,403,502,468**	**$ 1,843,556,023**
Supplemental disclosure of cash flow information			
Cash paid during the period for interest		$ 33,409,695	$ 35,612,552
Cash received during the period for interest		$ 13,243,987	$ 47,587,990
Cash received during the period for dividends		$ 70,130,179	$ 69,593,550
Cash deducted during the period for withholding taxes		$ 15,665,401	$ 13,083,399

(1) In accordance with the amendments to IAS 7, the Company's changes in liabilities arising from financing activities 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 (www.pershingsquareholdings.com).

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

Investment Policy

Please refer to "Investment Policy" in the Report of the Directors in the 2024 Annual Report for the Investment Policy of the Company.

Bonds

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

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

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

On April 29, 2025, the Company issued €650 million of Senior Notes at 99.890% of par with a coupon rate of 4.25%, maturing on April 29, 2030 (the "2030 EUR Bonds" and collectively with the 2027 EUR Bonds, 2030 USD Bonds, 2031 USD Bonds, 2032 USD Bonds and 2039 USD Bonds, the "Bonds").

The Bonds rank equally in right of payment and contain substantially the same covenants. The Bonds' coupons are paid semi-annually, with the exception of the 2027 EUR Bonds and 2030 EUR Bonds, which are paid annually. The Bonds are listed on Euronext Dublin under the symbol of PSHNA.

Investment Manager

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

PSCM completed an internal reorganization of its ownership structure in July 2024. As a result of the reorganization, PSCM and its general partner are indirectly controlled by PS Holdco GP Managing Member, LLC, a Delaware limited liability company controlled by senior management of PSCM, including William A. Ackman as the largest owner. The reorganization resulted in a deemed assignment of the Company's IMA for purposes of the U.S. Investment Advisers Act of 1940, which was approved by the Board of Directors in accordance with the terms of the IMA and the Company's Articles of Incorporation. The reorganization did not have any effect on PSCM's management team or PSCM's role in managing the Company, and PSCM's obligations under the IMA are unchanged by the reorganization.

Board of Directors

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

Jean-Baptiste Wautier was elected at the 2025 Annual General Meeting of the Company (the "2025 AGM") as a new Director. Bronwyn Curtis and Tope Lawani retired as Directors at the 2025 AGM, having served since 2018 and 2021, respectively.

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

Committees of the Board

The Board has established an Audit Committee, a Management Engagement Committee, a Remuneration Committee, a Risk Committee and a Nomination Committee. Ms. Coussin is a member of the Risk and Nomination Committees. The other committees are comprised solely of independent Directors of the Company who are not affiliated with the Investment Manager. Further 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 LSE in USD and Sterling. The Company's Public Shares also traded on Euronext Amsterdam until they were delisted from the exchange on January 31, 2025 at the Company's request.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Preparation

The unaudited condensed interim financial statements of the Company for the six months ended June 30, 2025 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, 2024. 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, 2024.

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

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, 2024. 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 2025 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

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

As of		June 30, 2025		December 31, 2024
Financial assets				
Investments in securities	$	16,538,431,985	$	15,114,606,252
Derivative financial instruments		631,189,726		51,380,344
Financial assets at fair value through profit or loss	**$**	**17,169,621,711**	**$**	**15,165,986,596**

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

For the six-month period ended June 30	2025			2024		
	Realized	Unrealized	Total Gains/(Losses)	Realized	Unrealized	Total Gains/(Losses)
Investments in securities (assets)	$ 664,886,208	$ 1,932,917,074	$ **2,597,803,282**	$ 838,530,917	$ 274,029,684	$ **1,112,560,601**
Derivative financial instruments	(409,930,076)	247,726,810	**(162,203,266)**	(115,404,403)	(267,436,917)	**(382,841,320)**
Net changes in fair value	$ 254,956,132	$ 2,180,643,884	$ **2,435,600,016**	$ 723,126,514	$ 6,592,767	$ **729,719,281**

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 the following:

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

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

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

Recurring Fair Value Measurement of Assets and Liabilities

(in thousands)

As of	June 30, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Equity Securities:								
Common Stock	$ 16,339,260	$ —	$ —	$ 16,339,260	$ 14,944,693	$ —	$ —	$ 14,944,693
Preferred Stock	160,652	—	—	160,652	132,374	—	—	132,374
Investment in Affiliated Entities	—	—	38,520 (1)	38,520	—	—	37,540 (1)	37,540
Derivative Contracts:								
Currency Forwards	—	—	—	—	—	51,380 (2)	—	51,380
Equity Options	—	513,106 (2)	—	513,106	—	—	—	—
Equity Swaps	—	118,084 (3)	—	118,084	—	—	—	—
Forward Purchase Agreement(4)	—	—	—	—	—	—	—	—
Total	**$ 16,499,912**	**$ 631,190**	**$ 38,520**	**$ 17,169,622**	**$ 15,077,067**	**$ 51,380**	**$ 37,540**	**$ 15,165,987**

(1) Figure relates to the Company's investment in Pershing Square SPARC Sponsor LLC ("SPARC Sponsor"), the sponsor entity of Pershing Square SPARC Holdings, Ltd. ("SPARC"). Refer to Note 9 for further details.

