ITEM 1.
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

PERSHING SQUARE CAPITAL MANAGEMENT, L.P.

June 2025

Pershing Square Capital Management, L.P.

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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. Since the Adviser's annual update in March 2025, the Adviser has started providing investment advisory and other services to Howard Hughes Holdings Inc. ("HHH") pursuant to a Services Agreement, entered into between the Adviser and HHH, dated May 5, 2025 (the "Services Agreement"). The Services Agreement was entered into in connection with the acquisition of 9,000,000 shares of common stock of HHH by Pershing Square Holdco, L.P. ("PS Holdco"), the Adviser's parent (such acquisition, the "HHH Transaction"). Clients and prospective clients should review this brochure carefully. If the Adviser makes any further material changes to its brochure, this section will be revised to include a summary of such changes.

- Items 4, 5, 6, 7, 8, 10, 11, 16 and 17 have been updated to reflect information regarding HHH, the nature of the advisory relationship between the Adviser and HHH and the Adviser's strategy with respect to and certain risks and potential conflicts of interest associated with HHH.

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ITEM 4.
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. Pershing Square Intermediate Holdings, LLC, a Delaware limited liability company (the "Principal Owner"), as the direct owner of 100% of the limited partnership interests of the Adviser and 100% of the voting securities 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. Through various intermediate subsidiaries (including the Principal Owner), Pershing Square Partner Group, LLC ("PS Partner Group"), a Delaware limited liability company, is the indirect owner of approximately 90% of the limited partnership interests of the Adviser. William A. Ackman owns more than 25% (but less than 50%) of the non-voting, non-managing member interests of PS Partner Group. PS Holdco GP Managing Member, LLC, a Delaware limited liability company ("ManagementCo"), is the sole managing member of PS Partner Group and directly or indirectly through various intermediate subsidiaries owns all of the voting securities of the Principal Owner. No individual or company owns or controls 25% or more of ManagementCo.

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 "Core Fund" and collectively, the "Core Funds"). The Core Funds generally implement substantially similar investment objectives, policies and strategies. Additionally, the Adviser provides advisory and other services to HHH, a publicly listed company organized under the laws of Delaware. As further discussed below, HHH is pursuing a strategy of becoming a diversified holding company and implements investment objectives, policies and strategies generally distinct from those implemented by the Core Funds.

Pershing Square GP, LLC, a Delaware limited liability company affiliated with the Adviser and controlled by Mr. Ackman, serves as the general partner (the "General Partner") 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 the Main Market of the London Stock Exchange. The Adviser has in the past served and may, from time to time in the future, serve as the investment adviser or management company for co-investment special purpose vehicles established to increase economic exposure to certain investments ("SPVs"). The Core Funds and the SPVs, together with any other funds whose investment portfolios the Adviser may from time to time manage, are referred to as the "Funds". As used herein, the term "Client" generally refers to each of the Funds and HHH, together with any other clients of the Adviser's investment advisory services from time to time.

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 and limitations set forth in the applicable investment management agreement and/or governing documents for the relevant Client. 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 Clients' objectives, the Adviser may use any investment strategy, long or short, in the global marketplace that it believes will enhance overall performance and there are no restrictions on the securities or other financial instruments that may be used by the Clients, in each case, except as described in the Clients' governing documents or investment management agreement (including, with respect to HHH, the Services Agreement, as defined above).

The Core Funds

The Core 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, total return, interest rate, index, 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 Core Funds' investment objectives. The Core Funds' investments may include both publicly traded and privately placed securities of public issuers, as well as publicly traded securities of private issuers.

The Core 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 Core Funds' investments. The Core Funds may also seek to opportunistically invest in hedges to protect against specific macroeconomic risks and/or to capitalize on market volatility.

The Core 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 Core Funds until the Adviser identifies new investment opportunities. The Core Funds' allocation among different investment categories is a function of their potential risk and reward compared with available opportunities in the marketplace. Accordingly, the Core Funds may hold significant cash balances on an ongoing basis.

The Core 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 Core Funds have invested may later be taken private and the Core Funds may make additional investments in the equity or debt of such companies. The Core 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 Core Funds' investment program, the Adviser intends to concentrate the Core 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 Core Funds' capital in typically 8 to 12 core investments.

HHH

The Adviser's strategy with respect to HHH generally focuses on the acquisition of controlling interests in operating companies, which may include high-quality, durable growth public and private companies (including through take-private transactions of public companies) and supporting HHH in becoming a diversified holding company. HHH's investments may include both publicly traded and privately placed securities of public issuers, as well as publicly traded securities of private issuers. HHH also may invest in securities sold pursuant to initial public offerings. The Adviser's strategy with respect to HHH also includes assistance in identifying, implementing, executing, and monitoring hedges designed to protect against specific macroeconomic risks, including risks to HHH's real estate business, and/or to capitalize on market volatility.

Financing & Derivatives

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 and outstanding $400 million of 4.95% Senior Notes due 2039 (the "2039 Notes"), $200 million of 3% Senior Notes due 2032 (the "2032 Notes"), $500 million of 3.25% Senior Notes due 2030 (the "2030 Notes"), $700 million of 3.250% Senior Notes due 2031 (the "2031 Notes"), €500 million of 1.375% Senior Notes due 2027 (the "2027 Notes") and €650 million of 4.25% Senior Notes due 2030 (the "Euro 2030 Notes" and, together with the 2039 Notes, the 2032 Notes, the 2030 Notes, the 2031 Notes, and the 2027 Notes, the "Notes"). PSH may in the future continue to access the bond market and/or obtain other forms of financing, including, without limitation, margin loans. The Core Funds and HHH 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 Core 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 Core 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 Core 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 Core Funds and specific market opportunities, the Core Funds may use other derivatives for leverage.

SPARC

The Adviser formed Pershing Square SPARC Holdings, Ltd. ("SPARC"), a Delaware corporation, for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. SPARC's initial Form S-1 Registration Statement was filed with the SEC on November 26, 2021 and became effective on September 29, 2023 (the "SPARC Prospectus"). Pershing Square SPARC Sponsor, LLC ("SPARC Sponsor"), a Delaware limited liability company, is the sponsor entity of SPARC. The Core Funds wholly own SPARC Sponsor as non-managing members and are the only source of funding for SPARC Sponsor. The business and affairs of SPARC Sponsor are managed exclusively by the Adviser, its non-member manager. SPARC distributed, at no cost, subscription warrants ("SPARS") to purchase SPARC Public Shares (defined below) at a future date to former Pershing Square Tontine Holdings, Ltd. ("PSTH") security holders who owned either Class A Common Stock (ticker: PSTH) or PSTH warrants (ticker: PSTH.WS) as of the close of business on July 25, 2022 (the last date on which such instruments could have been redeemed or cancelled): one SPAR for every four shares of PSTH common stock and one SPAR for every two PSTH warrants. After SPARC has entered into a definitive agreement for its business combination and distributed to SPAR holders a prospectus, included in an effective registration statement that describes the proposed business combination, SPAR holders may elect to exercise their SPARs. SPARC intends that, at the time during which a holder may elect to exercise, the SPARs will be quoted on the OTCQX marketplace of the OTC Markets Group or other quotation service. The shares issuable upon the exercise of the SPARs (the "SPARC Public Shares") will be issued concurrently with the closing of SPARC's business combination. The SPARC Prospectus is available on the SEC's website.

C. Availability of Customized Services for Individual Clients.

The Adviser intends for the Core Funds to generally hold, to the extent practicable, similar securities and other financial instruments on a proportionate basis relative to each Core Fund'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 Core Funds' 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 $18,752,183,784 as of May 5, 2025 on a discretionary basis. The Adviser managed approximately $900,000,000 as of May 5, 2025 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. The fees applicable to HHH are set forth in detail in the Services Agreement. A brief summary of these fees is provided below. The Adviser does not receive any fees from SPARC or SPARC Sponsor.

1. PS LP

a. 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 (before any accrued performance fee) of the capital accounts relating to each limited partner, payable in advance at the beginning of each quarter and prorated for any partial quarter. In connection with the HHH Transaction, the Adviser agreed to reduce the management fees payable to the Adviser by PSLP by an amount equal to the fees payable to the Adviser by HHH that are attributable to the shares of HHH common stock (if any) held by PSLP, to the extent such shares are included in the fee-paying assets of PSLP. The Adviser may waive the management fee with respect to the capital accounts of members, partners, officers, managers, employees or affiliates of the General Partner or the Adviser or other limited partners in the Adviser's sole discretion.

b. 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. As of November 2022, Tranche G Interests are no longer being offered.

Existing Interests

The General Partner 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 General Partner 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.

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

2. PS Ltd

a. 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 (before any accrued performance fee) 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. In connection with the HHH Transaction, the Adviser agreed to reduce the management fees payable to the Adviser by PS Ltd by an amount equal to the fees payable to the Adviser by HHH that are attributable to the shares of HHH common stock (if any) held by PS Ltd, to the extent such shares are included in the fee-paying assets of PS Ltd.

b. 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. As of November 2022, Class G Shares are no longer being offered.

c. 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").

d. 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.

e. 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.

