Pershing Square Holdings, Ltd.
Interim Report and Unaudited Condensed Interim Financial Statements
June 30, 2024

Pershing Square Holdings, Ltd.

2024 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) (NA:PSH) is an investment holding company structured as a closed-ended fund principally engaged in the business of acquiring and holding significant positions in a concentrated number of large capitalization companies. PSH's objective is to maximize its long-term compound annual rate of growth in intrinsic value per share.

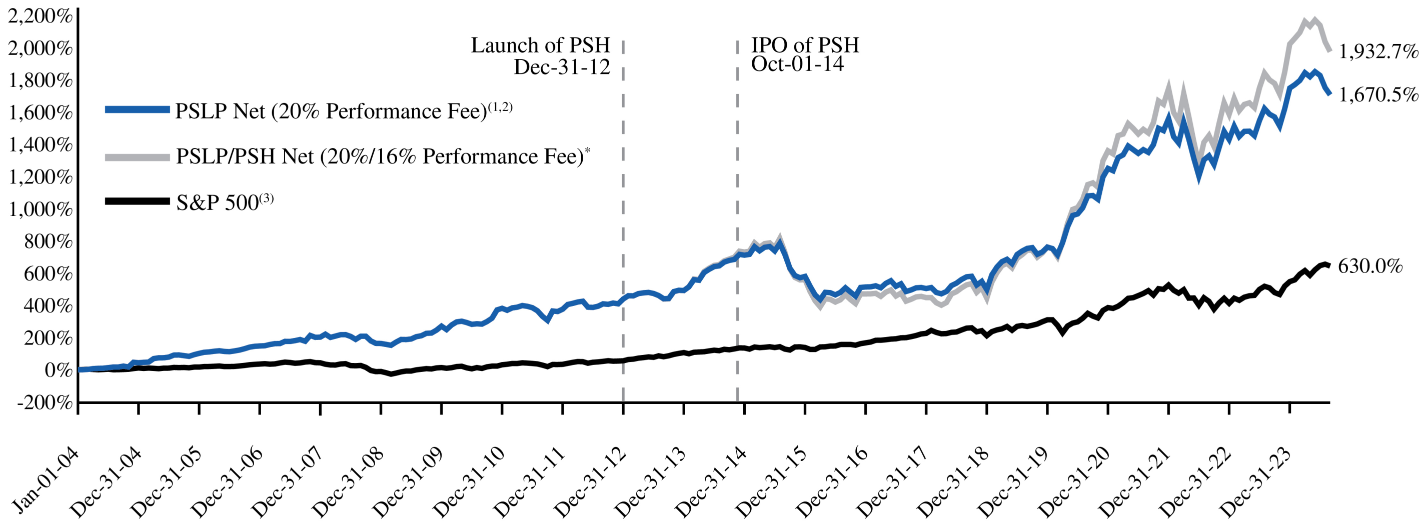
PSH was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It commenced operations on December 31, 2012 as a registered open-ended investment scheme, and on October 1, 2014 converted into a registered closed-ended investment scheme. Public Shares of PSH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

PSH has appointed Pershing Square Capital Management, L.P. ("PSCM," the "Investment Manager" or "Pershing Square"), as its investment manager. PSCM was founded by William A. Ackman on January 1, 2004. The Investment Manager has responsibility, subject to the overall supervision of the Board of Directors, for the investment of PSH's assets and liabilities in accordance with the investment policy of PSH set forth in the 2023 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 21 years, the investment strategy pursued by the Investment Manager has generated a 15.7% annualized net return and cumulative net returns of 1,932.7% for PSLP/PSH (as converted) compared to a 10.1% annualized net return and cumulative net returns of 630.0% 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 %
Six-month period ended June 30, 2024	5.7 %	4.3 %	15.3 %
Year-to-date through August 13, 2024	(2.3)%	(2.3)%	14.9 %
January 1, 2004–August 13, 2024[1,4]			
Cumulative (Since Inception)	1,932.7 %	1,670.5 %	630.0 %
Compound Annual Return	15.7 %	15.0 %	10.1 %
December 31, 2012–August 13, 2024[1,4]			
Cumulative (Since PSH Inception)	283.4 %	234.0 %	373.0 %
Compound Annual Return	12.3 %	10.9 %	14.3 %

* 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 44. 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 44-47.

Chairman's Statement

INTRODUCTION

It has been a privilege to serve as a member of the PSH Board since 2021 and I am pleased to be writing to you now for the first time as Chairman.

For much of the first half of 2024, global equity markets marched higher despite continued concern around central banks' ability to tame inflation and significant geopolitical uncertainty. In recent weeks, questions as to whether the global economy may be weakening have reemerged which has caused a significant pullback in global markets. The Board remains confident in the Investment Manager's ability to navigate these uncertain times in order to deliver long-term shareholder value.

The Investment Manager pursues a long-term investment strategy and invests in businesses that it expects to perform well over time and through various macroeconomic cycles. With this time horizon, the Investment Manager makes investment decisions based on companies' fundamentals and long-term outlook rather than over-reacting to short-term stock price fluctuations.

Each of PSH's portfolio companies has continued to make good business progress during the first half of the year and their intrinsic values remain sound. Subsequent underperformance in NAV relative to the S&P 500 Index was driven primarily by a significant decline in the stock price of PSH's largest holding, Universal Music Group. The Investment Manager discusses this investment along with the performance of the entire portfolio in more detail in the Investment Manager's Report.

INVESTMENT PERFORMANCE

For the first half of 2024 and year-to-date through August 13, 2024, the Company's NAV per share, including dividends, increased by 5.7% and decreased by 2.3% respectively,[i] and the Company's share price increased by 14.7% and decreased by 2.9%, respectively.[ii] The S&P 500 increased by 15.3% and 14.9% over the same period.[iii]

PSH's compound annual return over the past five years to June 30, 2024, has been strong with a NAV return of 23.2% (PSH's share price 26.5%, S&P 500 15.0%) during that period.[iv]

PORTFOLIO CHANGES

Volatile markets can present opportunities for the Investment Manager to deploy capital at attractive valuations and the Board was pleased to see continued robust idea generation from the Investment Manager translate into new investments in PSH's portfolio this year. In May 2024, the Investment Manager disclosed on its first quarter conference call that it has initiated two investments which have now been disclosed as Nike and Brookfield Corp.

CORPORATE ACTIONS

On June 3, 2024, the Investment Manager announced that it completed a sale to strategic investors of a 10% common equity interest in Pershing Square Holdco, L.P., a newly formed limited partnership that owns 100% of the Investment Manager. The Board was supportive of this transaction which it believed would not impact the Investment Manager's team, its role in managing PSH, or the Investment Manager's obligations under the Investment Management Agreement.

DISCOUNT TO NAV

The Board pays close attention to the discount to NAV at which PSH's Public Shares trade. During the first half of the year, the discount narrowed from 28.7% to 22.7%,[v] which the Board attributes to our continued robust marketing efforts to potential new investors as well as a recognition by shareholders that the Investment Manager is committed to reducing the fees that PSH pays over time. The Board notes that the discount widened again after the end of the period and continues to monitor the situation closely.

As discussed in the 2023 Annual Report, this past February the Board disclosed that it approved amendments to the Variable Performance Fee provisions in PSH's Investment Management Agreement that could reduce the performance fees paid by PSH. In conjunction with that announcement, the Investment Manager discussed plans to launch new investment funds. On July 9, 2024, the Investment Manager launched a roadshow for the initial public offering of the common shares of beneficial interest of Pershing Square USA, Ltd. ("PSUS"), the Investment Manager's new investment holding company that was to be listed on the New York Stock Exchange. On July 31, 2024, the Investment Manager withdrew the PSUS IPO noting that it had decided to reevaluate PSUS's structure in the light of investor feedback.

The Board continues to believe that the introduction of additional funds managed by the Investment Manager will be a positive catalyst to narrow the discount to NAV at which PSH shares currently trade.

SHAREHOLDER ENGAGEMENT

Since joining the Board in 2021, I have had the pleasure of meeting a number of shareholders at our Annual Investor Meeting in London. As Chairman, I look forward to meeting many more of you in the years to come. I will write to you again in our 2024 Annual Report and in the meantime, the Investment Manager will keep you informed of any significant developments in the portfolio.

/s/ Rupert Morley
Rupert Morley
Chairman of the Board
August 15, 2024

Investment Manager's Report

LETTER TO SHAREHOLDERS[5]

To the Shareholders of Pershing Square Holdings, Ltd.:

2024 has been a productive year for Pershing Square despite PSH's modest negative performance year-to-date through August 13, 2024. Our core portfolio companies continue to generate strong business performance, which we expect over time to be reflected in their long-term stock price performance. We summarize their progress in our **Portfolio Update** which follows on page 8.

