Pershing Square Holdings, Ltd.
Interim Report and Unaudited Condensed Interim Financial Statements
June 30, 2026

Pershing Square Holdings, Ltd.

2026 Interim Report and Unaudited Condensed Interim Financial Statements

Interim Report

Unaudited Condensed Interim Financial Statements

Disclosures

Company Overview

The Company

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

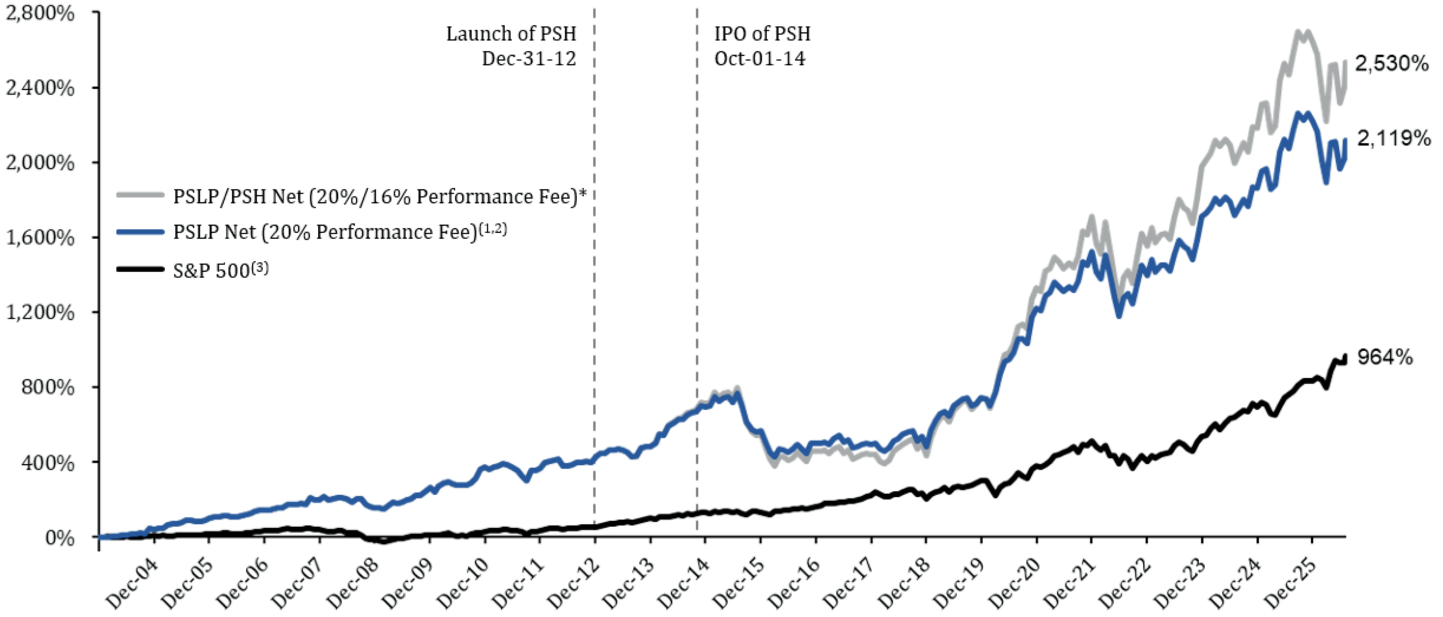
PSH was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It commenced operations on December 31, 2012 as a registered open-ended investment scheme, and on October 1, 2014 converted into a registered closed-ended investment scheme. Public Shares of PSH commenced trading on Euronext Amsterdam N.V. on October 13, 2014 and were delisted from that exchange on January 31, 2025. On May 2, 2017, PSH's Public Shares were admitted to the Official List of the UK Listing Authority and commenced trading on the London Stock Exchange ("LSE"). PSH was added to the FTSE 100 Index in December 2020 and remains a constituent of the index.

PSH has appointed Pershing Square Capital Management, L.P. ("PSCM" or the "Investment Manager"), as its investment manager. PSCM was founded by William A. Ackman on January 1, 2004. The Investment Manager has the responsibility, subject to the overall supervision of the Board of Directors, for the investment of PSH's assets and liabilities in accordance with the investment policy of PSH set forth in its 2025 Annual Report (the "Investment Policy").

The substantial majority of the Company's portfolio is typically allocated to 8 to 12 core holdings usually comprising liquid, listed, large capitalization North American companies. The Investment Manager seeks to invest in high-quality growth businesses, which it believes have limited downside and generate predictable, recurring cash flows. The Investment Manager is an active and engaged investor that seeks to work with its portfolio companies to create substantial, enduring and long-term shareholder value. The Investment Manager aims to manage risks through careful investment selection and portfolio construction, and may use opportunistic hedging strategies to mitigate market-related downside risk or to take advantage of asymmetric profit opportunities. For nearly 23 years, the investment strategy pursued by the Investment Manager has generated a 15.6% annualized net return and a cumulative net return of 2,530.1% for PSLP/PSH (as converted) compared to a 11.0% annualized net return and a cumulative net return of 964.3% for the S&P 500, PSH's historical benchmark index, during the same period.[1,3]

