ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

PERSHING SQUARE CAPITAL MANAGEMENT, L.P.

March 2020

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This brochure provides information about the qualifications and business practices of Pershing Square Capital Management, L.P. (the "Adviser"). If you have any questions about the contents of this brochure, please contact us at 212-813-3700 or pscmcompliance@persq.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

The Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply any level of skill or training.

Additional information about the Adviser also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2
MATERIAL CHANGES

The Adviser is required to identify and discuss any material changes made to its brochure since the last annual update. There are no material changes to report. However, clients and prospective clients should review this brochure carefully. If the Adviser makes any material changes to its brochure, this section will be revised to include a summary of these changes.

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ADVISORY BUSINESS

A. General Description of Advisory Firm.

The Adviser, Pershing Square Capital Management, L.P., a Delaware limited partnership, commenced operations in 2004 and has its office in New York, New York. William A. Ackman (the "Principal Owner"), as a limited partner of the Adviser and as the managing member of the general partner of the Adviser, PS Management GP, LLC, a Delaware limited liability company, is the principal owner of the Adviser and controls the Adviser. The general partner of the Adviser has ultimate responsibility for the management, the operations and the investment decisions made by the Adviser.

B. Description of Advisory Services.

1. **Advisory Services**

The Adviser serves as the management company for a number of investment funds, including, without limitation, Pershing Square, L.P. ("PS LP"), an investment partnership organized under the laws of Delaware. The Adviser is also the investment adviser to Pershing Square International, Ltd. ("PS Ltd" and together with PS LP, the "Private Funds"), an investment fund organized under the laws of the Cayman Islands and Pershing Square Holdings, Ltd., an investment fund organized under the laws of Guernsey ("PSH" and together with the Private Funds, each, a "Fund" and collectively, the "Funds"). The Funds generally implement substantially similar investment objectives, policies and strategies.

Pershing Square GP, LLC, a Delaware limited liability company affiliated with the Adviser and controlled by Mr. Ackman, serves as the general partner (the "GP") of PS LP. The interests in PS LP are offered on a private placement basis, in compliance with the exemption provided by Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Company Act"), to persons who are "accredited investors" as defined under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified purchasers" (or "knowledgeable employees") as defined under the Company Act, and subject to other conditions that are set forth in PS LP's offering documents. Shares in PS Ltd are offered on a private placement basis to investors that are not "U.S. Persons," as defined under Regulation S of the Securities Act, and U.S. investors that are "accredited investors" and "qualified purchasers," and subject to other conditions that are set forth in the offering documents for PS Ltd. Shares of PSH are traded on Euronext Amsterdam and the Main Market of the London Stock Exchange.

The Adviser may, from time to time, serve as the investment adviser or management company for additional funds or products which may invest alongside the Funds (the "Other Products").

As used herein, the term "client" generally refers to each of the Funds.

This brochure generally includes information about the Adviser and its relationships with its clients and affiliates. While much of this brochure applies to all of those *clients and affiliates, there is information included herein that only applies to specific clients or affiliates.*

2. **Investment Strategies and Types of Investments**

The descriptions set forth in this brochure of specific advisory services that the Adviser offers to clients, and investment strategies pursued and investments made by the Adviser on behalf of its clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that the Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

In seeking to achieve the Funds' objectives, the Adviser may use any investment strategy, long or short, in the global marketplace that it believes will enhance overall performance and, except as described in the Funds' offering documents, there are no restrictions on the securities or other financial instruments that may be used by the Funds. The Funds are authorized and are expected to invest in long and short positions in equity or debt securities of U.S. and non-U.S. issuers (including securities convertible into equity or debt securities); distressed securities, rights, options and warrants; bonds, notes and equity and debt indices; swaps (including equity, foreign exchange, interest rate, commodity and credit-default swaps), swaptions, and other derivatives; instruments such as futures contracts, foreign currency, forward contracts on stock indices and structured equity or fixed-income products (including without limitation, asset-backed securities, mortgage-backed securities, mezzanine loans, commercial loans, mortgages and bank debt); exchange-traded funds; and any other financial instruments that the Adviser believes will achieve the Funds' investment objectives. The Funds' investments may include both publicly traded and privately placed securities of public issuers, as well as publicly traded securities of private issuers. The Funds also may invest in securities sold pursuant to initial public offerings. Investments in options on financial indices may be used to establish or increase long or short positions or to hedge the Funds' investments.

The Funds have no overarching strategy or asset allocation model that specifies what percentage of their portfolios should be invested in each investment category. Rather, cash, cash equivalents, and/or securities issued by the U.S. Department of the Treasury ("U.S. Treasurys") are generally the default investment choices for the Funds until the Adviser identifies new investment opportunities. The Funds' allocation among different investment categories is a function of their potential risk and reward compared with available opportunities in the marketplace. Accordingly, the Funds may hold significant cash balances on an ongoing basis.

The Funds will not make an initial investment in the equity of companies whose securities are not publicly traded (*i.e.,* private equity), but, as described above, may invest in privately placed securities of public issuers and publicly traded securities of private issuers. Notwithstanding the foregoing, it is possible that, in limited circumstances, public companies in which the Funds have invested may later be taken private and the Funds may make additional investments in the equity or debt of such companies. The Funds may make investments in the debt securities of a private company, *provided* that there is an observable market price for such debt securities.

As part of the Funds' investment program, the Adviser intends to concentrate the Funds' assets in a relatively limited number of investments because the Adviser believes that (1) there are a limited number of attractive investments available in the marketplace at any one time, and (2) investing in a relatively modest number of attractive investments about which it has detailed knowledge provides a better opportunity to deliver superior risk-adjusted returns when compared with a large diversified portfolio of investments it can know less well. As a result, the Adviser intends to invest the substantial majority of the Funds' capital in typically 8 to 12 core investments.

The Adviser generally does not believe in the use of a material amount of margin leverage because of the potential risk of forced sales at inferior prices in the event of short-term declines in security prices in a margined portfolio. PSH has issued $1,000,000,000 of 5.500% Senior Notes due 2022 (the "2022 Notes"), $400,000,000 of 4.95% Senior Notes due 2039 (the "2039 Notes" and together with the 2022 Notes, the "Notes") and may in the future continue to access the bond market and/or obtain other forms of financing, including, without limitation, margin loans. The Funds may also use derivatives, including equity options, in order to obtain security-specific, non-recourse leverage in an effort to reduce the capital commitment to a specific investment, while potentially enhancing the returns on the capital invested in that investment, or for other reasons. The Funds may also use derivatives, such as equity and credit derivatives and put options, to achieve a synthetic short position in a company without exposing the Funds to some of the typical risks of short selling which include the possibility of unlimited losses and the risks associated with maintaining a stock borrow. The Funds generally do not use total return swaps to obtain leverage, but rather to manage regulatory, tax, legal or other issues. However, depending on the investment strategies employed by the Funds and specific market opportunities, the Funds may use other derivatives for leverage.

C. Availability of Customized Services for Individual Clients.

The Adviser intends for the Funds and Other Products sharing a similar investment strategy (if any) to generally hold, to the extent practicable, similar securities and other financial instruments on a proportionate basis relative to each Fund's or Other Product's respective Adjusted Net Asset Values (as defined in Item 11.B.1. (*Cross Trades*) below), although, due to liquidity needs and tax, regulatory and other considerations, the Funds' and any such Other Products' investments may differ significantly. Adjusted Net Asset Value may also vary over time as a result of capital appreciation, negative returns, subscriptions or redemptions (where applicable), among other factors.

D. Regulatory Assets Under Management.

The Adviser managed approximately $9,154,898,159 as of March 1, 2020 on a discretionary basis. As of March 1, 2020, the Adviser does not manage any assets on a non-discretionary basis.

ITEM 5
FEES AND COMPENSATION

A. Advisory Fees and Compensation.

The fees applicable to each Fund are set forth in detail in their respective offering documents. A brief summary of these fees is provided below.

1. **PS LP**

Management Fee

The Adviser generally is paid quarterly a management fee equal to 0.375% (1.5% on an annual basis) of the net asset value of the capital accounts relating to each limited partner, payable in advance at the beginning of each quarter and prorated for any partial quarter. The Adviser may waive the management fee with respect to the capital accounts of members, partners, officers, managers, employees or affiliates of the GP or the Adviser or other limited partners in the Adviser's sole discretion.

Performance Allocation

On January 1, 2017, PS LP offered a new tranche of limited partnership interests (the "Tranche G Interests") which have equal rights and privileges as the limited partnership interests existing as of that date (the "Existing Interests"), except as otherwise described in PS LP's offering memorandum, as the same may be supplemented from time to time. Capital accounts established in connection with the purchase of Tranche G Interests are referred to herein as "Tranche G capital accounts". For the avoidance of doubt, except as otherwise described herein, all references to "interests" and "capital accounts" of PS LP will include the Tranche G interests and the Tranche G capital accounts, as the context requires.

Existing Interests

The GP is generally entitled to be allocated from each capital account that relates to an Existing Interest an annual performance allocation equal to 20% of the increase in the net asset value (after reduction for the management fee and the balance of such capital account's loss recovery account), if any, of such capital account (adjusted for redemptions).

Tranche G Interests

At the end of each "Tranche G performance calculation period" (as defined below) the GP is generally entitled to be allocated from each Tranche G capital account an annual performance allocation equal to 30% of the amount by which the "Tranche G return amount" (as defined below) of such Tranche G capital account exceeds the "Tranche G hurdle amount" (as defined below) of such Tranche G capital account.

The "Tranche G return amount" is the increase in the net asset value, if any, of such Tranche G capital account during a Tranche G performance calculation period (after reduction for the management fee and the balance of such Tranche G capital account's loss recovery account). The Tranche G return amount will be adjusted for any Tranche G Interests redeemed during such Tranche G performance calculation period.

The "Tranche G hurdle amount" is an amount that is equal to a 5% annualized return on the net asset value of such Tranche G capital account at the beginning of such Tranche G performance calculation period. The Tranche G hurdle amount will be calculated separately for each Tranche G performance calculation period on a linear basis taking into account twelve (12) equal calendar months and will be neither cumulative nor compounded from one Tranche G performance calculation period to a subsequent Tranche G performance calculation period. The Tranche G hurdle amount will be prorated with respect to (i) any Tranche G Interest established on dates other than the first day of a calendar year and (ii) any Tranche G Interest redeemed on dates other than the last day of a calendar year, in each case, based on the actual number of months in the applicable calendar year that such Tranche G capital account exists.

The initial "Tranche G performance calculation period" with respect to any Tranche G capital account is the period beginning on the date such Tranche G capital account is established. Subsequent Tranche G performance calculation periods with respect to any such Tranche G capital account will begin on the first day of each subsequent calendar year following the initial Tranche G performance calculation period. Each Tranche G performance calculation period will end on the earlier of (i) December 31 of each year and (ii) a redemption date during such year but only with respect to Tranche G Interests redeemed as of such redemption date.

General

The performance allocation is calculated based on both realized gains and losses and unrealized appreciation and depreciation of securities held in PS LP's portfolio. Generally, any decrease in the net asset value in a fiscal year allocated to any limited partner's capital account is carried forward in a "loss recovery account" so that no performance allocation is charged to that capital account unless the losses have been recouped, subject to various adjustments. For instance, the GP has agreed to increase the loss recovery account of each investor in PS LP that was also an investor in Pershing Square IV, L.P., Pershing Square IV-I, L.P., Pershing Square International IV, Ltd. or Pershing Square International IV-I, Ltd., investment vehicles previously managed by the Adviser (collectively, "PS IV"), as of February 27, 2009, by an amount equal to the decline in dollar value as of that date of that investor's original investment in PS IV (the "PS IV Loss").

The GP may waive the performance allocation with respect to the capital accounts of members, partners, officers, managers, employees or affiliates of the GP or the Adviser or other limited partners in the GP's sole discretion.

2. **PS Ltd**

Management Fee

The Adviser generally is paid quarterly a management fee equal to 0.375% (1.5% on an annual basis) of the net asset value of each series of fee-paying shares of PS Ltd, payable in advance at the beginning of each quarter and prorated for any partial quarter.

Performance Fee

On January 1, 2017, PS Ltd issued a new class of shares (the "Class G Shares") which have equal rights and privileges as the Class C Shares, Class D Shares and Class E Shares, except as otherwise described in PS Ltd's offering memorandum, as the same may be supplemented from time to time.

Class C Shares, Class D Shares and Class E Shares

The Adviser generally receives a performance fee from PS Ltd with respect to Class C Shares, Class D Shares and Class E Shares equal to 20% of the increase, if any, in the net asset value of each series of each class of shares, during each fiscal year, above the net asset value thereof for the fiscal year with respect to which a performance fee was most recently payable (the "Prior High NAV").

Class G Shares

The Adviser generally receives a performance fee from PS Ltd with respect to the Class G Shares equal to 30% of the amount by which the "Class G return amount" (as defined below) of such Class G Shares exceeds the "Class G hurdle amount" (as defined below) of such Class G Shares, calculated on a series-by-series basis.

The "Class G return amount" is the increase (after reduction for the management fee), if any, in the net asset value of each series of Class G Shares during a "Class G performance calculation period" (as defined below), above the net asset value thereof for the Class G performance calculation period with respect to which a performance fee was most recently payable. If no performance fee has been payable with respect to any such series of Class G Shares, the Class G return amount will be the increase (after reduction for the management fee), if any, in the net asset value of such series since the issuance thereof.

