



PERSHING SQUARE CAPITAL MANAGEMENT, L.P.

PERSHING SQUARE HOLDINGS, LTD.

Portfolio Update

September 30, 2018

Summary Results <sup>(1)</sup>		
	September	YTD 2018
Gross Performance	1.3%	17.0%
Net Performance	1.2%	15.8%
NAV/Share (in USD)	\$20.16	
NAV/Share (in GBP)	£15.47	

Number of Positions <sup>(2)</sup>	
Long	10
Short	0
<b>Total</b>	<b>10</b>

Equity & Debt Exposure Composition By Market Cap <sup>(3) (4)</sup>			
	Net Portfolio	Long	Short
Large Cap	99%	99%	0%
Mid Cap	9%	9%	0%
Small Cap	0%	0%	0%
<b>Total</b>	<b>108%</b>	<b>108%</b>	<b>0%</b>

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

Portfolio Composition by Sector <sup>(5)</sup>	
Business Services	Restaurant
Financials	Retail
Industrials/Chemicals	Undisclosed
RE Corp.	

Assets Under Management	
Pershing Square Holdings, Ltd. AUM <sup>(6)</sup>	\$ 4,466.7M
Total Strategy AUM <sup>(7)</sup>	\$ 7,613.7M
Total Firm AUM <sup>(8)</sup>	\$ 8,361.4M

Notional Credit Default Swap Exposure	
Single Name & Sovereign CDS	\$ 0.0M
<b>Total CDS</b>	<b>\$ 0.0M</b>

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

- (1) Performance results are presented on a gross and net-of-fees basis. Net returns reflect the deduction of, among other expenses, management fees, brokerage commissions, administrative fees, and accrued and/or crystallized performance fees, if any, and include the reinvestment of all dividends, interest, and capital gains. Net returns reflect the performance of the Company's Public Shares. Depending on the timing of an individual investor's specific investment, net performance for an individual investor may vary from the net performance as stated herein. Gross returns reflect the performance of the Company's shares in the aggregate and are presented before the deduction of management fees and performance fees, if any. In May 2018, the Company purchased and cancelled 22,271,714 Public Shares pursuant to the tender offer announced on April 25, 2018 (the "Tender Offer"). The positive impact on performance of the Tender Offer is reflected herein. Performance data and other information contained herein are estimated and unaudited. Net performance is a geometrically linked, time-weighted calculation.
- (2) Reflects the number of positions in issuers in which the Company has previously publicly disclosed an investment, which occurs after the Company has completed its accumulation. Cash, cash equivalents, direct or indirect currency or other hedges and income/expense items are excluded. Multiple financial instruments (for example, common stock and derivatives on common stock) associated with one (1) issuer count as one (1) position. A position that is included in the number of positions will be removed from the table only if the investment becomes 0.0% of the portfolio.
- (3) For the purpose of determining the equity and debt exposures, investments are valued as follows: (a) equity or debt is valued at market value, (b) options referencing equity or debt are valued at market value, (c) long call options and short put options (or vice-versa, short call options and long put options) held on the same underlying issuer and with the same strike and same expiry are grouped together and treated as synthetic equity positions, and are valued at the market value of the equivalent long equity position (or vice-versa, the equivalent short equity position), and (d) swaps or forwards referencing equity or debt are valued at the market value of the notional equity or debt underlying the swaps or forwards. Whether a position is deemed to be long or short is determined by whether an investment has positive or negative exposure to price increases or decreases. For example, long puts are deemed to be short exposure.
- (4) Includes all issuer equity, debt, and derivatives related to issuer equity and debt, and associated currency hedges. Cash, cash equivalents, direct or indirect currency or other hedges and income/expense items are excluded. The market values of associated currency hedges are included as part of the associated investment. In the event that there is a change in market cap category with respect to any non-publicly disclosed position, this information is not updated until such position is publicly disclosed.
- (5) Portfolio composition is reflective of the publicly disclosed portfolio positions as of the date of this report. A position in an issuer is only assigned to a sector once it has been publicly disclosed.
- (6) "Pershing Square Holdings, Ltd. AUM" equals the assets under management of Pershing Square Holdings, Ltd. Any performance fees crystallized as of the end of the year will be reflected in the following period's AUM.
- (7) "Total Strategy AUM" equals the aggregate assets under management of Pershing Square, L.P., Pershing Square International, Ltd., Pershing Square II, L.P. and Pershing Square Holdings, Ltd. (collectively, the "Core Funds"). Redemptions effective as of the end of any period (including redemptions attributable to crystallized performance fees/allocations, if any) will be reflected in the following period's AUM.
- (8) "Total Firm AUM" is the aggregate of Total Strategy AUM and the assets under management of Pershing Square VI Master, L.P. which operates as a co-investment vehicle investing primarily in securities of (or otherwise seeking to be exposed to the value of securities issued by) Automatic Data Processing, Inc. ("PSVI") without double counting investments by any Core Fund in PSVI.

Note: Each Public Share in the Company carries at all times one vote per share. The total voting rights in the Company ("Total Voting Rights") may vary over time given the capital and voting structure of the Company. As of September 30, 2018, Total Voting Rights were 443,963,561. After giving effect to a conversion from Public Shares to Management Shares by certain management shareholders (as provided in Pershing Square Holdings, Ltd.'s Articles of Incorporation) effective as of September 30, 2018, there are 187,237,237 Public Shares, 32,017,698 Management Shares and 1 Special Voting Share (held by VoteCo) outstanding (the share classes have 1 vote, 1.0713 votes and 222,425,744 votes per share, respectively).

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

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

As of the date of the placing of the Public Shares, the total offset amount, which is part of the performance fee calculation, was \$120M. As of September 30, 2018, the offset amount was reduced by approximately \$19.2M to \$100.8M. The performance fee that may be charged from time to time on fee-bearing shares equals 16% of NAV appreciation minus the "additional reduction." The additional reduction is equal to 20% of the aggregate performance allocations/fees earned by the investment manager on the gains of certain other funds managed by the investment manager plus any amount of additional reduction carried forward from the previous period (\$2.9M as of September 30, 2018), and is calculated after giving effect to the offset amount. The offset amount offsets the additional reduction until it is fully reduced to zero. As of the date of the placing, the total offset amount was set by reference to the sum of the fees and other costs of the placing and admission of the Public Shares, as well as commissions paid to placement agents and other formation and offering expenses prior to admission that had been borne by the investment manager. The investment management agreement between PSH and the investment manager was amended on December 1, 2016 to remove any accretion in the computation of the offset amount.