Company Performance

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



	PSLP/PSH Net Return*	PSLP Net Return[1,2]	S&P 500[3]
2004	42.6 %	42.6 %	10.9 %
2005	39.9 %	39.9 %	4.9 %
2006	22.5 %	22.5 %	15.8 %
2007	22.0 %	22.0 %	5.6 %
2008	(13.0)%	(13.0)%	(37.0)%
2009	40.6 %	40.6 %	26.4 %
2010	29.7 %	29.7 %	15.1 %
2011	(1.1)%	(1.1)%	2.1 %
2012	13.3 %	13.3 %	16.0 %
2013	9.6 %	9.7 %	32.4 %
2014	40.4 %	36.9 %	13.7 %
2015	(20.5)%	(16.2)%	1.4 %
2016	(13.5)%	(9.6)%	12.0 %
2017	(4.0)%	(1.6)%	21.8 %
2018	(0.7)%	(1.2)%	(4.4)%
2019	58.1 %	44.1 %	31.5 %
2020	70.2 %	56.6 %	18.4 %
2021	26.9 %	22.9 %	28.7 %
2022	(8.8)%	(7.8)%	(18.1)%
2023	26.7 %	20.8 %	26.3 %
2024	10.2 %	8.2 %	25.0 %
2025	20.9 %	18.3 %	17.9 %
Six-month period ended June 30, 2026	(12.6)%	(11.1)%	10.2 %
Year-to-date through August 11, 2026	(4.3)%	(4.3)%	13.7 %
January 1, 2004–August 11, 2026[1,4]			
Cumulative Return (Since Inception)	2,530.1 %	2,118.6 %	964.3 %
Compound Annual Return	15.6 %	14.7 %	11.0 %
December 31, 2012–August 11, 2026[1,4]			
Cumulative Return (Since PSH Inception)	396.1 %	318.5 %	589.6 %
Compound Annual Return	12.5 %	11.1 %	15.2 %

* PSLP/PSH Net Return represents the return an investor would have earned if it invested in PSLP at its January 1, 2004 inception and converted to PSH at its launch on December 31, 2012. Also see endnotes 1 and 2 on page 53. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and disclaimers on pages 53-56.

Chairman's Statement

INTRODUCTION

The complex macroeconomic and geopolitical dynamics that have characterised recent years persisted through the first half of 2026. Inflation in the United States largely continued its gradual moderation, though uncertainty around the path and ultimate destination of interest rates remained. Trade and tariff policy, together with ongoing conflicts in Eastern Europe and the Middle East and intensifying strategic competition between the major economic blocs, added further challenges to an already difficult environment for investors.

In this environment, the first half of 2026 was a disappointing period for PSH shareholders. NAV per share declined by 12.6%, while PSH's share price declined by 23.9% as the discount to NAV widened.[i,ii] While the Board notes that the S&P 500 delivered a total return of 10.2% over the same period,[iii] it has always been clear that the Investment Manager's objective is not to track or beat an index on a quarterly basis. The Board expects the Investment Manager to deploy a disciplined, fundamentals-driven approach to deliver meaningful outperformance over the long term, as it has done historically.

The Board reviews the Investment Manager's process to assure itself that PSH shareholders are being well served. The Investment Manager's letter below provides excellent insight into the rigorous analysis it uses to identify opportunities to invest in high-quality businesses with intrinsic value that is not being appropriately recognised by the market.

The Board was pleased to see that the current environment has created an exceptional opportunity for the Investment Manager to establish six new investments representing one of the most productive periods of new investment in the firm's history. The Investment Manager drew on a deep library of businesses that it has followed and admired for years, and moved decisively when they became available at attractive valuations. The Board regards this activity as consistent with the disciplined process the Investment Manager has long applied, and as significant positioning for PSH's long-term success.

During the period, the Board authorised a further share buyback program, which is accretive to NAV per share at the prevailing discount. Separately, we welcomed two new independent non-executive directors to the Board. I discuss PSH's investment performance and these developments in the sections that follow.

INVESTMENT PERFORMANCE

For the first half of 2026 and year-to-date through August 11, 2026, the Company's NAV per share, including dividends, decreased by 12.6% and 4.3% respectively, and the Company's share price decreased by 23.9% and 17.9%, respectively.[iv] The S&P 500 increased by 10.2% and 13.7% over the same period.

PORTFOLIO CHANGES

The Board was pleased to see an exceptional level of idea generation from the Investment Manager over the first half of the year. As mentioned above, the Investment Manager established six new investments during the period: Visa, Mastercard, Netflix, S&P Global, Intercontinental Exchange and Alcon. Market dislocation allowed the Investment Manager to acquire each new investment at a price it believes to be well below intrinsic value. Taken together with PSH's existing holdings, the Board believes the portfolio is exceptionally well positioned to continue to generate strong long-term returns.

Further information on the PSH portfolio can be found in the Investment Manager's Portfolio Report.

EFFICIENT CAPITAL STRUCTURE

The Board continues to believe that PSH's ability to access low-cost, long-term, investment grade debt is a competitive advantage. PSH's long-term debt management strategy is to manage leverage over time by increasing NAV through strong performance and by laddering maturities through new issuances. PSH's current debt profile is comprised of a deliberate and considered set of maturities, matching its long-term investment horizon, with a weighted average maturity of 5 years and a weighted average cost of debt of 3.6% as of June 30, 2026.

The Board believes that this amount of leverage is conservative, particularly given the quality, liquidity and mark-to-market nature of PSH's portfolio assets. PSH does not have any margin leverage nor any mark-to-market covenants on its outstanding bonds.