The "Class G hurdle amount" is an amount that is equal to a 5% annualized return on the net asset value of each series of such Class G Shares at the beginning of such Class G performance calculation period. The Class G hurdle amount will be calculated separately for each Class G performance calculation period on a linear basis taking into account twelve (12) equal calendar months and will be neither cumulative nor compounded from one Class G performance calculation period to a subsequent Class G performance calculation period. The Class G hurdle amount will be prorated with respect to (i) any series of Class G Shares issued on dates other than the first day of a calendar year and (ii) any series of Class G Shares redeemed on dates other than the last day of a calendar year, in each case, based on the actual number of months in the applicable calendar year that such series of Class G Shares exists.

The initial "Class G performance calculation period" with respect to any series of Class G Shares is the period beginning on the date such series of Class G Shares is issued. Subsequent Class G performance calculation periods with respect to any such series of Class G Shares will begin on the first day of each subsequent calendar year following the initial Class G performance calculation period. Each Class G performance calculation period will end on the earlier of (i) December 31 of each year and (ii) a redemption date during such year but only with respect to the Class G Shares redeemed as of such redemption date.

General

The performance fee is calculated based on both realized gains and losses and unrealized appreciation and depreciation of securities held in PS Ltd's portfolio, calculated on a series-by-series basis. A separate series of shares is issued for each subscription for shares.

The Adviser and PS Ltd's Board of Directors have agreed to increase the Prior High NAV of each investor in PS Ltd that was also an investor in PS IV as of February 27, 2009, by an amount equal to the PS IV Loss.

PS Ltd's Board of Directors may issue shares subject to a lower or no management fee or performance fee for members, partners, officers, managers, employees or affiliates of the Adviser or other investors in the Board of Directors' sole discretion.

3. **PSH**

Management Fee

The Adviser generally is paid a quarterly management fee equal to 0.375% (1.5% on an annual basis) of the net asset value of the public shares and Special Voting Share (together, the "fee-paying shares") of PSH, payable in advance at the beginning of each quarter.

Performance Fee

The Adviser receives a "variable performance fee" from PSH in an amount equal to (i) 16% of the gains attributable to each fee-paying share of PSH (the "16% performance fee"), *minus* (ii) the "additional reduction" (as defined below). The variable performance fee is payable upon the occurrence of crystallization events, which include, but are not limited to, December 31 of each year and PSH's payment of a dividend. Any 16% performance fees paid in connection with dividends are pro-rated to reflect the ratio of the dividend to PSH's net asset value at the time the dividend is paid. Accordingly, no variable performance fee can be higher than the 16% performance fee but it may, as a result of the additional reduction, be lower (although it can never be a negative amount).

The "additional reduction" is an amount equal to (i) the lesser of the 16% performance fee and the "potential reduction amount" (as defined below), offset (up to such lesser amount) by (ii) the then-current portion of the "potential offset amount" (as defined below).

The "potential reduction amount" is a notional amount equal to (i) 20% of the aggregate performance fees and allocation earned by the Adviser and its affiliates in respect of the same calculation period on the gains of other current and certain future funds managed by the Adviser or any of its affiliates (including the Private Funds) plus (ii) if the potential reduction amount for the previous calculation period was not fully utilized in reducing the variable performance fee for that period, the amount not utilized (which is in effect carried forward).

The "potential offset amount" refers to the fees and other costs of the offering and admission on Euronext Amsterdam of the public shares (the "IPO") and the commissions paid to placement agents and other formation and offering expenses incurred prior to the IPO of PSH that were, in each case, borne by the Adviser. The potential offset amount will be reduced by each dollar applied to reduce the additional reduction, until it is fully reduced to zero.

For purposes of calculating the variable performance fee, "gains" refer to the net realized and unrealized increase (if any) in the net asset value attributable to the relevant fee-paying shares (calculated before giving effect to the variable performance fee) above a high water mark applicable to such shares, that in each case have accrued at the relevant crystallization event.

A "high water mark" with respect to any fee-paying share of PSH is the highest net asset value attributable to that share at the end of any period (typically, each December 31 and any other crystallization event) for which a performance fee is paid (or would be paid without taking into account the additional reduction), provided, that in the circumstances where PSH pays a dividend, the high water mark will be reduced by the percentage of the net asset value represented by such dividend. The high water mark for the fee-paying shares at the end of any period is calculated after the net asset value per share is reduced by the management fee and the variable performance fee, in each case accruing at, or before, the relevant crystallization event.

4. **Other Products**

The Adviser may offer Other Products, including co-investment opportunities alongside the Funds, to third parties selected by the Adviser in its sole discretion, including, without limitation, certain existing investors of the Funds and/or the existing Other Products. Co-investment opportunities may be made available through limited partnerships, limited liability companies or other special-purpose entities formed to make such investments. The Adviser and its affiliates may charge higher or lower management fees and/or performance-based compensation (which may or may not be different than the fees and/or compensation charged to the Funds and/or existing Other Products) in respect of such Other Products.

See Item 11 for information regarding the allocation of trades and investment opportunities between the Funds and Other Products and Item 5.C. for the allocation of expenses related to co-investment opportunities.

B. Payment of Fees.

Fees and compensation paid to the Adviser or its affiliates by the Funds are generally deducted from the assets of the Funds. As discussed above, management fees are generally deducted on a quarterly basis and performance compensation is generally deducted on an annual basis.

The Adviser voluntarily determined to reduce the management fees paid by the Funds and Pershing Square II, L.P.[1] (together, the "Core Funds") in connection with the settlement of two class action lawsuits related to the Core Funds' investment in Allergan, Inc. (entitled In Re Allergan, Inc. Proxy Violation Securities Litigation, Case No: 8:14-cv-2001-DOC. and In Re Allergan, Inc. Proxy Violation Derivatives Litigation, Case No. 2:17-cv-04776 DOC) for eight consecutive quarters beginning with the management fee payable on April 1, 2018, by a total of $32.2 million. This amount accounts for the amount that the performance allocations/fees paid by the Core Funds would have been reduced had these Allergan-related settlement expenses been incurred in 2014 contemporaneously with gains from the Allergan investment. The reduced fees have been fully allocated among the Core Funds based upon the amount of settlement reserves previously recognized by the Core Funds at the year ended December 31, 2016 and the year ended December 31, 2017.

C. Additional Fees and Expenses.

Each Fund bears its share of fees and expenses determined to be allocable to such Fund by the Adviser, including, without limitation, accounting, auditing, entity-level taxes imposed on or with respect to a Fund without regard to the status or attributes of such Fund's investors (other than entity-level taxes or "imputed underpayments" imposed under Section 6225 of the U.S. Internal Revenue Code of 1986, as amended (or any similar state or local law)) and tax preparation fees and expenses, legal fees and expenses (including fees and expenses relating to regulatory filings made in connection with each Fund's business, indemnification expenses and fees, expenses, fines, penalties, damages or settlements relating to or arising out of regulatory or similar investigations, inquiries and "sweeps" and pending, threatened and future litigation arising out of the Funds' investments), professional fees and expenses (including fees and expenses of investment bankers, appraisers, public and government relations firms and other consultants and experts), investment-related fees and expenses whether or not such investments are consummated (including (i) fees and expenses associated with investment research and due diligence, (ii) fees and expenses (including travel and lodging expenses) associated with activist campaigns (both long and short) such as fees and expenses related to event hosting and production, public presentations, creating and maintaining informational websites and engaging in online campaigns including via social media, public relations, public affairs and government relations, forensic and other analyses and investigations, proxy contests, solicitations and tender offers, and compensation, indemnification and other fees and expenses of any nominees proposed by the GP or the Adviser as directors or executives of portfolio companies and/or (iii) fees and expenses (including travel and lodging expenses) relating to unaffiliated advisers, consultants and finders and/or introducers relating to investments and/or prospective

[1] Pershing Square II, L.P. ceased operations in March 2019 and the fund is being wound up.

investments), printing and postage expenses, brokerage fees and commissions, fees and expenses relating to short sales (including dividend and stock borrowing expenses), clearing and settlement charges, custodial fees, bank service fees, margin and other interest expense and transaction fees, filing and registration fees (e.g., “blue sky” and corporate filing fees and expenses), insurance fees and expenses, initial offering and organizational expenses and on-going offering expenses, the management fee, the performance allocation, performance fees and payments for custody of each Fund’s assets and for the performance of administrative services, and other Fund fees and expenses as approved by the Board of Directors of PS Ltd or PSH or the GP, as applicable.

Examples of fees and expenses not explicitly listed above that the Adviser is entitled to incur on behalf of a Fund are: (i) fees and expenses (including fees and expenses of accountants and other advisers) of preparing, creating, printing, copying and distributing financial statements, tax returns, financial information and reports to a Fund’s investors, and schedules K-1, if applicable, (ii) with respect to a Fund’s indemnification obligations (including any advancements relating to indemnification), any fees, expenses and other costs related to any settlement, litigation, proceeding, arbitration and investigation (collectively, “litigation”) and/or threatened litigation arising out of or in connection with current and past investments (including litigation alleging violations of laws, regulations, breach of contract or tort), subject to any limitations set forth in a Fund’s organizational documents, (iii) fees and expenses relating to representation by the tax matters partner or the partnership representative, as applicable, of PS LP and its partners, and fees and expenses incurred in connection with compliance with FATCA (or any similar reporting and/or withholding regimes in any jurisdiction) (iv) fees and expenses relating to regulatory and self-regulatory organization filings and compliance pertaining to a Fund’s business and activities, investments or prospective investments including Form PF, Hart-Scott-Rodino, exchange filings and other similar filings, including fees and expenses incurred as a result of failing to make such filings, subject to any limitations set forth in a Fund’s organizational documents, (v) with respect to investment related fees and expenses, fees and expenses relating to newswire, quotation equipment and services, market data services, third-party providers of research, publications, periodicals, subscriptions and database services, data processing and computer software expenses, due diligence, providers of specialized data and/or analysis related to companies, sectors or asset classes in which a Fund had made or intends to make an investment, and fees and expenses incurred in the formation, maintenance and liquidation of any special purpose vehicles formed to effect or facilitate the acquisition of any investment, (vi) production, preparation and dissemination of any letters or other communications with respect to plans and proposals regarding the management, ownership, business and capital structure of any portfolio company or prospective investment and compensation, indemnification and other expenses of any nominees proposed by the GP or the Adviser as directors or executives of portfolio companies and related expenses (such as all costs incurred in connection with identifying and recruiting directors to serve on the board of a portfolio company, proxy solicitors, public relations experts and fees and expenses associated with “white papers”), (vii) advisory, finders and/or introducers and other professional fees and expenses relating to investments and/or prospective investments, and/or performance-based fees and allocations, in the form of cash, options, warrants, stock, stock appreciation rights or otherwise and irrespective of whether (A) there is a contractual obligation to pay such fees and expenses or (B) such third parties are engaged by a Fund and/or its affiliates in a dedicated or exclusive capacity, (viii) fees and expenses of pricing services, valuation firms and financial modeling tools and services, (ix) fees and expenses relating to directors' and officers' liability insurance, errors and omissions insurance and other similar policies for the benefit of a Fund, (x) fees and expenses related to the maintenance of a Fund's registered office and registered agent, (xi) compensation, indemnification and other fees and expenses of any unaffiliated director of a Fund, if applicable, (xii) fees and expenses in connection with a Fund's admission of new investors, including the offering and sale of shares/interests in compliance with the Directive 2011/61/EU on Alternative Investment Fund Managers (the "AIFMD") or the marketing rules of other jurisdictions, the cost of updating a Fund's offering memorandum and other relevant documents, the negotiation of side letters and other related costs, (xiii) wind-up and liquidation fees and expenses, (xiv) with respect to PSH, fees and expenses related to the operations of the company and the listing and trading of its securities on any securities exchange, including fees and expenses related to corporate brokers, rating agencies assigning credit ratings to the company's securities, the maintenance of PSH's website, communications with shareholders, and operating costs of PS Holdings Independent Voting Company Limited, PS Holdings Excess Share Trust One and PS Holdings Excess Share Trust Two (all as described in PSH's organizational documents), and (xv) other fees and expenses related to a Fund similar in type and nature to the fees and expenses described in (i) to (xiv) above.

Further examples of fees and expenses not explicitly listed above that may be approved by the Boards of Directors or the GP, as applicable, include payments or contributions to lobbying or not-for-profit organizations, which payments or contributions are expected to benefit a specific investment, the investment program or the operations or business of the Funds.

It is impossible to anticipate all possible fees and expenses to be borne by the Funds and the foregoing list of fees and expenses is not exhaustive. Investors should expect that certain other fees and expenses may be borne by the Funds from time to time.

When determining the allocation of fees and expenses, the Adviser endeavors to allocate such fees and expenses on a fair and equitable basis and only charges expenses to, and allocates expenses among, clients to the extent permitted under the client's governing documents. However, such determinations are inherently subjective and may give rise to conflicts of interest (i) between the Funds and/or the Other Products, on the one hand, and the Adviser, who might otherwise bear such fees and expenses, on the other hand and (ii) among the Funds and/or Other Products. The Adviser's conflicts committee generally reviews guidelines for allocations of fees and expenses used by the Adviser.

