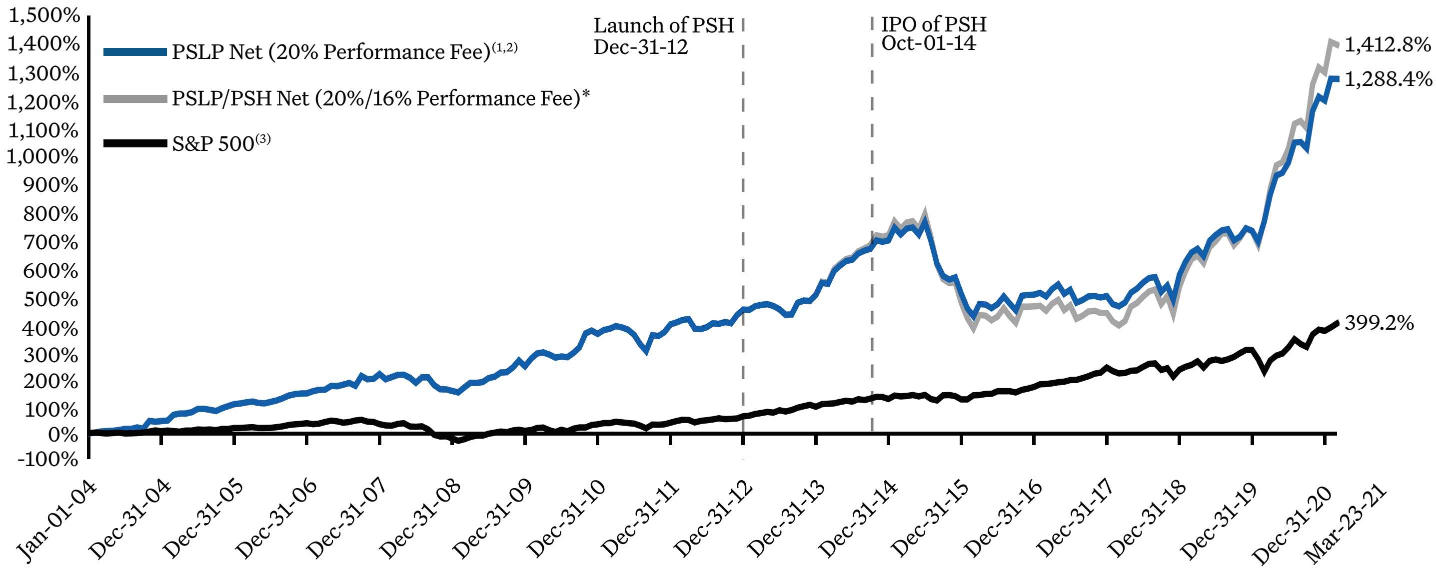
Company Performance

Pershing Square Holdings, Ltd. and Pershing Square, L.P. ("PSLP") NAV Performance vs. the S&P 500



	PSLP/PSH Net Return*		PSLP Net Return[1,2]	S&P 500[3]
2004	42.6 %	Pershing Square, L.P.	42.6 %	10.9 %
2005	39.9 %		39.9 %	4.9 %
2006	22.5 %		22.5 %	15.8 %
2007	22.0 %		22.0 %	5.5 %
2008	(13.0)%		(13.0)%	(37.0)%
2009	40.6 %		40.6 %	26.5 %
2010	29.7 %		29.7 %	15.1 %
2011	(1.1)%		(1.1)%	2.1 %
2012	13.3 %		13.3 %	16.0 %
2013	9.6 %	Pershing Square Holdings, Ltd.	9.7 %	32.4 %
2014	40.4 %		36.9 %	13.7 %
2015	(20.5)%		(16.2)%	1.4 %
2016	(13.5)%		(9.6)%	11.9 %
2017	(4.0)%		(1.6)%	21.8 %
2018	(0.7)%		(1.2)%	(4.4)%
2019	58.1 %		44.1 %	31.5 %
2020	70.2 %		56.6 %	18.4 %
Year-to-date through March 23, 2021	5.9 %		4.9 %	4.5 %

January 1, 2004–March 23, 2021[1,4]

Cumulative (Since Inception)	1,412.8 %	1,288.4 %	399.2 %
Compound Annual Return	17.1 %	16.5 %	9.8 %

December 31, 2012–March 23, 2021[1,4]

Cumulative (Since PSH Inception)	185.4 %	161.9 %	223.5 %
Compound Annual Return	13.6 %	12.4 %	15.3 %

* NAV return an investor would have earned if it invested in PSLP at its January 1, 2004 inception and converted to PSH at its launch on December 31, 2012. Also see endnote 1 on page 110. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and important disclaimers on pages 110-112.

Investment Manager's Report

LETTER TO SHAREHOLDERS

To the Shareholders of Pershing Square Holdings, Ltd.:

2020 was the best year in the 17-year history of Pershing Square. We generated NAV performance of 70.2% and a total shareholder return (TSR) including dividends of 84.8% due to the reduction in the discount to NAV at which PSH's shares trade.[5] Our NAV performance and TSR exceeded our benchmark's performance, the S&P 500, by 5,180 and 6,640 basis points respectively.[6]

Investors who invested in Pershing Square, L.P. at its inception on January 1, 2004, and transferred their investment to PSH at its inception on December 31, 2012 have grown their equity investment at a 17.1% compounded annual return as of March 23, 2021, compared with a 9.8% return had one invested in the S&P 500 over the same period. With the magic of compounding, our 17.1% compound annual NAV return translates into a cumulative total NAV return since inception of 1,413% versus 399% for the S&P 500 over the same period.[7] In other words, investors in Pershing Square since inception have multiplied their equity investment by 15 times, versus the 5 times multiple they would have achieved had they invested in a zero-cost S&P 500 index fund.

Our returns to investors using the market value of our common stock rather than NAV are somewhat lower, as PSH currently trades at a 25% discount to NAV. Using PSH's stock market value rather than NAV, investors in Pershing Square since inception have earned a 15.2% compounded return, or an 11.5 times multiple of their original investment.[8] With continued strong performance, we expect that our discount to NAV will narrow, and our NAV and market value returns will be comparable.

2020 was also an excellent year for our portfolio companies, which we discuss in greater detail later in this letter. The well-capitalized, high-quality, durable growth companies that represent nearly all of our holdings comfortably weathered the COVID-19 storm. Each has executed initiatives that have and will likely lead to greater market share, improved long-term profitability, and the acceleration of shareholder value creation.