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

a. 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 (before any accrued performance fee) of the public shares and Special Voting Share (together, the "fee-paying shares") of PSH, payable in advance at the beginning of each quarter. In connection with the HHH Transaction, the Adviser agreed to reduce the management fees payable to the Adviser by PSH by an amount equal to the fees payable to the Adviser by HHH that are attributable to the shares of HHH common stock (if any) held by PSH to the extent such shares are included in the fee-paying shares of PSH.

b. 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 the lesser of the 16% performance fee and the "potential reduction 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 PS LP, PS Ltd and certain other future funds managed by the Adviser or any of its affiliates (collectively, the "Other Funds") plus (ii) solely with respect to such Other Funds that as part of their terms (and not due to performance) do not have performance fees or incentive allocation, 20% of the dollar value of the management fees that the Adviser and its affiliates have earned on the assets of such Other Funds in respect of that period plus (iii) if the potential reduction amount for the previous calculation period was not fully utilized in reducing the variable performance fee for that period, the amount not utilized (which is in effect carried forward).

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. HHH

a. Base Fee

The Adviser is paid a quarterly base fee of $3,750,000 ($15,000,000 on an annual basis), payable in advance no later than the first day of each quarter and prorated for the second quarter of 2025 based on the portion of such quarter that follows the closing of the HHH Transaction. The base fee is subject to annual adjustments based on the Core CPE Price Index.

b. Variable Fee

The Adviser is paid a quarterly variable fee equal to 0.375% of the increase in the quarter-end stock price of the common stock of HHH over a contractually determined reference price, multiplied by a contractually determined reference share count (based on the number of shares outstanding at the commencement of the arrangement contemplated by the Services Agreement), subject to adjustments for inflation, stock splits and other corporate actions.

The "quarter-end stock price" with respect to any calendar quarter equals the volume-weighted average trading price of HHH's common stock on the New York Stock Exchange for the 15 trading days ending on the last Trading Day of such calendar quarter, so long as HHH shares are listed for trading on the New York Stock Exchange

The "reference price" of $66.1453 is subject to annual adjustments based on the Core CPE Price Index beginning on January 1, 2026. The "reference price" will be equitably

adjusted in the event of any dividend, stock split, reverse stock split, "spin-off" transaction or other capital reorganization of HHH.

The "reference share count" of 59,393,938 is subject to equitable adjustments to reflect the effect of any stock split, reverse stock split or other capital reorganization, reclassification or adjustment with similar effect.

The Services Agreement has an initial term of 10 years (the "Initial Term"), ending on May 5, 2035, and successive renewal terms of 10 years thereafter (each, a "Renewal Term"). In the event that the Services Agreement is terminated during the Initial Term or any Renewal Term as a result of a change of control of HHH, HHH will pay to the Adviser an amount equal to the present value of any base fees and variable fees for the remainder of the then-current Initial Term or Renewal Term as determined in good faith by mutual agreement between the Adviser and the disinterested members of HHH's board of directors.

5. SPVs

The Adviser and its affiliates have in the past established, and may in the future establish, SPVs to increase economic exposure to certain investments. 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 other Funds. The terms will vary from vehicle to vehicle and will be determined at their establishment. The Adviser may offer SPVs to third parties selected by the Adviser in its sole discretion, including, without limitation, certain existing investors of the Funds. The Adviser and its affiliates may charge higher or lower management fees and/or performance-based compensation (which may be different than the fees and/or compensation charged to the Core Funds or HHH) in respect of such SPVs. An SPV may be subject to terms that create different incentives for the Adviser or its affiliates (for example, by virtue of the general partner having a larger performance allocation or a greater direct economic interest in an SPV).

See Item 11 for information regarding the allocation of trades and investment opportunities between the Funds 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. Fees payable by HHH will be paid to the Adviser by HHH on a quarterly basis.

C. Additional Fees and Expenses.

The Funds

Each of the Funds 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 and expenses related to obtaining, processing and analyzing "big data" or "alternative data", (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 General Partner 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 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 General Partner 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 a Fund

and their respective partners, and fees and expenses incurred in connection with compliance with FATCA and the Common Reporting Standard (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 General Partner 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 Alternative Investment Fund Managers Regulation 2013/1773 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 General Partner, 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.

Generally, SPVs 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, SPVs 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 increase as a result of the SPV. Investors in new SPVs, including the Funds, will generally bear their proportionate share of fees and expenses related to such SPV 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 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 capitalized and then amortized, in which case the expense will be incurred throughout the life of the bond or the entity, as applicable.

HHH

Pursuant to the Services Agreement, HHH will reimburse the Adviser for all third-party, out-of-pocket fees, costs and expenses incurred in connection with the Adviser's provision of services to HHH (the "HHH Expenses"), provided that any expenses allocated to HHH in excess of $1,000,000 in the aggregate in a calendar year, as adjusted annually based on the Core CPE Price Index, must be approved by HHH prior to being reimbursed to the Adviser. The HHH Expenses do not include the Adviser's ordinary course overhead expenses incurred in connection with the provision of services to HHH, including the remuneration of the Adviser's management, personnel or support staff who enable the provision of the Adviser's services to HHH as well as other ordinary course business expenses, which are intended to be covered by the base fee paid by HHH to the Adviser, as discussed above.

The HHH Expenses include, without limitation, (i) transaction-related fees, costs and expenses, including in connection with due diligence and research, travel and lodging, hedging costs, brokerage fees and commission, clearing and settlement charges, custodial fees, bank service fees, margin and other interest expense and transaction fees, financial reporting, regulatory filings and investor relations, professional fees and expenses (including fees and expenses of investment bankers, appraisers, counsels, research providers, public and government relations firms and other advisors, consultants, experts and agents); (ii) taxes, licenses and other statutory fees or penalties levied against or in respect of HHH; (iii) all sales, use, value added, withholding or other taxes, customs duties or other governmental charges levied or imposed by any Governmental Entity (as defined in the Services Agreement) in connection with transactions of HHH and its affiliates; (iv) amounts owed under indemnification, contribution or similar arrangements, unless such amounts

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owed are a result of the bad faith, fraud, willful misconduct, gross negligence or criminal conduct of the Adviser; and (v) any other fees, costs and expenses payable to third parties that are reasonably necessary for the performance of the Adviser's services to HHH under the Services Agreement.

Allocation of Expenses

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 and investment management agreements (including, in the case of HHH, the Services Agreement). However, such determinations are inherently subjective and may give rise to conflicts of interest (i) between the Clients, on the one hand, and the Adviser, who might otherwise bear such fees and expenses, on the other hand and (ii) among the Clients. 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 Clients and, therefore, are to be borne by such Clients 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 Clients.

With respect to fees and expenses determined to be attributable to the Clients (as opposed to fees and expenses attributable to the Adviser), generally, each Client will bear its own operating and other fees and expenses. If any fees and expenses are incurred for the account of more than one Client, the Adviser will allocate such fees and expenses among such Clients as described below or in such other manner as the Adviser considers fair and equitable. Certain fees and expenses allocated to more than one Client may be allocated on a pro rata basis based on the month-end net asset value of each participating Fund (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 Clients regardless of their relative net asset values. For the avoidance of doubt, with respect to HHH, such expense allocation is subject to limitations contained in the Services Agreement, as described above.

Expenses related to portfolio investments that the Funds 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, and to the extent the expense has been previously accrued for, the accrual will be reduced by the invoice amount. No Fund will be responsible for expenses related to investments held by other Funds that it did not itself hold.

Generally, HHH will bear fees and expenses related to any of its potential and actual investment opportunities. However, HHH 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 increase as a result of the services provided to HHH.

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 each of the Core Funds. In addition, the HHH Variable Fee is based on the appreciation in the HHH stock price over a reference price determined in accordance with the Services Agreement. As compared to PS LP and PS Ltd, 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 SPVs. The Adviser and its affiliates may have an incentive to allocate limited investment opportunities to the Clients 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, and to HHH, a public operating company. 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 and HHH include any purchaser of, respectively, PSH or HHH'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.

(i) *The Clients Generally*

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 and growth in intrinsic value per share commensurate with reasonable risk. The Adviser defines risk as the probability of a permanent loss of capital, rather than price volatility. The Funds' investment strategy typically involves the purchase by the Funds of large minority positions in high-quality, large-capitalization, growth companies during periods when they have underperformed their potential and/or when they are undervalued because the market underestimates their potential or overestimates the impact of certain negative factors on their business. Occasionally, the Funds may purchase controlling positions in companies if the Adviser believes that there is an attractive value proposition.

The investment objective of HHH is to seek long-term growth in intrinsic value per share. HHH's investment strategy as a diversified holding company typically involves the acquisition of control positions in high-quality, durable growth public and private companies (including through take-private transactions of public companies).

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 Clients' investments if it believes that the potential for reward justifies it.

The Adviser expects to use various investment techniques that are consistent with the Clients' governing documents and investment management agreements (including, in the case of HHH, the Services Agreement). 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 Clients 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 Clients may acquire put options, short market indices, baskets of securities, purchase credit-default swaps, interest rate swaptions, and/or other securities but the Adviser is not committed to maintaining market hedges at any time. The Adviser may also seek to opportunistically invest in hedges to protect the Clients' portfolios against specific macroeconomic risks and capitalize on market volatility. The Adviser believes its selective hedging strategy is a superior alternative to a large cash position or a continuous hedging program, both of which can be a significant drag on long-term performance.

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 and analysts of the Adviser (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 decisionmaker for all Fund investment positions. HHH investment positions require the authorization of Mr. Ackman and Ryan Israel, with the approval of HHH's CEO (or a designee of the CEO), and subject to such terms of reference or standing authorizations of HHH's board or a committee thereof as may be in effect from time to time.

(ii) *The Core Funds*

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, with respect to the Core Funds, 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 Core 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 Core 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 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 Core Funds. In addition, the Adviser may short individual securities to hedge or reduce the Core Funds' long exposures.