(2) OTC equity options 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.

(3) Equity swaps 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.

(4) Refers to the Company's investment in the SPARC Committed Forward Purchase Agreement. Refer to Note 9 for further details.

The Company's cash and cash equivalents and short-term receivables and payables are recorded at carrying value which approximates fair value. The Bonds, which are not included in the table of Recurring Fair Value Measurement of Assets and Liabilities, are classified as Level 1 financial liabilities and the fair values of the Bonds are discussed further in Note 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. IFRS does not permit adjustments to the fair value of these investments to account for a potential sale at a discount to quoted market price.

The Directors have considered the impact of climate change on the valuation of the Company's investments. In line with IFRS the Company's investments are valued at fair value, which for substantially all of the Company's investments are, or incorporate, quoted prices for investments in active markets at June 30, 2025 and December 31, 2024 and therefore reflect market participants' view of climate change risk. Climate change risk does not have a material impact on the value of the Company's other investments.

Level 3 Transfers

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

Level 3 Reconciliation

Level 3 investments are fair valued using valuation methodologies determined by the Investment Manager. In applying its valuation methods, the Investment Manager utilizes information including, but not limited to the following: amount and timing of cash flows, probability assessments, volatility of the underlying securities' stock price, comparable transaction data, dividend yields and/or interest rates. The Investment Manager engaged an independent third-party valuation firm to conduct valuations of the SPARC Committed FPA and of the SPARC Sponsor Shares and the SPARC Sponsor Warrants held by SPARC Sponsor (each as disclosed in Note 9). The independent third-party valuation firm provided the Investment Manager with a written report documenting their recommended valuations as of the determination date.

The following table summarizes the change in the carrying amounts associated with Level 3 investments for the six-month period ended June 30, 2025 and the year ended December 31, 2024.

	SPARC Sponsor	SPARC Committed FPA	Total
Balance at December 31, 2024	$ 37,540,131	$ —	$ 37,540,131
Funding for Sponsor Expenses	6,477	—	6,477
Net gain/(loss)	973,631	—	973,631
Balance at June 30, 2025	**$ 38,520,239**	**$ –**	**$ 38,520,239**

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

As a result of changes in the fair value of the SPARC Sponsor Warrants, the Company had net gains of $973,631 and $2,161,238 from Level 3 securities for the six-month period ended June 30, 2025 and the year ended December 31, 2024, respectively. The fair value of the SPARC Sponsor Shares and the SPARC Committed FPA remained constant.

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

Quantitative Information of Significant Unobservable Inputs – Level 3

The quantitative information about the significant unobservable inputs used in the fair value measurement by the Company for Level 3 investments as of June 30, 2025 and December 31, 2024 are listed below.

SPARC Sponsor

Description	June 30, 2025	December 31, 2024
Volatility	25.0%	25.0%
Probability of Not Completing a Deal	30.0%	30.0%
Expected Time to Complete a Deal	4.1 Years	4.4 Years
Probability of Warrant Renegotiation	30.0%	30.0%
Estimated Target Equity Value	$4.5 billion	$4.5 billion

The SPARC Sponsor Warrants held through the Company's investment in SPARC Sponsor are valued using a Black-Scholes option pricing model, with the following significant unobservable inputs: (i) Volatility, (ii) Probability of Not Completing a Deal, (iii) Expected Time to Complete a Deal, (iv) Probability of Warrant Renegotiation and (v) Estimated Target Equity Value. The Volatility reflects the anticipated implied volatility of the potential target company from SPARC's business combination over the SPARC Sponsor Warrants' 10-year term. The Probability of Not Completing a Deal reflects a discount relating to SPARC's deadline to complete its business combination prior to the expiration of its term. The Expected Time to Complete a Deal considers SPARC's timeframe to consummate a business combination with all necessary shareholder and board approvals to be the midpoint of the remaining time until the 10-year deadline. The Probability of Warrant Renegotiation is a discount based on the probability that the SPARC Sponsor Warrants will be restructured at the time of SPARC's business combination. The discount is representative of the average restructuring of the sponsor incentive and founder stock forfeitures in completed blank check company transactions. The Estimated Target Equity Value is the SPARC's assumption of the total equity capital of the entity following its business combination. This assumption factors in SPARC's available capital at the time of the deal which is the estimated proceeds from the exercise of the subscription warrants and the forward purchase agreements, and applies a multiplier to SPARC's available capital based on its observation of the median multiple between historical blank check companies' available capital and the equity value of their eventual merger targets.