The majority of our NAV performance last year was driven by our large hedging gain (45% of our net investment gain) and the reinvestment of those proceeds in our portfolio companies from March through the beginning of April of last year (25% of our net investment gains).[9] As a result of the hedge and reinvestment, 70% of our net investment gains were unrelated to our companies' underlying performance. Therefore, despite the large increase in NAV in 2020, our portfolio composition and the inherent investment opportunities in our holdings remain about the same as one year ago, as our companies' share price increases were generally in line with improvements in their underlying intrinsic value.

We also generated a substantial mark-to-market gain on our Forward Purchase Agreement ("FPA") and Sponsor Warrants in Pershing Square Tontine Holdings, Ltd. (NYSE:PSTH) due to the requirement under IFRS for PSH to mark to market these instruments with the benefit of a third-party valuation service. PSTH is trading at a premium to its $20 per share cash in trust, driven, we believe, by PSTH's highly favorable and differentiated shareholder/merger friendly structure, and our investors' expectation that PSTH will create substantial shareholder value from its initial business combination.

Eight months since PSTH's launch, we remain convinced that an investment in PSTH will generate highly attractive long-term returns, even from PSTH's current stock price. While we previously believed that we would be able to announce a potential transaction by the end of this quarter, we will not be in a position to do so. We do not intend to make any announcements about PSTH's transaction progress until we enter into a definitive agreement.

If we are successful in completing such a transaction, we expect that PSTH will be an important contributor to our shorter-term and long-term performance. This is due to our investment expectations from the transaction, the large size of this investment due to the Pershing Square funds' minimum FPA commitment of $1 billion, and the large notional investment underlying the Sponsor Warrants, 91% of which are held by PSH.

We are likely to launch a second SPAC, PSTH2 after PSTH completes a business combination transaction. If we do so, we believe it is appropriate for the right to invest in PSTH2 to be owned by our current PSTH shareholders, including PSH and the Pershing Square private funds.

We like the idea of providing investors who backed us in PSTH with the opportunity to invest in PSTH2 without paying a premium to its cash-in-trust value. We have always believed in giving existing investors the right to participate in new Pershing Square opportunities, and we intend to continue this tradition with PSTH.[a]

Conglomerates

In this year's Berkshire Hathaway annual letter, Warren Buffett writes about the "terrible reputation" that has been "earned" by conglomerates. He explains that this bad reputation is due to the fact that conglomerates: (1) are generally required, for regulatory, tax and other reasons, to own controlling interests in businesses, (2) must pay large premiums for these controlling interests, and (3) find it difficult to buy control of great businesses, as they are rarely available for sale. Berkshire has managed these issues with a more open mandate than a typical conglomerate due to its large insurance company investment portfolios, which have enabled Berkshire to invest a large portion of its assets in non-controlling interests in publicly traded companies.

In last year's letter, I wrote:

> PSH is legally a closed-ended fund, [but] in our view it is best thought of as a tax-efficient investment holding company that owns minority interests in public companies which are of a quality and scale where legal control is often difficult if not impossible to achieve. Our strategy is to acquire smaller pieces of superb businesses over which we have substantial influence, rather than controlling interests in lower quality businesses…
>
> The formal definition of a subsidiary is a corporation controlled by a holding company, where control is typically represented by a 50% or greater ownership interest. In the case of PSH's "subsidiaries," however, we have generally owned less than 20% of shares outstanding, and usually less than 10% of shares outstanding. Even so, we are typically one of the largest shareholders of our investees, and we are an influential and supportive owner whether or not we have board seats, regardless of what percentage of the company we own.

If one were to think of PSH as a conglomerate, one should consider PSH's important distinguishing attributes. Since PSH is structured as a closed-ended fund, there are no securities law, tax or other issues that require any of our assets to be invested in companies we legally control. As a result, there is no limitation on the nature of our ownership stakes; they can be controlling or non-controlling. We did, however, intentionally include an ownership restriction in the investment management agreement which limits PSH's investment universe to publicly traded companies.

a This letter does not constitute an offer of PSTH2 securities.

While it is extremely rare for a controlling interest in a truly outstanding business to be available without the payment of a large control premium, this is not the case for minority interests in the best publicly traded businesses. Just one year ago, we saw all of our holdings, which represent among the best businesses in the world, become available at massive discounts to their intrinsic values, and we took advantage of this, albeit short-term, opportunity.

We have always believed that the common stocks of even the best businesses can trade at almost any price for brief periods. And it is this volatility – often driven by a disappointing short-term event, missed expectations, macro factors, political events, shareholder frustration with management and/or governance, that has enabled us to acquire large minority stakes in great businesses at bargain prices.

In light of the nature of our strategy, and our long-term track record for effectuating corporate change, we have often been able to obtain influence over our portfolio holdings that is similar to that of a control shareholder, but without the need to pay a control premium. This aspect of our strategy has given us the best of both worlds, that is, the ability to own great businesses as an important and influential shareholder, and the occasional opportunity to purchase them at bargain prices in the stock market.

Furthermore, unlike most conglomerates, including Berkshire Hathaway, which are structured as tax-paying C corporations, PSH is a Guernsey closed-ended fund which generally does not pay any corporate taxes.[b] As a result, PSH does not have the same "switching costs" as a tax-paying conglomerate, which must pay corporate taxes if it sells an investment at a price in excess of its tax basis.

Unlike the typical conglomerate which: (1) has an extremely limited universe of opportunities to buy controlling interests in great businesses at sensible prices, (2) must pay corporate taxes when it sells an existing holding, and (3) is limited in the amount of its assets it can invest in non-controlling interests, PSH suffers from none of these constraints.

PSH has another important benefit because of its closed-ended fund structure and the highly liquid nature of our portfolio, which is almost entirely comprised of publicly traded, large capitalization, investment-grade U.S. equities. We have been able to access low-cost, long-term, non-margin debt in the form of publicly traded bonds to finance our investments and reduce our cost of capital, which should enhance our ability to generate high, long-term rates of return. While in recent years, we have been able to issue bonds at attractive long-term rates, we still believe that PSH remains an underappreciated and underrated credit. Our credit remains misunderstood likely because we are a one-of-a-kind company, and it will therefore take time for fixed income investors and analysts to fully appreciate our story.

Discount and Valuation

PSH has traded at a persistently wide discount to NAV in recent years. As a result, the Board and we have taken a number of steps to address the discount including obtaining a premium listing on the London Stock Exchange, repurchasing 21% of our shares outstanding, and initiating a quarterly dividend. In addition, I and other affiliates of the Investment Manager have increased our stake in PSH from 4% to 25% via open market purchases over the last three years. Employees and affiliates of PSCM now have an investment of approximately $2.4 billion in PSH equity, which is one of the largest insider investments of any FTSE 100 or FTSE 250 company.