The Current Stock Market Environment

The stock market has increasingly been characterized by a growing percentage of the market capitalization of companies being held by effectively permanent owners, principally index funds. We believe that the growing index ownership as a percentage of stock market float has increased the impact that short-term, highly leveraged investors can have on price discovery as they now comprise a growing percentage of the market cap and daily trading of companies, and are important marginal buyers and sellers of a security. These shorter-term investors – which include so-called market-neutral and quantitative funds – use large amounts of margin, derivative, and total return swap leverage in their strategies. As highly leveraged market participants, these investors' tolerance for mark-to-market losses is small, which contributes to stock price volatility as they can become effectively forced sellers when companies disappoint, even in the short term.

Equity markets have exhibited an enormous amount of single-name stock price volatility for even the largest companies when they surprise investors with even minimally below-expectation overall results or small misses on certain closely followed business metrics, with Universal Music Group being one such example in our portfolio. Markets are also exhibiting an enormous amount of volatility when macro data surprises occur.

Greater stock market volatility is the long-term friend of the active investor with permanent capital who seeks to identify high quality companies which are not dependent on the capital markets to implement their business strategies. While an earnings' miss or other business metric disappointment in a quarter could reflect the beginning of deterioration in fundamentals, in many cases the impact of the disappointment has only a marginal effect on long-term intrinsic value. Pershing Square has been a large, long-term beneficiary of market overreactions to short-term bad news as they can drive business valuations to levels well below long-term intrinsic value, and create buying opportunities coupled with a high degree of liquidity.

Amendments to the Investment Management Agreement

As previously disclosed, on February 7th, PSH announced certain amendments to the Investment Management Agreement ("IMA") that will have the effect of reducing PSH's 16% performance fee. The amendments to the IMA include:

1. An amendment to the Variable Performance Fee ("VPF") provision of the IMA which will now provide that the Additional Reduction will no longer exclude fees paid to the Investment Manager by Pershing Square funds that are publicly traded in the United States.

2. An amendment to the VPF provision of the IMA which provides that the Additional Reduction will also include an amount equal to 20% of any management fees that the Investment Manager earns from non-PSH, Pershing Square funds that invest in public securities that do not have performance fees.

3. The waiver by the Investment Manager of the right to receive the $36 million outstanding balance of unrecovered IPO costs before the Additional Reduction under the VPF provision takes effect.

As a result of the above amendments, PSH's 16% annual performance fee will now also be reduced by 20% of any management fees earned from any non-PSH Pershing Square funds that invest in public securities and do not have performance fees. The benefits of reduced fees include better long-term performance and, we also believe, greater demand for shares from investment managers who are required to report the 'look-through' fees of funds in which they invest.

We believe the Key Information Document ("KID"), which requires disclosure of the proportion of fees and (illogically) the interest expense of any fund an asset manager invests in – is one of the principal factors driving reduced demand for PSH. Despite PSH's best-in-class, net of fees performance, the requirement that asset managers who invest in PSH include a pro-rata interest in PSH's fees and interest expense has discouraged investment in our company, contributing to PSH's discount to NAV. By reducing PSH's performance fees, PSH will generate higher net returns, report lower fees on our KID disclosure document, and therefore become a more attractive investment for asset managers as well as other investors.

Pershing Square USA, Ltd. ("PSUS")

On February 7th, we announced our intention to launch a U.S. closed-ended fund called Pershing Square USA, Ltd., which will largely mirror PSH in its investment strategy and hedging/asymmetric investment approach. With the benefit of the newly modified VPF arrangement, our long-term goal is to reduce PSH's performance fees to zero with the launch of new funds and strong long-term performance.

Over the last two months, we educated potential investors about PSUS and launched the PSUS IPO. When we concluded that these initial IPO efforts would likely lead to a closed end investment company with a market cap below our goals for PSUS and for PSH (the larger the PSUS IPO, the larger the incentive fee reduction for PSH), we withdrew the offering. Notably, PSH's discount to NAV narrowed substantially during the IPO process and has widened somewhat since we pulled the offering. We are in the process of redesigning the PSUS IPO transaction and we are limited in what we can share about these plans due to regulatory reasons, but we will do our best to keep you informed bearing in mind the regulatory constraints.[6]

We are mindful of the fact that time spent on the operations of an investment business can come at the expense of the mission critical activity of investing. Since our restructuring away from open-end fund management in 2017, the investment team has been able to allocate substantially all of its time to investing as closed end investment companies do not require the constant fundraising and marketing of open-end funds.

The launch of PSUS is one of a number of strategic initiatives we plan to undertake which we believe will increase the long-term sustainability of Pershing Square Capital Management, L.P., ("PSCM" or the "Investment Manager"), and will benefit PSH by reducing the performance fees that it pays. To this end, in June, we sold a 10% interest in PSCM, the proceeds of which will be used to anchor new fund launches including PSUS.

In connection with the stake sale, the Investment Manager established an independent board of directors which will oversee PSCM and provide strategic advice, assuming a role that was historically performed by our board of advisors. Our new independent directors include long-term investors in PSH and the Pershing Square funds as well as new investors in the management company. We are delighted to formalize the new governance structure of Pershing Square as we prepare it for the long term. PSCM's new independent board members are Kerry Murphy Healey, Orion Hindawi, Marco Kheirallah, Nick Lamotte and Christine Todd. Their bios can be found here: www.pershingsquareholdings.com/pershing-square-holdings-ltd-notes-the-sale-by-pershing-square-capital-management-l-p-of-a-10-common-equity-interest-to-strategic-investors/

Over the last 20 years, we have greatly benefited from the wise advice and counsel of our advisory board members who have had a keen interest in our long-term success. Our advisory board included Steve Fraidin, Dawn Lepore, the late Ed Meyer, Allen Model, Ali Namvar, Matt Paull, Marty Peretz and Michael Porter. We are extremely grateful for their support and contribution to our success. We expect our new board to serve in a similarly valuable capacity to Pershing Square going forward.

New Investments

During the second quarter, we made two new equity investments, Nike and Brookfield Corp. We intend to defer discussion about these new investments for now.

Thank you for your long-term commitment to Pershing Square Holdings, Ltd.

Sincerely,

William A. Ackman

PORTFOLIO UPDATE(7)

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, 2024 and year-to-date 2024.[8]

January 1, 2024 – June 30, 2024	
Chipotle Mexican Grill, Inc.	5.0 %
Alphabet Inc.	4.2 %
Hilton Worldwide Holdings Inc.	2.4 %
Universal Music Group N.V.	1.7 %
Share Buyback Accretion	0.2 %
Bond Interest Expense	(0.3)%
Restaurant Brands International Inc.	(1.0)%
Interest Rate Swaptions	(1.9)%
Nike, Inc.	(2.0)%
Howard Hughes Holdings Inc.	(2.4)%
All Other Positions and Other Income/Expense	1.6 %
Contributors Less Detractors (Gross Return)	**7.5 %**

January 1, 2024 – August 13, 2024	
Alphabet Inc.	2.7 %
Chipotle Mexican Grill, Inc.	2.6 %
Hilton Worldwide Holdings Inc.	1.6 %
Brookfield Corporation	0.9 %
Share Buyback Accretion	0.2 %
Bond Interest Expense	(0.4)%
Restaurant Brands International Inc.	(1.0)%
Howard Hughes Holdings Inc.	(1.4)%
Nike, Inc.	(1.7)%
Interest Rate Swaptions	(1.9)%
Universal Music Group N.V.	(3.8)%
All Other Positions and Other Income/Expense	0.8 %
Contributors Less Detractors (Gross Return)	**(1.4)%**

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 44-47.

New Equity Positions:

The Investment Manager initiated positions in Nike, Inc. and Brookfield Corporation during the second quarter. We intend to discuss these new investments at a later date.

Current Equity Positions:

Universal Music Group ("UMG")

UMG's shares experienced a sharp drop when the company reported results last month. While the company's overall revenue growth of 10% and operating income growth of 11% were both strong, subscription and streaming revenue growth, a key metric, decelerated during the quarter from its recent double-digit growth rate to mid-single digit growth.

We believe the quarter's disappointing subscription and streaming growth is due to certain idiosyncratic factors unique to UMG combined with some weakening in the overall economic environment. As evidenced by UMG's peers' results however, music streaming is still growing at a healthy rate. We believe that UMG's underperformance this quarter will prove to be short-term in nature and does not impact our view of UMG's medium and long-term growth prospects. We continue to believe that music has a long runway of future growth, as it remains under-monetized relative to history and when compared to other forms of media. We expect the industry to improve monetization through new products and services, with better segmentation of customers including higher-priced tiers and increased subscription prices.

UMG's subscription revenue growth of 7% slowed from 13% last quarter, as the company began to lap last year's price increases. Slower growth at certain digital service providers ("DSPs") offset strong growth at Spotify and YouTube. While quarterly performance can fluctuate, we believe that each of UMG's core DSPs has a healthy business and that UMG can further drive streaming and subscription growth by working with its DSP partners to improve their offerings. The company is now working with Spotify in launching a premium offering for superfans which UMG estimates could ultimately be adopted by as much as 20% of Spotify's subscriber base.