HOWARD HUGHES HOLDINGS

The Investment Manager has continued to make progress in its transformation of Howard Hughes Holdings Inc. (NYSE: HHH) into a diversified holding company. HHH has now completed its acquisition of Vantage Group Holdings ("Vantage"), a leading specialty insurance and reinsurance company, which PSH supported through its investment of $1 billion of non-voting exchangeable perpetual preferred stock that was issued by HHH. As previously disclosed, the management fees otherwise payable by PSH to the Investment Manager are reduced by an amount equal to the fees paid by HHH to the Investment Manager that are attributable to the HHH common stock held by PSH.

As mentioned in PSH's announcement on December 18, 2025, the Board considered the preferred stock investment independently of the Investment Manager before approving it, and satisfied itself that the terms were commercially attractive to PSH (as HHH's largest shareholder), and that the investment was in the interests of PSH's shareholders. Further detail on the HHH position is provided in the Investment Manager's Report.

SUPPORTING LONG-TERM SHAREHOLDER VALUE

The Board pursues a range of measures intended to support long-term shareholder value creation and to address the discount to NAV at which PSH's Public Shares trade. The Board views capital allocation, share buybacks, the management of the discount, and PSH's broader capital markets strategy not as separate initiatives but as complementary elements of a single, long-term approach.

In May 2026, the Board determined that it was appropriate, given the current market conditions and PSH's available free cash, to authorise an additional share buyback program for $100 million of PSH's outstanding Public Shares. The Board keeps the size and pace of the program under regular review, weighing the accretion against the benefits of retaining capital for investment and for the prudent management of PSH's long-term debt. Since PSH commenced its first share buyback program on May 2, 2017, PSH has repurchased 75,692,585 Public Shares for a total of $1.9 billion at an average price of $25.27 as of June 30, 2026.

During the first half of the year, the discount to NAV widened from 24.1% to 34.0%. It has since widened to 35.0% as of August 11, 2026.[v] The Board recognises that the level of the discount, and its persistence, are of real concern to shareholders. A sustained narrowing of the discount is a priority for the Board, which keeps under active review the measures it has available to that end. The Board remains of the view that the most powerful driver of both long-term shareholder returns and a sustained narrowing of the discount will be strong absolute and relative NAV performance.

Alongside performance, the Board and the Investment Manager continue to develop PSH's broader strategy, encompassing distribution, investor communications and shareholder engagement. A particular priority is the broadening and diversification of PSH's shareholder base across retail platforms, wealth managers, brokers and other distribution channels, which the Board believes can improve liquidity in PSH's shares and support demand for them over time. During the period, the Board and the Investment Manager engaged with shareholders representing 52% of PSH's Public Shares (excluding PSCM affiliates and their respective affiliated entities) and considered the feedback arising from those discussions. We expect to expand these efforts over the rest of the year.

PERSHING SQUARE USA

In April 2026, the Investment Manager completed the combined initial public offering of Pershing Square USA, Ltd. (NYSE: PSUS), a new U.S.-listed closed-end fund that it manages, together with Pershing Square Inc. (NYSE: PS), the parent company of PSCM. The combined offering raised $5 billion, ranking among the largest closed-end fund IPOs in U.S. capital markets history. The Board views the scale and reception of the offering as a significant achievement for the Investment Manager and a clear demonstration of the strength of the Pershing Square brand and the market's confidence in its investment approach.

While PSH was not part of the offering, its shareholders benefit directly as PSH's performance fees are reduced by an amount equal to 20% of the management fees the Investment Manager earns from funds that do not carry a performance fee (currently, only PSUS). As the Investment Manager grows its assets under management, the Board expects these fee reductions to assist in narrowing the discount and contribute further to PSH shareholders' long-term returns.

CORPORATE GOVERNANCE / BOARD

I am delighted to welcome two new independent non-executive directors to the Board this year. Both appointments followed a search conducted by an external search firm on behalf of the Nomination Committee, with the specification, shortlisting, interviewing and final selection of candidates undertaken by the Board.

In June, Julian Ide joined the Board. Julian brings over 35 years of experience across the global asset management and financial services industries, and the Board believes that his deep expertise in client engagement, product positioning and strategy will further strengthen the Board's perspective and capabilities.

In July, Ranjani Kearsley joined the Board. Ranjani brings more than 25 years of global asset management experience, together with deep expertise in governance and strategy and considerable board experience at regulated asset managers across the United States, Europe and Asia, all of which will further enhance the Board's capabilities.

The Investment Manager and the Board have maintained an open and productive dialogue, and the Board continues to work effectively and diligently on behalf of all shareholders.

I look forward to seeing many of you at our annual investor event in London next year. I will write to you again in our 2026 Annual Report and, in the meantime, I thank you for your continued support. The Investment Manager will keep you informed of any significant developments in the portfolio.

/s/ Rupert Morley
Rupert Morley
Chairman of the Board
August 13, 2026

Investment Manager's Report

LETTER TO SHAREHOLDERS[5]

To the Shareholders of Pershing Square Holdings, Ltd.:

PSH's NAV performance in the first half of 2026 was negative 12.6% compared with a positive 10.2% return for the S&P 500 over the same period.[6] PSH's year-to-date NAV return as of August 11, 2026 was negative 4.3% compared to positive 13.7% for the S&P 500 over the same period.