In order to allocate fees and expenses, the Adviser first determines whether such fees and expenses are attributable to the Funds and/or the Other Products and, therefore, are to be borne by such Funds and/or Other Products or whether such fees and expenses are attributable to the Adviser and, therefore, are to be borne by the Adviser. In certain circumstances, the Adviser may determine that an expense is to be shared by the Adviser and the Funds and/or Other Products.

With respect to fees and expenses determined to be attributable to the Funds and/or the Other Products (as opposed to fees and expenses attributable to the Adviser), generally, each Fund or Other Product will bear its own operating and other fees and expenses. If any fees and expenses are incurred for the account of more than one Fund or Other Product, the Adviser will allocate such fees and expenses among such Funds and/or Other Products as described below or in such other manner as the Adviser considers fair and equitable. Certain fees and expenses allocated to more than one Fund or Other Product may be allocated on a *pro rata* basis based on the month-end net asset value of each participating account (such as certain regulatory filings) or based on each account's month-end *pro rata* share of an investment (such as where an expense has been incurred in connection with a particular investment that is in the account's portfolio at such time). Where appropriate, other fees and expenses may be divided equally among such Funds and/or Other Product regardless of their relative net asset values.

Expenses related to portfolio investments that the Funds and/or Other Products used to hold but which are no longer in their portfolio are generally allocated among all participating accounts *pro rata* based on the month-end net asset value of each account preceding the payment date of the relevant invoice, except that to the extent the expense has been previously accrued for, the accrual will be reduced by the invoice amount. The Funds and/or Other Products will not be responsible for expenses related to investments they did not hold.

Generally, Other Products will bear their own operating and other fees and expenses and will bear their *pro rata* share of fees and expenses related to the relevant investment opportunity. However, Other Products will not be allocated fees and expenses related to general research, public relations and government relations, as well as other general fees and expenses that do not relate to the Other Product or the relevant investment opportunity. Investors in new Other Products, including the Funds, will generally bear their proportionate share of fees and expenses related to such Other Product based on the size of the investment made by such investor, unless the allocation would cause the investor to incur the expense twice.

In accordance with accounting guidelines, certain expenses may be accrued for prior to receiving an invoice, in which case the expenses will be reflected on the books of the applicable Funds as expenses payable and will generally be allocated among the Funds based on each Fund's net asset value or share of the relevant investment, as applicable, at the time of the accrual. Where permitted by accounting guidelines, certain expenses (such as expenses incurred in connection with a bond issuance or organizational expenses) may be amortized, in which case the expense will be incurred throughout the life of the bond or the entity, as applicable.

See Item 12 for information regarding the Adviser's brokerage practices.

D. Additional Compensation and Conflicts of Interest.

Neither the Adviser nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

ITEM 6
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Adviser and its affiliates accept performance-based compensation from every client. As a result, the Adviser and its affiliates do not face the conflicts of interest that may arise when an investment adviser accepts performance-based compensation from some clients, but not from other clients. However, as compared to the other Funds, the Adviser charges a lower performance fee to PSH, and the Adviser and its affiliates may charge higher or lower management fees or performance fees/allocation to Other Products. As a result, the Adviser and its affiliates may have an incentive to allocate limited investment opportunities to the clients or Other Products from which the greatest performance-based fees may be earned. The Adviser has an allocation policy that addresses these conflicts of interest, and it is described in Item 11 herein.

ITEM 7
TYPES OF CLIENTS

As noted above, the Adviser provides advice to the Funds, which are investment funds. Investors in the Private Funds may include high net worth individuals, pension funds and profit-sharing plans, trusts, estates, charitable organizations, corporations, business entities, endowments and foreign sovereign wealth funds. Investors in PSH include any purchaser of PSH's public shares. The Private Funds require minimum initial subscriptions from their investors as outlined in each such Fund's offering document. The Private Funds may accept lower subscription amounts under the circumstances described in the applicable Private Fund's offering document.

ITEM 8
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

The descriptions set forth in this brochure of specific advisory services that the Adviser offers to clients, and investment strategies pursued and investments made by the Adviser on behalf of its clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that the Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

The Adviser is a concentrated, research-intensive, fundamental value investor in the public markets. The Funds' investment objectives are to preserve capital and seek maximum, long-term capital appreciation commensurate with reasonable risk. The Adviser defines risk as the probability of a permanent loss of capital, rather than price volatility.

In its value approach to investing, the Adviser seeks to identify and invest in long (and occasionally short) investment opportunities that the Adviser believes exhibit significant valuation discrepancies between current trading prices and intrinsic business (or net asset) value, often with a catalyst for value recognition. The Adviser's focus on deeply undervalued securities is due to its belief that a well-priced purchase is often the most important determinant of the success of an investment. In addition, the Adviser believes that the acquisition of a portfolio of investments, when acquired at a large discount to intrinsic value, provides a margin of safety that can mitigate the likelihood of an overall permanent loss of each Fund's capital. Generally, the size of the position reflects the Adviser's assessment of potential for loss versus opportunity for gain.

The Adviser believes investment opportunities that meet the Funds' objectives are often found in companies undergoing significant changes in strategy, capital structure, corporate governance, management, legal exposure, corporate form, shareholder composition and control, liquidity and financial condition, and in companies that are affected by external changes in the economic and political environment, including changes in the relevant tax code, and may occur in distressed securities, companies in or exiting bankruptcy, spin-offs, rights offerings, liquidations, companies for which litigation is a major asset or liability, misunderstood large capitalization companies, under-followed small and mid-capitalization companies, and other special situations.

The Adviser is comfortable making investments in a wide range of industries and asset classes, but generally prefers investments in simple businesses or assets that generate cash flow streams that can be estimated within a reasonable range over the long term (but are not necessarily dividend-paying), have low sensitivity to macroeconomic factors and low commodity exposure and/or cyclical risk. The Adviser is willing to accept a high degree of situational, legal, and/or capital structure complexity in the Funds' investments if it believes that the potential for reward justifies it.

The Adviser generally seeks to make investments in three broad categories of opportunities: (1) great businesses at fair prices, where a great business is generally understood by the Adviser as one which generates relatively predictable, growing, free-cash-flows (but are not necessarily dividend-paying); (2) good businesses or assets at significantly undervalued prices often with a catalyst to realize value; and (3) mispriced probabilistic investments where the Adviser believes that the market price of a security or other investment under- or over-estimates the probability of a favorable outcome of a legal decision, contract or patent award or a change in interest rates, exchange rates or commodity prices, or such other event that is expected to lead to a significant change in the valuation of such security or investment.

In certain situations, if the Adviser believes the commitment of time, energy and capital is justified in light of the potential for reward, the Adviser may seek to be a catalyst to realize value from an investment by taking an active role in effectuating corporate change either working alone or in conjunction with other investors. These activist techniques may include working with management or other more aggressive steps such as acquiring substantial publicly disclosed stakes in issuers, proposing a restructuring, recapitalization, sale, or other change in strategic direction, seeking potential acquirers, engaging in proxy contests, making tender offers, changing management and other related activities. The Adviser believes that these activist techniques can both accelerate and maximize the realization of value from an investment.

The Adviser may also seek short sale investments that offer absolute return opportunities for the Funds. In addition, the Adviser may short individual securities to hedge or reduce the Funds' long exposures.

The Adviser expects to use various investment techniques that are consistent with the Funds' governing documents. These investment techniques may include (but are not limited to) the use of derivative instruments for hedging, managing risk or attempting to enhance returns. In addition, the Adviser may engage in securities lending or in leverage transactions, including writing uncovered options, entering into futures transactions, options on futures or other permitted derivative transactions whereby the Funds may have a future obligation to pay funds to another party to a transaction. The Adviser will engage in any such futures transactions in compliance with applicable rules of the Commodity Futures Trading Commission (the "CFTC"). The Adviser expects to use additional derivative instruments and other hedging, risk management and return enhancement techniques as new opportunities become available and as regulatory authorities broaden the range of permitted transactions.

In order to mitigate market-related downside risk, the Funds may acquire put options, short market indices, baskets of securities, and/or purchase credit-default swaps, but the Adviser is not committed to maintaining market hedges at any time.

The Adviser's research process is based on detailed analyses by the investment principals and analysts of the Adviser (the "Investment Principals"). The Adviser typically has established a limited number of new investment positions per year, from a large number of potential investment opportunities reviewed by the Investment Principals. After identifying appropriate subsets within this broad initial review, the Investment Principals discuss these potential investments and apply proprietary analyses to further refine and limit their focus. Once a potential investment is deemed sufficiently promising, the Investment Principals perform additional research involving the analysis of public filings and extensive secondary sources and analyze the historical record of the potential investment, looking for sources of comparable data on both public and private companies. Mr. Ackman is the ultimate decision maker for all investment positions.

B. Material, Significant or Unusual Risks Relating to Investment Strategies.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by the Adviser. These risk factors include only those risks the Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Adviser. Additional risks and uncertainties not currently known to the Adviser or that the Adviser currently believes to be immaterial may also materially and adversely affect the Adviser's investment strategies and the value of investments in the clients. Please refer to the Funds' offering documents for a more complete description of the risk factors applicable to an investment in the Funds.

Investors may lose all, or substantially all, of their investment in the Funds

Investments are exposed to the risk of the loss of capital. The business of the Funds is to invest in securities utilizing an investment strategy that may involve substantial risks. The prices of the Funds' respective investments are volatile and market movements are difficult to predict. No guarantee or representation is made that the Funds' investment strategy will be successful. In addition, the Funds may utilize such investment techniques as short sales, securities lending, investments in non-marketable securities, uncovered option transactions, forward transactions, futures and options on futures transactions, foreign currency transactions and a highly concentrated portfolio, among others, which could under certain circumstances magnify the impact of any adverse market or investment developments.

There can be no assurance that the securities purchased or investments made by the Funds will increase in value or that the Funds will not incur significant losses. An investor in a Fund may lose all or substantially all of its investment in such Fund.

The Funds are exposed to a concentration of investments, which could exacerbate volatility and investment risk

In the pursuit of the Funds' investment strategy, the Adviser may accumulate significant positions in particular investments and intends to invest the substantial majority of each Fund's capital in typically 8 to 12 core investments. From time to time, the Adviser may invest a significant proportion of the Funds' capital in one or a limited set of investments. The investment technique of concentrating investment positions increases the volatility of investment results over time and may exacerbate the risk that a loss in any such position could have a material adverse impact on a Fund's assets, and, in turn, the value of any investment in a Fund.

Although it may at times choose to do so, the Adviser is under no obligation to hedge any of the Funds' positions to mitigate these risks.

Activist investment strategies may not be successful. They may result in significant costs and expenses

The Adviser may pursue an activist role and seek to effectuate corporate, managerial or similar changes with respect to an investment. The costs in time, resources and capital involved in such activist investments depend on the circumstances, which are only in part within the Adviser's control, and may be significant, particularly if litigation against the Adviser and/or the Funds ensues. In addition, the expenses associated with an activist investment strategy, including potential litigation, expenses related to the recruitment and retention of board members, executives and other individuals providing business assistance to the Adviser in connection with an activist campaign (including, for example, consultants and corporate whistle-blowers) or other transactional costs, will be borne by the applicable Fund. Such expenses may reduce returns or result in losses.

The success of the Funds' activist investment strategy may require, among other things: (i) that the Adviser properly identify portfolio companies whose equity prices can be improved through corporate and/or strategic action; (ii) that the Funds acquire sufficient ownership of such portfolio companies at a sufficiently attractive price; (iii) a positive response by the management of portfolio companies to shareholder engagement; (iv) a positive response by other shareholders to activist investors and the Adviser's proposals; and (v) a positive response by the markets to any actions taken by portfolio companies in response to activist investors. None of the foregoing can be assured.

The Funds, either alone or together with others (including any Other Account), may secure the appointment of persons to a portfolio company's board of directors. In doing so, individual(s) (including members, partners, officers, managers, employees or affiliates of the Adviser and their respective affiliates or designees) serving on the board of directors of the portfolio company at the Funds' request will acquire fiduciary duties to the company and to the company's shareholders, members, unitholders, partners or other owners of the company in addition to the duties such persons owe the Funds. Such fiduciary duties may require such individuals to take actions that are in the best interests of the company or its shareholders, members, unitholders, partners or other owners. Accordingly, situations may arise where persons appointed to portfolio company boards may have a conflict of interest between any duties that they owe to the company and its owners, on the one hand, and any duties that they owe to the Funds, on the other hand.

Activist strategies employed by the Adviser in respect of the Funds' investments may prove ineffective for a variety of reasons, including: (i) opposition of the management, board of directors and/or shareholders of the subject company, which may result in litigation and may erode, rather than increase, shareholder value; (ii) intervention of one or more governmental agencies; (iii) efforts by the subject company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror proposed by the Adviser; (iv) market conditions resulting in material changes in securities prices; (v) the presence of corporate governance mechanisms, such as staggered boards, poison pills and classes of shares with increased voting rights; and (vi) the necessity for compliance with applicable securities laws. In addition, opponents of proposed corporate governance changes may seek to involve regulatory agencies in investigating the transaction or the Funds, and such regulatory agencies may independently investigate the participants in a transaction, including the Funds, as to compliance with securities or other laws. This risk may be exacerbated to the extent the Adviser develops and utilizes novel activist strategies. Furthermore, successful execution of an activist strategy may depend on the active cooperation of shareholders and others with an interest in the subject company. Some shareholders may have interests which diverge significantly from those of the Funds and some of those parties may be indifferent to the proposed changes. Moreover, securities that the Adviser believes are fundamentally underpriced or incorrectly priced may not ultimately be valued in the capital markets at prices and/or within the timeframe the Adviser anticipates, even if the Adviser's activist strategy is successfully implemented.