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

SPARC Committed FPA

As described in more detail in Note 9, the Company, Pershing Square, L.P. ("PSLP") and Pershing Square International, Ltd. ("PSINTL" and together with PSLP and the Company, the "Pershing Square Funds"), entered into the SPARC Committed FPA, obligating them to purchase at least $250 million and up to $1 billion of SPARC Public Shares, determined by the Final Exercise Price (as defined in Note 9). The fair value of the SPARC Committed FPA is mainly driven by SPARC's ability to execute on a business combination that is value-additive, meaning the intrinsic value exceeds the Final Exercise Price. After reviewing independent studies of value creation in business transactions, the valuation agent determined that there was no expected incremental value creation in a SPARC transaction. Based on this determination, the Final Exercise Price and the intrinsic value of the business combination would be equal, leaving all other unobservable inputs irrelevant to the fair value. This analysis will likely remain unchanged until SPARC's subscription warrants are quoted on the OTCQX marketplace of the OTC Markets Group, which will not occur until after a business combination is announced.

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

The sensitivity analysis calculates the effect of a reasonably possible change of each significant unobservable input and its effect on the fair value with all other variables held constant as of June 30, 2025 and December 31, 2024.

As of June 30, 2025	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
SPARC Sponsor Warrants					
Volatility	25.0%	5%	$ 4,067,901	5%	$ (4,077,582)
Probability of Not Completing a Deal	30.0%	5%	$ (2,566,809)	5%	$ 2,566,809
Expected Time to Complete a Deal	4.1 Years	1 Year	$ (1,319,809)	1 Year	$ 1,370,129
Probability of Warrant Renegotiation	30.0%	5%	$ (2,566,809)	5%	$ 2,566,809
Estimated Target Equity Value	$4.5 billion	5%	$ 1,796,766	5%	$ (1,796,766)
SPARC Sponsor Shares					
Probability of Not Completing a Deal	30.0%	5%	$ (184,637)	5%	$ 184,637

As of December 31, 2024	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
SPARC Sponsor Warrants					
Volatility	25.0%	5%	$ 3,892,649	5%	$ (3,894,781)
Probability of Not Completing a Deal	30.0%	5%	$ (2,496,802)	5%	$ 2,496,802
Expected Time to Complete a Deal	4.4 Years	1 Year	$ (1,486,491)	1 Year	$ 1,552,511
Probability of Warrant Renegotiation	30.0%	5%	$ (2,496,802)	5%	$ 2,496,802
Estimated Target Equity Value	$4.5 billion	5%	$ 1,747,760	5%	$ (1,747,760)
SPARC Sponsor Shares					
Probability of Not Completing a Deal	30.0%	5%	$ (184,637)	5%	$ 184,637

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 179,929,593 Public Shares (December 31, 2024: 182,956,010) and the Special Voting Share (December 31, 2024: 1) outstanding as of June 30, 2025. The Company also held 31,027,157 Public Shares in Treasury (December 31, 2024: 28,000,740) for a total of 210,956,750 Public Shares in issue as of June 30, 2025 and December 31, 2024.

The Company's Articles of Incorporation, in accordance with the UK Listing Rules, incorporate pre-emption rights in favor of existing shareholders on the issue or sale from treasury of new equity securities for cash (or to issue any rights to subscribe for or convert equity securities into ordinary shares of the Company). At the 2025 AGM, the Company proposed and shareholders passed a special resolution to approve the disapplication of the pre-emption rights contained in the Articles of Incorporation so that the Board has the authority to allot and issue (or sell from treasury) up to 18,028,400 Public Shares (equal to 10% of Public Shares outstanding as at the latest practicable date prior to the date of publication of the 2025 Notice of the Annual General Meeting). Such disapplication for issuances of 10% or less of outstanding equity is commonly requested by issuers listed on the LSE. The Company intends to propose the same special resolution at the 2026 Annual General Meeting.

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

Lock-up

In connection with the Company's IPO, Mr. Ackman and selected partners of the Investment Manager each entered into a lock-up arrangement with the Company (the "Lock-Up Deed") whereby their aggregate Management Shares held at the time of the IPO were 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 were authorized to be transferred to affiliates, provided that the transferee agreed to be subject to the remaining lock-up period. On August 9, 2018, the Company amended the Lock-Up Deed to clarify that parties subject to the Lock-Up Deed could sell the specific Management Shares they held at the time of the IPO, so long as they continued to hold at least as many Management Shares in the aggregate as they held at the time of the IPO (or, if the Management Shares have been converted to Public Shares, so long as they held at least as many Public Shares as such Management Shares were converted into). Following the conversion of all Management Shares into Public Shares on December 31, 2020, 7,950,974 Public Shares were subject to the Lock-Up Deed until it expired on October 1, 2024.

Voting Rights

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

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

Specified Matters

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

Distributions

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

The Company's quarterly dividend is determined by multiplying the average NAV per Public Share of all trading days in December of the prior year by 0.25%, subject to a cap on the total dividends paid for the year of 125% of the average of the total dividends paid in each of the previous three years. Once the dividend is set for a specific year, the Company does not intend to decrease the dividend in future years, even if the NAV per Public Share were to decline. The quarterly dividend per Public Share for 2024 and 2025 is as follows:

Year	Announcement Date	Quarterly Dividend Amount
2024	January 11, 2024	$0.1456
2025	January 20, 2025	$0.1646

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

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, 2025, the Company paid dividends of $59,536,001, a higher amount than it paid in the six-month period ended June 30, 2024 of $53,583,340 due to an increase in the quarterly dividend in 2025.