(iii) *HHH*

With respect to HHH, the Adviser seeks to identify attractive opportunities to acquire controlling stakes in high-quality, durable growth public and private operating companies (including through take-private transactions of public operating companies), in furtherance of HHH's objective of becoming a diversified holding company. The Adviser expects that HHH will own controlling stakes in a diverse portfolio of operating companies with the expectation of holding each position for multiple years. The Adviser does not anticipate that HHH will concentrate such positions in any one or a group of industries or sectors, although such concentration may arise in the early stages of HHH's diversified holding company strategy as it makes its initial acquisitions. HHH currently has a large concentration in its real estate development and master planned communities business.

Pursuant to the Services Agreement, the Adviser will support HHH's new diversified holding company strategy by providing HHH with investment advisory and other services. The Adviser will leverage its existing experience, core competencies and infrastructure to help HHH pursue privately negotiated control investments and protect itself against macroeconomic risks through the Adviser's asymmetric hedging strategy. However, there are

challenges and risks inherent in HHH's diversified operating company strategy, as discussed below.

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 Clients' offering documents for a more complete description of the risk factors applicable to an investment in the Clients. Investors may lose all, or substantially all, of their investment in the Clients

Investments are exposed to the risk of the loss of capital. The business of the Clients is to invest in securities utilizing an investment strategy that may involve substantial risks. The prices of the Clients' respective investments are volatile and market movements are difficult to predict. No guarantee or representation is made that the Clients' investment strategy will be successful. In addition, the Clients may utilize such investment techniques as concentration of investments, forward transactions, foreign currency transactions, uncovered option transactions, securities lending, short sales, investments in non-marketable securities and futures and options on futures transactions, 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 Clients will increase in value or that the Clients will not incur significant losses. An investor in a Client may lose all or substantially all of its investment in such Client.

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

In the pursuit of the Core Funds' investment strategy, the Adviser may accumulate significant positions in particular investments and intends to invest the substantial majority of each Core Fund's capital in typically 8 to 12 core investments. From time to time, the Adviser may invest a significant proportion of the Core 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 Core Fund's assets, and, in turn, the value of any investment in a Core Fund. Although it may at times choose to do so, the Adviser is under no obligation to hedge any of the Core 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, 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 Clients

Each Client'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 Clients' assets invested in cash or cash equivalents and, as a result, may reduce their rates of return. The Clients 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 Clients. There can be no assurance that the Adviser will be able to identify and make investments that are consistent with the Clients' investment objectives or generate attractive returns for their investors or that the Clients 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 Clients, 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 Clients. 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 Clients.

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 Clients.

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 Clients 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 Clients.

The Adviser may use alternative data in its investment process

The Adviser may use alternative data in its investment process. Alternative data includes datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases. These data are sometimes referred to as "big data" or "alternative data". The Adviser may apply these alternative data to better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes.

The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are expected to be borne—in whole or in part—by the Funds. No assurance can be given that the Adviser will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for the Adviser and the Clients in numerous jurisdictions. The Adviser cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to the Adviser or to the Clients.

Uncertain exit strategies

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 market conditions, the particular circumstances of the portfolio company and the Client's investment therein, 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. While unlikely given their investment strategies, certain investments of the 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. A substantial portion of HHH's investments are expected to be illiquid, though an investment in HHH itself will generally be liquid in that the common shares of HHH are publicly listed and tradeable on the NYSE.

Market risk may significantly impact the performance of the Clients

The Clients are exposed to market risk. Among other things, this means that the prices of financial and derivative instruments in which the Clients may invest can be highly volatile. Price movements of equity, debt and other securities and instruments in which the Clients' 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 Clients 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 Clients' strategies will be successful in such markets.

Adverse changes affecting the global financial markets and economy may have a material negative impact on the performance of the Clients' investments

The Clients and their investments are susceptible to the effects of economic slowdowns or recessions. Despite overall resilience in some geographies, many global economies have in recent years experienced periods of deceleration. Further economic deceleration or contraction in the rate of global growth in certain industries, sectors or geographies, including as a result of the ongoing conflicts in Eastern Europe and the Middle East, and any global responses thereto, may contribute to poor financial results at the companies in which the Funds invest, which may result in lower investment returns for the Funds. In particular, the current U.S. tariff and trade policy, political environment and the resulting uncertainties regarding actual and potential shifts in U.S. foreign investment, trade, taxation, economic, environmental and other policies under the current administration, as well as the impact of geopolitical tension, such as a deterioration in the bilateral relationship between the U.S. and China, could lead to disruption, instability and volatility in the global markets. These events could have a material negative impact on the Clients' financial condition, the value of the Clients' investments, and return on an investment in the Clients.

Recent shifts in U.S. international trade policy, including the imposition of tariffs by the U.S. and proposals to renegotiate, or potentially terminate, existing trade agreements and treaties with foreign countries, have led to retaliatory tariffs by foreign governments on certain U.S. goods. Tariffs on goods could increase costs, decrease margins, and reduce the competitiveness of products and services offered by companies. This could materially adversely affect the revenues and profitability of any companies whose businesses rely on imported goods subject to significant tariffs. Further governmental actions related to the imposition of tariffs or other trade barriers or changes to international trade agreements or policies in respect of other jurisdictions could also have a similar adverse impact companies in which the Clients invest, which may result in lower investment returns for the Clients.

Any deterioration of economic conditions in the United States or globally may lead to significant declines in the value of the Clients' investments and have an adverse impact on the return on an investment in the Clients.

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

The Clients 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 Clients' 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 Clients, 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 material adverse effect on the value of any investment in the Clients.

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 COVID-19 pandemic resulted in many deaths and the imposition of widespread social distancing and quarantine measures, travel bans, border closures and other restrictions. Disruption to global travel and supply chains caused by pandemics may adversely impact global commercial activity and a number of industries. Despite precautions taken by the Adviser, such as those made pursuant to the Adviser's business continuity and infectious disease prevention plans, communicable diseases 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 Clients' investment objectives.

The Adviser and its Clients depend on their banking relationships, and therefore are exposed to stress, insolvency and other risks affecting their banking service providers

The Adviser and the Clients will hold cash and other assets in accounts with one or more banks, custodians or depository or credit institutions (collectively, "Banking Institutions"), which may include both U.S. and non-U.S. Banking Institutions from time to time. The Clients may also enter into credit facilities and have other relationships with Banking Institutions. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of each of the Adviser and the Clients to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on the Clients. For example, in such a scenario, a Client could be forced to delay or forgo an investment or a distribution, including in connection with a redemption, or generate cash to fund such investment or distribution from other sources (including by disposing of other investments or making other borrowings) in a manner that it would not have otherwise considered

desirable. Furthermore, in the event of the failure of a Banking Institution, access to a depository account with that institution could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such a case, the Adviser and the Clients may not recover all or a portion of such excess uninsured amounts and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). The Adviser does not expect to be in a position to reliably identify in advance all potential solvency or stress concerns with respect to its or the Clients' banking relationships, and there can be no assurance that the Adviser or the Clients will be able to easily establish alternative relationships with and transfer assets to other Banking Institutions in the event a Banking Institution comes under stress or fails.

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 Clients, along with the Adviser and the General Partner, may be defendants in lawsuits initiated by third parties, including companies in which the Clients 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 (together with Pershing Square II, L.P., which has since ceased operations) bore $193.75 million.

In addition, the Adviser is 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 trading and other activities that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members.

There can be no assurance that any litigation or regulatory investigation will be resolved in favor of, or conclude without potential exposure to, the Clients, the General Partner and/or the Adviser. As a result, the Clients, General Partner 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. Even if an investigation or proceeding does not result in a sanction or the sanctions imposed against the Adviser or the Clients, or their respective affiliates are small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Clients' and/or the Adviser's reputations which may adversely affect the Clients' investment performance by hindering their ability to obtain favorable financing or consummate a potentially profitable investment. 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 Clients. Such expenses may be significant and will reduce returns and/or may result in losses.

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

The Clients substantially participate in or influence the conduct of affairs or management of some of the 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 Clients invest. In the event that material non-public information is obtained with respect to such companies or one or more Clients 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 Clients 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 material adverse effect on a Client and the value of any investment in a Client.

In addition, the Clients 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 Clients, require the Clients to sell shares only at times "insiders" can sell or limit the time periods where sales may occur. These arrangements may also require the Clients 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 Clients often enter into registration rights agreements with portfolio companies whereby the Clients have the right to register and sell their shares in a public offering.

Control investments made by the Clients may pose various risks

The Clients 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 Clients 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 Clients 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 Clients and any investment in the Clients.

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

The investment strategies pursued by the Clients may be affected by applicable U.S. state and federal laws and regulations governing the beneficial ownership of public securities. For example, the Clients 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 Clients' ability to freely acquire and dispose of certain securities, and possibly subject the Clients to "short swing profits" disgorgement. For another example, in October 2023, the SEC adopted amendments to rules governing how the beneficial ownership of securities is reported. To the extent a Client is affected by such rules and regulations, it may not be able to transact in ways that would realize value for such Client. 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 Client to achieve its investment objective.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Clients' business, investments and results of operations

The Clients and the Adviser are subject to laws and regulations enacted by supranational, national, regional and local governments and institutions. The SEC, other competent regulators, self-regulatory organizations and exchanges are also authorized to take action, including in the event of market emergencies.

The legal, tax and regulatory environment worldwide for investment funds and their managers is evolving, and changes in the regulation of investment funds, their managers, and their trading and investing activities may have a material adverse effect on the Adviser's ability to pursue the Funds' investment program and the value of the Funds' investments. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the Adviser's ability to pursue the Funds' investment program or employ brokers and other counterparties could have a material adverse effect on the Funds' performance.