The Adviser has broad investment authority in seeking to achieve the Funds' investment objectives

Investors should recognize that by investing in the Funds, they are placing their capital, indirectly, under the full discretionary management of the Adviser. The Adviser has broad investment authority in seeking to achieve the Funds' investment objectives and may use any investment strategy, long or short, in the global marketplace that it believes will enhance overall performance. Except as otherwise provided in the Funds' offering memoranda, there are no restrictions on the securities or other financial instruments that may be used by the Adviser to invest on behalf of the Funds. The Adviser also has broad latitude with respect to the management of the Funds' risk parameters. The Adviser will opportunistically implement whatever investment techniques, risk parameters and discretionary approaches as it believes to be suitable for the Funds.

Additionally, the Adviser may pursue investment techniques other than those described herein, and its investment techniques may change and evolve materially over time. The Adviser's investment techniques, approaches and investment tactics may not be thoroughly tested before being employed and may have operational or other shortcomings which could result in unsuccessful investments and, ultimately, losses to the Funds. Any new investment technique, approach and tactic developed by the Adviser may be more speculative than earlier investment techniques, approaches and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Funds. Investors will generally not be informed of any such changes in the Adviser's investment techniques, approaches and tactics. There can be no assurance that the Adviser will be successful in implementing these investment techniques and there is material risk that an investor may suffer significant impairment or total loss of its capital.

The Adviser manages capital for investors who are located in different tax jurisdictions, some of whom pay taxes and some of whom do not. While tax considerations are clearly secondary considerations for the Adviser, the Adviser may take into account tax considerations when deciding, for example, the timing of a sale of an investment. As a result, the Adviser may make certain investment decisions which are more tax efficient for some Fund investors, but which may result in less favorable tax or economic consequences for other Fund investors.

The Adviser may fail to identify suitable investment opportunities for the Funds

Each Fund's investment strategy depends on the ability of the Adviser to successfully identify attractive investment opportunities. Any failure to identify appropriate investment opportunities and make appropriate investments would increase the amount of the Funds' assets invested in cash or cash equivalents and, as a result, may reduce their rates of return. The Funds will face competition for investments from, for example, public and private investment funds, strategic buyers and/or investment banks. Many of these competitors may be substantially larger and have greater financial resources than are available to the Funds. There can be no assurance that the Adviser will be able to identify and make investments that are consistent with the Funds' investment objectives or generate attractive returns for their investors or that the Funds will not be significantly affected by competitive pressures for investment opportunities.

The due diligence performed by the Adviser before investing may not reveal all relevant facts in connection with an investment

When assessing an investment opportunity, the Adviser has relied and will continue to rely on resources that may provide limited or incomplete information. In particular, the Adviser has relied and will continue to rely on publicly available information and data filed with various government regulators. Although the Adviser has evaluated and will continue to evaluate information and data as it has deemed or deems appropriate and has sought and will continue to seek independent corroboration when reasonably available, the Adviser has not and may choose not to evaluate all publicly available information and data with respect to any investment and has often not been and will often not be in a position to confirm the completeness, genuineness or accuracy of the information and data that it did or will evaluate.

In addition, when assessing an investment opportunity for the Funds, investment analyses and decisions by the Adviser may be undertaken on an expedited basis in order to take advantage of what it perceives to be a short-lived investment opportunity. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete.

As a result, there can be no assurance that due diligence investigations carried out by the Adviser will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities for the Funds. Any failure to identify relevant facts may result in inappropriate investment decisions, which may have a material adverse effect on the value of any investment in the Funds.

The Adviser may consult with experts

The Adviser expects to engage and retain strategic advisers, consultants and other similar professionals, including members of "expert networks" who are not employees or affiliates of the Adviser and who may include former senior public company officers or directors, former senior officials and other political figures. The nature of the relationship with each of these professionals and the amount of time devoted or required to be devoted by them may vary considerably. In certain cases, they will provide the Adviser with industry-specific insights and feedback on investment approaches, assist in transaction due diligence, and make introductions to management teams and other industry participants. In other cases, they may take on more extensive roles and contribute to the origination of new investment opportunities. The Adviser generally expects to have formal arrangements with these professionals (which may or may not be terminable upon notice by any party), but in other cases the relationships may be more informal. There can be no expectation that any of the consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with the Adviser throughout the term of the Funds.

While the Adviser has procedures in place to mitigate the risk that such persons will share material non-public information, in the event that the Adviser receives material non-public information from such persons, the Funds may be prohibited or may elect to refrain from trading in certain securities pursuant to the internal trading policies of the Adviser or as a result of applicable law or regulations, which could have an adverse effect on the Funds.

Uncertain exit strategies

While unlikely, the investments of certain Funds may become illiquid (taking into account such factors as "trading windows"(and the Adviser is unable to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. In respect of portfolio companies in which the Adviser causes the Funds to hold a long position, even if the prices for a portfolio company's securities increase, no guarantee can be made that there will be sufficient liquidity in the markets to allow the Funds to dispose of all or any of its securities therein or to realize any increase in the price of such securities. The converse applies equally in respect of portfolio companies in which the Adviser causes the Funds to hold a short position, such that even if the prices of such securities decrease, no guarantee can be made that there will be sufficient liquidity available to allow the Funds to cover all or any portion of the short position or to profit from the decrease in the price of such securities.

Market risk may significantly impact the performance of the Funds

The Funds are exposed to market risk. Among other things, this means that the prices of financial and derivative instruments in which the Funds may invest can be highly volatile. Price movements of equity, debt and other securities and instruments in which the Funds' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Moreover, war, political or economic crisis, pandemics or other events may occur which can be highly disruptive to the markets, regardless of the strategies being employed. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended directly to influence prices and, together with other factors, may cause such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds also are subject to the risk of the failure of any exchanges on which their positions trade and of their clearinghouses. Sustained cyclical market declines and periods of unusual market volatility make it more difficult to produce positive trading results, and there can be no assurance that the Funds' strategies will be successful in such markets.

Unexpected market disruptions resulting from extraordinary events may adversely impact the Funds' portfolio companies and cause major losses

The Funds may incur major losses in the event of disrupted markets and other extraordinary events in which market behavior diverges significantly from historically recognized patterns. Terrorist acts, acts of war, natural disasters, disease outbreaks, pandemics or other similar events may disrupt the Adviser's operations, as well as the operations of the Funds' portfolio companies. Such events have created, and continue to create, economic and political uncertainties and have contributed to recent global economic instability. The risk of loss in such events may be compounded by the fact that in disrupted markets, many positions become illiquid, making it difficult or impossible to close out positions against which markets are moving. Market disruptions caused by these events may from time to time cause dramatic losses for the Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. Any such disruptions and events may have a significant adverse effect on the value of any investment in the Funds.

For example, many countries have experienced epidemics of infectious diseases in recent decades, including swine flu, avian influenza, SARS and most recently, COVID-19 (the "Coronavirus"). In December 2019, an outbreak of the Coronavirus was reported in Wuhan, China. Since then, a large and exponentially growing number of Coronavirus cases have been confirmed in the United States and around the world, and the World Health Organization declared the Coronavirus to be a pandemic in March 2020. The Coronavirus outbreak has resulted in many deaths and the imposition of widespread social distancing and quarantine measures, travel bans, border closures and other restrictions. The extent and duration of the impact of the Coronavirus on financial markets is difficult to predict and depends to a large extent on future developments and other factors beyond the Adviser's control, such as the speed of contagion, the development of effective treatments, the scope of governmental action and the reaction by the public. While the Adviser has taken steps to mitigate the potential losses to the Funds caused by the impact of the Coronavirus, the ongoing spread of the Coronavirus has had, and will continue to have, a material adverse effect on economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment are increasingly affected by the outbreak and government and other measures seeking to contain its spread. Any of the foregoing developments could have adverse consequences for the Funds' portfolio companies and the value of the Funds' investments.

The threat posed by the Coronavirus to the health of the Adviser's personnel has caused the Adviser to activate its business continuity plan and continue normal operations remotely. Despite precautions taken by the Adviser, the Coronavirus may disrupt the Adviser's operations if personnel or key service providers experience health or operational issues. Extensive disruption could in turn materially and adversely affect the Adviser's ability to fulfill the Funds' investment objectives.

The Adviser may use litigation in pursuit of activist investment strategies or itself may be the subject of litigation or regulatory investigation

In pursuit of activist investment strategies, the Adviser may determine to use litigation as a course of action. In addition, the Funds, along with the Adviser and the GP, may be defendants in lawsuits initiated by third parties, including companies in which the Funds invest, other shareholders or governmental bodies. For example, the Adviser, the Core Funds and other parties were defendants in two class action lawsuits entitled In Re Allergan, Inc. Proxy Violation Securities Litigation, Case No. 8:14-cv-2001- DOC, and In re Allergan, Inc. Proxy Violation Derivatives Litigation, Case No. 2:17-cv-04776 DOC, both relating to the investment by the Core Funds in Allergan, Inc. ("Allergan"), and alleging violations of federal securities laws relating to trading in Allergan common shares and related derivatives. On December 28, 2017, in consultation with counsel and expert mediators, defendants entered into full settlements in principle in both cases for a total payment of $290 million, of which the Core Funds bore $193.75 million. In addition, the Adviser and the GP are subject from time to time to formal or informal investigations or inquiries by the SEC and other governmental and self-regulatory organizations in connection with their trading and other activities.

There can be no assurance that any litigation or regulatory investigation will be resolved in favor of, or conclude without potential exposure to, the Funds, the GP and/or the Adviser. As a result, the Funds, GP and/or the Adviser may be exposed to the risk of monetary damages and other sanctions or remedies, or the objective the Adviser is seeking to achieve may be defeated by delaying strategies of the target company. Litigation and regulatory investigations may also require significant amounts of the Adviser's time, and result in significant expenses, including the expense of defending against claims by third parties and paying amounts pursuant to settlements or judgments, all of which would generally be borne by the Funds. Such expenses may be significant and will reduce returns and/or may result in losses.

The Funds may participate substantially in the affairs of companies acquired by them, which may result in the Funds' inability to purchase or sell the securities of such companies

One or more Funds may substantially participate in or influence the conduct of affairs or management of issuers of securities acquired by them. Members, partners, officers, managers, employees or affiliates of the Adviser and its affiliates or designees may serve as directors of, or in a similar capacity with, companies in which one or more Funds invest. In the event that material non-public information is obtained with respect to such companies or one or more Funds become subject to trading restrictions pursuant to the internal trading policies of such companies, as a result of applicable law or regulations, one or more Funds may be prohibited for a period of time from purchasing or selling the securities of such companies, and as a result be prevented from increasing its exposure (or maintaining its relative ownership stake, in the case additional securities are issued by such company) to an investment position which appreciates or divesting from or exiting an investment position which decreases in value. Any such restrictions may have a significant adverse effect on a Fund and the value of any investment in a Fund.

In addition, the Funds from time to time enter into arrangements with portfolio companies, which may, among other things, limit the number of additional shares that may be acquired by the Funds, require the Funds to sell shares only at times "insiders" can sell or limit the time periods where sales may occur. These arrangements may also require the Funds to maintain a minimum investment in order to preserve their right to designate a representative to the board of directors of such portfolio companies. In order to address certain of these limitations, the Funds often enter into registration rights agreements with portfolio companies whereby the Funds have the right to register and sell their shares in a public offering.

Control investments made by the Funds may pose various risks

The Funds may take a controlling stake in certain companies. These investments may involve a number of risks, such as the risk of liability for environmental damage, product defect, failure to supervise management, violation of governmental regulations and other types of liability. In addition, in connection with the disposition of these investments, the Funds may make representations and warranties about such investments' business and financial affairs typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities law. The Funds may also be required to indemnify the purchasers of such investments or underwriters to the extent that any such representations and warranties or disclosure documents turn out to be incorrect, inaccurate or misleading. All of these risks or arrangements may create contingent or actual liabilities and materially affect the Funds and any investment in the Funds.

Regulatory restrictions on the beneficial ownership of securities may impair the Funds' ability to achieve their respective investment objectives

The investment strategies pursued by the Funds may be affected by applicable U.S. state and federal laws and regulations governing the beneficial ownership of public securities. For example, the Funds may be required to make filings pursuant to Section 13(d), 13(g) and/or 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"(, or the rules and regulations promulgated thereby. Such laws and regulations may inhibit the Funds' ability to freely acquire and dispose of certain securities, and possibly subject the Funds to "short swing profits" disgorgement. Should a Fund be affected by such rules and regulations, it may not be able to transact in ways that would realize value for the applicable Fund. In addition, any changes to government regulations (such as to Schedule 13D or Hart-Scott Rodino filings) could make some or all forms of activist strategies more difficult to implement, impractical or unlawful. Accordingly, such changes, if any, could have an adverse effect on the ability of a Fund to achieve its investment objective.

The Funds may co-invest with unaffiliated third parties

The Funds may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. The Adviser on behalf of the Funds may enter into compensation arrangements with such third parties relating to such investments, including incentive compensation arrangements. Such compensation arrangements could reduce the returns to investors in the Funds and create potential conflicts of interest between such third parties and the Funds.

Options, swaps and other instruments may involve substantial risks

The Funds may buy or sell (write) both call options and put options, and when writing options, may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Funds' option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial.