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 2025 AGM, shareholders renewed the Company's authority to engage in share buybacks up to a maximum of 14.99% of the Public Shares then outstanding.

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

The Company announced share buyback programs in November and December of 2024 on the LSE and Euronext Amsterdam (the "2024 Share Buyback Programs"), each of $100 million or for up to 5 million of the Company's outstanding Public Shares. The Company completed the 2024 Share Buyback Programs on April 4, 2025, repurchasing a total of 3,967,758 shares for $200 million at an average discount of 30.4%.

The Company announced a share buyback program in June of 2025 on the LSE (the "2025 Share Buyback Program") of $200 million or for up to 10 million of the Company's outstanding Public Shares. As of June 30, 2025 , 105,017 shares have been repurchased for $6 million at an average discount of 34.2%, representing 3% of the 2025 Share Buyback Program.

From the Company's first buyback program in May 2017 through June 30, 2025, including the Company's May 2018 tender offer, the Company has repurchased a total of 70,025,528 Public Shares for $1.6 billion at an average discount of 29.4%.

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

The Public Shares, Special Voting Share and Treasury Shares transactions for the six-month period ended June 30, 2025 and year ended December 31, 2024 were as follows:

	Public Shares	Special Voting Share	Treasury Shares
As of December 31, 2023	**185,461,146**	**1**	**25,495,604**
Share Buybacks	(2,505,136)	—	2,505,136
As of December 31, 2024	**182,956,010**	**1**	**28,000,740**
Share Buybacks	(3,026,417)	—	3,026,417
As of June 30, 2025	**179,929,593**	**1**	**31,027,157**

7. COMMITMENTS AND CONTINGENCIES

As of June 30, 2025 and December 31, 2024, the Company had a commitment relating to the SPARC Committed FPA as described on page 46 of Note 9. No other commitments or contingencies existed as of as of June 30, 2025 and December 31, 2024.

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.

In connection with the purchase of 9 million shares of Howard Hughes Holdings, Inc. ("HHH") common stock by the Investment Manager's parent company, Pershing Square Holdco, L.P. ("Holdco," and together with the Investment Manager, "Pershing Square") on May 5, 2025, HHH entered into a Services Agreement with the Investment Manager (as described in Note 9). HHH will pay the Investment Manager a quarterly fee under the Services Agreement for investment advisory and other services. The Investment Manager will reduce the management fees payable by the Company to the Investment Manager by an amount equal to the fees payable to the Investment Manager by HHH that are attributable to the HHH common stock held by the Company (if any). For the six-month period ended June 30, 2025, the Investment Manager reduced management fees by $653,314.

For the six-month periods ended June 30, 2025 and June 30, 2024, the Investment Manager earned management fees from the Company of $95,092,821 and $93,302,970, respectively.

Performance Fee

On February 7, 2024, the Board approved amendments to the IMA's performance fee provisions. Prior to the amendment, the Company was entitled to receive a fee reduction of 20% of the performance fees earned by the Investment Manager from non-PSH funds that invest in public securities. However, PSH would not benefit from the potential fee reduction until the Investment Manager had first recovered $120 million of costs it incurred in connection with PSH's initial public offering in 2014. The amendment eliminated the Investment Manager's right to receive the outstanding unrecovered IPO costs (which had been reduced to $36 million as of the date of the amendment), and expanded the fee reduction to also include 20% of management fees earned from any non-PSH Pershing Square funds that invest in public securities and do not charge performance fees. As of June 30, 2025, there is no non-PSH fund that generates management fees and does not charge a performance fee.

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

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

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

For the six-month period ended June 30, 2025, the Investment Manager earned performance fees of $552,270 (June 30, 2024: $605,220) in connection with the payment of the quarterly dividend and accrued an annual performance fee of $368,581,856 June 30, 2024: $124,407,314) from the Company. For the six-month period ended June 30, 2025, the Company's crystallized performance fees were reduced by a Potential Reduction Amount of $11,009 (June 30, 2024: $16,498) and accrued performance fees were reduced by a Potential Reduction Amount of $6,367,129 (June 30, 2024: $3,499,699) as a result of performance fees and allocation earned/accrued on current non-PSH funds.

Performance 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.

Termination

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

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

9. RELATED-PARTY DISCLOSURES

PSH Ownership

During the six-month period ended June 30, 2025, no related-party transactions of PSH shares occurred. During the six-month period ended June 30, 2024, then-Director Nicholas Botta transferred 0.1 million Public Shares to an entity that he controls. The transfer did not result in a change of beneficial ownership or voting control of Public Shares.

As of June 30, 2025 and December 31, 2024, William Ackman, Halit Coussin, other PSCM affiliates and their respective affiliated entities had total net economic share ownership of approximately 27% of the Company.

Director's Fees

For the six-month period ended June 30, 2025, the Company's independent Directors' fees in relation to their services for the Company were $296,399 of which none were payable as of June 30, 2025. For the six-month period ended June 30, 2024, the Company's independent Directors' fees in relation to their services for the Company were $295,507 of which none were payable as of June 30, 2024.