Any changes in the regulatory framework applicable to the Clients may impose additional expenses, require the attention of senior management or result in limitations in the manner in which the Clients' or Adviser's business is conducted. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on the Adviser's business, the Clients' investments, and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied by applicable regulators, could have a material adverse effect on the Adviser's business and the value of the Clients' investments.

The Adviser and the Clients have been, and will continue to be, affected by legal, tax, and regulatory changes

The financial services industry generally, and the activities of investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny has increased the Adviser's exposure to potential liabilities and to legal, compliance and other related costs. Increased and evolving regulatory oversight may impose administrative burdens on the Adviser, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Adviser's time, attention and resources from portfolio management activities.

For example, the regulation of derivatives transactions and the funds and other entities that engage in such transactions is a changing area of law and is subject to modification by government and judicial action. Any change in the laws and regulations affecting the Adviser or the Clients, or any change in the regulations affecting hedge funds, funds of hedge funds, hedge fund managers or other entities engaging in derivatives transactions generally may have a material adverse effect on a Client's ability to carry on its business, which in turn could have a material adverse effect on such Client's performance and returns.

Derivative contracts, including, without limitation, swaps, currency forwards, and non-deliverable forwards, are subject to regulation under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") in the U.S. and under comparable regimes in Europe, Asia and other non-U.S. jurisdictions. Swaps, non-deliverable forwards and certain other derivatives traded in the over-the-counter ("OTC") market are subject to variation and initial margin requirements. The Dodd-Frank Act provisions regarding clearing, mandatory trading, reporting and documentation of swaps and other derivatives have impacted and may continue to impact the costs to the Clients of trading these instruments and, as a result, may affect returns to investors in the Clients.

From time to time there may be significant changes to U.S. fiscal, tax, trade, healthcare, immigration, foreign, and government regulatory policy. In this regard, there is significant uncertainty with respect to legislation, regulation and government policy at the federal level, as well as the state and local levels. Recent events have created a climate of heightened uncertainty and introduced new and difficult-to-quantify macroeconomic and political risks with potentially far-reaching implications. There has been a corresponding meaningful increase in the uncertainty surrounding interest rates, inflation, foreign exchange rates, trade volumes and fiscal and monetary policy. To the extent the U.S. Congress or the current presidential administration implements changes to U.S. policy, those changes may impact, among other things, the U.S. and global economy, international trade and relations, unemployment, immigration, corporate taxes, healthcare, the U.S. regulatory environment, inflation and other areas. Although the Adviser cannot predict the impact, if any, of these changes to the Adviser's business, they could adversely affect the Clients' business, financial condition, operating results and cash flows. Until the Adviser knows what policy changes are made and how those changes impact the Clients' business and the business of the Clients' competitors over the long term, the Adviser will not know if, overall, the Clients will benefit from them or be negatively affected by them.

Changes to various laws and regulations (including tax laws) may adversely affect the Clients and their ability to operate and/or pursue their trading strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance. It is impossible to predict what, if any, changes in regulation applicable to the Adviser, the Clients, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. The effect of any future regulatory change on the Clients could be substantial and adverse.

The Adviser's business is dynamic and is expected to change over time. The Adviser may maintain multiple business lines in multiple jurisdictions that are governed by a multitude of legal systems and regulatory regimes, some of which are new and evolving. Therefore, the Adviser or the Clients may be subject to new or additional regulatory constraints in the future.

The Clients may co-invest with unaffiliated third parties

The Clients 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 Clients or may be in a position to take (or block) action in a manner contrary to the Clients' investment objectives. The Adviser on behalf of the Clients 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 Clients and create potential conflicts of interest between such third parties and the Clients.

The Funds expect to invest a substantial proportion of their capital in equities

The Funds expect to invest a substantial proportion of their capital in equity securities of public companies. Stock markets are volatile, and the prices of equity securities fluctuate based on changes in a company's financial condition and overall market and economic conditions. Although common stocks have historically generated higher average total returns than fixed-income securities over the long term, common stocks also have experienced significantly more volatility in those returns and, in certain periods, have significantly underperformed relative to fixed-income securities. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by a Fund. A common stock may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. The value of a particular common stock held by a Fund may decline for a number of other reasons which directly relate to the issuer, such as management performance, financial leverage, the issuer's historical and prospective earnings, the value of its assets and reduced demand for its goods and services.

The Clients may opportunistically invest in hedges to protect their portfolios against specific macroeconomic risks

The Adviser may seek to opportunistically invest in hedges to protect the Clients' portfolios against specific macroeconomic risks and capitalize on market volatility. The success

of such investments depends upon the Adviser's ability to identify and exploit perceived fundamental, economic, financial and political imbalances that may exist in and between markets throughout the world. Identification and exploitation of such imbalances involves significant uncertainties. There can be no assurance that the Adviser will be able to locate investment opportunities or to exploit such imbalances. In the event that the theses underlying the Clients' positions fail to be borne out in developments expected by the Adviser, the Clients may incur losses, which could be substantial.

The Funds may invest in exchange-traded funds that pose various risks

Exchange-traded funds ("ETFs") are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of a Fund's expenses, investors in a Fund may also indirectly bear similar expenses of an ETF.

The Clients' investment in convertible securities may be subject to particular risks

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Client is called for redemption, the Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a Client's ability to achieve its investment objective.

The Clients may invest in derivative instruments or maintain positions that carry particular risks

The Clients have in the past and may continue to use derivative instruments as a means of hedging their investments or as a means to gain market exposure, and they may also use various derivative instruments, including futures, forward contracts, swaps and other derivatives, which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value. Derivatives, especially OTC derivatives entered into as a privately negotiated contract against a principal counterparty, may be subject to adverse valuations reflecting the counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange-traded instruments. Derivatives used for hedging purposes may not correlate strongly with the underlying investment sought to be hedged.

Derivative instruments may not be liquid in all circumstances, so that in volatile markets the Clients may not be able to close out a position without incurring a loss. Trading in derivative instruments may permit the Clients to incur additional leverage, which may magnify the gains and losses experienced by the Clients and could cause the Clients' net asset values to be subject to wider fluctuations than would otherwise be the case. While derivatives used for hedging

purposes can reduce or eliminate losses, such use can also reduce or eliminate gains. When a Client uses derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. The Clients are therefore directly exposed to the risks of that derivative. Derivatives may not be available to the Clients upon acceptable terms. As a result, the Clients may be unable to use derivatives for hedging or other purposes.

Options, swaps and other instruments may involve substantial risks

The Clients have in the past and may continue to 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 Clients' 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 Client 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 Client 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 Client 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 Client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price.

The Clients may also buy or sell options on underlying reference assets, indices or other financials measures. The other assets or measures may include, but are not limited to, currency, currency exchange rates, or interest rates. The above risks describing "covered" and "uncovered" positions, and the risks associated with loss of investment, applies equally to these instruments.

Swaps and certain options and other custom derivative 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, operations risk, and custody risk, as further discussed below.

Forward Contracts

The Clients may engage in the trading of forward contracts. In contrast to futures contracts traded on an exchange, forward contracts are not guaranteed by any exchange or clearinghouse and are subject to the creditworthiness of the counterparty of the trade. Banks and other dealers with whom a Client may transact in such forwards may require the Client to deposit margin with respect to such trading, although margin requirements may at times be minimal. The Client's counterparties are not required to continue to make markets in such contracts and these

contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. In addition, disruptions can occur in any market traded by a Client due to unusually high trading volume, political intervention, or other factors. Market illiquidity or disruption could result in major losses to a Client.

Swap Agreements

Swap agreements are privately negotiated OTC derivative products (with the exception of those traded on exchanges or swap execution facilities, addressed below), pursuant to which two parties agree to exchange actual or contingent payment streams that may be calculated in relation to a rate, index, instrument, or certain securities, and a particular "notional amount." Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Client's exposure to commodity prices, equity or debt securities, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates, and may increase or decrease the overall volatility of a Client's portfolio. Swap agreements can take many different forms and are known by a variety of names. The Clients are not limited to any particular form of swap agreement if the Adviser determines that other forms are consistent with the Clients' investment objective and policies. A significant factor in the performance of swaps is the change in individual commodity or security values, specific interest rates, currency values, or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by a Client, the Client must have sufficient cash availability to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement may also decline, potentially resulting in losses to a Client.

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

The Clients 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 "<u>reference entity</u>") 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, if hedged, by the protection buyer as a result of the credit event. Generally, "credit events" include a variety of typical adverse events that trigger pay-outs under these financial instruments and include, among other things, failure by the reference entity to pay the principal or interest related to the debt, or bankruptcy of the reference entity. Entities entering into such swaps to obtain credit protection are exposed to credit losses in the event of non-performance by counterparties to these transactions.

Swap transactions dependent upon credit events are priced by incorporating many variables, including, among other things, the pricing and volatility of the common stock or debt of the reference entity, potential loss upon default and the shape of the yield curve of U.S. Treasurys or the yield curve of securities denominated in euros or other currencies. 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.

The market for credit derivatives, especially credit-default swaps based on a single reference entity, 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. However, credit derivative holders do not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations. 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 pay-out 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 pay-out.

The Clients may purchase credit protection through a credit-default swap as a hedge against declines in particular assets or other events, which could potentially expose the Clients to the risks noted above, including the risk that a credit-default swap will not serve as an effective hedge against the default of a reference entity, or that a counterparty will default and the Clients will not receive the benefits of the credit-default swap.