Investors who invested in Pershing Square, L.P. at its inception on January 1, 2004, and transferred their investment to PSH at its inception on December 31, 2012 ("Day One Investors") have grown their equity investment at a 15.6% compound annual rate over the last nearly 23 years, a 26-times multiple of their original investment, compared with a 11.0% return (11-times multiple) had they invested in the S&P 500 over the same period.[7]

Using PSH's stock price return rather than per-share NAV performance, Day One Investors have earned a 13.5% compounded return, an 18-times multiple of their original investment.[8] This lower return reflects the 35% discount to NAV at which PSH's stock currently trades.[9] Our strong preference is for PSH's shares to trade at or around intrinsic value for which we believe PSH's NAV per share is a conservative estimate.

The Market's Return Year to Date Has Been Driven by a Small Subset of Sectors

While the S&P 500 index has increased approximately 10% through the first six months of the year, nearly the entirety of the gains has come from two sectors that provide the "picks and shovels" for AI infrastructure. Just two of the S&P 500's 24 sectors – semiconductors and tech hardware and equipment – comprising just 8% of the companies and 22% of the market capitalization of the index, have contributed nearly 85% of the S&P 500's year-to-date gains. As a result, more than 90% of the companies in the S&P 500 have collectively contributed less than 2% of the overall return of the index, while nearly 40% of the companies in the index have had negative share price performance this year. We are fortunate in that the current market backdrop has created a highly attractive environment for Pershing Square to deploy capital into new investments.

In the short term, stock prices are often, and sometimes materially, disconnected – either favorably or unfavorably – from intrinsic values. This disparity can result from a variety of factors, including macroeconomic events, investor preferences, or misperceptions regarding future growth prospects. We believe that the current trading prices of our portfolio companies in many cases reflect such a temporary unfavorable dislocation from their underlying business fundamentals and intrinsic values.

We Have Acquired Six New Investments

Over the prior two decades, we have built a library of hundreds of businesses that meet our core investment principles. They are simple, predictable, and free cash flow-generative, with strong competitive positions, minimal financial leverage and capital markets dependency, and are run by excellent management teams. We carefully follow, track, and update our library as we patiently wait for our target companies to become available at valuations below our estimates of their intrinsic values, which enables us to move quickly to establish new investments when the price is right.

We recently made new investments in Visa, Mastercard, Netflix, S&P Global, Intercontinental Exchange, and Alcon, companies we have closely followed for years. When taken together with our existing holdings in dominant, fast-growing companies such as Microsoft, Amazon, Meta, Uber, Brookfield, and Restaurant Brands, we believe our current portfolio is highly attractive in terms of business quality and prospective earnings growth and is therefore well-positioned to deliver strong future returns. While the share price performance of our portfolio companies has been highly volatile year-to-date, their underlying business progress remains consistent with our high expectations. We provide greater detail on the developments of our existing and new investments in our Portfolio Update which follows this letter.

The Business Prospects of Our Current Portfolio Holdings

We expect that each of our current portfolio companies will grow their EPS at an annual rate of 15% or more over the next three to five years, with about half of our companies achieving expected EPS growth of 20% or more over the same period. All of our current holdings trade at discounted multiples that are significantly below where we expect them to trade over the intermediate and long term. As a result, we estimate that our projected investment returns will be higher than the returns that we would expect to generate based on our companies' underlying EPS growth.

In the short term, the impact of a reduction in a company's P/E multiple can easily overwhelm the positive impact of a company's earnings growth. For example, if over a three-month period a company were to grow its EPS by 5% (one quarter of a 20% annual rate), its share price should increase by 5%, assuming its P/E multiple remains unchanged over the same period. However, if the multiple the market assigns to the company earnings declines by 10% over the same period, its share price should decline 5.5%, as the five percent increase in earnings in the quarter is insufficient to overcome the valuation impact of the 10% lower P/E multiple. Over time, high rates of earnings growth overwhelm the short-term impact of multiple compression. For example, if a company's P/E multiple declines 10% over the course of a year, but its EPS grows by 20%, the stock price will rise by 8%. If the company's P/E multiple stays constant at a 10% lower level, but its EPS grows at 20% per year for five years, its share price will compound at 18% per year, slightly below the EPS growth of the business over the same period.

We accept the volatility of earnings multiples associated with macro events and market flows on the valuation of our portfolio companies. While these fluctuations typically work in our favor over time as we are buyers of undervalued businesses, periodically we will experience mark-to-market losses in our investment portfolio when share prices underperform their businesses. If we are correct in our assessment of the future prospects of the businesses we own, temporary periods of negative mark-to-market performance will be followed by future periods of excess investment returns as stock prices catch up to intrinsic values because they are tethered to intrinsic values over the long term. When stock prices get dislocated in the short term, the tether stretches and eventually stock prices revert to fair values. The drivers of revaluation to intrinsic valuation typically include continued business performance (causing analysts and investors to update their models), share repurchases and other corporate actions as well as activist and merger and acquisition activity.

We believe the business prospects for each of our investments have improved since the beginning of the year and that we will ultimately be rewarded not only with strong EPS growth, but also with a substantial increase in the valuations that investors assign to our portfolio companies. Opportunistically, the same market environment that caused a year-to-date decline in the share prices of a number of the businesses we own has provided us with the opportunity to acquire shares in six new high-quality businesses at highly attractive prices. We expect these new investments to be material contributors to our future investment performance.

We have chosen to invest in businesses that have relatively high rates of EPS growth because, for among other reasons, the longer the investment horizon, the more our returns will be driven by the company's EPS growth, and the less they will be affected by the potential change in the multiple that investors assign to those earnings. Over a very long period – say the full lifespan of a business – the investment returns from owning a company's shares should approximately equal the growth in its economic EPS.