We believe there is ample room to increase pricing in the coming years as music subscriptions have been kept at flat prices for nearly a decade until some recent increases. As the industry matures in developed markets, ad-supported users who today receive free music can be charged a monthly subscription fee, as is typically the case in the video streaming industry. While each of the major DSPs increased prices for individual subscriptions from $9.99 to $10.99, only Spotify and Deezer have raised prices to $11.99 and only in certain geographies and for certain plans.

During the quarter, UMG's streaming revenues (revenues from ad-supported music) declined by 4%, a sharp deceleration from double-digit growth last quarter, as economic uncertainty caused a slowdown in advertising revenues from its largest partners. The decline was also caused by the absence of revenues from TikTok while a new deal was being negotiated which did not start until the beginning of May. UMG's revenues from Meta also decreased temporarily while the companies worked together on a more holistic deal that will grow other aspects of their relationship. While streaming revenues are less predictable because they are much more susceptible to economic conditions, we believe that over the long term they should grow at a similar or higher rate than subscription revenue growth.

UMG's management team led by Sir Lucian Grainge has a long track-record of growing and shaping the music market by working with its partners in innovating creative solutions to drive growth. For example, UMG's efforts led to the industry-wide adoption of "artist-centric" initiatives that will result in a greater share of streaming royalties for its artists. UMG is also leading the industry by working with partners to launch new products to harness AI's growth opportunities while also ensuring regulatory and legal protection for its artists.

Similar to how investors initially overreacted to concerns about the potential negative impact from AI, only to see UMG shares quickly recover as the market better understood the AI risk, we believe that as investors better understand UMG's path to higher revenue growth and regain confidence in the long-term health of the industry, the company's share price is likely to increase significantly from its current levels. To that end, the company is hosting a Capital Markets Day in September which is the ideal forum for management to provide investors with more details on its business and the long-term growth opportunity. Given UMG's strong market position and long runway for sustained earnings growth, we believe that the company's current valuation represents a deep discount to its intrinsic value.

Alphabet ("Google" or "GOOG")

Alphabet, the parent company of Google, delivered stellar business results in the first half of 2024. Revenues grew 14% powered by Google's dominant position in the fast-growing digital advertising market as well as certain company-specific tailwinds including the increasing adoption of AI automation tools by advertisers and YouTube's continued success in the Connected TV Medium. Strong revenue growth coupled with cost control initiatives and stable staffing levels (headcount has remained flat year-to-date), resulted in strong operating leverage. Operating profit margins expanded approximately 340 basis points, excluding one-time severance and real estate charges. In the second quarter, the company's Cloud segment outpaced its major competitors with 29% revenue growth and achieved 11% profit margins, after first reaching profitability just 18 months ago.

Amidst solid financial performance, Google is achieving notable milestones in its AI product development roadmap. At its annual developer conference in early May, the company unveiled the broad rollout of "AI Overviews", which are AI-powered summary responses for certain types of queries. Early results from AI Overviews highlight how thoughtful integration of AI into Search not only improves the user experience, leading to more frequent and detailed queries, but also creates opportunities for greater ad monetization through context-rich responses and higher conversion rates.

Due to the encouraging initial success of its AI offerings, Google is meaningfully ramping up its AI investments and is on track to spend nearly $50 billion in capital expenditures in 2024, a more than 50% increase compared to the prior year. We believe this increased level of investment will further differentiate the company's technical infrastructure and cost-to-serve advantage relative to competitors. As a proof point, compute costs for Google's generative AI search responses are down 80% from just a year ago. Such step-function improvements uniquely position the company to scale its AI capabilities to a user base of more than two billion consumers.

Despite the material increase in infrastructure investments, the company remains committed to returning capital to shareholders and recently initiated a quarterly dividend of $0.20 per share, a ~0.5% dividend yield. The dividend supplements the company's ongoing share repurchase program of approximately $16 billion in quarterly buybacks, which represents capital return equivalent to ~3% of the company's market capitalization on an annualized basis.

The company also recently announced the appointment of Anat Ashkenazi as its new Chief Financial Officer. Anat had previously served as the CFO of Eli Lilly where she spent 23 years in various senior finance and operational leadership roles. We believe Anat's extensive experience at Eli Lilly managing a complex, multiline business through multiple investment cycles will prove highly valuable as Google invests behind long-term AI initiatives while maintaining its strong commitment to cost control.

Outgoing CFO, Ruth Porat, will take on a newly created role as President and Chief Investment Officer of Alphabet, including oversight of its portfolio of "Other Bets". We look forward to Ruth's impact on scaling and commercializing the company's Other Bets ventures, including its promising autonomous driving subsidiary, Waymo.

We have been closely following the recent federal court ruling against Google in the Department of Justice's antitrust case on the company's default search agreements with Apple and Android OEMs. Google is appealing the decision and anticipates a resolution of the appeals process or a ruling on potential remedies to take at least several months, and potentially more than a year. We will continue to closely track developments in the case but believe that even in a scenario where Google loses its appeal, the company is well-positioned to navigate a range of likely potential remedy outcomes.

Hilton ("HLT")

In the first half of 2024, Hilton generated strong revenue growth as the lodging industry experienced solid global demand against a favorable supply backdrop. Near-term industry trends remain positive, with continued strong international growth, improving business transient demand and extremely robust group demand, which is poised to sequentially accelerate in the third quarter. Leisure travel continued to moderate from the high levels of recent years following the COVID-19 reopening.

In the second quarter, HLT's revenue per room ("RevPAR"), the industry metric for same-store sales, increased 3.5% as compared to 2023. Combined with strong 6% net unit growth, aggregate fee revenues grew 10%. Earnings per share grew 17% year-over-year, benefiting from Hilton's excellent cost control and continued best-in-class capital return. Reflecting an incrementally challenging macroeconomic picture, principally in China, the company slightly reduced the upper end of their prior RevPAR guidance, now estimated by management to be +2% to +3%, while modestly increasing full year's earnings guidance.

Net unit growth continues to accelerate towards Hilton's 6% to 7% long-term growth target supported by new brand concepts including Spark and LivSmart Studios by Hilton. Over the coming quarters net unit growth will be further boosted by Hilton's acquisition of Graduate Hotels and the on-boarding of properties from Hilton's partnership with Small Luxury Hotels of the World ("SLH"), which is seeing better-than-expected owner uptake with 400 hotels poised to join the Hilton system. The SLH partnership expands Hilton's network into a new category of hotel, while providing incremental sources of value for Hilton Honors members and travelers. While Hilton only earns fee revenue on the proportion of sales that comes through Hilton's channels, the comparatively higher average nightly rate of SLH hotels relative to Hilton's systemwide average means that even modest penetration levels could become a meaningful incremental fee stream to Hilton.

Over the medium-term, strong net unit growth combined with continued RevPAR growth (which has compounded at a 3% rate over the last 15 years) and a double-digit rate of growth from Hilton's non-RevPAR fee revenue, which comprises about 20% of revenues, all combine to generate strong high-single-digit revenue growth. Coupled with excellent cost control, high incremental margins, and a substantial capital return program Hilton should continue to realize robust mid-to-high-teens compounded earnings growth for the foreseeable future.

Restaurant Brands ("QSR")

QSR's two largest brands delivered impressive results this quarter. Tim Hortons' same-store sales in Canada grew by nearly 5%, outpacing all competitors and the broader industry. These strong results are due to the multi-year investment the company has made in broadening its food platform and expanding its lead in cold beverages. Burger King International reported same-store sales of more than 2%, despite ongoing boycotts of western brands. Burger King is outperforming McDonald's on a one-year basis and relative to pre-covid levels. Its success in international markets provides a blueprint for its ongoing turnaround in the U.S., where the company is focused on modernizing its store base and growing its digital business. As part of that effort, the company acquired Carrols, Burger King's largest franchisee, which will allow the company to accelerate remodels and help shift the franchise system towards smaller more entrepreneurial operators, setting the brand up for long-term success. The company intends to refranchise the Carrols restaurants to smaller operators once the stores are performing at strong levels.

In light of weakening economic conditions and ongoing boycotts, the company lowered its net restaurant and system-wide sales growth outlook this year. In response, the company is enacting a cost savings program which will enable it to grow operating profits by more than 8%. While an uncertain environment may impact unit growth in the near-term, we believe each of the company's brands will benefit in a slower economic environment with consumers trading down.

Despite strong performance at its largest brands, consistent operating profit growth, and a business model that benefits in a recessionary environment, QSR still trades at a meaningful discount to its peers. As the company returns to its historic mid-single-digit unit growth and delivers consistent performance at each of its brands, we believe the company's share price will more accurately reflect its improving fundamentals.