When a Fund buys an option, a decrease (or insufficient increase) in the price of the underlying security in the case of a call, or an increase (or insufficient decrease) in the price of the underlying security in the case of a put, could result in a total loss of that Fund's investment in the option (including commissions). When a Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of a call option, for example, bears the risk of an increase in the market price of the underlying security above the exercise price. The risk in that case is theoretically unlimited unless the option is "covered." If it is covered, that Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk, as further discussed below.

Credit-default swaps are characterized by volatile pricing, potentially illiquid markets, difficulty in predicting triggering events and various other risks

The Funds may enter into credit-default swaps. A credit-default swap is a contract between two parties which transfers the risk of loss and/or default related to a particular entity (the "reference entity") if a "credit event" occurs with respect to the debt of such reference entity. The credit-default swap provides for payments to be made by the protection seller which offset or reduce the losses sustained by the protection buyer as a result of the credit event. Generally, "credit events" include a variety of typically adverse events that trigger payouts under these financial instruments and include, among other things, failure by the reference entity to pay principal or interest related to its debt or the bankruptcy of the reference entity. If a credit event occurs, the purchaser of protection would settle the credit-default swap in one of three ways, as specified in the credit-default swap: (i) through a standardized auction process where credit-default swaps are cash settled and the seller of protection delivers to the purchaser of protection an amount equal to the face value of the credit-default swap less the market value of specified debt, (ii) through a physical settlement process where the purchaser of credit protection delivers a debt instrument related to the reference entity to the counterparty and the counterparty pays to the purchaser a specified face value of the credit-default swap, or (iii) through another method agreed upon by the parties. The first way is the most common form of credit-default swap settlement. Credit-default swaps can also be used to obtain short exposure related to the debt of a reference entity. There are many credit-default swap products, such as credit-default swaps on an index of reference entities or customized credit-default swaps that reference specific corporate bonds.

The Funds may purchase credit-default swap protection as a hedge against particular assets or other events. Credit-default swaps can also be utilized to implement the Adviser's view that a particular credit, or group of credits, will experience credit deterioration or improvement. The Funds may enter into credit-default swap transactions, even if the credit outlook is positive, if the Adviser believes that participants in the marketplace have incorrectly valued the components which determine the value of such credit-default swap. The Funds may purchase credit-default protection even in the case in which they do not own the debt of the reference entity if the Adviser believes that the reference entity's credit will deteriorate. The Funds may also purchase the credit-default swap protection as a hedge against particular assets or other events. While in the past the Funds have not been sellers of protection, the Funds may also sell protection by underwriting default risk to entities that would like to purchase such protection. If a Fund sells protection and if the reference entity does not experience a credit event, that Fund will have received premium payments for the term of the credit-default swap. However, if the reference entity experiences a credit event, that Fund would be obligated to pay to the purchaser of protection the face amount of the credit-default swap, which amount may be significantly greater than any premiums that it had received during the term of the credit-default swap.

Swap transactions dependent upon credit events are priced by incorporating many variables, including, among other things, the pricing and volatility of the common stock, potential loss upon default and the shape of the yield curve of U.S. Treasurys. As such, there are many factors upon which market participants may have divergent views, which increases the risk of entering into these credit-default swaps. This may be particularly true in the case of certain types of debt; for example, the credit-default swap market in high yield securities is comparatively new and rapidly evolving compared to the credit-default swap market for more seasoned and liquid investment grade securities.

The market for credit derivatives may be relatively illiquid, and there are considerable risks that may make it difficult either to buy or sell the contracts as needed or at reasonable prices. Sellers and buyers of credit derivatives are subject to the inherent price, credit spread and default risks of the debt instruments covered by the derivative instruments, as well as the risk of non-performance by the other party. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the contract and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a triggering event in one contract may not match the triggering event in another contract, exposing the buyer or the seller to further risk. Furthermore, notwithstanding any right to a payout upon the occurrence of a credit event, there is some risk that a counterparty to a credit-default swap may have insufficient capital to fund a payout.

The Funds are not obligated to hedge their exposure, and if they do, hedging transactions may be ineffective or reduce the Funds' overall performance

Although the Funds are not obligated to, and often times will not, hedge their respective exposures, they may utilize a variety of financial instruments and derivatives, such as options, interest rate swaps, caps and floors, and forward contracts, for risk management purposes, including in order to (i) protect against possible changes in the market value of their investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains in the value of their investment portfolios; (iii) facilitate the sale of any investments; (iv) enhance or preserve returns, spreads or gains on any investment in their portfolios; (v) hedge the interest rate or currency exchange rate on any of their liabilities or assets; (vi) protect against any increase in the price of any securities they anticipate purchasing at a later date; or (vii) for any other reason that the Adviser deems appropriate. The success of any hedging activities by the Funds will depend, in part, upon the Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategy will also be subject to the Adviser's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, while the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the applicable Funds than if they had not engaged in such hedging transactions.

Counterparties to derivative transactions may not be subject to credit evaluation, regulatory oversight, financial responsibility requirements or the requirement to segregate customer funds or positions

To the extent that the Funds and the Adviser trade derivatives in over-the-counter markets in the United States or elsewhere, such trading will be subject to certain risks arising from the fact that the participants in these markets are typically not subject to credit evaluation and regulatory oversight to the same extent as are members of exchanges or clearing houses. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not in good faith) since these markets may lack the established rules and procedures for swift settlement of disputes among market participants as in exchange-based markets. These factors may cause the Funds to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement or where the Funds have concentrated their transactions with a single counterparty or small group of counterparties.

Although the Adviser monitors counterparty exposure and will attempt to limit the Funds' derivative transactions to those with well-known and well-capitalized firms where it is permitted to trade over-the-counter, the Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their derivative transactions with one counterparty. Moreover, the Adviser's internal credit function which evaluates the creditworthiness of the Funds' counterparties may prove insufficient. The lack of a complete and foolproof evaluation of the financial capabilities of the Funds' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Furthermore, there is a risk that any of the Funds' counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the Funds' counterparties were to become insolvent or the subject of insolvency proceedings in the United States (either under the U.S. Securities Investor Protection Act of 1970, as amended or the United States Bankruptcy Code) or under Title II of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), there exists the risk that the recovery of the Funds' securities and other assets from the Funds' prime brokers, broker-dealers, swap dealers or security-based swap dealers will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty. The insolvency of such prime broker, broker-dealer, swap dealer or security-based swap dealer could seriously damage the operations of the Funds, and the Funds could lose a substantial portion or all of the assets held by such counterparties. Securities and other assets deposited with custodians, brokers or dealers may not be clearly identified as being assets of the Funds, and hence the Funds may be exposed to a credit risk with regard to such parties. Assets which are deposited with the Funds' brokers, swap dealers or security-based swap dealers as margin will be available to their creditors in the event of the bankruptcy or insolvency of the broker or dealer. If the pro-rata share that the Funds receive is less than 100% of what a broker owes the Funds (the Funds are entitled as a matter of law to the cash and marked-to-market value of the securities in its prime brokerage account, minus any indebtedness to the relevant broker), the Funds could recover cash or securities with a marked-to-market value of up to a specified statutory limit from a fund established under U.S. law to reimburse customers of insolvent brokers. If the broker owes the Funds more than the amount the Funds are able to recover from the broker and the reimbursement fund, or if the Funds are not able to fully recover what they are owed by an insolvent swap dealer or security-based swap dealer, the Funds will become unsecured creditors of the insolvent broker or dealer with respect to such shortfall and, therefore, may not be able to recover equivalent assets in full, or at all.

In addition, while the return of client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), the Funds may be unable to trade the assets that were held by the insolvent broker during this transfer period. In certain circumstances, the assets of the Funds held at a broker could be at risk if other clients of the broker fail to meet margin requirements and the assets of the broker are insufficient to cover any shortfall. There may also be practical or timing problems associated with enforcing the Funds' rights to its assets in the case of an insolvency of any such party. In the event the Funds use counterparties located in jurisdictions outside the United States, the practical effect of foreign consumer protection laws and their application to the Funds' assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Funds and their assets.

Forward trading may expose the Funds to the risk of bank failure or non-performance, as well as other risks

Forward contracts, swaps and options thereon, unlike futures contracts, have not historically been traded on exchanges and have not been standardized; rather, banks and dealers have acted, and continue to act, as principals in these markets, negotiating each transaction on an individual basis. Under the Dodd-Frank Act, many over-the-counter derivatives are or will be required to be traded on regulated trading facilities and cleared through regulated clearing houses. However, certain types of forward contracts and swaps, particularly foreign exchange and physical commodity forwards, will continue to be traded over-the-counter. As a result, the Funds will continue to be subject to the risks of forward trading. Forward trading (to the extent forward contracts are not traded on regulated facilities) and "cash" trading are substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals that deal in the forward markets are not required to continue to make markets in the instruments they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain products or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention or other factors.

In connection with their possible trading in non-U.S. currency forward contracts, the Funds may contract with a non-U.S. or a U.S. bank to make or take future delivery of a specified lot of a particular currency for the Funds' accounts. Banks and futures commission merchants with which the Funds may maintain accounts may require the Funds to deposit margin with respect to such trading. Banks are not required to continue to make markets in such contracts.

With respect to OTC derivatives contracts, recently promulgated regulations in the United States and Europe pursuant to the Dodd-Frank Act and EMIR (European Market Infrastructure Regulation), respectively, have the effect of limiting the Funds' ability to recover its collateral or other payment obligations owed to the Funds where the OTC bank or swap dealer faces impending bankruptcy. In particular, regulation now requires that each Fund agree by contract (in order to continue to trade OTC derivatives) to give up any rights of early termination that the Fund has in their ISDA Master Agreements in the case of the derivatives counterparties' insolvency or other resolution proceeding.

In effect, this contractual waiver by the Funds (which is now common and obligatory among all market participants) creates a stay on the rights of the Fund to close out trades against its insolvent OTC derivatives counterparty. The stays could also be triggered by subsidiary or affiliate insolvency proceedings of the OTC bank or swap dealer in other countries. These stays may last 2 or more days and vary across jurisdictions. The effect of the stay could be to have a prudential regulator of the insolvent OTC derivatives counterparty transfer the OTC derivatives positions to another solvent bank or swap dealer, but this is not certain. If such transfer occurs, there is still risk that the Funds suffer losses of their assets held in OTC form because the transfer period may take a long and unspecified time. During this transfer period the

Funds may not terminate or may be compelled to keep posting collateral on OTC positions that are in-the-money to the OTC bank or swap dealer. While a transfer period with a solvent "bridge" bank or swap dealer is how the prudential regulation is designed to work (i.e., transfer of OTC positions to a solvent bank or swap dealer to minimize systemic risk), this action has never been tested and it remains uncertain as to how the resolution of the bank or swap dealer is to work. If a transfer does not occur, the stay would be expected to expire, and then the Funds may terminate the OTC derivatives positions and attempt to replace the OTC trades. However, in this instance, there is risk that the termination amounts for the terminated OTC derivatives positions is not received by the Funds, and that the replacement cost has moved and the termination amounts do not cover such replacement costs.

Arrangements to trade forward contracts may be made with only one or a few banks, and liquidity problems therefore might be greater than if such arrangements were made with numerous banks. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Adviser would otherwise recommend, to the possible detriment of the Funds. With respect to their trading of forward contracts with banks, if any, the Funds will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts. Any such default would deprive the Funds of any profit potential or force the Funds to cover their commitments for resale, if any, at the current market price, and could result in a loss to the Funds.

Short selling exposes the Funds to the risk of theoretically unlimited losses. In addition, regulatory actions may curtail the ability of the Funds to effect their short selling strategy

Short selling involves selling securities that are not owned by the short seller and delivering borrowed securities to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engage in short sales will depend upon each Fund's investment objective, the Adviser's investment strategy and opportunities. In certain cases, a short sale creates the risk of a theoretically unlimited loss, because the price of the underlying security could increase theoretically without limit. The potential for unlimited losses may be due to general market forces, such as increases in the price of a security sold short or a lack of stock available for short sellers to borrow for delivery. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. For example, the broker or other institution that lent the stock in question to the Funds may demand the return of the borrowed security. In addition, the Funds may be subject to a "short squeeze" resulting in significant increases in the market price of a stock. A short squeeze occurs, for example, when a company with a large short interest announces a positive development, the stock price rises causing short sellers on margin to cover, which pushes the stock price up further causing more shorts to cover, and so on. A short squeeze may push a stock price above its fair value until the shorts finish covering. As a result, the Funds may be required to replace securities previously sold short, with purchases on the open market at prices significantly greater than those at which the securities were sold short. As mentioned above, purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Until the security is replaced, the Funds are required to pay to the lender amounts equal to any dividends or interest that accrue during the period of the loan. In addition, to borrow the security, the Funds may be required to pay a premium, which would increase the cost of the security sold.