Despite the above actions, PSH's discount to NAV remains wide. The discount was as high as 35% in September prior to PSH's recent FTSE 100 inclusion, which we believe has contributed to the discount narrowing to 25% today.

b PSH is, however, obligated to pay so-called FIRPTA tax in the event it generates capital gains from ownership stakes of more than 5% in U.S. Real Property Holding Companies. The Howard Hughes Corporation is the only USRPHC we have owned where we have exceeded the 5% FIRPTA ownership threshold. Our reported NAV reflects an accrual for FIRPTA taxes on our HHC shares.

We believe that PSH's discount to NAV or book value is anomalously large, particularly when PSH is compared with our peers in the FTSE 100. In general, companies which earn higher, long-term returns on equity should trade at greater multiples of book value or NAV than companies that earn lower returns on equity.

When our long-term track record's 17% ROE is compared with that of other FTSE 100 companies over the same 17-year period, there is no other company that has earned similar or greater long-term returns on equity that trades at a meaningful discount to NAV or book value.

When compared over the short term, the last three years for example, the disparately low valuation of PSH becomes that much more stark. PSH's ROE of 39% over the last three years compares favorably to the FTSE 100's weighted average, three-year ROE of approximately 8%. Despite earning an ROE nearly five times greater than the FTSE 100 index, PSH trades at only 0.7 times book value, while the FTSE 100 index, weighted by market cap, currently trades at approximately 1.8 times book value.

PSH Replication

Some investors have suggested that PSH should trade at a discount to book value because our portfolio is publicly traded, and copycat investors (let's call them PSH Replicators) can simply purchase our companies in the same proportions as we own them, thereby replicating our portfolio without paying investment management fees.

The problem with this approach is that investors can only replicate changes in our portfolio when we disclose them. By the date on which we are required or choose to disclose a new position, its trading price is typically well above PSH's average cost of acquisition. As a result, investors who attempt to track and replicate the portfolio will likely have a substantially higher cost basis in our investments, and therefore will earn lower returns.

More significantly, there are limited disclosure requirements for the various hedging transactions we have historically executed. For example, had PSH Replicators simply purchased and held PSH's portfolio as of the beginning of last year until the end of the year and paid no fees, they would have realized a 15.4% return.[10] Had they purchased PSH shares instead, they would have earned a 70.2% NAV total return and an 84.8% TSR as the opportunity to realize returns from the credit hedge and reinvest the proceeds in our existing holdings would not have been in the PSH Replicator's portfolio.

As of this writing, in addition to investment grade credit hedges, PSH owns very large notional hedges in the form of interest rate swaptions that we purchased beginning in December through early February. Like our credit hedge, our interest rate swaption position is highly asymmetric; it has a potential payoff that is many multiples of our capital at risk. While this hedge started as a small percentage of the portfolio – at a cost of $157 million it represented 1.4% of assets at that time – it has more than tripled in value, and now represents 4.2% of the portfolio with a market value of $493 million.[11]

There is no requirement that we make timely disclosures of our hedging transactions, and the timing of their purchase and sale. As a result, a PSH Replicator has no ability to participate in these investments, which have historically generated large profits and important hedging benefits for PSH.

Net of fees, long-term PSH investors have earned substantially superior returns than that of the theoretical PSH Replicator. For the above reasons, we believe that PSH is an attractive acquisition at its NAV, and an even better investment when it is trading at a discount to NAV.

ESG

Earlier in my career, I thought business was about making money, and philanthropy was about doing good. To that end, the Pershing Square Foundation has given away hundreds of millions of dollars in an attempt to address U.S. and global problems in income inequality, education, healthcare, social and criminal justice, and other areas. As a result of a successful venture investment I made more than a decade ago, the Foundation and an affiliated donor advised fund now have more than a billion dollars of additional philanthropic resources.

Despite these growing resources and the excellent works of many important organizations the Foundation has supported, over time it has become increasingly clear to us that philanthropy alone cannot save the world. Unfortunately, we cannot rely on governments either.

With the benefit of substantial philanthropic and investing experience, I have come to believe that capitalism is likely the most powerful potential force for good in addressing society's long-term problems. A successful business operating ethically and sustainably can create many thousands of high-paying jobs, deliver high long-term returns for pensioners, long-term savers and other investors, and provide goods and services that materially increase its customers' quality of life, broadly defined. That said, capitalism is far from perfect.

Poorly designed compensation structures can lead management to pursue short-term profits at the expense of long-term sustainability, with negative externalities that are borne by others. On the other hand, with well-aligned incentive structures, supportive corporate values, and strong leadership, a successful business can generate both strong returns for its shareholders, and positively impact the society and environment in which it operates.

Environmental, social and governance ("ESG") issues have emerged into the *Zeitgeist*, with considerable study and discussion in board rooms, and among investors around the world. Companies are evaluating how they interact with their stakeholders and what role they play in society. This self-examination will lead managements and boards to elevate the importance of ESG in how they govern and manage their companies, and implement their long-term strategies.

We believe that good ESG practices are fundamentally aligned with running a successful business. As consumers and other corporate customers have become increasingly educated on matters of ESG, they have begun to avoid companies that contribute to climate change or do not treat their employees well, while rewarding companies with their business that have sustainable and responsible policies. Similarly, a growing number of investors have become increasingly concerned about the risks of companies which do not take ESG issues seriously. These investors avoid investing in companies which do not meet high ESG standards, reducing the valuations and investment returns of these businesses, negatively impacting their cost of capital.

As capital is reallocated away from companies that rate poorly on ESG issues, boards' and managements' likely response will be to pivot their company's business models to ones that are better for the environment and society. As a long-term, concentrated and engaged owner of publicly traded companies, we can help accelerate this process in a manner that is closely aligned with our strategy, which seeks to generate high long-term rates of returns for our shareholders.

The emergence of ESG has provided an additional lens with which to evaluate how companies perform. We therefore thought it would be helpful to share how we think about ESG at Pershing Square, and its role in our investment process.

ESG As Part of Our Investment Process

We believe that good corporate governance, including the management of sustainability risks, creates long-term value for shareholders. We consider ESG issues in our investment selection process, and as part of our ongoing stewardship once we have made an investment.

We do not view ESG as a way to market our funds to investors or to raise additional capital. As you likely are aware, we decided several years ago that we would no longer market our private funds to new investors, and PSH has returned substantial capital through large share buybacks and dividends. Our interest in ESG issues therefore entirely relates to their impact on our investments, and our long-term track record.