The Clients may also enter into credit-default swaps based on an index of reference entities ("index CDS"), which provides exposure to the credit of the portfolio of reference entities, typically based on a set of common specified characteristics (*e.g.*, geographic region, credit rating category), that constitute the underlying index. The parties to an index CDS typically have rights and obligations as though they had entered into separate credit-default swaps on each reference entity included in the underlying index, except that the parties may not be permitted to transfer or terminate the index CDS except as a whole (if they are otherwise entitled to do so). If a credit event occurs with respect to any underlying reference entity during the relevant period for an index CDS, the parties to the index CDS will settle their obligations with respect to that reference entity by reference to the portion of the notional amount of the index CDS that is attributable to that reference entity, and the index CDS will otherwise continue in effect with respect to each other reference entity until the termination of the index CDS (subject to the occurrence of a credit event with respect to those other reference entities) with a replacement reference entity typically added. Entering into index CDS may amplify the risks associated with credit derivatives by exposing the Clients to a category of reference entities represented by the index. Because of the mix of underlying reference entities, it may be difficult to find a suitable hedge for any particular exposure in the index CDS. If the market's perception of the underlying reference entities changes, the Clients could incur significant losses. In addition, the market for index CDSs has been subject to significant distortions from time to time in the past as a result of the actions of market participants

or other macro events generally. These distortions have in the past led, and may in the future lead, to a high degree of volatility, as well as a wide and potentially unsustainable divergence between the market price of index CDSs and the price that would be expected based on the market price of CDSs on the underlying reference entities. Buying or selling an index CDS may have different economics than entering into separate CDS transactions with respect to each underlying reference entity, and the spread or price that the index sponsor publishes for an index CDS is not necessarily indicative.

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

Although the Clients 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, interest rate swaptions, caps and floors, and forward contracts, for hedging or 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 such 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 Clients 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 or other reference assets change as markets change or time passes, the success of the Clients' 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 Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the applicable Clients than if they had not engaged in such hedging transactions.

The Clients have been, and may continue to be, affected by central counterparty clearing requirements and the Clients are exposed to various risks related to their clearing relationships

Certain derivatives instruments the Clients trade are required to be cleared through a central clearinghouse. Although transactions cleared through a clearinghouse reduce counterparty credit risk by substituting the clearinghouse as the counterparty to a swap and increase liquidity, use of a clearinghouse does not make swap transactions risk-free. These arrangements are subject to regulations in many jurisdictions, including market infrastructure regulations in the U.S., Canada, the European Union, the UK, and Japan. For example, Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, as amended by Regulation (EU) 2019/834 ("EMIR") regulates the OTC derivatives market in Europe including, in particular, imposing mandatory central clearing, trade reporting and, for non-centrally-cleared trades, risk management obligations on counterparties. These regulatory requirements continue to apply in the United Kingdom ("UK"), following its departure from the EU on December 31, 2020, under EMIR as it forms part of UK domestic law by virtue of the EUWA ("UK EMIR"). These regulatory requirements continue to evolve and have resulted in

significant administrative burdens and higher transactional costs for OTC derivative dealers who are subject to EMIR and/or UK EMIR. Such increased costs may be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing and possible new or increased fees. It is possible, therefore, that compliance with these regulations, which continue to evolve, will increase the costs of entry into derivatives transactions, constrain the Clients' flexibility in customizing derivatives transactions to meet their needs and impose a significant regulatory burden. Any of these could have a substantial negative effect on the Clients.

In addition, cleared transactions are generally required to be effected through clearing brokers. These arrangements generally require the Clients to transfer initial margin and variation margin to the clearing brokers and to transfer additional securities or cash to the clearing broker in the event that the value of the margin then held by the clearing broker in the margin account falls below specified levels. Any failure to do so could result in termination of the Clients' clearing agreements and liquidation of the Clients' positions and could provide the clearing brokers with recourse against any of the Clients' assets held by the broker. If the clearing broker is unable to satisfy a substantial deficit in a customer account, its other customers may be subject to risk of a substantial loss of their funds in the event of that clearing broker's bankruptcy. In that event, the Clients, along with the clearing broker's other customers, are entitled to recover, even in respect of property specifically traceable to them, only a proportional share of all property available for distribution to all of that clearing broker's customers. The Clients may also be subject to the risk of the failure of, or delay in performance by, any exchanges and markets and their clearing organizations, if any, on which their cleared derivatives are traded.

In the United States, clearing brokers through which the Clients clear futures (as well as cleared swaps) are futures commission merchants ("FCMs") regulated by the CFTC. FCMs and clearinghouses holding margin of futures or cleared swaps customers are required to segregate the assets of customers from their own assets. If an FCM that holds the Clients' cleared derivatives account were to become insolvent, the clearinghouse will make an effort to move the Clients' futures positions to an alternate FCM, though it is possible that such transfer would fail, which would result in a total cancellation of the Clients' positions in the account; in such a case, if the Clients wished to reinstate such positions, they would have to re-initiate them with another FCM. A delay or failure in the Clients' ability to do so could result in the loss of hedging positions and expose them to greater risk. In the case of cleared swaps, the rules of the clearinghouses require, in the event of the insolvency of an FCM, that other members of the clearinghouse submit bids to take over the portfolio of the FCM, and would further require the clearinghouse to move the Clients' existing positions and related margin to an alternate FCM.

In the event of the insolvency of an FCM, the Clients' segregated assets should be protected from claims of other creditors of the FCM. However, there is a risk of loss of segregated assets in the event of fraud or misappropriation by the FCM, as well as other causes. In addition, while the clearinghouse is obligated to cover remaining losses from an FCM insolvency, the assets available to the clearinghouse may be insufficient for this purpose. As a result, the clearing of futures and cleared swaps creates exposure to risk of loss as a result of an FCM or clearinghouse insolvency, notwithstanding the segregation requirements.

Margin requirements for uncleared swaps may limit the Clients' ability to achieve sufficient exposure and prevent the Clients from achieving their investment objectives.

The CFTC and banking regulators, as well as regulators outside the United States, have adopted collateral requirements applicable to swaps that are traded bilaterally and not cleared by a clearinghouse ("uncleared swaps"). Although the Clients are not directly subject to uncleared swap margin requirements, they are indirectly subject to these requirements by virtue of transacting with registered swap dealers or security-based swap dealers. As a result, when the Clients deal with swap dealers or security-based dealers, the transactions are subject to daily marked-to-market, or variation margin, requirements, and collateral is required to be exchanged between the Clients and the counterparty to account for any changes in the value of such swaps.

The rules require registered swap dealers to collect from, and post to the Clients, variation margin (and initial margin in certain circumstances) for uncleared swap transactions.

In addition to the variation margin requirements, regulators have adopted initial margin requirements applicable to uncleared swaps where at least one party is a registered swap dealer. The initial margin rules require parties to an uncleared swap to post, to a custodian that is independent from the swap counterparties, collateral (in addition to any variation margin) in an amount that is either (i) specified in a schedule in the rules or (ii) calculated by the swap dealer counterparty in accordance with a model that has been approved by the swap dealer's regulator. When the initial margin for uncleared swap rules are applicable, the rules may impose significant costs on the Clients' ability to engage in uncleared swaps and may impair the Clients' ability to achieve their investment objectives or result in reduced returns. The Clients are subject to similar margin rules for uncleared swaps in other jurisdictions in which the Clients trade derivatives, particularly the European Union, the UK and Japan.

The uncleared swap margin rules impose a number of requirements on counterparties to an uncleared swap that are registered swap dealers, including requirements related to the timing of margin transfers, the types of collateral that may be posted, the valuations of such collateral, and the calculation of margin requirements. The rules also require the Clients to post uncleared swap margin collateral to an independent bank custodian. These rules may result in significant operational burdens and costs when the Clients engage in uncleared swaps and may impair the Clients' ability to achieve their investment objective or result in reduced returns.

Trading certain derivatives, including forward contracts, may expose the Clients to the risk of bank failure or non-performance, as well as other risks

The Clients engage in OTC derivative trading that subjects the Clients to certain risks, including, in addition to market risks, risks related to the regulation and potential failure of the banks and other counterparties the Clients transact with. The terms "swaps" and "security-based swaps" include a wide variety of derivative instruments in addition to those conventionally referred to as swaps (including certain forward contracts and options), and relate to a wide variety of underlying assets or obligations, including currencies, commodities, interest or other monetary rates, yields, indices, securities, credit events, loans and other financial obligations. Many types of OTC derivatives that the Clients trade, including forward contracts and certain options, 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 OTC derivatives, including, for example, deliverable foreign exchange and physical commodity forwards, may continue to be traded over- the-counter. As a result, the Clients will continue to be subject to the risks associated with these transactions, which are subject to less regulatory oversight. For example, there is no limitation on daily price movements and speculative position limits may not be applicable to certain types of derivative contracts. The principals that deal in the OTC derivative markets are not required to continue to make markets in the currencies or commodities or other reference assets 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 currencies or commodities or other reference assets 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 Clients due to unusually high trading volume, political intervention or other factors.

Security-based swaps, which are defined as swaps on single securities or narrow-based baskets or indices of securities, are also subject to regulation. The SEC has adopted a number of rules for security-based swap dealers, including capital, margin and segregation requirements, and these requirements, as well as registration requirements, became effective in late 2021. The risks to the Clients associated with these requirements may continue to evolve as counterparties establish their related compliance policies.