Chipotle ("CMG")

On August 13th, Chipotle announced that CEO Brian Niccol would be leaving the company to become the CEO of Starbucks. Brian has led a superb turnaround at Chipotle, which has put the company firmly on the path of sustainable long-term growth. While we are disappointed to see Brian go, one of the measures of a great CEO is the company that he leaves behind. Brian has built an extraordinary team at Chipotle that we expect will not lose a step in his departure. We are grateful to Brian for the extraordinary value he has created for CMG shareholders and Pershing Square.

Chipotle delivered outstanding results in the first half of 2024 as the brand's industry-leading value proposition of fresh food, customization, and convenience at fair prices continues to resonate with customers. During the second quarter, same-store sales grew an impressive 11%, or 55% from 2019 levels. Successful marketing, including the return of the fan-favorite Chicken Al Pastor limited time offering, and faster throughput drove transaction growth of over 8%, with gains across all income cohorts. Although sales growth has moderated in the summer amid a broader deceleration in the restaurant industry, Chipotle continues to gain share. The launch of Smoked Brisket for a limited time starting in September, one of the company's most requested menu items, should further improve trends.

Strong sales growth and more efficient operations led to restaurant-level margin expansion of 140 basis points in the second quarter. We believe that Chipotle's attractive economic model remains firmly intact despite several near-term headwinds, including higher avocado costs and investments in improving portion consistency, the latter of which is already producing improvements in customer survey scores. Management has several exciting initiatives underway to simplify operations and improve throughput, including optimization of staff deployment as well as new equipment and automation technology. The dual-sided grill, which can cook chicken and steak in less than half the time as the current plancha with more consistent execution, will be deployed in 84 restaurants by the end of this year, ahead of a broader rollout. Longer-term, the fully automated digital make-line, which will be installed in a restaurant for the first time this summer, has the potential to have a transformational impact on throughput and the customer and employee experience.

Chipotle is on track to open approximately 300 new restaurants this year, and expects to more than double its store base to at least 7,000 locations in North America over time. International expansion beyond Canada remains a largely untapped opportunity. The new leadership team in Europe is making good progress on improving unit economics of the company-owned stores, while Chipotle's first franchised restaurant in Kuwait is off to a great start.

Howard Hughes ("HHH")

HHH's results through the first half of 2024 demonstrate solid business momentum across all segments of its portfolio, highlighting its uniquely advantaged business model of owning master planned communities ("MPC").

In its land sales segment, the company is on track to generate nearly $300 million in full-year profits. New home sales, a leading indicator for future homebuilder demand for land, continues to be supported by limited supply of resale housing inventory and the highly desirable qualities of HHH's amenity-rich MPCs, which are well-located in growth markets with favorable demographic trends. The strength of this demand is most clearly evident in the pricing the company is able to command for its residential land, with its average price per acre reaching an all-time high of $1.0 million in the most recent quarter.

In the company's portfolio of stabilized income-producing operating assets, net operating income ("NOI") grew 4% on a same-store basis during the first half of the year driven by strong leasing momentum and steady rental rate increases. In its Ward Village development in Hawaii, HHH continues to experience robust sales momentum. The company has pre-sold 51% of inventory at its newest condominium tower, The Launiu, despite only having launched sales in February. Outside of Ward Village, the company is developing its first condominium project in the Woodlands, the Ritz-Carlton Residences. As the first-of-its-kind luxury development in Houston, the Ritz-Carlton Residences has been met with tremendous demand and has already pre-sold 65% of its available units, representing future revenue of $313 million.

On August 1st, the company successfully completed its spin-off of Seaport Entertainment Group (NYSE: SEG), which is comprised of the Seaport District in New York City, the Las Vegas Aviators minor league baseball team and certain other non-core entertainment assets. Under the leadership of CEO Anton Nikodemus, former President & COO of MGM CityCenter and an entertainment industry veteran with over 30 years of experience, we are optimistic that SEG will unlock the significant embedded upside potential in its unique collection of assets.

PSH is retaining its shares of SEG received from the spin-off and, along with the other Pershing Square funds, has entered into a standby purchase agreement to backstop a $175 million rights offering which SEG intends to launch shortly. Proceeds from the rights offering will provide SEG with the required liquidity to execute on its growth plan. Pershing Square is the largest shareholder of SEG. Anthony Massaro, a member of the investment team, has joined the Board of SEG.

We believe the separation of SEG further positions HHH as a streamlined, pure-play MPC company with a decades-long runway for growth.

On August 6th, we filed an amended 13D which can be found here: www.sec.gov/Archives/edgar/data/1981792/000093041324002260/c109726_sc13da.htm the relevant portion of which says that:

"The Investment Manager intends to continue evaluating the possibility of various potential alternatives with respect to its investment in HHH, including a possible transaction in which the Investment Manager and/or one or more of its affiliates (either alone or together with one or more potential co-investors) may acquire all or substantially all of the shares of HHH not owned by them and their affiliates and in connection therewith take HHH private. In the event the Investment Manager explores such a potential transaction, there can be no guarantee that an agreement regarding such potential transaction can be reached and/or consummated."

Canadian Pacific Kansas City ("CPKC")

In 2023, Canadian Pacific's transformative acquisition of Kansas City Southern established the only railroad with a direct route linking Canada, the United States, and Mexico. The combined network connects shippers to new markets and enables nearshoring in North America while creating significant shareholder value. CPKC celebrated the one-year anniversary of this historic combination in 2024 with strong results, building momentum in the second year of this multi-year growth story.

Volume growth of 6% in the second quarter was well ahead of management's expectations, driven by synergy wins and solid Canadian grain shipments. CPKC has made considerable progress on realizing revenue synergies despite a challenging freight environment, and now expects to exit 2024 with C$800 million of new business. These wins span a wide variety of end-markets from automotive to corn, demonstrating the unique value proposition of CPKC's network.

Cost synergies are also tracking ahead of plan as CPKC realizes savings from combining procurement and general and administrative functions. These cost savings together with strong operations across the network led to a 280 basis point year-over-year improvement in CPKC's adjusted operating ratio in the second quarter.

We believe that CPKC's one-of-a-kind network and industry-leading management team are well positioned to deliver continued synergy wins and excellent operations, which should generate strong double-digit earnings growth in the coming years.

Fannie Mae and Freddie Mac

Fannie Mae and Freddie Mac remain valuable effectively perpetual options on the companies' exit from conservatorship. There have been no material updates about the companies since our 2023 Annual Report.

PUBLIC COMPANY ENGAGEMENT SINCE INCEPTION[9]

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 We make home possible	zoetis	Allergan
2012	2013	2013	2013	2013	2014	2014
Valeant Pharmaceuticals North America	Nomad Foods	Mondelēz International	Chipotle	ADP	Starbucks Coffee	United Technologies
2015	2015	2015	2016	2017	2018	2018
Lowe's	Hilton	Agilent Technologies	Starbucks Coffee	Restaurant Brands International	Pershing Square Tontine Holdings	Universal Music Group
2018	2018	2019	2020	2020	2020	2021
CPKC	Google	Pershing Square SPARC Holdings	Seaport Entertainment Group			
2021	2023	2023	2024			

Short Positions*

mbia Wisdom in Action	Ambac	FannieMae	Freddie Mac We make home possible	FSA	Herbalife
2004	2005	2007	2007	2007	2012

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

The companies on this page reflect all of the portfolio companies, long and short, as of August 13, 2024, in respect of which (a) Pershing Square or any Pershing Square Fund, as applicable, has designated a representative to the board, filed Schedule 13D, Form 4 or a similar non-US filing or has made a Hart-Scott Rodino filing; or (b) Pershing Square has publicly recommended changes to the company's strategy in an investment-specific white paper, letter or presentation.

Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and disclaimers on pages 44-47.

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 2023 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, 2025 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, 2024 of $12,592,335,256;
- The liquidity of the Company's assets (at June 30, 2024, 93.7% of its assets were comprised of cash, cash equivalents and Level 1 assets);
- The Company's total indebtedness to total capital ratio of 15.9% at June 30, 2024;
- 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, 2024.

After making reasonable enquiries, and assessing all data relating to the Company's liquidity, particularly its cash holdings and Level 1 assets, the Directors and the Investment Manager believe 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 2023 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: Corporate Engagement, Information Security, Insurance, Investment Manager's Authority, Investment Risk, Key Personnel, Market Risk, NAV Discount, Portfolio Concentration, Portfolio Liquidity Risk, Regulatory Risk, Service Providers and Tax Risk.

Further details of each of these risks and how they are mitigated are discussed in Principal Risks and Uncertainties within the 2023 Annual Report. The Board believes these risks are applicable to the six-month period ended June 30, 2024 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.

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

- The Company's unaudited condensed interim financial statements for the six-month period ended June 30, 2024 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the period; and
- The interim report for the six-month period ended June 30, 2024 includes a true and fair review of the information for the Company required pursuant to article 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

By order of the Board.