The most important criterion in our investment selection process is our assessment of the long-term quality of a business, which is informed by, among other considerations, our assessment of the long-term impact of the company on all of its stakeholders and society at large. As a result, assessing the sustainability risks of a potential investment is a critical component of our investment selection process.

Our focus on business quality has largely enabled us to avoid investments in businesses which make products or deliver services which we do not believe to be desirable, which treat their employees poorly, and/or which have long-term financial and legal risks that are a consequence of their negative externalities. We believe that this approach has helped us to avoid losses and generate profits by identifying great businesses that have contributed to our long-term investment returns, and by avoiding others which would likely have generated losses in the portfolio. We have still made mistakes (you know them well) when in certain cases, we failed to fully consider certain ESG shortcomings in a company's approach to business.

The relevant ESG issues we consider as part of our due diligence process can vary depending on a given company and the sector in which it operates. We therefore do not utilize a uniform set of sustainability factors to evaluate companies that we are considering for potential investment.

In many instances, we have chosen to invest in companies which already have excellent ESG practices, including good governance, robust environmental stewardship programs, and diversity and inclusion initiatives. The majority of the companies in our portfolio today exhibited those characteristics at the time of our initial investment, and all, to varying degrees, do so today.

A few examples from our portfolio:

For the third year in a row, Agilent ranked in the top three of Barron's Most Sustainable Companies in America as it continues to invest in infrastructure improvements to further reduce its environmental impact.

Starbucks has made significant investments in eco-friendly operations, regenerative agricultural practices, and an environmentally friendly menu, and has committed to cut its carbon, water, and waste footprints by half by 2030.

Lowe's is enhancing the sustainability of its products and promoting consumers' ability to reduce their own environmental footprints through the sale of eco-conscious products. During the pandemic, Lowe's invested more than $1 billion in employee support, community donations, and enhanced store safety.

The Howard Hughes Corporation (HHC) has set 10-year goals for energy, water, waste, and carbon emissions, and established an ESG Committee that reports directly to the CEO to guide its sustainability program. HHC has regularly received awards for owning and managing communities and small cities that are considered among the best places to live in the United States.

In some instances, we have used our influence and engagement with boards and management to improve ESG practices that pose sustainability risks to a business in order to catalyze long-term value creation.

For example, Chipotle is a business for which sustainability has been a core value since its founding. For years, the company has earned accolades for sustainably sourcing its food, and for reducing its environmental impact over time. Consumers understand that the company's commitment is genuine and reward it with their business. When we first invested in the company, we recognized that the opportunity to work with the company to improve its governance could create significant shareholder and stakeholder value, while allowing the company to continue to grow rapidly and stay true to its core values.

Following our investment, the Board and management were refreshed, and have since done a remarkable job of turning around and accelerating the growth and profitability of the company. As evidence of the company's continued commitment to good ESG practices, in March 2021, Chipotle announced that 10% of its officers' annual incentive bonus will be tied to the company's progress toward achieving ESG objectives in three categories: Food & Animals, People, and the Environment.

Each of our companies' ESG initiatives generates a materially positive benefit to society, and fosters customer and stakeholder loyalty, which contribute to the creation of shareholder value. The above examples represent a small sample of our portfolio companies' approach to ESG issues. Each of our portfolio companies produces robust sustainability reports which track the initiatives that are most relevant to their businesses. You can learn more about these programs from their respective websites.

Our ability to consider ESG issues in our investment selection is greatly enhanced by the long duration of our capital base. As a public company where the investment manager is the largest shareholder with a more than 25% stake, we do not need to think or act short-term. With a long-term mindset, we can be highly supportive of investments that reduce short-term earnings, but increase a company's long-term net present value.[12] Compared with the entire universe of global investment entities, PSH is extremely advantaged due to our long-term structure and large insider ownership.

We are grateful to you for supporting PSH's long-term approach to investing, and we are very pleased to have delivered the third consecutive year of returns well in excess of our S&P 500 benchmark. We do not believe it is coincidental that our performance over the last three years coincides with the increased stability of our capital base that resulted from management's larger investment in the company several years ago, our decision to no longer market the private funds for investment, and our refocusing the firm on our core investment strategy.

2020 will go down in history as one of the world's most challenging years primarily due to the pandemic, but also because of the political divisiveness that plagues the U.S. and many countries around the world. During this difficult time for all, we are fortunate to have been able to generate strong returns for our shareholders, which include many healthcare, educational, and other institutions that have been at the frontlines dealing with this crisis, and to whom we are very grateful.

Unlike other alternative investment firms, we are pleased that our publicly traded corporate form allows us to have a highly diversified investor base which includes thousands of smaller investors who can invest in PSH at a very low entry price, the less than forty dollars it costs to purchase one share. We take our responsibility for managing our highly disparate investors' savings extremely seriously, and remain focused on delivering outstanding long-term results for all of you.

Lastly, I would like to thank the entire Pershing Square team. This was without question our most productive year. The entire organization transitioned seamlessly to working from home, and executed extraordinarily well under highly challenging circumstances. We are looking forward to the day when we will return to the office, which is hopefully only a few more months from now.

Please contact us if you have questions about any of the above.

Sincerely,

William A. Ackman

2020 PORTFOLIO UPDATE

Performance Attribution

Below are the contributors and detractors to gross performance of the portfolio of the Company for 2020 and year-to-date 2021[13].

January 1, 2020 – December 31, 2020	
Index CDS	36.6 %
Pershing Square Tontine Holdings, Ltd.	13.1 %
Lowe's Companies Inc.	10.7 %
Chipotle Mexican Grill, Inc.	10.2 %
Starbucks Corporation	7.6 %
Agilent Technologies Inc.	7.2 %
Restaurant Brands International Inc.	3.0 %
Hilton Worldwide Holdings Inc.	2.7 %
Share Buyback Accretion	2.4 %
Federal Home Loan Mortgage Corporation	(0.9)%
Bond Interest Expense	(1.5)%
Federal National Mortgage Association	(1.6)%
Berkshire Hathaway Inc.	(3.1)%
All Other Positions and Other Income and Expense	(0.6)%
Net Contributors and Detractors	**85.8 %**

January 1, 2021 – March 23, 2021	
Interest Rate Swaptions	3.8 %
Lowe's Companies Inc.	2.4 %
The Howard Hughes Corporation	1.5 %
Hilton Worldwide Holdings Inc.	1.0 %
Restaurant Brands International Inc.	1.0 %
Chipotle Mexican Grill, Inc.	0.7 %
Bond Interest Expense	(0.3)%
Federal National Mortgage Association	(0.7)%
Federal Home Loan Mortgage Corporation	(0.7)%
Pershing Square Tontine Holdings, Ltd.	(1.8)%
All Other Positions and Other Income and Expense	0.4 %
Net Contributors and Detractors	**7.3 %**

Contributors or detractors to performance of 50 basis points or more are listed above separately, while contributors or detractors to performance of less than 50 basis points are aggregated, except for share buyback accretion and bond interest expense. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and important disclaimers on pages 110-112.