By investing in businesses that have higher rates of sustainable earnings growth, we can achieve high levels of investment returns without significant turnover in our portfolio. Rather than trying to find an undervalued common stock and quickly selling it as soon as investors upwardly revalue its future business prospects, we can continue to hold a high-quality growth company for years as the ongoing compounding of business value will drive our long-term returns. The careful selection of a portfolio of high-quality businesses that we expect will continue to generate high levels of earnings growth over the long term is a fundamental component of our investment strategy.

We believe PSH is an excellent long-term investment when purchased at NAV. The NAV discount is near the all-time widest levels and our portfolio holdings are trading at highly attractive valuations with the addition of six new investments, so a purchase of PSH today provides investors with a double discount. To solve this issue, we need to broaden the universe of investors and financial advisors that know of PSH's existence and understand the Pershing Square story. We intend to begin an expanded marketing program for PSH, which should assist us in narrowing the discount. We are on it.

Thank you for your long-term investment in Pershing Square Holdings. We are grateful for your support.

Sincerely,

William A. Ackman	Ryan Israel
Chief Executive Officer	Chief Investment Officer

PORTFOLIO UPDATE[10]

Performance Attribution

Below are the contributors and detractors to gross performance of the portfolio of the Company for the six-month period ended June 30, 2026 and year-to-date 2026.[11]

January 1, 2026 – June 30, 2026	
Amazon.com, Inc.	1.7 %
Restaurant Brands International Inc.	0.7 %
Top Contributors	**2.4 %**
Federal National Mortgage Association	(2.8)%
Federal Home Loan Mortgage Corporation	(2.7)%
Universal Music Group N.V.	(2.6)%
Uber Technologies, Inc.	(1.7)%
Meta Platforms, Inc.	(1.5)%
Top Detractors	**(11.3)%**
Remaining Positions	(3.0)%
Share Buyback Accretion	0.3 %
Other Income and Expense	(0.3)%
Other Contributors and Detractors	**(3.0)%**
Contributors Less Detractors (Gross Return)	**(11.9)%**
Net Return	**(12.6)%**

January 1, 2026 – August 11, 2026	
Microsoft Corporation	3.3 %
Amazon.com, Inc.	3.1 %
Restaurant Brands International Inc.	0.9 %
Mastercard Incorporated	0.7 %
Visa Inc.	0.6 %
Top Contributors	**8.6 %**
Federal National Mortgage Association	(3.1)%
Federal Home Loan Mortgage Corporation	(3.1)%
Universal Music Group N.V.	(2.6)%
Howard Hughes Holdings Inc.	(1.1)%
Hertz Global Holdings, Inc.	(1.1)%
Top Detractors	**(11.0)%**
Remaining Positions	(0.7)%
Share Buyback Accretion	0.5 %
Other Income and Expense	(0.9)%
Other Contributors and Detractors	**(1.1)%**
Contributors Less Detractors (Gross Return)	**(3.5)%**
Net Return	**(4.3)%**

Top Contributors and Top Detractors list the five largest investment contributors and detractors to gross performance of the Company for the applicable period, respectively. Where fewer than five positions had a positive (or negative) contribution to performance, fewer than five are shown. Not all positions are individually listed. The Remaining Positions line reflects the aggregate contribution or detraction of all other investments not shown individually above as a Top Contributor or Top Detractor. Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and disclaimers on pages 53-56.

The table below highlights the year-to-date share price performance of our portfolio companies as of June 30, 2026. In addition, we provide an estimate of their EPS multiples based upon their share prices as of June 30, 2026 and our estimates of longer-term EPS growth. We also provide estimated three- to five-year annual EPS growth rates as an illustrative analysis to highlight the longer-term growth potential of our portfolio companies.

We periodically revise our estimates of the near- and longer-term growth rates of our portfolio companies based upon new information and business developments that occur over time. There is no guarantee we will be correct in our assessments of their future growth potential, and our estimates are inherently imprecise. We seek to purchase our target companies at share prices that incorporate a margin of safety so that even if our estimates for the longer-term growth of a company are ultimately proven incorrect, we can still achieve an acceptable investment return.

Company	Share Price Performance[a]	NTM P/E[b]	Estimated 3 - 5 YR EPS CAGR[c]
Uber	(12)%	19x	25 %
Brookfield	(7)%	14x	20 %
Microsoft	(8)%	19x	19 %
Meta Platforms	(15)%	18x	22 %
Restaurant Brands	8 %	17x	15 %
Amazon	3 %	27x	24 %
Howard Hughes Holdings	(10)%	N.M.	N.M.
Fannie Mae	(39)%	N.M.	N.M.
Freddie Mac	(41)%	N.M.	N.M.
Visa	6 %	23x	16 %
Mastercard	5 %	24x	18 %
Netflix	(11)%	21x	19 %
S&P Global	(3)%	19x	15 %
Intercontinental Exchange[d]		17x	15 %
Alcon[d]		18x	16 %
Weighted Average[e]		**19x**	**20 %**
S&P 500	**10 %**	**20x**	**12 %**

(a) Reflects total shareholder return, including dividends, as of June 30, 2026. For positions initiated in 2026, reflects performance from average cost.
(b) Reflects the next-twelve-month price-to-earnings (NTM P/E) multiple based on Pershing Square estimates as of June 30, 2026. For Alcon and Intercontinental Exchange, the multiple is based on the position's average cost. Multiples for Howard Hughes Holdings, Fannie Mae, and Freddie Mac are not presented, as they are not meaningful (N.M.).
(c) Reflects estimated EPS compound annual growth rate (CAGR) over the next three to five years from calendar year 2026, inclusive of dividend yield.
(d) Alcon and Intercontinental Exchange were initiated subsequent to June 30, 2026, therefore, no share price performance is provided.
(e) Weighted by the delta market value of each investment in PSH's portfolio as of August 11, 2026, excluding Howard Hughes Holdings, Fannie Mae and Freddie Mac.