/s/ Rupert Morley	/s/ Andrew Henton
Rupert Morley	Andrew Henton
Chairman of the Board	Chairman of the Audit Committee
August 15, 2024	August 15, 2024

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, 2024 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, 2024 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 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 15, 2024

Unaudited Condensed Interim Financial Statements

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As of June 30, 2024 and December 31, 2023
(Stated in United States Dollars)

	Notes		2024 Unaudited		2023 Audited
Assets					
Cash and cash equivalents		$	1,843,556,023	$	1,928,920,630
Due from brokers			576,910,159		207,119,255
Trade and other receivables			23,297,982		16,312,221
Financial assets at fair value through profit or loss					
Investments in securities	4,5		12,893,425,372		12,701,403,992
Derivative financial instruments	4,5		3,020,891		274,844,210
Total Assets		**$**	**15,340,210,427**	**$**	**15,128,600,308**
Liabilities					
Due to brokers		$	20,190,000	$	276,260,000
Trade and other payables			128,488,119		321,015,981
Deferred tax expense payable	12		27,829,403		84,826,934
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	4,5		230,945,185		31,975,102
Bonds	11		2,340,422,464		2,351,915,264
Total Liabilities		**$**	**2,747,875,171**	**$**	**3,065,993,281**
Equity					
Share capital	6	$	5,722,349,692	$	5,722,349,692
Treasury shares	6		(778,484,599)		(711,462,770)
Retained earnings			7,648,470,163		7,051,720,105
Total Equity			**12,592,335,256**		**12,062,607,027**
Total Liabilities and Equity		**$**	**15,340,210,427**	**$**	**15,128,600,308**
Net assets attributable to Public Shares		$	12,591,900,215	$	12,062,193,559
Public Shares outstanding			184,002,368		185,461,146
Net assets per Public Share		$	68.43	$	65.04
Net assets attributable to Special Voting Share		$	435,041	$	413,468
Special Voting Share outstanding			1		1
Net assets per Special Voting Share		$	435,041.30	$	413,468.24

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, 2024 and June 30, 2023
(Stated in United States Dollars)

	Notes	2024 Unaudited	2023 Unaudited
Investment gains and losses			
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		$ 966,303,106	$ 1,444,194,629
Net realized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2024: nil, 2023: nil))		(107,031,372)	(177,559,948)
Net change in unrealized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2024: nil, 2023: nil))		(129,552,453)	(244,583,790)
	4	729,719,281	1,022,050,891
Net gain/(loss) on currency translation of the Bonds	11	16,476,227	(10,356,339)
Income[(1)]			
Dividend income		74,430,858	82,633,478
Interest income		51,649,001	18,297,632
		126,079,859	100,931,110
Expenses			
Performance fees	8	(125,012,534)	(7,763,569)
Management fees	8	(93,302,970)	(75,070,165)
Interest expense		(39,542,774)	(45,901,253)
Professional fees		(5,532,241)	(5,865,506)
Other expenses		(1,043,734)	(954,931)
		(264,434,253)	(135,555,424)
Profit/(loss) before tax attributable to equity shareholders		**607,841,114**	**977,070,238**
Taxes			
Withholding tax (dividends)		(14,505,248)	(17,716,148)
Deferred tax expense	12	56,997,532	(6,560,669)
		42,492,284	(24,276,817)
Profit/(loss) attributable to equity shareholders		**$ 650,333,398**	**$ 952,793,421**
Earnings per share (basic & diluted)[(2)]			
Public Shares	10	$ 3.53	$ 5.01
Special Voting Share	10	$ 22,456.82	$ 31,956.14

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, 2024 and June 30, 2023.

(1) In prior reporting periods, the Company classified income derived from its investments in money market funds as dividend income. The Company updated its classification of this income to interest income. Prior period amounts have been reclassified to conform with current period presentation.

(2) 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, 2024 and June 30, 2023
(Stated in United States Dollars)

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
As of December 31, 2023	**$ 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**
As of December 31, 2022	**$ 5,722,349,692**	**$ (506,863,152)**	**$ 4,664,447,181**	**$ 9,879,933,721**
Total profit/(loss) attributable to equity shareholders	—	—	952,793,421	952,793,421
Share buybacks[1]	—	(55,410,770)	—	(55,410,770)
Dividend distribution to equity shareholders	—	—	(49,717,947)	(49,717,947)
As of June 30, 2023 (Unaudited)	**$ 5,722,349,692**	**$ (562,273,922)**	**$ 5,567,522,655**	**$ 10,727,598,425**

(1) During the six months ended June 30, 2024 and June 30, 2023, the Company repurchased Public Shares. This amount includes the accretion relating to the repurchases that was allocated to the Public Shares and the Special Voting Share. All repurchased Public Shares are subsequently held in Treasury. As of June 30, 2024 and June 30, 2023, 26,954,382 and 21,699,571 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, 2024 and June 30, 2023
(Stated in United States Dollars)

	Notes	2024 Unaudited	2023 Unaudited
Cash flows from operating activities			
Profit/(loss) for the period attributable to equity shareholders		$ 650,333,398	$ 952,793,421
Adjustments to reconcile changes in profit/(loss) for the period to net cash flows:			
Bond interest expense(1)	11	37,383,427	37,282,731
Bond interest paid(1)	11	(32,400,000)	(32,400,000)
Net gain/(loss) on currency translation of the Bonds(1)	11	(16,476,227)	10,356,339
(Increase)/decrease in operating assets:			
Due from brokers		(369,790,904)	71,695,855
Trade and other receivables		(6,985,761)	(282,839)
Investments in securities	4,5	(192,021,380)	(1,657,717,032)
Derivative financial instruments	4,5	271,823,319	504,048,699
Increase/(decrease) in operating liabilities:			
Due to brokers		(256,070,000)	(495,790,000)
Trade and other payables		(186,401,051)	9,145,302
Deferred tax expense payable	12	(56,997,531)	6,560,668
Derivative financial instruments	4,5	198,970,083	781,367
Net cash provided by/(used in) operating activities		**41,367,373**	**(593,525,489)**
Cash flows from financing activities			
Purchase of Public Shares	6	(73,148,640)	(54,019,964)
Dividend distributions	6	(53,583,340)	(49,717,947)
Net cash provided by/(used in) financing activities		**(126,731,980)**	**(103,737,911)**
Net change in cash and cash equivalents		(85,364,607)	(697,263,400)
Cash and cash equivalents at beginning of period		1,928,920,630	1,147,443,227
Cash and cash equivalents at end of period		**$ 1,843,556,023**	**$ 450,179,827**
Supplemental disclosure of cash flow information			
Cash paid during the period for interest		$ 35,612,552	$ 41,841,446
Cash received during the period for interest		$ 47,587,990	$ 17,846,855
Cash received during the period for dividends		$ 69,593,550	$ 82,750,749
Cash deducted during the period for withholding taxes		$ 13,083,399	$ 17,745,818

(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, Euronext Amsterdam and the LSE.

Investment Policy

Please refer to "Investment Policy" in the Report of the Directors in the 2023 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 Bonds").

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

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

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

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

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 owned 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 shareholder of the company.

Board of Directors

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

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

Committees of the Board

The Board has established an Audit Committee, a Management Engagement Committee, a Remuneration Committee, a Risk Committee and a Nomination Committee. Mr Botta 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 Premium Segment of the Main Market of the LSE and on Euronext Amsterdam. Shares are quoted and traded in USD in Amsterdam and in USD and Sterling in London.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Preparation

The unaudited condensed interim financial statements of the Company for the six months ended June 30, 2024 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, 2023. Certain prior year amounts have been reclassified to conform with current year presentation. 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, 2023.