Lowe's ("LOW")

Lowe's is a high-quality business with significant long-term earnings growth potential. We initiated our investment in the company in April 2018 largely because we believed that the hiring of a new high-caliber management team could dramatically improve the business and close the performance gap to its closest competitor, Home Depot. Marvin Ellison became CEO in July 2018, and immediately began working on a multi-year transformation plan to bolster Lowe's retail fundamentals, reduce structural costs, expand distribution capabilities, and modernize systems and the company's online capabilities.

In 2020, Lowe's experienced unprecedented demand driven by consumers nesting at home, higher home asset utilization and a reallocation of discretionary spend. Lowe's earlier decision to modernize the company's online offering allowed it to meet consumers' surging demand. Further, its commitment to improve the company's retail fundamentals allowed Lowe's to showcase its enhanced merchandising, greater in-stock-levels, and excellent customer service. In the fourth quarter, the company completed 95% of its store layout resets which include a more intuitive shopping experience complete with a more Pro-centric layout (by "Pro" we refer to the professional tradesmen that perform repair and maintenance, remodeling and construction services). The company is also rolling out a new Pro CRM tool, which should improve Lowe's Pro market share.

Lowe's experienced comparable sales growth of more than 26% in 2020, while generating significant margin expansion and robust earnings growth. The company shared its success with its employees and the community by investing more than $1.2 billion in special associate support, community donations and enhanced store safety.

Management remains focused on a myriad of operational initiatives designed to improve the customer shopping experience and the company's long-term earnings power. In the near-to-medium-term, these initiatives include improving Lowe's omnichannel capabilities including simplifying search and checkout features, launching three additional ecommerce fulfillment centers, enabling faster mobile order fulfillment, standing up dedicated store fulfillment teams, rolling out touchless Buy-Online-Pick-Up-In-Store lockers to all U.S. stores by April 2021, and reimagining scheduling and modes of delivery for certain large-format order deliveries (notably, appliances). These initiatives are examples of Lowe's "Perpetual Productivity Improvement" program which is designed to improve market share and profit margins.

Lowe's is making important strategic investments to position the business to continue to thrive. The company's long-term outlook implies significant opportunity for continued earnings appreciation and margin expansion as it executes its multi-year business transformation.

Chipotle ("CMG")

Chipotle's superb 2020 performance amid a challenging backdrop was due to the successful business transformation led by CEO Brian Niccol and his team. Improved digital access, which has been a pillar of management's transformation strategy and a growing sales driver in recent years, enabled the company to serve customers with digital pickup and delivery as the pandemic began. Only three months after the onset of COVID-19 in the U.S., Chipotle returned to growth, achieving same-store sales growth of 6% in Q4, or 20% over two years.

The pandemic accelerated a shift in the company's digital sales mix from just under 20% of sales at the end of 2019 to 70% in April, before settling to about 50% in July, a level which has been maintained through the start of 2021. Management believes that the majority of these digital sales are incremental, noting that in the 60% of stores with dining rooms open, 80% to 85% of digital sales gains are being retained while 50% to 60% of in-store sales have been recovered.

Management remains confident that the company will emerge even stronger from the COVID-19 pandemic as it continues to execute on a number of long-term strategic initiatives. Chipotle plans to open 200 new restaurants in 2021, a 24% increase from 2020 opening levels, with more than 70% of these new locations featuring a Chipotlane, the company's high-return, digital drive-thru format.

Chipotle has already launched two new menu innovations in 2021, including cauliflower rice, which was introduced in January and has garnered very favorable early feedback, and the much-anticipated quesadilla, which was launched as a digital-only menu item on March 11th. Chipotle Rewards, a highly effective marketing tool for the company, continues to see enrollment growth with over 19.5 million members as of year-end, compared to 8.5 million members at the end of 2019.

Chipotle is extremely well positioned to execute on the company's long-term strategy, which should drive substantial shareholder value in the future.

Agilent ("A")

Amid a challenging backdrop, Agilent's highly resilient performance throughout 2020 demonstrated the durable and high-quality nature of its business model. Despite the impact of the COVID crisis, the company generated positive revenue growth and improved profitability, with 1% organic growth and 20 basis points of operating profit margin expansion in fiscal year 2020.

The company was able to achieve these results without furloughing a single employee. The resulting organizational stability allowed the Agilent team to remain focused on customer-centric initiatives and new product innovation to drive market share gains. For example, the company launched several new instrument lines designed to improve throughput for high volume testing in the pharmaceutical end market. Likewise, in its CrossLab services segment, the company is capitalizing on the trend of labs increasingly outsourcing multiple services to a single vendor, and has recently won several large, lab-wide, enterprise service contracts.

The pandemic provided the company with a timely opportunity to accelerate its digital transformation. Agilent quickly adopted online engagement channels and digital tools to remotely respond to customer service requests and sales inquiries in a timely and reliable manner. This online service approach yielded record high customer satisfaction scores. As the business emerges from the pandemic, we expect Agilent to remain committed to its digital transformation as it not only supports a higher standard of customer engagement, but also allows for more efficient internal operations and cost savings.

In December, Agilent held an Analyst Day to highlight the acceleration in the company's long-term revenue growth outlook and margin expansion opportunity. Management significantly raised its guidance from its Analyst Day, and the company is now targeting long-term organic growth of 5% to 7%, and margin expansion of up to 100 basis points per annum. Agilent's strong business momentum was clearly reflected in its most recent quarter, where the company delivered 11% organic growth and an impressive 260 basis points of margin expansion.

We believe that Agilent will be a more profitable and competitive company post COVID-19.

Hilton ("HLT")

Hilton is a high-quality, asset light, high-margin business with significant long-term growth potential, led by a superb management team. The hotel industry was one of the most negatively impacted as a result of the COVID-19 pandemic. As the pandemic set in, Hilton's management team deftly navigated a challenging situation and took decisive actions to right size Hilton's cost structure for the current economic environment, and fortify its balance sheet. As a result, Hilton managed through the pandemic and positioned the company to generate enhanced margins, improved cash flows and returns, once the business recovers to pre-COVID-19 demand levels.