With respect to OTC derivatives contracts, regulators in the United States, Canada, Europe, the UK and Japan have established laws and regulations relating to the recovery and resolution of financial institutions, respectively, which have the effect of limiting the Clients' ability to recover its collateral or other payment obligations owed to the Clients where the OTC bank or swap dealer faces impending failure or bankruptcy or enters into a proceeding under the relevant special resolution regime in the relevant jurisdiction. In particular, such regulations may require, in effect, that each Client agree by contract (in order to continue to trade OTC derivatives) to give up any rights of early termination or recognize existing limits on termination rights under such special resolution regimes that the Client would otherwise have in its ISDA Master Agreements in the case of the derivatives counterparties' insolvency or other resolution proceeding.

In effect, this contractual waiver by the Clients (which is now common and obligatory among all market participants) gives effect to, in certain circumstances, a stay on the rights of the Client to close out trades against a relevant insolvent or failing OTC derivatives counterparty or to exercise default rights against a direct OTC derivatives counterparty that enters into a proceeding under the relevant special resolution regime. In certain circumstances, 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 two or more days and vary across jurisdictions. The effect of the stay could be to have a prudential or other regulator of the insolvent or failing OTC derivatives counterparty transfer the OTC derivatives positions to another solvent bank or swap dealer or an unaffiliated third party or bridge company that meets certain conditions, but this is not certain. If such transfer occurs, there is still risk that the Clients suffer losses of their assets held in

OTC form because the transfer period may be long and of unspecified duration. During this transfer period the Clients 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 the stay is intended to support the stabilization or orderly wind-down of the failing OTC derivatives counterparty through certain regulatory actions (such as the transfer of OTC positions to a solvent bank or swap dealer or an unaffiliated third party or bridge company to minimize systemic risk), such actions remain largely untested and it remains uncertain as to how the resolution of a bank or swap dealer is to work. The Clients may be able to terminate the OTC derivatives positions and attempt to replace the OTC trades on the expiry of the stay. However, in this instance, there is risk that the termination amounts for the terminated OTC derivatives positions would not be received by the Clients, and that the replacement cost would move and the termination amounts would not cover such replacement costs.

Arrangements to trade OTC derivatives 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 trading to less than that which the Adviser would otherwise recommend, to the possible detriment of the Clients. With respect to their trading of OTC derivatives with banks, if any, the Clients 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 Clients of any profit potential or hedging opportunity, or force the Clients to cover their commitments for resale, if any, at the current market price, and could result in a loss to the Clients.

The Clients 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 Clients 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 Clients may utilize leverage to the extent deemed appropriate by the Adviser (and in the case of HHH, under the oversight of its board of directors), and the amount of leverage utilized by the Clients may be significant. However, the Adviser generally does not expect the Core Funds or HHH to use a material amount of margin leverage. The use of margin leverage and the overall leverage of the Clients will depend on the investment strategies employed by the Clients and specific market opportunities. The Private Funds have no predetermined limitations on the amount of leverage to be deployed in connection with their investment program. While leverage presents opportunities for increasing the Clients' 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 Clients would be exacerbated to the extent the Clients are leveraged. The cumulative effect of the use of leverage by the Clients in a market that moves adversely to the Clients' investments could result in a substantial loss to the Clients that would be greater than if the Clients 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 "<u>Indentures</u>") 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, the terms of the 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 (if any), the amount of indebtedness of the relevant subsidiary or affiliated special purpose vehicle 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 Clients to additional risks

Whenever the Clients 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 Clients. A Client 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 Client's portfolio at distressed prices could result in significant losses to that Client.

In particular, a Client could be subject to a "margin call," pursuant to which that Client 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 Client's assets, that Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements.

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

The Clients may effect certain investments through limited partnerships, limited liability companies, corporations or other vehicles sponsored or managed by the Adviser or third parties. The Clients 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 General Partner, 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 Clients and other investors of such vehicle in the assets of such vehicle.

The Core 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 Core 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 Clients lend their portfolio securities, they may experience losses or delays in the event of bankruptcy of the counterparty to the loan

The Clients may lend their respective portfolio securities (in which case the Clients will receive all revenues from such securities lending). By doing so, the Clients 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 Clients could experience delays in recovering, or be unable to recover, the loaned securities or the revenues from securities lending. To the extent that the value of the securities the Clients lend has increased, the Clients could experience a loss if those securities are not recovered.

The Clients' trading orders may not be timely executed

Each Client'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 Client'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 Client, the Adviser, that Client's counterparties, brokers, dealers, agents or other service providers or systemic market events beyond the Clients' or the Adviser's control. In such event, the Client 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 Client might not be able to make such adjustment. As a result, that Client would not be able to achieve the market position selected by the Adviser, which may result in a loss. In addition, the Clients 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 or cybersecurity threats, causing the interruption of trading orders made by the Clients.

The Clients' foreign investments may be subject to various risks

The Clients may invest in securities trading in markets less mature than those of, for example, the United States, Canada or Europe. Securities markets in foreign countries often are not as developed, efficient or liquid as securities markets in the United States and, therefore, the prices of foreign securities can be more volatile. 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 Core Fund's investment opportunities or impose restrictions on the ability of issuers of foreign securities to make payments of principal and interest or dividends to investors located outside the country;
- 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.

In addition, economic conditions, such as volatile currency exchange rates and interest rates, political events, military action and other conditions may, without prior warning, lead to the governments of certain countries, or the U.S. Government with respect to certain countries, prohibiting or imposing substantial restrictions through capital controls and/or sanctions on foreign investments in the capital markets or certain industries in those countries. Capital

controls and/or sanctions may include the prohibition of, or restrictions on, the ability to own or transfer currency, securities, derivatives or other assets and may also include retaliatory actions of one government against another government, such as seizure of assets. Any of these actions could severely impair a Client's ability to purchase, sell, transfer, receive, deliver or otherwise obtain exposure to foreign securities and assets, including the ability to transfer such Client's assets or income back into the United States, and could negatively impact the value and/or liquidity of such assets or otherwise adversely affect the Client's operations, causing the Client's assets to decline in value.

While the volume of transactions effected on foreign stock exchanges has increased in recent years, it remains appreciably below that of the NYSE. Accordingly, the Clients' non-U.S. investments may be less liquid and their prices may be more volatile than comparable investments in securities in U.S. companies.

Governmental Intervention

Pervasive and fundamental disruptions undergone by global financial markets have in the past, and may in the future, lead to extensive and unprecedented governmental intervention, including conservatorship and the suspensions of short selling with respect to certain companies. Such intervention may be implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, some of these interventions may be unclear in scope and application, resulting in market uncertainty that may negatively affect the efficient functioning of the markets, as well as previously successful investment strategies. It is impossible to predict whether and when such governmental intervention may occur and any such governmental intervention may affect the success of the Clients' investment strategies and may cause the Clients to sustain significant losses.

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

The Clients may invest in instruments denominated in currencies other than the U.S. dollar. The Clients, however, value their securities and other assets in U.S. dollars. To the extent that the Clients' 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 Core Funds may become out of balance and at any time differ significantly from those held by the other Core Funds, which may adversely affect the value of the investments of the remaining Core 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 Core 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 Core 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. 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 Core 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 Core 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 Core 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 Core Funds (or other factors) and redeem their capital, while investors with redemption schedules subject to the 65-day notice period may not.

Sanctions

The Clients' operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, a Client may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by OFAC, the sanctions regimes administered by subsidiary organs of the United Nations Security Council, the Sanctions Orders of the Cayman Islands (including as extended to the Cayman Islands by Order of the government of the United Kingdom from time to time), and the Restrictive Measures adopted by

the European Union. Some sanctions that may apply to a Client prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories or with individuals and entities located in such countries or territories. In addition to such current sanctions, additional sanctions may be imposed in the future. Such sanctions may be imposed with little or no advance warning or "safe harbor" for compliance and may be ambiguous, including as to the scope of financial activities that regulators may ultimately deem to be covered by the sanctions. Sanctions may negatively impact the Clients' ability to effectively implement their investment strategies and have a material adverse impact on the Clients' investment programs. Sanctions may adversely affect the Clients in various ways, including by preventing or inhibiting the Clients, or the Adviser on the Clients' behalf, from making certain investments, forcing the Clients to divest from investments previously made, and leading to substantial reductions in the revenues, profits and value of companies in which the Clients have invested. In addition, if the Clients or the Adviser were to violate or be deemed in violation of any such sanction, they or it could face significant legal and monetary penalties. Depending on the scope and duration of a particular sanctions program, compliance by the Clients may result in a material adverse effect on the Clients and the investors' investments therein.

The advent and extent of sanctions may be difficult to anticipate. Further, such sanctions may have broader economic implications, such as influencing the price of oil and other commodities, which may have adverse effects on inflation and the value of the U.S. dollar, which may adversely affect investment objectives and strategies of the Clients.

Climate Change-Related Risks

The Clients face risks associated with climate change including risks related to the impact of climate and sustainability-related legislation and regulation, risks related to business trends on climate change and sustainability, and risks stemming from the physical impacts of climate change. Climate and sustainability-related regulations or interpretations of existing laws may result in enhanced disclosure obligations, which could negatively affect the Clients and materially increase the compliance costs and regulatory scrutiny.

In addition, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international and regional regulatory authorities around the world, which could result in, among other risks, changing legal requirements that could result in increased permitting and compliance costs, changes in business operations or the discontinuance of certain operations, litigation seeking monetary or injunctive relief related to climate impacts, a declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions and risks tied to changing customer or community perceptions of an asset's relative contribution to greenhouse gas emissions. These risks could result in a material adverse effect on the value of certain of the Clients' investments and, therefore, the returns of the Clients. Further, significant chronic or acute physical effects of climate change, including extreme weather events such as hurricanes or floods, can also have an adverse impact on certain of the Clients' investments, especially those investments that rely on physical factories, stores, plants or other assets located in the affected areas or that focus on tourism or recreational travel.