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, 2025. 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, 2023. 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 2024 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, 2024		December 31, 2023
Financial assets				
Investments in securities	$	12,893,425,372	$	12,701,403,992
Derivative financial instruments		3,020,891		274,844,210
Financial assets at fair value through profit or loss	**$**	**12,896,446,263**	**$**	**12,976,248,202**

As of		June 30, 2024		December 31, 2023
Financial liabilities				
Derivative financial instruments	$	230,945,185	$	31,975,102
Financial liabilities at fair value through profit or loss	**$**	**230,945,185**	**$**	**31,975,102**

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	2024			2023		
	Realized	Unrealized	Total Gains/(Losses)	Realized	Unrealized	Total Gains/(Losses)
Investments in securities (assets)	$ 838,530,917	$ 274,029,684	$ **1,112,560,601**	$ 551,641,230	$ 971,203,933	$ **1,522,845,163**
Derivative financial instruments	(115,404,403)	(267,436,917)	**(382,841,320)**	(179,914,204)	(320,880,068)	**(500,794,272)**
Net changes in fair value	$ 723,126,514	$ 6,592,767	$ **729,719,281**	$ 371,727,026	$ 650,323,865	$ **1,022,050,891**

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, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Equity Securities:								
Common Stock	$ 12,480,557	$ —	$ —	$ 12,480,557	$ 12,330,277	$ —	$ —	$ 12,330,277
Preferred Stock	55,353	—	—	55,353	33,912	—	—	33,912
Investment in Affiliated Entities	—	321,395 (1)	36,120 (2)	357,515	—	301,842 (1)	35,373 (2)	337,215
Derivative Contracts:								
Currency Forwards	—	3,021 (3)	—	3,021	—	—	—	—
Equity Options	—	—	—	—	—	57,510 (3)	—	57,510
Forward Purchase Agreement (4)	—	—	—	—	—	—	—	—
Interest Rate Swaptions	—	—	—	—	—	217,334 (3)	—	217,334
Total	**$ 12,535,910**	**$ 324,416**	**$ 36,120**	**$ 12,896,446**	**$ 12,364,189**	**$ 576,686**	**$ 35,373**	**$ 12,976,248**

As of	June 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities:								
Derivative Contracts:								
Currency Forwards	$ —	$ 1,917 (3)	$ —	$ 1,917	$ —	$ 31,975 (3)	$ —	$ 31,975
Equity Forwards	—	229,028 (5)	—	229,028	—	—	—	—
Total	**$ —**	**$ 230,945**	**$ —**	**$ 230,945**	**$ —**	**$ 31,975**	**$ —**	**$ 31,975**

(1) These figures relate to the Company's investment in PS VII Master, L.P. as of June 30, 2024 and December 31, 2023. As of June 30, 2024, the instruments underlying the Company's investment in PS VII Master, L.P. included 98.34% of Level 1 financial instruments (December 31, 2023: 100.27%) , 0.42% of Level 2 financial instruments (December 31, 2023: -0.30%) and 1.24% of other assets and liabilities (December 31, 2023: 0.03%).
(2) Figure relates to the Company's investment in Pershing Square SPARC Sponsor LLC. Refer to Note 9 for further details.
(3) OTC equity options, interest rate swaptions and currency forwards are fair valued by the Investment Manager. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: current market and contractual prices from market makers or dealers, volatilities of the underlying financial instruments, interest rates, and/or current foreign exchange forward and spot rates. The significant inputs are market observable and included within Level 2. The Investment Manager utilizes a third-party pricing service and its widely recognized valuation models to obtain fair values of these financial instruments.
(4) This relates to the Company's investment in the SPARC Committed Forward Purchase Agreement, which is categorized as Level 3. Refer to Note 9 for further details.
(5) Equity forwards are fair valued by the Investment Manager using market observable inputs. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: market price of the underlying security, notional amount, and/or fixed and floating interest rates.

The Company's cash and cash equivalents and short-term receivables and payables are recorded at carrying value which approximates fair value. The Bonds, which are not included in the table of Recurring Fair Value Measurement of Assets and Liabilities, are classified as Level 1 financial liabilities and the fair values of the Bonds are discussed further in Note 11.

Some of the Company's investments in Level 1 securities represent a significant portion of the Company's portfolio. If such investments were sold or covered in their entirety, it might not be possible to dispose of them at the quoted market price. The fair value of these investments has not been adjusted for blockage/discount factors as IFRS does not permit this.

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, 2024 and December 31, 2023 and therefore reflect market participants' view of climate change risk. Climate change risk does not have a material impact on the value of the Company's other investments.

Level 3 Transfers

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

Level 3 Reconciliation

Level 3 investments are fair valued using valuation methodologies determined by the Investment Manager. In applying its valuation methods, the Investment Manager utilizes information including, but not limited to the following: amount and timing of cash flows, probability assessments, volatility of the underlying securities' stock price, comparable transaction data, dividend yields and/or interest rates. The Investment Manager engaged an independent third-party valuation firm to conduct valuations for the SPARC Sponsor Shares and the SPARC Sponsor Warrants held by SPARC Sponsor and the SPARC Committed FPA (each as disclosed in Note 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, 2024 and the year ended December 31, 2023.

	SPARC Sponsor	SPARC Committed FPA	Total
Balance at December 31, 2023	$ 35,372,728	$ —	$ 35,372,728
Net gain/(loss)	747,637	—	747,637
Balance at June 30, 2024	**$ 36,120,365**	**$ —**	**$ 36,120,365**

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

As a result of a change in the fair value of the SPARC Sponsor Warrants, the Company had a net gain of $747,637 from Level 3 securities for the six-month period ended June 30, 2024. The fair value of the SPARC Sponsor Shares remained constant.

As a result of changes in the fair values of the SPARC Sponsor Shares and the SPARC Sponsor Warrants, the Company had a net gain of $3,621,579 from Level 3 securities for the year ended December 31, 2023. The change in the fair value of the SPARC Sponsor Shares, which previously had a fair value of nil at December 31, 2022, is attributable to the Securities and Exchange Commission ("SEC") declaring effective SPARC's Form S-1 on September 29, 2023 ("SPARC Prospectus"). The change in the fair value of the SPARC Sponsor Warrants reflects the increase in their valuation between purchase and as of December 31, 2023.

When the Investment Manager agrees to a SPARC transaction, the SPARC Sponsor Shares and the SPARC Sponsor Warrants will be valued with reference to the market valuation of the post-combination company. During the period before this, 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, 2024 and December 31, 2023 are listed below.

SPARC Sponsor

Description	June 30, 2024	December 31, 2023
Volatility	25.0%	25.0%
Probability of Not Completing a Deal	30.0%	30.0%
Expected Time to Complete a Deal	4.6 Years	4.9 Years
Probability of Warrant Renegotiation	30.0%	30.0%
Estimated Target Equity Value	$4.5 billion	$4.5 billion

The SPARC Sponsor Warrants held through the Company's investment in SPARC Sponsor are valued using a Black-Scholes option pricing model, with the following significant unobservable inputs: (i) Volatility, (ii) Probability of Not Completing a Deal, (iii) Expected Time to Complete a Deal, (iv) Probability of Warrant Renegotiation and (v) Estimated Target Equity Value. The Volatility reflects the anticipated implied volatility of the potential target company from SPARC's business combination over the SPARC Sponsor Warrants' 10-year term. The Probability of Not Completing a Deal reflects a discount relating to SPARC's deadline to complete its business combination prior to the expiration of its term. The Expected Time to Complete a Deal considers SPARC's timeframe to consummate a business combination with all necessary shareholder and board approvals to be the midpoint of the remaining time of 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, 2024 and December 31, 2023.

As of June 30, 2024:

SPARC Sponsor Warrants	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
Volatility	25.0%	5%	$ 3,960,862	5%	$ (3,988,205)
Probability of Not Completing a Deal	30.0%	5%	$ (2,395,390)	5%	$ 2,395,390
Expected Time to Complete a Deal	4.6 Years	1 Year	$ (1,433,345)	1 Year	$ 1,497,343
Probability of Warrant Renegotiation	30.0%	5%	$ (2,395,390)	5%	$ 2,395,390
Estimated Target Equity Value	$4.5 billion	5%	$ 1,676,773	5%	$ (1,676,773)

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

As of December 31, 2023:

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

SPARC Sponsor Shares	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
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 184,002,368 Public Shares (December 31, 2023: 185,461,146) and the Special Voting Share (December 31, 2023: 1) outstanding as of June 30, 2024. The Company also held 26,954,382 Public Shares in Treasury (December 31, 2023: 25,495,604) for a total of 210,956,750 Public Shares in issue as of June 30, 2024 and December 31, 2023.

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

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

Lock-up

In connection with the Company's IPO, Mr Ackman and selected partners of the Investment Manager have each entered into a lock-up arrangement with the Company (the "Lock-Up Deed") whereby their aggregate Management Shares held at the time of the IPO are subject to a lock-up of 10 years commencing from October 1, 2014, other than sales of Management Shares (i) required to pay taxes on income generated by the Company; (ii) required due to regulatory constraints; or (iii) following separation of employment from the Investment Manager. Management Shares subject to the Lock-Up Deed may from time to time be transferred to affiliates, provided that the transferee agrees to be subject to the remaining lock-up period. On August 9, 2018, the Company amended the Lock-Up Deed to clarify that parties to the Lock-Up Deed may sell the specific Management Shares they held at the time of the IPO, so long as they continue to hold at least as many Management Shares in the aggregate as they held at the time of the IPO (or, if the Management Shares have been converted to Public Shares, so long as they hold at least as many Public Shares as such Management Shares were converted into). Following the conversion of all Management Shares into Public Shares on December 31, 2020, 7,950,974 Public Shares remain subject to the Lock-Up Deed as of June 30, 2024 and December 31, 2023.

Share Conversion

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

During the six-month period ended June 30, 2024 and year ended December 31, 2023, there were no conversions between share classes.