Hilton's systemwide occupancy bottomed at 13% in April 2020, but rebounded to approximately 40% during Q3 and Q4 as COVID-19 became better understood and travel restrictions lifted. Positive demand momentum experienced in the summer and early fall were disrupted in November and December due to rising COVID-19 cases and tightening travel restrictions.

Hilton management expects a more pronounced and sustained recovery to commence in the second half of 2021, particularly as the COVID-19 vaccine is rolled out more broadly, driven by increased leisure demand and a rebound in business travel. Management's conviction is driven by a number of factors which include: (1) pent-up leisure travel demand, (2) large amounts of unspent consumer savings, (3) large corporations indicating a desire to resume business travel, (4) improving business transient booking trends, (5) proprietary survey work in which 80% of respondents express a desire to travel, and a substantially better second half of 2021 group booking calendar.

Despite significant headwinds, Hilton continued to execute on its long-term strategy, and opened 47,400 net new rooms in 2020 (+5%). Hilton's pipeline expanded 3% year-over-year to 397,000 rooms, or 39% of the existing room footprint, 51% of which are currently under construction. We believe Hilton will continue to grow its market share over time given independent hotels' increased interest in seeking an affiliation with global brands, particularly in the wake of the pandemic.

Hilton is well positioned to thrive as the recovery sets in due to its best-in-class management team, portfolio of great brands, dominant market position, capital-light economic model, deep development pipeline and strong balance sheet. Hilton is in the early stages of a multi-year recovery, which we believe will deliver long-term earnings that are meaningfully greater than pre-2020 levels.

Restaurant Brands International ("QSR")

QSR's franchised business model is a high-quality, capital-light, growing annuity that generates high-margin brand royalty fees from three leading brands: Burger King, Tim Hortons and Popeyes. The company nimbly navigated difficult market conditions in 2020 by assisting franchisees, while maintaining its long-term growth potential.

As the COVID-19 pandemic began, management undertook a series of steps to secure and strengthen the business. The company quickly bolstered safety procedures and shifted marketing spend to highlight the off-premise options available to customers, while supporting its franchisees with fee/cap ex deferrals and liquidity programs. Throughout the year, the company accelerated its digital investments by expanding its delivery footprint, modernizing its drive-thru experience, increasing mobile ordering adoption, and improving its loyalty programs.

While the company's sales were negatively impacted by the pandemic, comparable sales have already recovered or are well on their way to recovery. Burger King U.S. returned to growth in January; Tim Hortons improved to a high-single-digit decline in Canada during the fourth quarter, and Popeyes U.S. grew 16% in 2020. To accelerate the recovery at Tim Hortons in Canada, the company has committed additional funds to bolster its advertising, and support continued enhancements to its Tim's Rewards program.

We continue to believe each of Restaurant Brands' concepts will emerge stronger from this crisis as their business models are competitively advantaged in a socially distant and more budget-conscious consumption environment, and as the company continues to invest in drive-thru, delivery, and digital. We believe QSR's long-term unit growth opportunity is still intact, and we expect unit growth to return to its mid-single-digit growth rate this year. As investors begin to see the results of these efforts, and underlying sales trends at each of its brands continue to improve, QSR's share price should more accurately reflect our view of its business fundamentals.

The Howard Hughes Corporation ("HHC")

In 2019, HHC's Board of Directors announced a strategic transformation plan to streamline the company's organizational structure, sell $2 billion of non-core assets, and accelerate growth in its core master planned community ("MPC") business. In 2020, David O'Reilly, formerly HHC's CFO and President, became the company's new CEO, and Jay Cross, formerly President of Hudson Yards, became the new President. This transformation into a leaner and more focused organization allowed the company to successfully navigate the impact of COVID-19.

When the pandemic began, it was clear that it would have a draconian effect on the company's assets. Management acted quickly and decisively to stabilize the business by raising $600 million of equity in March 2020 to strengthen the company's balance sheet. The Pershing Square funds invested $500 million in that offering. Additionally, HHC's transition to a decentralized operating model significantly reduced overhead expenses and enabled each MPC to more nimbly react to challenging local market conditions.

Since the second quarter of 2020, the company has experienced a robust recovery across all of its assets, which we expect will continue into 2021. Despite the impact of the pandemic, new home sales across HHC's MPCs grew an impressive 10% in 2020. Demand for residential land in HHC's MPCs continues to accelerate, benefiting from out-of-state migration from higher cost-of-living and higher tax states. New homebuyers are drawn to HHC's walkable communities, expansive open spaces, and amenity-rich urban cores in Summerlin, Bridgeland and the Woodlands Hills, the three MPCs which own the substantial majority of HHC's remaining unsold land.

Within HHC's portfolio of income-producing commercial properties, office and multi-family assets have remained highly resilient. The company has collected 97% of office and 98% of multi-family rents from the beginning of Q2 2020 to year-end. Retail and hospitality fundamentals are steadily improving with phased re-openings and a gradual rebound in foot traffic. Highlighting management's conviction in the recovery, in February 2021, the company announced the acceleration of plans for approximately two million square feet of commercial development across the company's MPCs.

In Ward Village, the company experienced strong condo sales activity with the help of an innovative digital sales platform which provides homebuyers with a completely online experience, including virtual 3D condo tours and live chat capabilities. The company's latest luxury condo project, Victoria Place, is already 77% pre-sold after launching sales in December 2019. At the Seaport, which has begun to reopen after being impacted by New York City's stay-at-home orders, the company has found creative ways to activate the property with innovative new offerings like "The Greens," a rooftop dining venue.

We believe that the impact of the COVID-19 pandemic is largely transitory, and expect Howard Hughes's uniquely well positioned MPCs and portfolio of high-quality operating assets to deliver substantial growth for years to come.

Fannie Mae ("FNMA" or "Fannie") and Freddie Mac ("FMCC or "Freddie") (together "the GSEs")

Fannie and Freddie continue to move towards the ending of their conservatorships. While the progress made during the Trump administration fell short of its articulated goals, there were a number of positive developments in 2020.

The Preferred Stock Purchase Agreement ("PSPA") modification announced in January 2021 suspended the net worth sweep, allowing the GSEs to increase their maximum capital retention from $45 billion to over $300 billion. The amended PSPA, however, did not provide recognition that Treasury's Senior Preferred investment has been repaid and the balance due to Treasury continues to increase for every dollar of capital retained. We were not surprised that the Treasury's Senior Preferred remains unresolved in light of existing shareholder litigation.