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

With the increased use of technologies such as the Internet and Artificial Intelligence to conduct business, the Adviser, the Clients, and their service providers, as well as exchanges and market participants through or with which the Clients trade, and other infrastructures and services on which the Adviser, the Clients, or their service providers rely, are susceptible to operational, information security and related risks.

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 Clients' portfolios and net capital and generating risk management and other reports that are critical to oversight of the Clients' 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. In general, cyber incidents can result from deliberate attacks or unintentional events. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, ransomware, 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, sensitive, or otherwise protected information, such as information regarding the Clients' investors and Clients' investment activities. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (*i.e.*, efforts to make network services unavailable to intended users).

Cybersecurity failures by or breaches of the Adviser and other service providers (including, but not limited to, fund accountants, custodians, transfer agents and administrators), and the issuers of securities in which the Client invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with ability to calculate a Client's NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. If such events were to materialize, they could lead to disclosure of sensitive information or loss of capabilities essential to the Clients' operations and could have a material adverse effect on their reputations and could lead to financial losses from remedial actions, loss of business, or potential liability. A cybersecurity breach resulting in the leak of a previously undisclosed Client position while the Clients are still establishing the position could significantly increase the cost of acquiring any remaining portion of the position, which may prevent the Clients 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 Clients by interfering with the processing of transactions, affecting the Adviser's ability to conduct valuations or impeding or sabotaging trading.

The Clients 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 to prevent future cyber incidents, 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 Clients, the Adviser (which in turn may be indemnified by the Clients) and the General Partner to civil as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions from the Private 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 cannot control the cybersecurity plans and systems put in place by service providers, and 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 Clients also are present for issuers of securities in which the Clients 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 Clients' investment in such securities to lose value.

Artificial Intelligence and Machine Learning Risks.

The emergence of recent technology developments in artificial intelligence and machine learning such as OpenAI and ChatGPT (collectively, "Machine Learning Technology") can pose risks to the Adviser, the Clients, and the Clients' investments. The Adviser may use Machine Learning Technology in various processes. The Adviser is likely to be exposed to the risks of Machine Learning Technology through third parties (including, but not limited to, the Adviser's or the Clients' service providers or counterparties) that use Machine Learning Technology, and the Adviser may not always be aware of such use. The Adviser cannot necessarily control the manner in which products created and/or utilized by third parties are developed or maintained. Furthermore, due to the rapidly evolving nature of Machine Learning Technology and its widespread potential uses, the Adviser expects that its policies and procedures will continue to evolve in response to such unique challenges.

Machine Learning Technology is often highly reliant on the collection and analysis of large amounts of data, and in many instances it may not be possible or practicable to incorporate all potentially relevant data into the dataset that Machine Learning Technology utilizes or to evaluate the source and the reliability of the data being analyzed. Further, the outputs of Machine Learning Technology may be inaccurate or unreliable and are also susceptible to errors in such outputs' creation or subsequent analysis. Additionally, the use of Machine Learning Technology may involve (i) cybersecurity risks (including, but not limited to, the increased likelihood that the Adviser, the Clients, and the Clients' investments become a victim of cybercrime), (ii) threats to proprietary and confidential information, (iii) intellectual property violations, (iv) access to, or

disclosure of, personal information in violation of applicable data protection laws, and (v) other risks that are not currently foreseen. Such inaccuracies, errors, risks, threats, and/or violations could have adverse impacts on the Adviser, the Clients, and the Clients' investments. Machine Learning Technology continues to develop rapidly, making it difficult to predict the future risks that may arise from such developments.

Political Uncertainty and Rise of Populist Political Movements

The rise of populist political movements, economic nationalist sentiments and other changes in the global political landscape have led and could lead to increasing political uncertainty and unpredictability globally. Among the attendant risks are greater regulatory uncertainty, including, for example, regarding the posture of governments with respect to (i) changes in the structure and regulation of public, private and quasi-governmental institutions with which the Clients may transact, (ii) taxation and international trade, and law enforcement, and (iii) other regulatory and political developments, in each case, that could have a material adverse effect on the Clients and their investments.

Certain legislation proposing greater regulation or taxation of the hedge fund industry periodically is considered by Congress, as well as the governing bodies in non-U.S. jurisdictions. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Clients' strategies. Any such regulation could also require increased transparency as to the identity of the investors in the Clients.

The Adviser will not control HHH, exposing it to the risk of decisions made by others with whom the Adviser may not agree.

The Adviser does not have full discretionary authority over the investments of HHH. Although the Adviser will provide investment advisory services and other services to support HHH's new diversified holding company strategy, it is subject to the risk that HHH may make business, financial or management decisions that negatively impact the Adviser's ability to implement its investment strategy or otherwise negatively impact the operational results and financial condition of HHH. The Adviser and its affiliates have agreed to limit their voting power of the shares of HHH common stock to 40%. As a result, the Adviser and its affiliates do not have control over HHH.

HHH's investments are subject to various risks

In addition to the risks discussed above relating to the Clients generally, there are certain challenges and risks specific to HHH, its operations and investment strategy with respect to acquiring controlling stakes in public and private operating companies (including through take-private transactions of public operating companies). Transforming HHH into a diversified holding company will be a complex process, and there can be no assurance that the anticipated benefits of this strategy will be realized.

The Adviser may be unable to identify and consummate transactions in furtherance of HHH's new strategy of becoming a diversified holding company. Additionally, there are risks inherent in acquiring or making investments in operating companies, especially companies in

industries unrelated to HHH's existing real estate business. For example, while the Adviser expects that HHH will own controlling stakes in a portfolio of operating companies, a high percentage of HHH's investments – particularly its initial investments in furtherance of the diversified holding company strategy – may be concentrated in a relatively small number of issuers and a significant decline in the fair values of HHH's larger investments may produce a material decline in its consolidated shareholders' equity and consolidated earnings.

Additionally, HHH's portfolio of operating companies may include businesses in which the Adviser and HHH have limited prior experience. While the Adviser intends to support HHH in attracting and retaining personnel with the relevant industry knowledge and experience to successfully direct the day-to-day activities of its operating companies, the market for such qualified personnel may be competitive and the Adviser and HHH may not identify, or may not successfully engage on favorable terms, such personnel. The benefits to HHH of obtaining a diversified portfolio, if realized, include mitigating the current risk that a majority of HHH's assets are allocated to its real estate development and master planned communities business which has significant concentrated exposure to risks related to interest rates, the housing market and regulatory barriers.

Further, the operating businesses in which HHH may invest will, as a general matter, be subject to competition within markets in which they operate. While the Adviser intends to pursue operating companies that have an opportunity for achieving long-term sustainable growth by developing and strengthening competitive advantages, many factors outside of the Adviser's control may erode or prevent the strengthening of competitive advantages. Accordingly, HHH's future operating results will depend to some degree on its operating units successfully protecting and enhancing their competitive advantages. If HHH's operating businesses are unsuccessful in these efforts, HHH's periodic operating results in the future may decline.

HHH will not be registered under the Investment Company Act, and HHH would not be able to operate according to the Adviser's business plans if HHH were required to register as an investment company under the Investment Company Act.

For the foregoing reasons and others, HHH may be unable to realize the anticipated benefits of the diversified holding company strategy. Such an eventuality, as well as the other risk factors disclosed from time to time by HHH in its periodic securities law filings, could adversely impact its financial condition, results of operations, cash flows, the quoted trading price of HHH's securities, and HHH's ability to satisfy its debt service obligations.

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 additional funds or accounts it manages, including SPVs and/or HHH. The Core Funds are shareholders of HHH, which is advised by the Adviser. Holdco, the parent company of the Adviser, is also a shareholder of HHH. For further discussion of the relationship between the Funds, the Adviser, Holdco and HHH, please see Item 11(c).

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 of the Adviser's 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, and/or HHH, may enter into business arrangements, including transactions, with private companies owned by the Adviser's 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 Clients 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 may in the future conduct rebalancing or internal cross-transactions among the Core Funds. When that happens, one or more Core Funds purchases securities or other financial instruments held by one or more of the other Core Funds or sells securities or other financial instruments to one or more of the other Core Funds. The Adviser effects these transactions pursuant to a methodology that is intended to result in the Core Funds 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 Core Fund, net asset value plus any accrued (but not crystallized) performance fee/allocation and the amount 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 Core Funds.

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 Core Fund (for example, because a security or financial instrument is held by such Fund 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 Core Funds) or as a result of tax, regulatory, risk or other considerations. As a consequence, the portfolio of investments held by a Core Fund may at any time differ significantly from those held by the other Core Funds. 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 then-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, the Adviser may effect an initial rebalancing or cross-transaction

between the investment vehicle and the Funds 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, 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 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. The Adviser will notify the relevant Fund (or an independent representative of that Fund) in writing of the transaction and obtain the consent of that Fund (or an independent representative of that Fund).

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.

The Core Funds and Holdco are shareholders of HHH.