Voting Rights

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

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

Specified Matters

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

Distributions

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

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. On January 31, 2023, the Company announced a quarterly dividend of $0.1307 per Public Share for 2023. On January 11, 2024, the Company announced a quarterly dividend of $0.1456 per Public Share for 2024.

A proportionate quarterly dividend will be paid per Management Share and the Special Voting Share, based on their respective net asset values per share on the ex-dividend date. Dividends will be paid in USD unless a shareholder elects to be paid in GBP. Shareholders may also elect to reinvest cash dividends into Public Shares through a DRIP administered by an affiliate of the Company's registrar. Further information regarding the dividend, including the anticipated payment schedule and how to make these elections, is available at 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, 2024, the Company paid dividends of $53,583,340, a higher amount than it paid in the six-month period ended June 30, 2023 of $49,717,947 due to an increase in the quarterly dividend in 2024.

Winding-Up

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

Capital Management

The Company's general objectives for managing capital are:

- To maximize its total return primarily through the capital appreciation of its investments;
- To minimize the risk of an overall permanent loss of capital; and
- To continue as a going concern.

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

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

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

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

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

Since the Company's first buyback program in May 2017, including the Company's May 2018 tender offer, the Company has repurchased a total of 65,952,753 Public Shares for $1.4 billion at an average discount of 29.2% through June 30, 2024.

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, 2024 and year ended December 31, 2023 were as follows:

	Public Shares	Special Voting Share	Treasury Shares
As of December 31, 2022	**190,858,442**	**1**	**20,098,308**
Share Buybacks	(5,397,296)	—	5,397,296
As of December 31, 2023	**185,461,146**	**1**	**25,495,604**
Share Buybacks	(1,458,778)	—	1,458,778
As of June 30, 2024	**184,002,368**	**1**	**26,954,382**

7. COMMITMENTS AND CONTINGENCIES

As of June 30, 2024 and December 31, 2023, the Company had a commitment relating to the SPARC Committed FPA as described on page 39 of Note 9. No other commitments or contingencies existed as of as of June 30, 2024 and December 31, 2023.

8. INVESTMENT MANAGEMENT AGREEMENT — MANAGEMENT FEES, PERFORMANCE FEES AND TERMINATION

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

Management Fee

The Investment Manager receives a quarterly management fee payable in advance each quarter in an amount equal to 0.375% (1.5% per annum) of the net assets (before any accrued performance fee) attributable to fee-paying shares. The fee-paying shares of the Company are the Public Shares and the Special Voting Share. Management Shares, if any, are not charged a management fee. Management fees paid by Public Shares held by PSCM employees, partners and certain of their affiliated entities are refunded to such shareholders by the Investment Manager.

For the six-month periods ended June 30, 2024 and June 30, 2023, the Investment Manager earned management fees from the Company of $93,302,970 and $75,070,165, 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. 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 December 31, 2023), and expanded the fee reduction to also include 20% of management fees earned from any non-PSH Pershing Square funds that invest in public securities and do not charge performance fees. The Company will continue to receive a fee reduction of 20% of performance fees earned by the Investment Manager on current and certain future non-PSH funds.

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

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

The "Potential Reduction Amount" is equal to (i) 20% of the aggregate performance fees and 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, 2024, the Investment Manager earned performance fees of $605,220 (June 30, 2023: nil) in connection with the payment of the quarterly dividend and accrued an annual performance fee of $124,407,314 (June 30, 2023: $7,763,569) from the Company. For the six-month period ended June 30, 2024, the Company's crystallized performance fees were reduced by a Potential Reduction Amount of $16,498 (June 30, 2023: nil) and accrued performance fees were reduced by a Potential Reduction Amount of $3,499,699 (June 30, 2023: nil) as a result of performance fees and allocation earned/accrued on current non-PSH funds.

Performance fees paid by Public Shares held by the Investment Manager's employees and 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, 2024, Nicholas Botta transferred 0.1 million Public Shares to an entity that he controls. The transfer did not result in a change of beneficial ownership or voting control of Public Shares.

During the six-month period ended June 30, 2023, William Ackman and entities that he, or a person closely associated with him, controls transferred a total of 1.7 million Public Shares to other entities that he, or such person closely associated with him, also controls, and Nicholas Botta and an entity that he controls transferred 0.2 million Public Shares to other entities that he also controls. The transfers did not result in a change of beneficial ownership or voting control of Public Shares.

As of June 30, 2024 and December 31, 2023, William Ackman, Nicholas Botta, 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, 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. For the six-month period ended June 30, 2023, the Company's independent Directors' fees in relation to their services for the Company were $297,182 of which none were payable as of June 30, 2023.

Management and Performance Fees

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

Beneficial Ownership of Portfolio Companies

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

As of June 30, 2024 and December 31, 2023, the Company and its affiliates beneficially owned in excess of 10% of the outstanding common equity securities of Howard Hughes Holdings Inc. ("HHH") and Universal Music Group N.V. ("UMG"). William A. Ackman is a non-executive director of UMG. William A. Ackman was chairman of the board of HHH until his retirement at HHH's annual general meeting on May 23, 2024. On the same date, Ben Hakim, President of PSCM, was elected as a non-executive director of HHH.

As of June 30, 2024 and December 31, 2023, the Company and the other Pershing Square Funds, through their ownership of Pershing Square SPARC Sponsor, LLC ("SPARC Sponsor"), were the sole shareholders of Pershing Square SPARC Holdings, Ltd. ("SPARC").

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.

SPARC Sponsor

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 November 29, 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, 2024, no capital contributions were made by the Pershing Square Funds to SPARC Sponsor to pay for its expenses. For the six-month period ended June 30, 2023, the Pershing Square Funds made capital contributions of $300 to SPARC Sponsor to pay for its expenses, of which the Company paid $252.

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 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.

The Pershing Square Funds' capital contributions to SPARC Sponsor since their initial investment totaled $40,130,373, of which the Company paid $35,259,325.

As of June 30, 2024 and December 31, 2023, 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, 2024 and December 31, 2023.

SPARC Forward Purchase Agreement

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

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

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

Refer to Note 5 for the fair market value associated with SPARC Committed FPA as of June 30, 2024 and December 31, 2023.

Rebalancing Transactions

The Investment Manager may seek to effect rebalancing transactions from time to time pursuant to policies that are intended to result in the Company and the other Pershing Square Funds managed by the Investment Manager generally holding investment positions on a proportionate basis relating to their respective adjusted net asset values, which are equal to each of the entities' net asset values plus any accrued (but not crystallized) performance fees and the amount of any outstanding long-term debt, including the current portion thereof (which in the case of the Company, includes the gross proceeds from the Outstanding Bonds as further discussed in Note 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, 2024 and June 30, 2023.

PS VII Master, L.P.

PS VII Master, L.P. ("PS VII Master"), an affiliated investment fund that commenced operations on August 9, 2021, operates as a co-investment vehicle invested primarily in securities of (or otherwise seeking to be exposed to the value of securities issued by) UMG. The Company has maintained an investment in PS VII Master since its inception through June 30, 2024.

As of June 30, 2024 and December 31, 2023, the Company had a capital balance of $321,394,832 and $301,841,912 in PS VII Master, respectively, representing an economic ownership of 28%. The Company is not charged a management fee or performance fee in relation to 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 184,145,169 and 1, respectively for the six-month period ended June 30, 2024, and 190,120,424 and 1, respectively for the six-month period ended June 30, 2023. Accretion from share buybacks is not included in the calculation of EPS. The Company's share buybacks provided accretion to the Public Shares of $0.15 per share during the six-month periods ended June 30, 2024 and June 30, 2023.

11. BONDS

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

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

The Company used the net proceeds of the offerings for general corporate purposes, including to make investments or hold assets in accordance with the Company's Investment Policy. In the case of the 2027 and 2031 Bonds, a portion of the proceeds was used to fund a tender offer in October 2021 for bonds maturing on July 15, 2022, which were fully redeemed and retired in June 2022.

The Outstanding Bonds rank equally in right of payment with each other and contain substantially the same covenants. Each of the Outstanding Bonds is callable at par plus a customary make whole premium until a certain date (the "Par Call Date") and thereafter becomes callable at 100% of Par. The Par Call Date for each of these Outstanding Bonds is as follows:

Bond	Par Call Date
2027 Bonds	August 1, 2027
2030 Bonds	August 15, 2030
2031 Bonds	July 1, 2031
2032 Bonds	July 15, 2030
2039 Bonds	July 15, 2034

If a key man event (Mr Ackman's death, permanent disability or withdrawal as managing member of the general partner to the Investment Manager) occurs, the specified debt to capital ratio in the Bonds' debt covenants is reduced from 1.0 to 3.0 to 1.0 to 4.0. If, at the time of the key man event, the Company's debt to capital ratio is above 1.0 to 4.0, the Company will be required to either reduce its debt or issue additional equity within 180 days. In the event the Company elects to reduce its debt, the Bonds become callable at 101% of par plus accrued interest in the amount necessary to achieve the required debt to capital ratio and the Company may select which Bonds to redeem.