In July, the U.S. Supreme Court agreed to hear appeals by both the plaintiff and the Federal Government from the Fifth Circuit Court of Appeals' decision in the Collins case. The Fifth Circuit, sitting en banc, ruled in favor of the plaintiff shareholders. On appeal to the Supreme Court, the parties argued about the legality of FHFA's structure, and the lawfulness of the net worth sweep, and the scope of various provisions under the HERA statute under which the Fannie and Freddie conservatorships were created.

We expect a decision by the Court by June 2021, which if a ruling is issued in shareholders' favor, would be a game-changing event. Regardless of the decision by the Court, we continue to believe that our investment in the GSEs is a valuable perpetual option on their eventual exit from conservatorship due to their widely acknowledged irreplaceable role in the U.S. housing finance system.

Starbucks ("SBUX")

We exited our initial investment in Starbucks in January 2020, and opportunistically repurchased a stake in the company at a highly attractive valuation during the March market downturn. Management has handled the COVID-19 crisis incredibly well, which we believe will enable the company to emerge even stronger following the pandemic. At the company's current valuation, about twice the price we paid one year ago, our expected returns from owning Starbucks are below our long-term targets. As a result, we recently sold our stake. Below we summarize our thoughts on the company. Despite the sale, we expect that Starbucks will continue to be a good, long-term investment.

Starbucks was well-prepared for the arrival of COVID-19 in the U.S. given the company's large presence in China. As a result, the company quickly shifted to a drive-thru and delivery-only model at the beginning of the pandemic. As management reopened locations and in-store ordering, Starbucks began to experience a robust sales recovery.

Today, the company is already nearing a full sales recovery, and should be a major beneficiary of a reopened global economy in 2021. By January 2021, same-store sales in the U.S. only declined by 2%. By the second quarter of 2021, Starbucks expects same-store sales in the U.S. to grow by 5% to 10% year over year, implying cumulative two-year comps of 2% to 7% with average-unit volumes above pre-COVID-19 levels.

Starbucks is continuing to experience robust growth in China, following the demise of its closest competitor in the region, Luckin Coffee, and plans to open 600 stores in China in 2021.

We expect Starbucks to benefit from a number of post-COVID-19 tailwinds including pent-up consumer demand for the "third place" experience as many consumers who prefer to enjoy their beverages in store with friends and colleagues have not been able to do so for the past year. Starbucks has historically generated 50% of its sales from breakfast, a daypart geared towards work and school commuting, which should benefit from a return of consumers to their pre-COVID-19 routines.

In addition to managing the COVID-19 crisis, management continues to invest in important growth initiatives including digital, new store formats, and menu innovation. In December 2020, Starbucks' management underscored their confidence in the company's future and increased its long-term outlook for revenue growth, margins, and earnings growth.

Other Positions

As discussed in detail in the 2020 Interim Financial Statements, we invested in index credit default swaps in February 2020 and unwound the positions in March. In the summer of 2020, we initiated a new portfolio investment by launching a SPAC, PSTH. On July 22, 2020, PSTH raised $4 billion in its IPO on the New York Stock Exchange. The SPAC sponsor for PSTH is 100% owned by the Pershing Square Funds.

Other Exited Investments

As previously disclosed in our Interim Financial Statements, we exited our investment in Berkshire Hathaway ("BRK.B") in 2020.

Endnotes and Disclaimers

ENDNOTES TO CHAIRMAN'S STATEMENT

[i] Calculated with respect to Public Shares only and as of December 31, 2020. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and assume an investor has participated in any "new issues" as such term is defined under Rules 5130 and 5131 of FINRA. Net returns also reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and performance fees (if any). Performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Past performance is not a guarantee of future results.

[ii] Total shareholder return for 2020 is calculated based on PSH's Public Shares traded on Euronext Amsterdam. Over the same period, the total shareholder return for Public Shares listed in Sterling and USD on the London Stock Exchange was 78.5% and 84.2%, respectively. Total shareholder return for Public Shares includes dividends paid with respect to such shares.

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

[iv] The Company's total debt to capital ratio is calculated in accordance with the "Total Indebtedness to Total Capital Ratio" under the PSH Bonds' Indentures. Under the Indentures, the Company's "Total Capital" reflects the sum of its NAV and its "Total Indebtedness". Total Indebtedness reflects the total "Indebtedness" of the Company and any consolidated subsidiaries (excluding any margin debt that does not exceed 10% of the Company's total capital), plus the proportionate amount of indebtedness of any unconsolidated subsidiary or affiliated special investment vehicle. As defined in the Indentures, "Indebtedness" reflects indebtedness (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof), representing capital lease obligations, (iv) representing the balance deferred and unpaid of the purchase price of any property or services (excluding accrued expenses and trade payables in the ordinary course of business) due more than one year after such property is acquired or such services are completed or (v) in respect of the Company's capital stock that is repayable or redeemable, pursuant to a sinking fund obligation or otherwise, or preferred stock of any of the Company's future subsidiaries. Indebtedness does not include, among other things, NAV attributable to any management shares or hedging obligations or other derivative transactions and any obligation to return collateral posted by counterparties in respect thereto.

[v] As of March 23, 2021 for PSH's Shares traded on Euronext Amsterdam.

[vi] The weighted average dividend yield of the S&P 500 was 1.5% as of March 23, 2021.

[vii] Free float refers to the number of Public Shares not owned by affiliates of Pershing Square.

[viii] Holdings of affiliates of the Investment Manager have not been aggregated for regulatory reporting purposes.

[ix] Calculated based on the Company's Public Shares traded on Euronext Amsterdam. Over the same periods, the discount to NAV of Public Shares listed in Sterling on the London Stock Exchange narrowed from 28.5% to 22.8% as of December 31, 2020 and widened to 25.6% as of March 23, 2021 and the discount for Public Shares listed in USD narrowed from 28.7% to 23.1% as of December 31, 2020 and widened to 24.8% as of March 23, 2021.

[x] PSTH units were issued on July 22, 2020 at $20. Each unit consisted of one share of PSTH Class A common stock and one-ninth of one redeemable warrant. On September 11, 2020, the redeemable warrants began trading separately (NYSE: PSTH/WS) from the PSTH Class A common stock (NYSE: PSTH). The premium to the PSTH IPO price reflects the closing price of one share of PSTH Class A common stock and one-ninth of the price of one redeemable warrant on March 23, 2021.