Management and Performance Fees

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

Howard Hughes Holdings Inc.

On May 5, 2025, Pershing Square announced an agreement with HHH to acquire 9 million newly issued HHH shares for $900 million. Following the transaction, Pershing Square and its affiliates collectively own 46.9% of HHH's outstanding shares, including a 27.8% stake held by the Company. Pershing Square has agreed to cap its voting power at 40% and its beneficial or economic ownership at 47% on a fully diluted basis.

As part of the terms of the transaction, HHH reimbursed Pershing Square for $25 million of its out-of-pocket costs, fees, and expenses incurred in connection with the negotiation and execution of the transaction.

William Ackman was appointed the executive chairman of HHH's board of directors. Ryan Israel, Pershing Square's Chief Investment Officer, was named HHH's Chief Investment Officer, a newly created role, and also joined the HHH board. Ben Hakim, Pershing Square's President, continued in his role as a non-executive director. Jean-Baptiste Wautier was appointed to the HHH board as a new independent director.

Pershing Square has the right to nominate a number of directors equal to 25% of the total number of HHH board members as long as it holds at least 17.5% of the fully diluted HHH shares; if Pershing Square holds less than 17.5% but at least 10% of the fully diluted HHH shares it has the right to nominate at least 10% of the total number of HHH board members; and if Pershing Square holds less than 10% of the fully diluted HHH shares it will no longer have the right to nominate directors.

HHH entered into a Services Agreement with the Investment Manager in connection with the transaction pursuant to which the Investment Manager will provide investment, advisory, and other ancillary services including corporate development, transaction execution and capital markets services. The Investment Manager will also assist HHH in identifying and hedging macro-related risks. HHH will pay the Investment Manager a quarterly base fee of $3.75 million (adjusted annually for inflation), plus a quarterly variable fee equal to 0.375% of the increase in the quarter-end stock price of the common stock of HHH over a reference price of $66.1453, multiplied by a reference share count of 59,393,938 shares (based on the shares outstanding post-transaction). The reference price is adjusted annually for inflation and may also be equitably adjusted for any dividend, stock split, "spin-off" transaction or other capital reorganization of HHH with similar effect. The reference share count is only subject to adjustment in the event of stock splits, reverse stock splits or other capital reorganization, reclassification or adjustment with similar effect and will not be adjusted for future HHH share issuances for raising capital, acquisitions or employee compensation. HHH will not provide any additional fees, cash compensation, or equity incentives to Pershing Square or its personnel.

The Investment Manager will reduce the management fees paid by the Company to reflect the aggregate of the base and variable fees paid by HHH that are attributable to the HHH common stock held by the Company as described in Note 8.

Seaport Entertainment Group Inc.

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

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

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

SEG commenced the Rights Offering on September 23, 2024. The Pershing Square Funds exercised their full basic subscription rights and their Over-Subscription Right, which resulted in the Pershing Square Funds receiving a total of 2,929,107 shares of SEG common stock, of which the Company received 2,566,587 shares. Due to the outsized demand for the Rights Offering, the Pershing Square Funds did not receive any additional shares through the Standby Purchase Agreement.

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, 2025 and December 31, 2024, the Company and its affiliates beneficially owned greater than 10% of the outstanding common equity securities of HHH, SEG and SPARC.

Ben Hakim was elected as a non-executive director of HHH and William Ackman retired as the chairman of the HHH board of directors at the HHH annual general meeting on May 23, 2024. In connection with Pershing Square's purchase of HHH shares described in Note 9, on May 5, 2025 William Ackman rejoined the HHH board as executive chairman and Ryan Israel became HHH's Chief Investment Officer and joined the HHH board.

On July 31, 2024, Anthony Massaro, a member of the PSCM investment team, joined the board of SEG as a non-executive director.

William Ackman served as a non-executive director of Universal Music Group N.V. ("UMG") until his resignation at UMG's annual general meeting on May 14, 2025.

Associates

As of June 30, 2025 and December 31, 2024, HHH and SEG were deemed to be associates of the Company under IFRS 12 due to the significant beneficial ownership of HHH and SEG by the Company.

As of June 30, 2025	**HHH**	**SEG**
Nature of the relationship with the Company	Portfolio Company	Portfolio Company
Principal place of business	United States	United States
Beneficial ownership	27.8%	34.7%
Fair value of the investment	$ 1,115,020,215	$ 82,097,505

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

Pershing Square SPARC Holdings, Ltd.

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

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

Pershing Square SPARC Sponsor, LLC

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

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

For the six-month period ended June 30, 2025, the Pershing Square Funds made capital contributions of $7,370 to SPARC Sponsor to pay for its expenses, of which the Company paid $6,477. For the six-month period ended June 30, 2024, no capital contributions were made by the Pershing Square Funds to SPARC Sponsor to pay for its expenses.

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

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

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

As of June 30, 2025 and December 31, 2024, the Company had an economic ownership of 88% of SPARC Sponsor. Refer to Note 5 for the fair market value associated with SPARC Sponsor as of June 30, 2025 and December 31, 2024.