Following the economic crisis in 2008, a number of regulators issued emergency orders to temporarily ban short selling of any publicly traded securities, such as securities issued by financial firms or government securities, and required institutional investment managers, including hedge fund managers, to report short positions on publicly traded securities. Several regulators have augmented these emergency measures with permanent rules intended to deter market abuses perceived to be connected with short selling. For example, the SEC has made permanent its temporary close-out requirement for sales of equity securities, as well as the penalties for failure to do so, and has adopted Rule 201 under the Exchange Act, which restricts short selling when a stock has experienced a price decline of at least 10% in one day. Other jurisdictions have also enacted legislation imposing restrictions on short selling activities. The European Union short selling regime (the "EU Short Selling Regulation") requires private disclosure to the relevant local regulator (by midnight local time on the applicable dealing day) of net short positions in any stocks listed on European regulated markets or multilateral trading facilities that exceed 0.2% of the issued capital of the relevant issuer. Further disclosures are required as each subsequent 0.1% threshold is crossed, with any net short position that is equal to or exceeds 0.5% of the issued capital of the relevant issuer being made public to the market by the relevant regulator. Disclosures are also required at 0.1% incremental thresholds as a net short position decreases. The EU Short Selling Regulation also prohibits "naked" short sales of stocks listed on European markets, meaning that short sales of stocks are only permitted where the seller has borrowed the relevant stock or has entered into an agreement or arrangement to borrow it or has a reasonable expectation that settlement of the stock can be effected when due.

As well as covering the short selling of securities, the EU Short Selling Regulation also introduced measures to impose restrictions on the creation of short positions in relation to European sovereign debt (including banning "naked" short sales of EU sovereign debt and prohibiting any persons, anywhere in the world, from entering into "naked" credit-default swap transactions in relation to EU sovereign debt).

In March 2020, in response to the Coronavirus outbreak, several EU regulators have issued temporary bans under the EU Short Selling Regulation on creating or increasing short positions in certain listed securities, including short exposure through derivatives and certain index-related instruments. In addition, the European Securities and Markets Authority has issued a decision temporarily lowering the 0.2% disclosure threshold for net short positions to 0.1%. It is impossible to know what, if any, further changes in regulations may occur, but any regulations which restrict the ability of the Funds to trade in securities, including through short selling strategies, could have a material adverse impact on the Funds.

The Funds may carry significant leverage in relation to their capital, which has the potential to increase losses. PSH has incurred indebtedness and may be able to incur substantially more indebtedness in the future, which could adversely affect its financial condition and increase the risks associated with carrying leverage

The Funds have the authority to borrow, trade on margin, utilize derivatives and otherwise obtain leverage from brokers, banks and others on a secured or unsecured basis. The Funds may utilize leverage to the extent deemed appropriate by the Adviser, and the amount of leverage utilized by the Funds may be significant. However, the Adviser generally does not expect the Funds to use a material amount of margin leverage. The use of margin leverage and the overall leverage of the Funds will depend on the investment strategies employed by the Funds and specific market opportunities. The Private Funds have no pre-determined limitations on the amount of leverage to be deployed in connection with their investment program. While leverage presents opportunities for increasing the Funds' total returns, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Funds would be exacerbated to the extent the Funds are leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to the Funds' investments could result in a substantial loss to the Funds that would be greater than if the Funds were not leveraged.

PSH has incurred indebtedness as a result of its issuance of the Notes and may incur additional indebtedness (secured and unsecured) in the future, including, without limitation, margin loans, provided that it complies with certain restrictive covenants contained in the indentures governing the Notes (the "Indentures") and the borrowing policy adopted by the PSH Board. Under the Indentures, PSH and its subsidiaries may not incur indebtedness (excluding hedging obligations or other derivative transactions and liabilities with respect to short sales) unless PSH's ratio of total indebtedness to total capital (defined as PSH's NAV plus total indebtedness) tested at the time of the incurrence would not exceed 1:3 on a pro forma basis after giving effect to the contemplated debt incurrence. If a key man event occurs after July 15, 2022, the terms of the 2039 Notes reduce the permitted ratio to 1:4. For this purpose, "total indebtedness" means the total amount of indebtedness of PSH and its consolidated subsidiaries (if any), plus, in respect of unconsolidated subsidiaries and affiliated special purpose vehicles ("SPVs") (if any), the amount of indebtedness of the relevant subsidiary or affiliated SPV on a proportionate basis. Total indebtedness however does not include margin indebtedness up to 10% of PSH's total capital. The total capitalization ratio relies on monthly estimates of PSH's net asset value, which are deemed to be final and binding for this purpose, are not based on audited financial statements and will not be restated or revised as a result of any audit. The indebtedness covenants in the Indentures are also subject to a number of exceptions, including PSH's ability to incur any indebtedness up to $10 million. Under the borrowing policy adopted by PSH's Board, the borrowing ratio of PSH, defined for this purpose as the ratio of the aggregate principal amount of all borrowed money (including margin loans) of PSH to PSH's total assets (pursuant to the latest available annual or interim financial statements of PSH) shall in no event exceed 50% at the time of incurrence of any borrowing or drawdown. PSH's borrowing policy does not apply to and does not limit the leverage inherent in the use of derivative instruments. In addition, because the borrowing limit is determined by reference to PSH's total assets pursuant to its latest available annual or interim financial statements, in the event that PSH's total assets decrease after the relevant date, it is possible that the aggregate principal amount of borrowed money could exceed 50% of total assets as of the time of incurrence.

So long as PSH complies with the foregoing restrictions, PSH is entitled to incur a significant amount of indebtedness. A high level of indebtedness increases the risk that PSH may experience insufficient liquidity or may be unable to generate cash sufficient to pay amounts due in respect of its indebtedness or that it may be forced to liquidate a portion of its portfolio at inferior prices. PSH's indebtedness could also have significant effects on its business, such as: require PSH to dedicate a substantial portion of its cash flow to the payment of principal and interest on indebtedness, thereby reducing the availability of its cash flow to fund investment activities, operating expenses and other purposes; increase PSH's vulnerability to adverse changes in general economic, industry and competitive conditions; restrict PSH from capitalizing on investment opportunities; and limit PSH's ability to borrow additional funds for working capital, additional investments, execution of its investment strategy or other purposes.

Margin borrowings may subject the Funds to additional risks

Whenever the Funds use financing extended by broker-dealers to leverage their portfolios, they may be subject to changes in the value that broker-dealers ascribe to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealers' willingness to continue to provide any such credit to the Funds. A Fund could be forced to liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of a Fund's portfolio at distressed prices could result in significant losses to that Fund.

In particular, a Fund could be subject to a "margin call," pursuant to which that Fund would either be required to deposit additional funds or securities with the broker-dealer or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of a Fund's assets, that Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements.

Necessity for counterparty trading relationships; counterparty risk

The Funds have a few relationships with counterparties used to obtain financing, derivative intermediation and prime brokerage services; however, there can be no assurance that the Funds will be able to maintain such relationships or establish new ones. An inability to establish or maintain such relationships would limit the Funds' trading activities and could create losses, preclude the Funds from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent the Funds from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by such relationship before the Funds establish additional relationships could have a significant impact on the Funds' business due to the Funds' reliance on such counterparties.

The Funds may invest through affiliates and their investments may be subordinated to the claims of such affiliates' creditors

The Funds may effect certain investments through limited partnerships, limited liability companies, corporations or other vehicles sponsored or managed by the Adviser or third parties. The Funds will bear their pro rata share of the costs of operating such vehicle(s) but will not allocate any additional performance allocation, or pay any additional management fee, to the GP, the Adviser or their affiliates, as applicable, as a result of investment through such vehicles. A creditor having a claim that relates to a particular investment held by any such vehicle may be able to satisfy such claim against all assets of such vehicle, without regard to the participation rights of the Funds and other investors of such vehicle in the assets of such vehicle.

The Funds' portfolio turnover rates may be high, resulting in greater expenses

Portfolio turnover will not be a limiting factor in making investment decisions for the Funds and may vary from year to year, as well as within a year. Turnover rates may be high, which will likely result in higher brokerage and other transaction expenses than funds with lower portfolio turnover.

If the Funds lend their portfolio securities, they may experience losses or delays in the event of bankruptcy of the counterparty to the loan

The Funds may lend their respective portfolio securities (in which case the Funds will receive all revenues from such securities lending). By doing so, the Funds attempt to increase their income through the receipt of interest on the loan, in addition to the underlying dividends and other income from the securities. In the event of the bankruptcy of the borrower of the securities, the Funds could experience delays in recovering the loaned securities or the revenues from securities lending. To the extent that the value of the securities the Funds lend has increased, the Funds could experience a loss if those securities are not recovered.

The Funds' trading orders may not be timely executed

Each Fund's investment and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Adviser. A Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, for example, trading volume surges or systems failures attributable to that Fund, the Adviser, that Fund's counterparties, brokers, dealers, agents or other service providers. In such event, the Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, that Fund might not be able to make such adjustment. As a result, that Fund would not be able to achieve the market position selected by the Adviser, which may result in a loss. In addition, the Funds rely heavily on electronic execution systems (and may rely on new systems and technology in the future), and such systems may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by the Funds.

The Funds' foreign investments may be subject to various risks

The Funds may invest in securities trading in markets less mature than those of, for example, the United States, Canada or Europe. Investing in these securities involves particular risks, including:

- political and economic risks, such as expropriation and nationalization, the potential difficulty of repatriating funds and general social, political and economic instability;
- potential lack of liquidity and greater price volatility, which may affect, among other things, the ability to exit a position;
- the imposition of withholding or other taxes on interest, dividends, payments on certain derivative instruments, capital gains, other income or gross sale or disposition proceeds;
- fluctuations in the rate of exchange between currencies and costs associated with currency conversion;
- certain government policies that may restrict a Fund's investment opportunities;
- lower quality accounting and financial reporting standards;
- a less effective regulatory environment;
- higher transaction costs of investing;
- absence of an independent judicial system and exposure to economic, political or nationalistic influences, resulting in difficulties in pursuing legal remedies or obtaining and enforcing judgments; and
- a less favorable environment for pursuing an activist investment strategy.

The Funds' non-U.S. currency investments may be affected by fluctuations in currency exchange rates

The Funds may invest in instruments denominated in currencies other than the U.S. dollar. The Funds, however, value their securities and other assets in U.S. dollars. To the extent that the Funds' assets are not hedged, fluctuations in the U.S. dollar exchange rates will affect the value of such investments and the effects of price changes of such assets in the various local markets and currencies.

Currency exchange rates may fluctuate significantly over short periods of time. Currency exchange rates generally are determined by the forces of supply and demand in the foreign exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention by the United States or non-U.S. governments or central banks, by the failure to so intervene or by currency controls or political developments in the United States or other countries.

Effect of redemptions on the Private Funds; different redemption terms

The Private Funds have received and may continue to receive redemption requests relating to a significant portion of their capital. As a consequence, the portfolios of the Funds may become out of balance and at any time differ significantly from those held by the other Funds, which may adversely affect the value of the investments of the remaining Fund investors. Substantial redemptions may also require such Private Funds to liquidate their positions more quickly than anticipated, which could adversely affect the value of both the interests or shares being redeemed and the remaining interests or shares, as applicable. In addition, in the event the Private Funds' capital is substantially reduced, it may make it more difficult for the Adviser to successfully deploy its investment strategies and for the Funds to generate investment profits (or recoup losses), and may even cause the affected Private Funds to liquidate positions prematurely. Substantial redemptions could also significantly restrict the Private Funds' ability to obtain financing or derivatives counterparties needed for their investment and trading strategies, which would have a further material adverse effect on their performance and may affect the performance of the other Funds. Under certain circumstances, the Adviser or General Partner, as applicable, may suspend or limit redemptions as it deems necessary in its sole discretion.

Investors in the Private Funds should take into account that interests acquired prior to January 1, 2006 have annual redemption rights. Investors with these interests represent approximately 5% of the Private Funds. In addition, the Adviser and its affiliates may redeem all or a portion of their interests in the Private Funds on a quarterly basis, provided that, if any redemption would cause the net asset value of such interest(s) in the Funds to fall below the \$50,000,000 in the aggregate (the "Minimum Adviser Investment"(, all Private Fund investors will be given 45 days' prior written notice and the opportunity to redeem an amount proportionate to the amount being redeemed by the Adviser or its affiliates that would cause them to fall below the Minimum Adviser Investment relative to the Adviser's or its affiliates' own interest(s), at the same time. Therefore, Private Fund investors holding such pre-January 1, 2006 interests, and the Adviser and its affiliates, may redeem their interests or shares, as applicable, while other investors may not, which may, in the event of negative performance of the Funds, have an adverse effect on investors who are not able to redeem at such times. In addition, certain Private Fund redemption schedules are subject to a 45-day notice period prior to redemption while another redemption schedule is subject to a 65-day notice period prior to redemption. In the event of negative performance of the Funds in the period of time between the two redemption notice periods, investors with redemption schedules subject to the 45-day notice period may be able to act based on such negative performance of the Funds (or other factors) and redeem their capital, while investors with redemption schedules subject to the 65-day notice period may not.

The Funds' investments may be adversely impacted by Brexit

The United Kingdom ("UK") left the European Union ("EU") on January 31, 2020 ("Brexit"), governed by transitional terms that will expire on December 31, 2020. During the transitional period although the UK will no longer be a member state of the EU it will remain subject to EU law and regulations as if it were still a member state. The UK and the EU are to negotiate the terms of their future trading relationship during the transitional period.