ENDNOTES TO COMPANY PERFORMANCE AND INVESTMENT MANAGER'S REPORT

1. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and accrued and/or crystallized performance allocation/fees (if any). The Company's performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Where the Company's performance is presented with that of PSLP, performance results assume that an investor (i) has been invested in PSLP since inception, has not invested in Tranche G, and has participated in any "new issues," as such term is defined under Rules 5130 and 5131 of FINRA and (ii) investor invested in PSLP at its inception on January 1, 2004 and converted to PSH at its inception on December 31, 2012. Depending on the timing of an individual investor's specific investment in the Company and/or PSLP, net performance for an individual investor may vary from the net performance as stated herein.
2. PSLP's net performance results are presented as it is the Pershing Square fund with the longest track record and substantially the same investment strategy to the Company. The inception date for PSLP is January 1, 2004. In 2004, Pershing Square earned a $1.5 million (approximately 3.9%) annual management fee and PSLP's general partner earned a performance allocation equal to 20% above a 6% hurdle from PSLP, in accordance with the terms of the limited partnership agreement of PSLP then in effect. That limited partnership agreement was later amended to provide for a 1.5% annual management fee and 20% performance allocation effective January 1, 2005. The net returns for PSLP presented herein reflect the different fee arrangements in 2004, and subsequently, except that the performance of the tranche of interests subject to a 30% performance allocation and a 5% hard hurdle (non-cumulative) issued on January 1, 2017 is not reflected in PSLP's returns. In addition, pursuant to a separate agreement, in 2004 the sole unaffiliated limited partner of PSLP paid Pershing Square an additional $840,000 for overhead expenses in connection with services provided unrelated to PSLP, which have not been taken into account in determining PSLP's net returns. To the extent that such overhead expenses had been included as fund expenses of PSLP, net returns would have been lower.
3. The S&P 500 Total Return Index ("index") has been selected for purposes of comparing the performance of an investment in the Company or PSLP, as applicable, with a well-known, broad-based equity benchmark. The statistical data regarding the index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses to which the Pershing Square funds are subject. The Pershing Square funds are not restricted to investing in those securities which comprise this index, their performance may or may not correlate to this index and they should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Pershing Square funds' portfolios. The S&P 500 is comprised of a representative sample of 500 U.S. large cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poor's. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, are registered trademarks of Standard & Poor's Financial Services LLC. © 2021 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.
4. The performance data presented on page 2 under "Cumulative (Since Inception)" and "Cumulative PSH (Since Inception)" is calculated from January 1, 2004 and December 31, 2012, respectively.
5. NAV performance is presented as net of all fees and is compared to Pershing Square Funds with substantially the same investment strategy to the Company. Please also refer to endnotes i and ii of the Chairman's Statement.
6. Please refer to Endnote 3.
7. Refer to Endnotes 1 and 4.
8. Please refer to Endnote 1. The Company's share return is calculated based on PSH's Public Shares traded on Euronext Amsterdam. The return using Public Shares listed in Sterling and USD on the London Stock Exchange was 15.1% and 15.2%, respectively. The return for Public Shares includes dividends paid with respect to such shares.

9. Net investment gain reflects total investment gains and losses, dividend income, withholding tax on dividends and deferred tax expense on the statement of comprehensive income.

10. Calculated based on the dollar change of the Company's portfolio from January 1, 2020 to December 31, 2020, including dividends received.

11. Assets reflect the Company's net assets calculated on February 4, 2021 and March 23, 2021 in accordance with IFRS without deducting amounts attributable to accrued performance fees, while adding back the Company's value of its debt outstanding ($2.1 billion).

12. Ownership stake on a fully diluted basis, includes PSCM affiliates and assumes the exercise of all call option contracts.

13. This report reflects the contributors and detractors to the performance of the portfolio of the Company. Other than share buyback accretion and bond interest expense, positions with contributions or detractions to performance of 50 basis points or more are listed separately, while positions with contributions or detractions to performance of less than 50 basis points are aggregated. Since June 20, 2019, the Company has engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. The accretion from the share buyback program is reflected herein.

    The contributions and detractions to performance presented herein are based on gross returns which do not reflect the deduction of certain fees or expenses charged to the Company, including, without limitation, management fees and accrued performance allocation/fees (if any).

    Inclusion of such fees and expenses would produce lower returns than presented here. In addition, at times, Pershing Square may engage in hedging transactions to seek to reduce risk in the portfolio, including investment-specific hedges that do not relate to the underlying securities of an issuer in which the Company is invested.

    For each issuer, the gross returns reflected herein (i) include only returns on the investment in the underlying issuer and the hedge positions that directly relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and also purchased puts on Issuer A stock, the gross return reflects the profit/loss on the stock and the profit/loss on the put); (ii) do not reflect the cost/ benefit of hedges that do not relate to the securities that reference the underlying issuer (e.g., if the Company was long Issuer A stock and short Issuer B stock, the profit/loss on the Issuer B stock is not included in the gross returns attributable to the investment in Issuer A); and (iii) do not reflect the cost/ benefit of portfolio hedges. Performance with respect to currency hedging related to a specific issuer is included in the overall performance attribution of such issuer. For all other currency derivatives, the long/short classification is determined by the non-USD leg of the derivative. For example, a long USD call/GBP put option position would be considered a short exposure, and a long USD put/GBP call option would be considered a long exposure.

    The contributors and detractors to the gross returns presented herein are for illustrative purposes only. The securities on this list may not have been held by the Company for the entire calendar year. All investments involve risk including the loss of principal. It should not be assumed that investments made in the future will be profitable or will equal the performance of the securities on this list. Past performance is not indicative of future results. Please refer to the net performance figures presented on page 2.

14. While the Pershing Square funds are concentrated and often take an active role with respect to certain investments, they will own, and in the past have owned, other investments, including passive investments and hedging-related positions. "Short Activist Positions" includes options, credit default swaps and other instruments that provide short economic exposure. All trademarks are the property of their respective owners. It should not be assumed that any of the securities transactions or holdings discussed herein were or will prove to be profitable, or that the investment recommendations or decisions Pershing Square makes in the future will be profitable or will equal the investment performance of the securities discussed herein. Companies shown in this figure are meant to demonstrate Pershing Square's active investment style and the types of industries in which the Pershing Square funds invest, and were not selected based on past performance.

Limitations of Performance Data

Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. This report does not constitute a recommendation, an offer to sell or a solicitation of an offer to purchase any security or investment product. This report contains information and analyses relating to all publicly disclosed positions above 50 basis points in the Company's portfolio during 2020. Pershing Square may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this report for any reason. Pershing Square hereby disclaims any duty to provide any updates or changes to the information contained here including, without limitation, the manner or type of any Pershing Square investment.

Forward-Looking Statements

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