SPARC Forward Purchase Agreement

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

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

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

The Pershing Square Funds' obligation under the SPARC Committed FPA is contingent upon SPARC's ability to consummate a business combination within its 10-year term, which expires on September 30, 2033.

Refer to Note 5 for the fair market value associated with the Company's investment in the SPARC Committed FPA as of June 30, 2025 and December 31, 2024.

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 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 (the "Advisers Act"), 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 six-month periods ended June 30, 2025 and June 30, 2024.

PS VII Master, L.P.

PS VII Master, L.P. ("PS VII Master"), an affiliated investment fund that commenced operations on August 9, 2021, operated as a co-investment vehicle invested primarily in securities of UMG. The Company held an investment in PS VII Master from its inception until the fund ceased operations on December 31, 2024 (the "Cessation Date").

In connection with the wind-down of the fund, PSVII Master's general partner elected to distribute each limited partner's pro-rata share of UMG stock and cash, subject to a 1% holdback. Immediately prior to the Cessation Date, the Company held a 28% economic interest in PS VII Master. PS VII Master distributed to the Company 10,624,789 shares of UMG, valued at $272,060,600 as of the Cessation Date, along with $10,601,403 in cash. The Company was not subject to any management or performance fees in connection with its investment in PS VII Master.

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 180,876,432 and 1, respectively for the six-month period ended June 30, 2025, and 184,145,169 and 1, respectively for the six-month period ended June 30, 2024. Accretion from share buybacks is not included in the calculation of EPS. The Company's share buybacks provided accretion to the Public Shares of $0.37 and $0.15 per share during the six-month periods ended June 30, 2025 and June 30, 2024, respectively.

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 EUR Bonds	October 1, 2021	€	500,000,000	99.869%	1.375%	Annual	October 1, 2027
2030 EUR Bonds	April 29, 2025	€	650,000,000	99.890%	4.250%	Annual	April 29, 2030
2030 USD Bonds	November 2, 2020	$	500,000,000	100%	3.250%	Semi-Annual	November 15, 2030
2031 USD Bonds	October 1, 2021	$	700,000,000	99.670%	3.250%	Semi-Annual	October 1, 2031
2032 USD Bonds	August 26, 2020	$	200,000,000	100%	3.000%	Semi-Annual	July 15, 2032
2039 USD Bonds	July 25, 2019	$	400,000,000	100%	4.950%	Semi-Annual	July 15, 2039

The Company generally uses 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.

The Bonds rank equally in right of payment with each other and contain substantially the same covenants. Each of the 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 Bonds is as follows:

Bond	Par Call Date
2027 EUR Bonds	August 1, 2027
2030 EUR Bonds	March 29, 2030
2030 USD Bonds	August 15, 2030
2031 USD Bonds	July 1, 2031
2032 USD Bonds	July 15, 2030
2039 USD 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, 2025 and December 31, 2024 is summarized in the table below:

As of	June 30, 2025	December 31, 2024
2027 EUR Bonds	$ 564,479,530	$ 486,393,726
2030 EUR Bonds	773,163,385	—
2030 USD Bonds	453,855,000	432,975,000
2031 USD Bonds	616,364,000	579,719,000
2032 USD Bonds	163,018,000	150,078,000
2039 USD Bonds	340,504,000	330,424,000
Total Fair Value	**$ 2,911,383,915**	**$ 1,979,589,726**

In accordance with IFRS 9, the Bonds' carrying value on the statement of financial position as of June 30, 2025 (unaudited condensed interim statement) and December 31, 2024, is $3,159,222,273 and $2,320,801,301, respectively. The carrying value includes the original issue discount and capitalized transaction costs, which are amortized over the life of the Bonds using the effective interest method.

For the six month period ended June 30, 2025	
At December 31, 2024	**$ 2,320,801,301**
2030 EUR Bonds issued	739,797,500
2030 EUR Bonds issue costs	(8,280,454)
2030 EUR Bonds original issue discount	(813,777)
Unrealized currency (gain)/loss on translation	96,986,144
Finance costs	43,131,559
Bonds coupon payments	(32,400,000)
At June 30, 2025	**$ 3,159,222,273**
Finance costs for the period:	
Bonds coupon expense	$ 41,331,690
Amortization of Bonds issue costs incurred as finance costs	1,598,320
Amortization of Bonds original issue discount incurred as finance costs	201,549
	$ 43,131,559

For the year ended December 31, 2024	
At December 31, 2023	**$ 2,351,915,264**
Unrealized currency (gain)/loss on translation	(33,706,191)
Finance costs	75,087,943
Bonds coupon payments	(72,495,715)
At December 31, 2024	**$ 2,320,801,301**
Finance costs for the year:	
Bonds coupon expense	$ 72,106,453
Amortization of Bonds issue costs incurred as finance costs	2,632,775
Amortization of Bonds original issue discount incurred as finance costs	348,715
	$ 75,087,943

12. DEFERRED TAX EXPENSE

As a foreign corporation holding a beneficial ownership in a U.S. real property interest, the Company will be subject to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") income tax withholding upon disposition of such investment. Foreign corporations purchasing U.S. real property interests are required to pay the U.S. corporate tax rate (currently 21%) on the gains realized upon disposition. The Company's investments in HHH and SEG are classified as U.S. real property interests. To accrue for this potential withholding, the Company assesses an expense equal to 21% of the unrealized gains on the stock of HHH and SEG.