To the extent the Funds invest in a portfolio company in or with significant business interests in the UK or the EU, the UK's departure from the EU could have a material adverse impact on such investments. The longer term economic, legal, political, regulatory and social framework to be put in place between the UK and the EU remain unclear and may lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the UK and in wider European markets for some time. Areas where the uncertainty created by Brexit is relevant include, but are not limited to, the terms on which the UK may trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds, and the trading of certain financial instruments traded both on EU and non-EU markets), industrial policy pursued within European countries, immigration policy pursued within European countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. As such, it is difficult to predict the precise impact of Brexit on the Funds and their investments. This uncertainty is likely to continue to adversely affect the global economic climate and may affect companies or assets, including with respect to opportunity, pricing, regulation, value or exit, especially companies based in in the UK or the EU, but also the Funds' North American portfolio companies doing business in, or having service or other significant relationships in or with the UK or the EU.

A cybersecurity breach could disrupt the Adviser's investment strategies and cause losses to the Funds

The Adviser relies extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes, including trading, clearing and settling transactions, evaluating certain investments, monitoring the Funds' portfolios and net capital and generating risk management and other reports that are critical to oversight of the Funds' investment activities. While the Adviser has implemented various measures to manage risks associated with cybersecurity breaches, including establishing business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. The Adviser's controls and procedures, business continuity plans, and data security systems could prove to be inadequate to prevent a cybersecurity attack from effecting these systems. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems of the Adviser, loss or corruption of data and misappropriation or unauthorized release of confidential or otherwise protected information, such as information regarding the Funds' investors and Funds' investment activities. A cybersecurity breach resulting in the leak of a previously undisclosed Fund position while the Funds are still establishing the position could significantly increase the cost of acquiring any remaining portion of the position, which may prevent the Funds from accumulating the full size of the position and disrupt the Adviser's intended investment strategy. In addition, damage or interruptions to information technology systems may cause losses to the Funds by interfering with the processing of transactions, affecting the Adviser's ability to conduct valuations or impeding or sabotaging trading.

The Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Funds, the Adviser (which in turn may be indemnified by the Funds) and the GP to civil as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions from the Funds. Investors could also be exposed to losses resulting from unauthorized use or dissemination of their personal information.

Furthermore, certain of the Adviser's operations are dependent upon services provided by third parties, including prime-broker(s), administrators, market counterparties and their sub-custodians and other service providers, whose services may depend on information technology systems that are vulnerable to cybersecurity breaches and, notwithstanding the diligence that the Adviser may perform on its service providers, the Adviser may not be in a position to verify the risks or reliability of such information technology systems.

Similar types of cybersecurity risks as those applicable to the Adviser and the Funds also are present for issuers of securities in which the Funds invest. A cybersecurity breach could affect the reputation, business and financial performance of such issuers and may result in material adverse consequences for such issuers, which would cause the Funds' investment in such securities to lose value.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

The Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.

The Adviser and its management persons are not registered as, and do not have any application to register as, a futures commission merchant or associated persons of a futures commission merchant. The Adviser is registered as a commodity pool operator with the CFTC. Mr. Ackman and certain employees of the Adviser are registered with the CFTC as principals and associated persons of the Adviser.

C. Material Relationships or Arrangements with Industry Participants.

The Adviser may recommend from time to time for clients to make investments in Other Products. In addition, the GP is registered as an investment adviser with the SEC.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

The Adviser does not recommend or select other investment advisers for its clients.

ITEM 11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics.

The Adviser has adopted a code of ethics ("Code of Ethics"), which is designed to foster compliance with applicable federal statutes and regulatory requirements, minimize circumstances that may lead to or give the appearance of conflicts of interest with clients, insider trading, or unethical business conduct as well as promote a culture of high ethical standards. Among other things, the Code of Ethics requires employees to disclose their personal securities holdings and transactions to the Adviser on a periodic basis and governs personal securities trading by the Adviser's personnel.

No employee of the Adviser may purchase or sell any security, subject to certain exceptions (e.g., employees may purchase and sell shares issued by open-ended mutual funds, money market funds, U.S. Treasury bonds, commercial paper, certain exchange-traded funds and certain other securities). In addition, if any employee has any direct or indirect beneficial ownership in any non-excepted security as of the date he or she joined the Adviser, any sale of that security thereafter must be cleared, in advance and in writing, by the Adviser's Chief Compliance Officer or her designee. Employees may not acquire securities issued in initial public offerings.

The Adviser's personnel are permitted to invest in private limited offerings with the prior written approval of the Chief Compliance Officer. Mr. Ackman oversees the management of his family office, the mandate of which is to invest in real estate or other private investments, and Mr. Ackman, his family office and/or other Adviser personnel may make private investments from time to time. The Adviser does not expect that its employees' participation in such investments will affect their ability to fulfill their obligations to or otherwise interfere with the Adviser's operations. The Funds are not permitted to invest in these offerings, but certain of the Funds' portfolio companies may enter into business arrangements, including transactions, with private companies owned by Adviser personnel. In such an event, the Adviser's conflicts committee will generally review the proposed arrangement and prescribe measures intended to mitigate any conflicts of interest that may arise.

The Adviser also maintains insider trading policies and procedures (the "Insider Trading Policies") that are designed to prevent the misuse of material, non-public information. The Adviser's Insider Trading Policies prohibit the Adviser and its personnel from trading for the Funds or themselves, or recommend trading, in securities of a company while in possession of restricted material, non-public information about the relevant issuer in violation of the law ("Inside Information"). By reason of its various activities, the Adviser may become privy to Inside Information or be restricted from effecting transactions in investments that might otherwise have been initiated. The Adviser has designed and implemented policies in order to comply with the requirements of the federal securities laws relating to insider trading. Among other things, those policies and procedures seek to control and monitor the flow of Inside Information (if any) to and within the Adviser, as well as prevent trading on the basis of Inside Information in violation of the law.

The Adviser's personnel are required to certify their compliance with the Code of Ethics and the Insider Trading Policies on a periodic basis.

Clients may request a copy of the Code of Ethics by contacting the Adviser at the address or telephone number listed on the first page of this document.

B. Securities in Which the Adviser or a Related Person Has a Material Financial Interest.

1. **Rebalancing**

Subject to certain terms and conditions and to the extent permitted by law and as deemed advisable by the Adviser, the Adviser has conducted and expects in the future to conduct rebalancing or internal cross-transactions among the Funds and Other Products sharing a similar investment strategy (if any). When that happens, one Fund or Other Product purchases securities or other financial instruments held by one or more of the other Funds or Other Products or sells securities or other financial instruments to one or more of the other Funds or Other Products. The Adviser effects these transactions pursuant to a methodology that is intended to result in the Funds and any Other Products, if applicable, generally holding such securities or other financial instruments on a proportionate basis relative to their respective Adjusted Net Asset Values. "Adjusted Net Asset Value" means, with respect to any Fund or Other Product, net asset value plus any accrued (but not crystallized) performance fee/allocation and the net proceeds of any outstanding long-term debt, including the current portion thereof. The considerations described under "Allocation of Trades and Investment Opportunities" below, however, may result in a different methodology for the intended result of cross-transactions. In particular, the Adviser and its affiliates may take into account cash balances or cash requirements in each of the Funds (or any such Other Products).

In addition, the Adviser may abstain from effecting a cross-transaction or only effect a partial cross-transaction if it determines in its sole discretion that a cross-transaction or a portion thereof is not in the best interests of a Fund or Other Product (for example, because a security or financial instrument is held by such Fund or Other Product in the appropriate ratio relative to its Adjusted Net Asset Value, or because a security or financial instrument should be divested, in whole or in part, by the other Funds and Other Products) or as a result of tax, regulatory, risk or other considerations. As a consequence, the portfolio of investments held by a Fund may at any time differ significantly from those held by the other Funds or Other Products. In particular, the Adviser anticipates that given the closed-ended nature of PSH and the level of net redemptions in the Private Funds, PSH may hold a greater percentage of active investments with a resulting lower proportion of cash or cash equivalents or passive investments as compared with the Private Funds.

The Adviser effects these cross-transactions based on the current independent market prices and consistent with valuation procedures established by the Adviser, which may vary from time to time. Neither the Adviser nor any of its affiliates receive any compensation in connection with cross-transactions. In addition, these cross-transactions are generally effected without brokerage commissions being charged.

2. **Ramp-up Periods**

At the inception of an investment vehicle, or upon the acceptance of a significant inflow of capital by a Fund or Other Product, the Adviser may effect an initial rebalancing or cross-transaction between the investment vehicle and the Funds or Other Products in accordance with the rebalancing policy described above.

In addition, at the inception of an investment vehicle, or upon the acceptance of a significant inflow of investor capital by a Fund or Other Product, until the subscription proceeds have been substantially invested (the "ramp-up period"), the Adviser may, in application of the allocation and rebalancing policies described herein, and as a result of having regard to cash balances or liquidity and other operational factors of the new investment vehicle, allocate to that vehicle certain securities and financial instruments in excess of the vehicle's otherwise proportionate share of such securities and financial instruments.

3. **Principal Transactions**

To the extent that cross-transactions may be viewed as principal transactions due to the ownership interest in a Fund or Other Product by the Adviser and its personnel, the Adviser will either not effect such transactions or comply with the requirements of Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended, including that the Adviser will notify the relevant Fund or Other Product (or an independent representative of that Fund or Other Product) in writing of the transaction and obtain the consent of that Fund or Other Product (or an independent representative of that Fund or Other Product), and any other applicable law or regulation.

C. Investing in Securities that the Adviser or a Related Person Recommends to Clients.

See Item 11(A) for a description of the Adviser's personal trading policy.

D. Conflicts of Interest Created by Contemporaneous Trading.

1. **Allocations of Trades and Investment Opportunities**

It is the policy of the Adviser to allocate new investment opportunities fairly and equitably over time among the Funds and Other Products it manages. This means that a proposed investment opportunity will generally be allocated among those Funds and Other Products for which participation in the investment opportunity is considered appropriate, taking into account, among other considerations, (a) the risk-reward profile of the proposed investment opportunity in light of a Fund's or Other Product's objectives (whether such objectives are considered solely in connection with the specific investment opportunity or in the context of such Fund's or Other Product's overall holdings); (b) the potential for the proposed investment to create an imbalance in a Fund's or Other Product's portfolio; (c) cash balances, liquidity requirements of the Funds or Other Products or anticipated cash flows (including as a result of actual or anticipated subscriptions and redemptions or withdrawals, as applicable); (d) tax considerations; (e) regulatory restrictions that would or could limit a Fund's or Other Product's ability to participate in the proposed investment opportunity; and (f) any need to re-size risk in the Funds' and Other Products' portfolios.

The Adviser expects to allocate investment opportunities among the Funds and Other Products sharing a similar investment strategy (if any) on a proportionate basis pursuant to policies that are intended to result in the Funds (and any such Other Products) generally holding similar securities or other financial instruments relative to their respective Adjusted Net Asset Values. The considerations described above, however, may result in allocations among a Fund and one or more other Funds (or any such Other Products) to be made on a different basis. Similarly, as a result of the considerations described above, a Fund may increase its exposure to an existing investment position, while other Funds (or any such Other Products) may not participate in such increase, or vice versa. The allocation of investment opportunities may, in particular, take into account cash balances or cash requirements in the Funds (or any such Other Products), including as a result of actual or anticipated subscriptions or redemptions in these Funds or Other Products.

For purposes of its allocation policy, the Adviser may determine to treat more than one security and/or financial instrument as one single investment opportunity, if, among other things, the relevant securities or financial instruments are deemed by the Adviser to provide similar exposure to an investment.

2. **Special Investment Vehicles**

The Adviser and its affiliates have in the past established, and may in the future establish SPVs to offer co-investment opportunities in one or more securities or financial instruments alongside the Funds to third parties selected by the Adviser in its sole discretion, including, without limitation, certain existing investors of the Adviser's clients and/or the Other Products. This may be the case, for example, where the Adviser and its affiliates propose to acquire a large position in an issuer (or a position in an issuer with a large market capitalization) without causing the Funds to become overly exposed to that issuer. Such vehicles may be privately or publicly offered and may offer different economic or other terms as compared to the Funds.

Each co-investment opportunity is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (such as, strategy, industry, size, and projected timeline of the investment). As a general matter, the Adviser, in allocating such opportunities to potential co-investors, expects to take into account various facts and circumstances including, but not limited to, whether a certain investor adds strategic value, industry expertise or other similar synergies, whether a potential investor has expressed an interest in evaluating such opportunities, whether the investor has the ability to review the co-investment opportunity and provide capital within the time frame required under the circumstances, whether a potential investor has a history of participating in co-investment opportunities with the Adviser, the size of the potential investor's interest to be held in the investment, whether the potential investor has demonstrated a long-term and/or continuing commitment to the potential success of the Adviser and the Funds, and such other factors that the Adviser deems relevant under the circumstances.

The Adviser retains the discretion to allocate investment opportunities among SPVs and the Funds in accordance with the considerations described herein. There is no pre-defined rule determining the percentage allocation between SPVs and the Funds. As such, a SPV may not participate in an opportunity allocated to the Funds that may yield a high return for the Funds or may participate in an opportunity that generates a significant loss. Similarly, it is possible that the SPV accumulates securities and financial instruments at a faster or slower pace than the Funds or increases or maintains its exposure to an existing investment position while one or more Funds does not participate in such increase or decreases its exposure. In addition, given their specific purposes, such SPVs may be allocated more or less than their *pro rata* share of certain securities and financial instruments and there will be no rebalancing between such vehicles and the Funds. Conversely, upon a determination to wind-up a special investment vehicle, such vehicle may divest its securities and financial instruments at a faster or slower rate than the Funds, or may do so at a time when the Funds are purchasing such securities and financial instruments.