The fair value of the Bonds as of June 30, 2024 and December 31, 2023 is summarized in the table below:

As of		June 30, 2024		December 31, 2023
2027 Bonds	$	479,603,539	$	490,393,909
2030 Bonds		423,750,000		409,310,000
2031 Bonds		568,246,000		555,128,000
2032 Bonds		154,118,000		146,832,000
2039 Bonds		336,064,000		322,436,000
Total Fair Value	**$**	**1,961,781,539**	**$**	**1,924,099,909**

In accordance with IFRS 9, the Bonds' carrying value on the statement of financial position as of June 30, 2024 (unaudited condensed interim statement) and December 31, 2023, is $2,340,422,464 and $2,351,915,264, respectively. The carrying value includes the original issue discount and capitalized transaction costs, which are amortized over the life of the Bonds using the effective interest method.

For the period ended June 30, 2024		
At December 31, 2023	**$**	**2,351,915,264**
Unrealized currency (gain)/loss on translation		(16,476,227)
Finance costs		37,383,427
Bonds coupon payments		(32,400,000)
At June 30, 2024	**$**	**2,340,422,464**
Finance costs for the period:		
Bonds coupon expense	$	35,901,185
Amortization of Bonds issue costs incurred as finance costs		1,309,145
Amortization of Bonds original issue discount incurred as finance costs		173,097
	$	**37,383,427**

For the year ended December 31, 2023

At December 31, 2022	**$**	**2,332,567,827**
Unrealized currency (gain)/loss on translation		16,482,623
Finance costs		74,907,654
Bonds coupon payments		(72,042,840)
At December 31, 2023	**$**	**2,351,915,264**
Finance costs for the year:		
Bonds coupon expense	$	71,935,256
Amortization of Bonds issue costs incurred as finance costs		2,625,012
Amortization of Bonds original issue discount incurred as finance costs		347,386
	$	**74,907,654**

12. DEFERRED TAX EXPENSE

As a foreign corporation holding a beneficial ownership in a U.S. real property interest (HHH), 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. To accrue for this potential withholding, the Company assesses an expense equal to 21% of the unrealized gains on the stock purchased. 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. As the stock price of HHH increased for the six-month period ended June 30, 2023, the Company had a deferred tax expense of $6,560,669. The deferred tax expense payable on the statement of financial position as of June 30, 2024 (unaudited condensed interim statement) and December 31, 2023, was $27,829,403 and $84,826,934, 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

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 owned 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 shareholder of the company. The reorganization resulted in a deemed assignment of the Company's IMA for purposes of the Advisers Act, which was approved by the Board in accordance with the terms of the IMA and the Company's Articles of Incorporation. The reorganization did not impact PSCM's management team or PSCM's role in managing the Company, and PSCM's obligations under the IMA are unchanged by the reorganization.

On July 29, 2024, HHH separated into two independent publicly-traded companies, by distributing pro rata to its stockholders shares in Seaport Entertainment Group Inc. ("SEG"). HHH and SEG also announced that subsequent to the distribution of SEG common stock, SEG intends to conduct a rights offering, intended to raise up to $175 million in proceeds before expenses (the

"Rights Offering"). 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 have agreed, severally and not jointly, to (i) exercise their pro rata subscription rights with respect to the Rights Offering and (ii) purchase on a pro rata basis any shares that are not purchased in the Rights Offering upon the expiration thereof at the Rights Offering price up to $175 million in the aggregate. The obligations of the Pershing Square Funds under the Standby Purchase Agreement will expire on October 25, 2024, or approximately 90 days from the date of the Standby Purchase Agreement. To the extent that SEG stockholders do not participate in the Rights Offering, the Standby Purchase Agreement could result in the Pershing Square Funds owning a significantly higher percentage of SEG's common stock than they will hold immediately following the distribution. The Standby Purchase Agreement is contingent on the Right Offerings being declared effective by the SEC, among other conditions.

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

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 Company's share price performance is calculated based on the Company's Public Shares traded on Euronext Amsterdam and includes dividend reinvestment. Over the same periods, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling increased by 17.4% and decreased 1.8%, respectively, and the share price performance, including dividend reinvestment, of Public Shares listed in USD increased by 16.5% and decreased by 0.9%, respectively.

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

iv. The Company's share price performance is calculated based on the Company's Public Shares traded on Euronext Amsterdam and includes dividend reinvestment. Over the same period, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling and USD both increased 26.5%.

v. Discount to NAV is calculated based on the Company's Public Shares traded on Euronext Amsterdam. Over the same period, the discount to NAV of Public Shares listed on the LSE in Sterling narrowed from 29.8% to 22.8% and the discount for Public Shares listed in USD narrowed from 29.6% to 22.6%.

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

1. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and accrued and/or crystallized performance allocation/fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance due to these share buybacks is reflected in the returns herein. The Company's performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Where the Company's performance is presented with that of PSLP, performance results assume that an investor (i) has been invested in PSLP since inception and has participated in any "new issues," as such term is defined under Rules 5130 and 5131 of FINRA and (ii) invested in PSLP at its inception on January 1, 2004 and converted to PSH at its inception on December 31, 2012. Such performance information does not reflect either the performance of PSLP since its inception or PSH since its inception and no individual fund has actually achieved these results. The information is presented to illustrate how Pershing Square's core strategy has performed over a longer time horizon prior to the inception of the Company and is not

necessarily, and does not purport to be, indicative, or a guarantee, of future results. This performance provided is calculated based on certain inputs and underlying assumptions, but not all considerations may be reflected therein and such performance is subject to various risks and inherent limitations that are not applicable to the presentation of the performance of either PSH or PSLP alone. Although Pershing Square believes the performance calculations described herein are based on reasonable assumptions, the use of different assumptions would produce different results. For example, depending on the timing of an individual investor's specific investment in the Company and/or PSLP, net performance for an individual investor may vary from the net performance as stated herein. The performance is also provided to you on the understanding that you will understand and accept the inherent limitations of such results, and will not rely on them in making any investment decision with respect to an investment with Pershing Square.

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

3. The S&P 500 Total Return Index ("index") has been selected for purposes of comparing the performance of an investment in the Company or PSLP, as applicable, with a well-known, broad-based equity benchmark. The statistical data regarding the index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses to which the Pershing Square Funds are subject. The Pershing Square Funds are not restricted to investing in those securities which comprise this index, their performance may or may not correlate to this index and they should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Pershing Square Funds' portfolios. The S&P 500 is comprised of a representative sample of 500 U.S. large cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poor's. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, are registered trademarks of Standard & Poor's Financial Services LLC. © 2024 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.

4. The performance data presented on page 2 under "Cumulative (Since Inception)" and "Cumulative (Since PSH Inception)" is calculated from January 1, 2004 and December 31, 2012, respectively.

5. The Investment Manager's Report contains Pershing Square's own views and opinions, based on publicly available information, to illustrate Pershing Square's thinking on the matters therein. An investment in the Company will entail substantial risks, and a prospective investor should carefully consider the risks described in "Principal Risks and Uncertainties" and the disclosures contained in Pershing Square's Form ADV Part 2A and the Company's Prospectus.

6. This letter does not constitute a recommendation or an offer to sell PSUS.

7. 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.

8. This report reflects the contributors and detractors to the performance of the portfolio of the Company. Other than bond interest expense and share buyback accretion, positions with contributions or detractions to performance of 50 basis points or more are listed separately, while positions with contributions or detractions to performance of less than 50 basis points are aggregated. The contributions and detractions to performance presented herein are based on gross returns which do not reflect the deduction of management fees and accrued/crystallized performance fees (if any). Inclusion of such fees and expenses would produce lower returns than presented here. In addition, at times, Pershing Square may engage in hedging transactions to seek to reduce risk in the portfolio, including investment-specific hedges that do not relate to the underlying securities of an issuer in which the Company is invested. For each issuer, the gross returns reflected herein (i) include only returns on the investment in the underlying issuer and the hedge positions that directly relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and also purchased puts on Issuer A stock, the gross return reflects the profit/loss on the stock and the profit/loss on the put); (ii) do not reflect the cost/benefit of hedges that do not relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and short Issuer B stock, the profit/loss on the Issuer B stock is not included in the gross returns attributable to the investment in Issuer A); and (iii) do not reflect the cost/benefit of portfolio hedges. Performance with respect to currency hedging related to a specific issuer is included in the overall performance attribution of such issuer. The contributors and detractors to the gross returns presented herein are for illustrative purposes only. The securities on this list may not have been held by the Company for the entire calendar year. All investments involve risk including the loss of principal. It should not be assumed that investments made in the future will be profitable or will equal the performance of the securities on this list. Past performance is not indicative of future results. Please refer to the net performance figures presented on page 2.

9. 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, 2024 to June 30, 2024. 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

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

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