As the stock prices of HHH and SEG declined for the six-month period ended June 30, 2025, deferred tax expense had a positive impact on the unaudited condensed interim statement of comprehensive income in the amount of $29,785,628. As the stock price of HHH declined for the six-month period ended June 30, 2024, deferred tax expense had a positive impact on the unaudited condensed interim statement of comprehensive income in the amount of $56,997,532.

The deferred tax expense payable on the statement of financial position as of June 30, 2025 (unaudited condensed interim statement) and December 31, 2024, was $38,099,568 and $67,885,195, respectively.

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 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

Bilge Ogut was appointed as a non-executive Director on August 5, 2025.

Adjusting Subsequent Events

The Company did not have any subsequent events after the reporting period requiring adjustments to the Financial Statements.

Disclosures

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 S&P 500 Total Return Index ("index") has been selected for purposes of comparing the performance of an investment in the Company or PSLP, as applicable, with a well-known, broad-based equity benchmark. The statistical data regarding the index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses to which the Pershing Square Funds are subject. The Pershing Square Funds are not restricted to investing in those securities which comprise this index, their performance may or may not correlate to this index and they should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Pershing Square Funds' portfolios. The S&P 500 is comprised of a representative sample of 500 U.S. large cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poor's. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, are registered trademarks of Standard & Poor's Financial Services LLC. © 2025 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.

iii. The Company's share price performance is calculated based on the Company's Public Shares listed on the LSE in USD and includes dividend reinvestment. Over the same periods, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling increased by 0.6% and 10.4%, respectively.

iv. The Company's share price performance is calculated based on the Company's Public Shares listed on the LSE in USD and includes dividend reinvestment. Over the same period, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling increased by 17.0%.

v. Discount to NAV is calculated based on the Company's Public Shares listed on the LSE in USD. Over the same periods, the discount to NAV of Public Shares listed on the LSE in Sterling widened from 31.5% to 34.7% and has since narrowed to 31.1%.

ENDNOTES TO COMPANY OVERVIEW, COMPANY PERFORMANCE AND INVESTMENT MANAGER'S REPORT

1. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and accrued and/or crystallized performance allocation/fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance

due to these share buybacks is reflected in the returns herein. The Company's performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Where the Company's performance is presented with that of PSLP, performance results assume that an investor (i) has been invested in PSLP since inception and has participated in any "new issues," as such term is defined under Rules 5130 and 5131 of FINRA and (ii) invested in PSLP at its inception on January 1, 2004 and converted to PSH at its inception on December 31, 2012. Such performance information does not reflect either the performance of PSLP since its inception or PSH since its inception and no individual fund has actually achieved these results. The information is presented to illustrate how Pershing Square's core strategy has performed over a longer time horizon prior to the inception of the Company and is not necessarily, and does not purport to be, indicative, or a guarantee, of future results. This performance provided is calculated based on certain inputs and underlying assumptions, but not all considerations may be reflected therein and such performance is subject to various risks and inherent limitations that are not applicable to the presentation of the performance of either PSH or PSLP alone. Although Pershing Square believes the performance calculations described herein are based on reasonable assumptions, the use of different assumptions would produce different results. For example, depending on the timing of an individual investor's specific investment in the Company and/or PSLP, net performance for an individual investor may vary from the net performance as stated herein. The performance is also provided to you on the understanding that you will understand and accept the inherent limitations of such results, and will not rely on them in making any investment decision with respect to an investment with Pershing Square.

2. PSLP's net performance results are presented as it is the Pershing Square fund with the longest track record and substantially the same investment strategy to the Company. The inception date for PSLP is January 1, 2004. In 2004, Pershing Square earned a $1.5 million (approximately 3.9%) annual management fee and PSLP's general partner earned a performance allocation equal to 20% above a 6% hurdle from PSLP, in accordance with the terms of the limited partnership agreement of PSLP then in effect. That limited partnership agreement was later amended to provide for a 1.5% annual management fee and 20% performance allocation effective January 1, 2005. The net returns for PSLP presented herein reflect the different fee arrangements in 2004, and subsequently. In addition, pursuant to a separate agreement, in 2004 the sole unaffiliated limited partner of PSLP paid Pershing Square an additional $840,000 for overhead expenses in connection with services provided unrelated to PSLP, which have not been taken into account in determining PSLP's net returns. To the extent that such overhead expenses had been included as fund expenses of PSLP, net returns would have been lower.
3. Please refer to Endnote ii of the Chairman's Statement.
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. Please refer to Endnotes i and ii of the Chairman's Statement.
7. Returns are as of August 19, 2025. Please also refer to Endnote 1 and Endnote ii of the Chairman's Statement.