We estimate that the companies in our investment portfolios have an average prospective rate of annual EPS growth of about 20% over the next three to five years and trade at 19 times our estimate of current earnings per share, compared to the S&P 500 index components, which are expected to grow EPS at 12% over the same period, and trade at an average P/E multiple of 20 times.

Our portfolio companies' relatively higher EPS growth rate combined with their lower current valuation relative to the S&P 500 should increase the likelihood our investment performance exceeds that of the S&P Index over the long term. They also have higher profit margins, better returns on capital employed, more favorable competitive positioning, and, in our view, more capable management teams than the average company in the S&P 500.

Below we provide more detail on each of our investments beginning with existing equity positions and followed by recent additions to the portfolio:

Current Equity Positions[12]

Uber Technologies (Uber)

Uber's share price was down 12% year-to-date as of June 30, 2026. Broad investor concern regarding the potential long-term impact of autonomous vehicles (AVs) continues to negatively weigh on Uber's stock, punctuated this year by evidence of an increasingly fraught relationship with its partner, Waymo. Offsetting these concerns, the company continues to make significant progress with its many other strategic partners, with AV launches planned in multiple new cities later this year. Against this backdrop, Uber continues to demonstrate very strong operating and financial performance, with earnings on pace to grow approximately 35% this year. Valuation is increasingly disconnected from its fundamentals. It now trades at 19 times earnings, near its lowest-ever valuation.

Brookfield Corporation (BN)

BN's share price decreased 7% year-to-date as of June 30, 2026. Strong company performance has been overshadowed by sector-wide concerns including the durability of business development companies as a growth vector, and the risk to asset managers who have high investment allocations to private credit and/or software companies which may be at risk for disintermediation. Importantly, Brookfield has immaterial exposure to these risks and has accordingly outperformed peers year-to-date. We believe Brookfield remains on track for mid-teens-or-better distributable EPS growth this year, dependent on the exact pace of BN's carried interest realizations which should meaningfully accelerate over the next several quarters. BN trades at 14 times our earnings estimate, a low multiple given our views on growth and business quality.

Microsoft Corporation (MSFT)

Microsoft's share price decreased 8% year-to-date as of June 30, 2026 from our average cost. The company's share price trades at one of its lowest earnings multiples of the past decade, reflecting investor concerns around AI disruption to the company's core M365 productivity suite and the growth prospects of its Azure cloud business as well as skepticism about the company's dramatically increased investment in compute infrastructure.

We believe M365's deep embeddedness in daily workflows, superior price-to-value proposition and proprietary Copilot AI agent make it far more resilient to AI disruption than point solution software. With direct involvement from CEO Satya Nadella, the company has redoubled Copilot product innovation and growing adoption should further entrench M365 as agentic work scales. In our view, Azure, the second largest public cloud hyperscaler, is well positioned in a supply-constrained compute market, and its capital expenditures are prudent investments to accelerate growth. Microsoft is leading the shift toward a more open, multi-model ecosystem that lets enterprise customers optimize the ROI of their AI initiatives, which we believe will expand token consumption to Azure's benefit. Together, we believe that these tailwinds should enable Microsoft to sustain its high-teens historical earnings growth algorithm over the long term.

Meta (META)

Meta's share price declined 15% year-to-date as of June 30, 2026. The company's share price remains pressured by its substantial ramp in operating expenses and capital expenditures funding its AI initiatives.

We view Meta as one of the clearest beneficiaries of AI, which is driving higher engagement through better content recommendation, greater ad monetization through improved targeting, and meaningful product innovation in consumer and business agents. Though still in the early days, these benefits are already visible in greater revenue acceleration in Meta's core advertising business, which is growing at its fastest quarterly pace since 2021.

Meta's compute investment also affords downside protection as capacity not consumed internally can be profitably monetized in a highly supply-constrained compute market. Following this year's elevated investment, we expect Meta to grow earnings at a 20%-plus rate over the next few years. Against this growth backdrop, we view Meta's 18 times forward earnings multiple as a highly discounted valuation for a dominant consumer internet franchise with a stable user base of 3.6 billion daily active users.

Restaurant Brands International (QSR)

QSR's share price increased 8% year-to-date as of June 30, 2026, as we believe investors are beginning to better appreciate the durability of its growth and its improved capital return program. QSR's largest businesses continue to outperform peers, and the company is returning to its capital-light model. Notably, Burger King's first half same-store sales growth of 7% is well above peers, reflecting the brand's foundational improvements and recent elevation campaign. The International business has likewise outperformed, delivering first-half same-store sales growth of 6%. With this momentum, the company remains on track to deliver 8% operating profit growth this year, consistent with its longer-term targets. We believe sustained high-single-digit operating profit growth combined with appropriate financial leverage and an ongoing share repurchase program should allow for a mid-teens total return before considering any potential for an increase in QSR's P/E ratio.

Despite these favorable attributes, QSR trades at 17 times earnings, a material discount to peers and our view of intrinsic value. We expect the company's stock price to increase as the company further expands its recently initiated share buyback program and delivers strong EPS growth over time.