In connection with the HHH Transaction, Holdco was granted the right to nominate for election to the Board of Directors of HHH (the "Board") (i) a number of directors equal to 25% of the total members of the Board as constituted after giving effect to such election, rounded up (*e.g.,* three directors in the case of an 11 member Board), so long as Holdco, the Core Funds and their affiliates beneficially own at least 17.5% of the outstanding shares of common stock of HHH and (ii) a number of directors equal to 10% of the total members of the Board as constituted after giving effect to such election, rounded up (*e.g.,* two directors in the case of an 11 member Board), so long as Holdco, the Core Funds and their affiliates beneficially own at least 10% (but less than 17.5%) of the outstanding shares of common stock of HHH. Holdco's initial nominees to the Board are William A. Ackman (designated as Executive Chairman of the Board, so long as Holdco, the Core Funds and their affiliates beneficially own at least 17.5% of the outstanding shares of common stock of HHH), Ben Hakim and Ryan Israel. Additionally, also in connection with the HHH Transaction, HHH has appointed Ryan Israel as the Chief Investment Officer ("CIO") of HHH. To the extent appointed as directors and/or officers of HHH, personnel of the Adviser will have a fiduciary duty to act in the best interests of HHH's shareholders. Neither Holdco's nominees to the Board nor appointed CIO receive compensation from HHH for such services.

Also in connection with the HHH Transaction, Holdco was granted certain consent rights, described in the Shareholder Agreement, by and between HHH, Holdco and the Adviser, dated as of May 5, 2025, which will terminate in the event that Holdco, the Core Funds and their affiliates beneficially own less than 17.5% of the outstanding shares of common stock of HHH.

Further, pursuant to the Standstill Agreement, by and between Holdco and HHH, dated as of May 5, 2025, Holdco, the Adviser and their respective affiliates agreed not to acquire economic ownership of more than 47% in the aggregate of shares of common stock of HHH then-outstanding on a fully diluted basis.

The Adviser provides advisory and other services to HHH in exchange for fees as described in Item 5(A)4. From time to time, personnel and affiliates of the Adviser may own securities of portfolio companies that are also held by the Adviser's Clients. This would happen, for example, if an SPV invested in a portfolio company that was also a portfolio company of the Core Funds wound down and made a distribution in kind to the SPV's investors, which may include the Adviser's personnel and affiliates. Trading in such securities would be subject to the Code of Ethics described above in Item 11(A).

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 its Clients. This means that a proposed investment opportunity will generally be allocated among those Clients 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 Client's objectives (whether such objectives are considered solely in connection with the specific investment opportunity or in the context of such Client's overall holdings); (b) the potential for the proposed investment to create an imbalance in a Client's portfolio; (c) cash balances, liquidity requirements of the Clients 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 Client's ability to participate in the proposed investment opportunity; and (f) any need to re-size risk in the Clients' portfolios.

The Adviser expects to allocate investment opportunities among the Core Funds on a proportionate basis pursuant to policies that are intended to result in the Core Funds 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 Core Fund and one or more other Core Funds to be made on a different basis. Similarly, as a result of the considerations described above, a Core Fund may increase its exposure to an existing investment position, while other Core Funds 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 Core Funds, including as a result of actual or anticipated subscriptions or redemptions in these Core Funds.

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.

The Funds, on the one hand, and HHH, on the other hand, generally pursue their respective primary investment objectives through different investment strategies. As discussed above, the Funds' primary investment strategy typically involves the purchase of large minority positions, whereas HHH's primary investment strategy, in connection with becoming a diversified holding company, will typically involve the purchase of controlling interests in public and private operating companies (including through take-private transactions of public operating companies). Notwithstanding these different investment strategies, each of the Clients may consider a broad range of investment opportunities as part of their investment strategies. The Adviser will retain the discretion to allocate investment opportunities among our advisory clients, including allocating a controlling position to the Funds and recommending a minority position to HHH, based on the particular opportunity and other factors it deems appropriate, and consistent with its contractual and legal obligations to its Clients, including those under the Services Agreement. In certain circumstances, a potential investment target may be attractive as both an investment by HHH and an investment by the Funds. Pursuant to the Services Agreement, the Adviser shall provide a preferential right to HHH with respect to opportunities to acquire controlling stakes in any public or private operating company (including a take-private transaction of a public operating company) that the Adviser may identify from time to time, provided that any such investment is consistent with the financial resources of HHH and such investment is suitable for HHH as determined by the Adviser in good faith. This preferential right does not apply to opportunities to acquire a private company in connection with efforts to publicly list such private company through an initial public offering, acquisition by a publicly listed special purpose acquisition company or other similar means. In addition, it is possible that both HHH and the Funds invest in the same asymmetric investments such as opportunistic hedges utilized to protect against specific macroeconomic risks and/or to capitalize on market volatility.

In the event the Adviser determines that an investment opportunity should be allocated to both HHH and one or more Funds, the Adviser will determine the appropriate target size of such investment opportunity as a percentage of each of the participating Funds' Adjusted Net Asset Values, and will separately determine (after obtaining HHH's approval) the appropriate target size of the new investment opportunity for HHH. Once the target size of a new investment is determined for each participating Fund and for HHH, the Adviser will allocate trades in proportion to such target size.

2. Co-investment and SPVs

Co-investment opportunities may be made available through limited partnerships, limited liability companies or other special-purpose entities formed to make such investments, such as and including, the SPVs. The Adviser and its affiliates may offer co-investment opportunities to third parties selected by the Adviser in its sole discretion, including, without limitation, certain existing investors of 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 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 other Funds in accordance with the considerations described herein. There is no pre-defined rule determining the percentage allocation between SPVs and the other Funds. As such, an 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 an SPV accumulates securities and financial instruments at a faster or slower pace than the other Funds or increases or maintains its exposure to an existing investment position while one or more other 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 an SPV, such SPV may divest its securities and financial instruments at a faster or slower rate than the other 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 an SPV or may invest in the issuer at the same time as such vehicle. In certain situations, certain Core Funds may also participate in the SPV rather than or in addition to investing alongside it. To the extent, however, that a Core Fund is not eligible to participate in such a vehicle while other Core 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 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 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 its Clients with broker-dealers on the basis of seeking best execution and in doing so consider factors, including, but not limited to: confidentiality of trading activity; the quality of execution rendered by the broker-dealer; the broker-dealer's financial stability; the broker-dealer's reputation for diligence, fairness and integrity; the broker-dealer's expertise in the specific financial instrument or sector in which the Clients seek to trade; the broker-dealer's block trading and block positioning capabilities; the broker-dealer's willingness to execute difficult transactions; the broker-dealer's willingness and ability to commit capital; the broker-dealer's access to underwritten offerings and secondary markets; the broker-dealer's ongoing reliability; the overall costs of a trade; the nature of the security and the available market makers; the desired timing of the transaction and size of trade; the quality and usefulness of the broker-dealer's research services and investment ideas; the broker-dealer's ability to respond promptly during volatile markets; 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 Client's financial data, initial and variation collateral exchange obligations and legal and regulatory documentation in the Client'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 Clients, as applicable, is or may be deemed to be an "affiliate" of the underlying securities of an issuer, or when the Clients 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 Clients. 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 Clients 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 Clients 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 Clients directly or indirectly through a discount to the then-current market price of the securities being sold. In each case, the Clients will only pay fees or commissions that are deemed by the Adviser to reflect the value of the services received by the Clients 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 Client's respective governing documents and investment management agreements (including, in the case of HHH, the Services Agreement); and (iii) in the opinion of the Adviser, the total commissions paid by each Client will be reasonable in relation to the benefits to that Client over the long term (including the cost to the Client of acquiring such research independently). When the Adviser uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for such products or services. 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.

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 Clients in selecting broker-dealers for the Clients.

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 Funds.

The Adviser generally provides annual audited financial statements within 90 or 120 days, as applicable, to each of the Funds following the end of the applicable Fund's fiscal year end. In addition, the Adviser provides estimates of each Core 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 Clients. 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.

ITEM 15.
CUSTODY

The Adviser is deemed to have custody of funds and securities held by the Funds because it has the authority to obtain the Funds' funds or securities, for example, by deducting advisory fees from a Fund's account or otherwise withdrawing funds from a Fund's account. Account statements related to the Funds 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 of the Funds, pursuant to which the Adviser or an affiliate of the Adviser was granted discretionary trading authority with respect to the Funds. The Adviser entered into the Services Agreement with HHH pursuant to which the Adviser was not granted discretionary trading authority with respect to HHH. The Adviser's investment decisions and advice with respect to each Client are subject to each Client'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; provided, however, that because HHH is a Client of the Adviser and securities of HHH are held as investments by Holdco and one or more Core Funds, the Adviser may have a conflict with HHH or the Core Funds on how such shares of HHH are voted.

If the Adviser 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 Clients 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 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.

June 2025

Pershing Square Capital Management, L.P.
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New York, New York 10019
Tel: 212-813-3700

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. Mr. Ackman received an MBA from Harvard Business School and a Bachelor of Arts magna cum laude from Harvard College.

Mr. Ackman serves on the Board of Howard Hughes Holdings Inc. (NYSE: HHH) as Executive Chairman, on the Board of Pershing Square Holdco GP, LLC, and as the Chairman and Chief Executive Officer of Pershing Square SPARC Holdings, Ltd. In addition, Mr. Ackman is a trustee of the Pershing Square Foundation, a charitable foundation that he co-founded in 2006 to support exceptional leaders and innovative organizations that tackle important social issues and deliver scalable and sustainable impact.

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.

In connection with Mr. Ackman's authorship of posts on social media platforms, he may from time to time receive a share of a platform's advertising revenue derived from such posts. Such posts may contain content relating to macroeconomic, market or political conditions, among other matters, that may be relevant to the business of the Adviser or that of the funds it advises. The Adviser does not anticipate that any such compensation would create a conflict of interest on the part of the Mr. Ackman or the Adviser, nor that any such compensation would be substantial in amount.

ITEM 6
SUPERVISION

In his role as CEO of the Adviser, Mr. Ackman has been delegated 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.