8. Stock price performance is as of August 19, 2025. Stock price performance reflects the Company's NAV performance prior to its IPO and the NAV performance of PSLP prior to the inception of the Company. The Company's share return is calculated based on PSH's Public Shares traded on Euronext Amsterdam until December 31, 2024 and Public Shares traded on the LSE in USD thereafter. Please also refer to Endnote 1.
9. Discount to NAV is calculated based on the Company's Public Shares listed on the LSE in USD. On the same date, the discount to NAV of Public Shares listed on the LSE in Sterling was 31.1%.
10. HHH stock appreciation is from the date of the rights offering through August 19, 2025.
11. The GGP investment was initiated by Pershing Square on November 13, 2008 for $0.34 per share (not including commission). Including dividends and the interest in the spinoffs of Howard Hughes Corporation and Rouse Properties, Inc., the value of the position was approximately $35 at the time of Pershing Square's exit from GGP on February 2, 2014. The Company purchased GGP on December 31, 2012. GGP is included to explain the history of the HHH investment and provide context for the spin-off of non-core HHH assets. There are significant differences between GGP and HHH, including with respect to their assets, macroeconomic conditions and capital structure. The investment performance of GGP is not an indication of the actual or future returns of the Company and there is no guarantee that the investment recommendations or decisions Pershing Square makes in the future will be profitable or will equal the investment performance of the positions discussed herein. Please see page 2 for the Company's performance.
12. All Pershing Square entities are limited to 40% of the total voting power of the outstanding shares of HHH common stock.
13. The Portfolio Update reflects Pershing Square's own views and opinions as a shareholder of the portfolio companies discussed therein and should not be taken to reflect the view or opinions of the board of directors of any portfolio company or that of any individual director.
14. The contributions and detractions to performance presented herein are based on gross returns which do not reflect the deduction of management fees and accrued/crystallized performance fees (if any). Inclusion of such fees and expenses would produce lower returns than presented here. In addition, at times, Pershing Square may engage in hedging transactions to seek to reduce risk in the portfolio, including investment specific hedges that do not relate to the underlying securities of an issuer in which the Company is invested. For each issuer, the gross returns reflected herein (i) include only returns on the investment in the underlying issuer and the hedge positions that directly relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and also purchased puts on Issuer A stock, the gross return reflects the profit/loss on the stock and the profit/loss on the put); (ii) do not reflect the cost/benefit of hedges that do not relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and short Issuer B stock, the profit/loss on the Issuer B stock is not included in the gross returns attributable to the investment in Issuer A); and (iii) do not reflect the cost/benefit of portfolio hedges. Performance with respect to currency hedging related to a specific issuer is included in the overall performance attribution of such issuer. The contributors and detractors to the gross returns presented herein are for illustrative purposes only. The securities on this list may not have been held by the Company for the entirety of the periods presented. All investments involve risk including the loss of principal. It should not be assumed that investments made in the future will be profitable or will equal the performance of the securities on this list. Past performance is not indicative of future results. Please refer to the net performance figures presented on page 2.

15. Total assets is defined as the Company's NAV (before accrued performance fees) as of April 15, 2025, the day Pershing Square finished accumulating its position in Hertz.
16. The average cost reflects the weighted average price paid per share for outright purchases of Hertz common stock and the weighted average per-share cost of the shares underlying the equity swaps acquired to establish the position, calculated from the first purchase until the date the position was publicly announced.
17. Current equity positions does not include positions under 2% of the Company's NAV (before accrued performance fees) unless there is a material update to the business of the portfolio company to report.
18. While the Pershing Square Funds often take an engaged posture with respect to certain investments, they will own, and in the past have owned, other investments, including passive investments and hedging-related positions. "Short Positions" includes options, credit default swaps and other instruments that provide short economic exposure. All trademarks are the property of their respective owners. It should not be assumed that any of the securities transactions or holdings discussed herein were or will prove to be profitable, or that the investment recommendations or decisions Pershing Square makes in the future will be profitable or will equal the investment performance of the securities discussed herein. Companies shown in this figure are meant to demonstrate Pershing Square's experience engaging with public companies and the types of industries in which the Pershing Square Funds invest, and were not selected based on past performance.

DISCLAIMERS

Limitations of Performance Data

Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. This report does not constitute a recommendation, an offer to sell or a solicitation of an offer to purchase any security or investment product. This report contains information and analyses relating to all publicly disclosed positions above 50 basis points in the Company's portfolio from January 1, 2025 to June 30, 2025. Pershing Square may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this report for any reason. Pershing Square hereby disclaims any duty to provide any updates or changes to the information contained here including, without limitation, the manner or type of any Pershing Square investment.

Forward-Looking Statements

This report also contains forward-looking statements, which reflect Pershing Square's views. These forward-looking statements can be identified by reference to words such as "believe", "expect", potential", "continue", "may", "will", "should", "seek", "approximately", "predict", "intend", "plan", "estimate", "anticipate" or other comparable words. These forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Should any assumptions underlying the forward-looking statements contained herein prove to be incorrect, the actual outcome or results may differ materially from outcomes or results projected in these statements. None of the Company, Pershing Square or any of their respective affiliates undertakes any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law or regulation.

Pershing Square Holdings, Ltd.
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