Amazon (AMZN)

Amazon's share price increased 3% year-to-date as of June 30, 2026. As with our other hyperscaler investments, we believe investor concerns around the magnitude of capital expenditures behind the datacenter buildout at Amazon Web Services (AWS) continue to weigh on the stock. These concerns understate the resiliency of Amazon's business and its significant growth runway, as evidenced by the company's robust operating momentum. Increasing AI adoption has materially accelerated AWS's revenue growth profile from 20% growth in 2024 and 2025 to more than 30% this year. Likewise, Amazon's retail segment continues to take market share, with unit volumes up 15% in Q1 2026, the fastest pace since 2021. Longer term, we believe Amazon can compound earnings at a 20%-plus rate, driven by secular tailwinds from AI and rising e-commerce penetration alongside substantial retail margin expansion.

Howard Hughes Holdings (HHH)

Howard Hughes' share price declined 10% year-to-date as of June 30, 2026. In June, HHH closed the acquisition of Vantage Group Holdings Ltd. ("Vantage"), a specialty insurance and reinsurance company. We thereafter announced a leadership transition whereby former Arch Capital Group (NASDAQ: ACGL) CEO Marc Grandisson became Executive Chairman of Vantage, and David Gansberg, Marc's former co-President, will become CEO of Vantage when his non-compete ends in June of next year. Marc and David recently worked as close partners to grow Arch, one of the most successful insurance and reinsurance companies. During Marc's nearly seven-year tenure as CEO, Arch delivered a total shareholder return of 298%, or 23.2% per annum, compared to 144% and 14.4% for the S&P Insurance Index over the same period.

HHH's recent acquisition of Vantage and our recruitment of Marc and David underpin Howard Hughes' ongoing transformation from a pure-play real-estate business into an insurance-focused, diversified holding company. Under their leadership, we believe Vantage's insurance operations can achieve high rates of profitable growth and that we can greatly improve the returns and growth potential of Vantage's investment portfolio. Once HHH acquired control of Vantage, we immediately liquidated nearly all of Vantage's intermediate and longer-term fixed income bonds and replaced them with short-term U.S. Treasurys and a common stock portfolio similar to that of the other funds we manage.

If Vantage achieves our goal of achieving a long-term return on equity of 20% or more and reinvests its earnings into the business at similar returns on capital, its book value per share and business value should also grow at a rate of at least 20% per annum. Investors typically value insurance companies that sustain long-term returns on equity above 20% at more than twice their book value. Because we purchased Vantage at an effective multiple of 1.4 times its book value, each dollar of incremental capital we deploy in the business is invested at book value, and a well-managed 20%+ ROE insurer should trade at more than two times book value, we would expect Vantage to grow intrinsic value faster than the growth rate of its book value over time.

We intend to deploy the substantial majority of the $2.5 billion to $3 billion of excess cash flow that we expect Howard Hughes' real estate operations to generate over the next three to five years towards its insurance operations. If we are correct that Vantage can earn significantly higher returns on capital than HHH's historical real estate business, by deploying its excess real estate cash flows into insurance, we expect Vantage to become the substantial majority of HHH's business over the coming years, driving significant long-term growth in HHH's shareholder value.

Fannie Mae (FNMA) and Freddie Mac (FMCC)

Fannie Mae and Freddie Mac shares declined 39% and 41%, respectively, year-to-date as of June 30, 2026. Shares of both companies more than tripled last year as President Trump and other officials publicly and repeatedly reiterated their commitment to an eventual privatization, including statements that an offering could occur by the end of 2025.

The stocks have since retraced much of last year's gains as no visible steps have been taken towards privatization and the administration has been noticeably quieter on the issue since the fall. While investors are assigning a lower probability to a favorable resolution in the near-term, the per-share intrinsic values of Fannie and Freddie continue to grow as the companies recapitalize through retained earnings. We continue to believe that there is ample time remaining for the Trump administration to deliver on its promises and that the shares will be worth many times today's prices once this occurs.

New Equity Positions

Visa and Mastercard (V and MA or collectively the Card Networks)

Earlier this year, we initiated positions in Visa and Mastercard, two businesses we have long admired, which provide the dominant global networks for consumer and commercial payments, with an increasing share of revenue growth coming from value-added services.

In our view, Visa and Mastercard are among the highest-quality businesses in the world. Both are capital-light "toll-takers" that earn a nominal fee on each transaction without taking any material risk and are natural beneficiaries of higher inflation. Their networks, built over decades, connect billions of consumers with hundreds of millions of merchants and thousands of financial institutions. Each new member and transaction further strengthens the networks and deepens their data advantage.

Visa and Mastercard receive approximately 20 basis points of a typical transaction in exchange for 24/7/365 reliability, instant authorization, global acceptance, fraud protection, and dispute resolution. Card volumes are still approximately half of addressable consumer spending globally and have a long runway of growth as cards continue to take share from legacy payment methods and e-commerce continues to grow at a rapid rate. Even in countries with high card usage, the card networks continue to outgrow consumer spending, and agentic AI is likely to further accelerate the growth of e-commerce and create significant new use cases.

Value-added services now represent approximately 30% and 40% of revenues at Visa and Mastercard, respectively, and are growing at two to three times the rate of the payments business, a mix shift that will accelerate overall revenue growth. These characteristics produce a highly attractive financial profile of double-digit revenue growth with high operating margins, minimal incremental cost per transaction, and 100%+ cash flow conversion.