The Funds may have established a position in an issuer prior to the launch of a SPV or may invest in the issuer at the same time as such vehicle. In certain situations, certain Funds may also participate in the SPV rather than or in addition to investing alongside it. To the extent, however, that a Fund is not eligible to participate in such a vehicle while other Funds are, the allocation will occur on a non-*pro rata* basis.

3. **Order Aggregation and Average Pricing**

The Adviser may, but is not obligated to, bunch orders for the purchase or sale of the same securities for the Funds and other clients of the Adviser and its affiliates, where the Adviser deems this to be appropriate, in the best interests of clients and consistent with applicable regulatory requirements. When a bunched order is filled in its entirety, each participating client, including the Funds, participates at the average price for the bunched order on the same business day, and transaction costs are shared *pro rata* based on each client's participation in the bunched order. When a bunched order is only partially filled, the securities purchased are allocated on a *pro rata* basis to each client participating in the bunched order based upon the initial amount requested for the client, subject to certain exceptions, and each participating client participates at the average share price for the bunched order on the same day.

ITEM 12
BROKERAGE PRACTICES

A. Factors Considered in Selecting Broker-Dealers for Client Transactions.

It is the Adviser's policy to place trades for the Funds with broker-dealers on the basis of seeking best execution and other relevant considerations, including, but not limited to: confidentiality; price quotes; the size of the transaction and ability to find liquidity; the broker-dealer's promptness of execution; the nature of the market for the financial instrument; the timing of the transaction; the difficulty of execution; the broker-dealer's expertise in the specific financial instrument or sector in which the Funds seek to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets; the broker-dealer's skill in positioning the financial instruments involved; the broker-dealer's financial stability; the broker-dealer's reputation for diligence, fairness and integrity; the quality of service rendered by the broker-dealer in other transactions for the Adviser; the quality and usefulness of brokerage and research services and investment ideas presented by the broker-dealer or third parties; the broker-dealer's willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors deemed appropriate by the Adviser. The Adviser may, but need not, solicit competitive bids and does not have an obligation to execute trades solely based on the lowest available commission cost or spread.

The Adviser selects counterparties for over-the-counter derivative trades consistent with the factors above. Such counterparties are evaluated qualitatively based on a review of ISDA terms, operational experience and trader experience. In addition, when selecting counterparties for trades in equity derivatives, the Adviser gives particular focus to the counterparty's financial strength and stability, its ability to commit capital and its willingness to agree to the Adviser's best practices regarding, among other topics, confidentiality, operational accuracy and safeguarding of the Fund's financial data, initial and variation collateral exchange obligations and legal and regulatory documentation in the Fund's confirmations to their ISDA Master Agreement. When selecting counterparties for non-delta one equity derivatives, the Adviser will also consider the counterparty's ability to price volatility risk and manage volatility risk over the term of the transaction. When selecting counterparties for non-equity derivatives, the Adviser will also give particular regard to the counterparty's expertise in the underlying asset class of the derivative, the nature of the trading risk to the counterparty and whether the product is cleared or not, or is required to be cleared, and if so, the effect on collateral at the broker clearing the trade.

When the Adviser, or the Funds, as applicable, is or may be deemed to be an "affiliate" of the underlying securities of an issuer, or when the Funds own "restricted securities" (each term as defined in Rule 144 under the Securities Act), block trade transactions may be executed with a prospectus, using broker dealers acting as underwriters, or they may be executed in reliance of an exemption from the prospectus delivery requirement as set forth in Rule 144 under the Securities Act. The Adviser may also execute block trade transactions when the "affiliate" or "restricted securities" rules do not apply, because the Adviser has determined that a large trade (usually in excess of a single day's trading volume) is in the best interest of the Funds. The factors that the

Adviser considers in selecting a broker-dealer for block sale transactions are consistent with the above enumerated considerations with a particular focus on the ability of the selected broker-dealer to execute the full size of the block trade or to render the diligence, speed and other services to the Funds that are associated with these block trades. Given the nature of these block trades, including additional services and the ability to locate demand for the block, the Funds may pay, from time to time, commissions that are in excess of ordinary course, small order, brokerage commissions. These block trade commissions will either be paid by the Funds directly or indirectly through a discount to the then current market price of the securities being sold. In each case, the Funds will only pay fees or commissions that are deemed by the Adviser to reflect the value of the services received by the Funds in these block trades.

1. **Research and Other Soft Dollar Benefits**

The Adviser may cause its clients to pay a broker or dealer that directly or indirectly provides eligible brokerage and research services that benefit the Adviser, or its other clients, a commission for effecting a securities transaction in excess of the lowest available commission cost; *provided* that: (i) the Adviser determines in good faith that the amount is reasonable in relation to the services in terms of the particular transaction or in terms of the Adviser's overall responsibilities with respect to the accounts as to which it exercises investment discretion; (ii) such payment is made in compliance with the provisions of Section 28(e) of the Exchange Act, other applicable state and federal laws and each Fund's respective governing documents; and (iii) in the opinion of the Adviser, the total commissions paid by each Fund will be reasonable in relation to the benefits to that Fund over the long term (including the cost to the Fund of acquiring such research independently). The performance fee/allocation and the management fee are not reduced as a result of the receipt by the Adviser of research services. The Adviser places portfolio transactions for all of its clients. The brokerage and research services provided are not used solely for the particular clients which generated the brokerage commissions but are used to service all of the Adviser's clients.

Generally, research services provided by brokers may include information on the economy, industries, sectors, individual companies, statistical information, accounting and tax interpretations, political developments, legal developments affecting portfolio securities, technical market activity, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Research services may be received in the form of written reports, telephone contacts, and meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data and computer software.

In some cases, research services are generated by third parties. In such circumstances, research prepared by a third party other than the broker that executed the transaction must be "provided by" a broker-dealer that is involved in "effecting" the trade for an account managed by the Adviser. For purposes of the Section 28(e) safe harbor, a broker-dealer is involved in "effecting" a trade where (i) it executes, clears or settles the trade, or (ii) performs at least one of the following four functions: (a) assumes financial responsibility for all customer trades until the clearing broker-dealer has received payment (or securities), *i.e.,* is at risk for the customer's failure to pay; (b) makes and/or maintains records relating to customer trades required by the SEC and self-regulatory organizations; (c) monitors and responds to customer comments concerning the trading process; or (d) generally monitors trades and settlements. For purposes of the Section 28(e) safe harbor, a broker-dealer "provides" research where it either: (a) is legally obligated to pay for the research or (b) does the following: (1) pays the research preparer directly, (2) reviews the description of the product or service for red flags that indicate the service is not within the safe harbor and agrees with the Adviser to use commissions only to pay for those items that reasonably fall within the safe harbor, and (3) implements procedures to ensure that research payments are documented and paid for promptly. Where a broker-dealer performs only one function, it must take steps to see that the other functions have been reasonably allocated to another broker-dealer in the arrangement in accordance with SEC or self-regulatory organization rules.

If less than 100% of a product or service is used for assistance in the Adviser's decision-making process, the Adviser will consider the product as a "mixed-use" product. With mixed-use products, the Adviser will make a good faith allocation between the research and non-research benefits and will use commissions to pay for only that portion of the product used by the Adviser to formulate investment decisions and will use its own funds to pay for the portion of the product that is used for non-research purposes. With respect to "mixed-use" products, in making good faith allocations of costs between research and non-research benefits, a conflict of interest may exist by reason of the Adviser's allocation of the costs of such benefits and services between those that primarily benefit the Adviser and those that primarily benefit its clients. The Adviser may share research with its affiliates, including the GP.

2. **Brokerage for Client Referrals**

Neither the Adviser nor any related person receives client referrals from any broker-dealer or third party in consideration for brokerage services. However, subject to best execution, the Adviser may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting broker-dealers for the Funds.

3. **Directed Brokerage**

The Adviser does not recommend, request or require that a client direct the Adviser to execute transactions through a specified broker-dealer.

B. Order Aggregation.

Please see Item 11 (D) for a description of the Adviser's order aggregation procedures.

ITEM 13
REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

The Adviser performs various daily, weekly, monthly, quarterly and periodic reviews of each client's portfolio. These reviews are conducted by the Investment Principals.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

The Adviser generally provides annual audited financial statements within 90 or 120 days, as applicable, following the end of the applicable client's fiscal year end. In addition, the Adviser provides estimates of each Fund's performance on a weekly and monthly basis (or, with respect to PSH, NAV/share), and other information as the Adviser may, from time to time, deem advisable and desirable. Investors in the Private Funds are also provided with capital account statements on a monthly basis.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

The Adviser does not receive economic benefits from non-clients for providing investment advice or other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals.

The Adviser may enter into arrangements with placement agents for introducing potential investors to the Funds or the Other Products. Except as described below, neither the Adviser nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals. J.P. Morgan Securities Inc. and its private banking affiliates (together, "J.P. Morgan") receives a portion of the management fees otherwise paid to the Adviser in connection with investors J.P. Morgan introduced to PS LP or PS Ltd, as applicable.

ITEM 15
CUSTODY

The Adviser is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to the Adviser.

The Adviser is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with some requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16
INVESTMENT DISCRETION

The Adviser or an affiliate of the Adviser entered into an investment management agreement, or similar agreement, with each Fund, pursuant to which the Adviser or an affiliate of the Adviser was granted discretionary trading authority.

The Adviser's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents.

ITEM 17
VOTING CLIENT SECURITIES

In accordance with SEC requirements, the Adviser has adopted Proxy Voting Policies and Procedures (the "Proxy Policies") to address how the Adviser will vote proxies that it receives for the Funds' portfolio investments. The Proxy Policies seek to ensure that the Adviser votes proxies (or similar instruments) in the best interests of the Funds and ahead of the Adviser's interests, including when there may be conflicts of interest in voting proxies. The Adviser does not anticipate any conflicts of interest between the Adviser and the Funds in terms of proxy voting. If the Adviser, however, encounters an identifiable conflict of interest with respect to a particular vote, with sufficient time before a vote, the Adviser's Chief Compliance Officer or conflicts committee will determine how to vote the proxy consistent with the best interests of the Funds and in a manner not affected by the conflict of interest. The conflicts committee may opt for a voting procedure by which guidance is sought from the Adviser's advisory board or outside legal counsel on matters involving a conflict of interest. Clients may not direct the Adviser's proxy voting, but may obtain a copy of the Proxy Policies and/or information regarding how the Adviser voted proxies for particular portfolio companies by contacting the Adviser.

ITEM 18
FINANCIAL INFORMATION

The Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.

ITEM 1
COVER PAGE

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

WILLIAM A. ACKMAN

PERSHING SQUARE CAPITAL MANAGEMENT, L.P.

March 2020

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This brochure supplement provides information about William A. Ackman that supplements the Pershing Square Capital Management, L.P. (the "Adviser") brochure. You should have received a copy of that brochure. Please contact us at 212-813-3700 or pscmcompliance@persq.com if you did not receive the Adviser's brochure or if you have any questions about the contents of this supplement.

Additional information about William A. Ackman and the Adviser is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

William A. Ackman was born in 1966. He is the founder and CEO of the Adviser.

Prior to forming the Adviser, Mr. Ackman co-founded Gotham Partners Management Co., LLC, an investment adviser that managed public and private equity hedge fund portfolios. Prior to Gotham Partners, Mr. Ackman began his career in real estate investment banking at Ackman Brothers & Singer, Inc. Mr. Ackman received an MBA from Harvard Business School and a Bachelor of Arts *magna cum laude* from Harvard College.

Mr. Ackman serves as Chairman of the Board of The Howard Hughes Corporation (NYSE: HHC). In addition, Mr. Ackman serves on the board of trustees of The Rockefeller University, the board of Dean's Advisors of Harvard Business School and is a trustee of the Pershing Square Foundation, a charitable foundation that he founded in 2006. Mr. Ackman is also a member of the Investors Advisory Committee on Financial Markets for the Federal Reserve Bank of New York.

ITEM 3
DISCIPLINARY INFORMATION

To the best of the Adviser's knowledge and belief, there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Mr. Ackman.

ITEM 4
OTHER BUSINESS ACTIVITIES

A. Investment-Related Business.

Mr. Ackman is registered with the Commodity Futures Trading Commission as an associated person of the Adviser. Mr. Ackman is not actively engaged in any other investment-related business or occupation. However, Mr. Ackman oversees the management of TABLE Management, L.P., a family office established to make certain investments for the benefit of Mr. Ackman, members of his immediate family and certain employees of the family office. While day-to-day management of the family office has been delegated to its employees, Mr. Ackman retains oversight and ultimate control over the operation of the family office.

B. Other Business.

Mr. Ackman is not actively engaged in any other business or occupation for compensation not discussed in response to Item 4.A., above, that provides a substantial source of his income or involves a substantial amount of his time.

ITEM 5
ADDITIONAL COMPENSATION

Mr. Ackman does not receive any economic benefit for providing advisory services to anyone who is not a client.

ITEM 6
SUPERVISION

As founder and CEO of the Adviser, Mr. Ackman maintains ultimate responsibility for the operations of the Adviser. Mr. Ackman discusses investment decisions and operational matters with the other senior personnel of the Adviser. Mr. Ackman and the other senior personnel are also subject to the compliance policies and procedures adopted by the Adviser. Mr. Ackman and other senior personnel of the Adviser can be reached by calling 212-813-3700.

ITEM 7
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.