Despite these attributes, Visa and Mastercard recently de-rated to 22 times next twelve months' earnings. We attribute this to investor concerns around stablecoin disruption, agentic commerce, and proposed U.S. regulation, each of which we believe is misplaced.

We believe stablecoins represent an opportunity for the card networks rather than a threat. They are most relevant where cards are not the incumbent: cross-border business-to-business payments, high-cost remittance corridors, and dollar savings in countries with volatile currencies. Adoption in these areas should grow in parallel with, not at the expense of, card volumes. In consumer payments, cards offer near-universal merchant acceptance, fraud protection, access to credit, and rewards, advantages that stablecoins, whose transactions are typically final and harder to reverse, cannot replicate. The card networks are also embracing the technology: Visa and Mastercard are key members of Open USD that recently announced OUSD, a new stablecoin. The card networks also offer hundreds of stablecoin-linked card programs, are modernizing settlement with stablecoins, and are testing use cases that allow issuers to mint, burn, and transfer fiat-backed tokens.

Similarly, we believe agentic commerce is more likely to expand the payments ecosystem than to erode the networks' moats, as agents reduce friction, enable more frequent purchases, and accelerate the digitization of commerce. Agents should adopt, not replace, consumers' existing payment preferences. Agent-initiated transactions make the networks' core strengths more valuable, as confirming that purchases reflect user intent, enforcing delegation and spending limits, and providing recourse for fraud are complex problems best solved by the networks' infrastructure. If agent-to-agent microtransactions reach scale, the networks can introduce alternative pricing structures to capture them. As proof points, the card networks are working with other technology leaders to build agentic commerce protocols and enabling agent cards, which give each AI agent its own credential with programmable limits, rules, and policies.

Finally, the U.S. regulatory proposals that unnerved investors earlier this year, which would cap interest rates and mandate routing competition on credit cards, have both stalled amid broad opposition. Even if routing legislation were enacted, we estimate it would have a minimal impact on Visa and Mastercard.

The card networks have a long history of consistent growth despite periodic fears of disruption, the most recent of which created the opportunity for our purchase of shares in the companies. While Visa and Mastercard shares have appreciated from our cost as the S&P 500 has remained flat, they remain attractively valued at 23 and 24 times forward earnings. With a multi-year runway of double-digit revenue, low-to-mid-teens operating income, and mid-to-high-teens EPS growth, we expect both businesses to generate attractive returns for years to come.

Netflix (NFLX)

We acquired a position in Netflix, a business we briefly owned in 2022 and have followed closely ever since. Netflix is the dominant global streaming platform with over 325 million subscribers, nearly double the combined base of its two closest competitors, Disney+ and HBO Max. When we first invested in early 2022, investors feared an escalating content arms race among a crowded field of streaming entrants. At the same time, cash content spend substantially exceeded content amortization, weighing on free cash flow. The launch of a previously disavowed advertising tier added further uncertainty.

Netflix has since effectively won the streaming wars. Its subscriber base now exceeds any competitor's by a wide margin, and that scale is self-reinforcing. Netflix can outspend rivals on content while spreading the cost across the industry's largest user base, improving both the value proposition for subscribers and profitability for the company. Content discipline has followed, with cash content spend growing at just a 2% annual rate since 2021 and EBIT margins expanding from 21% to approximately 31.5% today. Netflix now converts approximately 90% of earnings into free cash flow, primarily redeployed into share buybacks. Advertising has scaled rapidly toward $3 billion of revenue this year and its lower-priced ad-supported tier broadens the addressable market among price-conscious consumers, particularly in international markets. Over the last five years, Netflix has grown revenue 12%, operating profit 21%, and EPS 27% annually.

Our opportunity arose after Netflix's share price fell ~50% from its June 2025 high of $134, de-rating from over 40 times forward earnings per share to 21 times. The decline began with prolonged uncertainty around the company's bid for Warner Bros. Discovery, which it ultimately lost in February 2026, enabling it to collect a $2.8 billion termination fee. Investor focus has since shifted to plateauing engagement trends and the longer-term risk AI-generated video poses to content creation.

With respect to engagement, investors have been intently focused on watch time metrics without appropriately considering the quality of that watch time or the impact of geographic mix shifts. Live programming, for example, represents a small fraction of watch time yet is instrumental in driving sign-ups and retention. Investors are similarly concerned about competition from short-form video, but we view short-form video as a distinct offering from scripted content rather than a direct competitor.

In our view, time reallocated toward short-form video is far more likely to come from share donors like linear TV or lower-quality streaming services than from a utility-like service such as Netflix. To that end, the ramp up in short-form video consumption has been most acute over the past two years yet has had no discernible impact on the company's results. On AI, we believe concerns understate the cost of generating long-form, high-quality video, which remains among the most compute-intensive AI tasks. If compute costs remain elevated, Netflix's ability to amortize content investment across the largest user base in the industry remains a highly valuable competitive advantage. Moreover, AI should meaningfully enhance the company's content recommendation engine and ad targeting capabilities.

Looking forward, we expect Netflix to compound revenue at a double-digit growth rate, with content costs growing more slowly than revenue driving continued margin expansion. Combined with a robust buyback program, we estimate earnings should compound at close to 20% annually. We believe the company's current valuation multiple represents a substantial discount for a business with such a strong growth profile and dominant market position.

S&P Global (SPGI)

Earlier this year, we initiated a position in S&P Global, a business we have admired for decades and previously owned in 2017. S&P Global provides benchmarks, data, analytics, and workflow tools to customers in the financial and energy markets. The business generates over 80% of profits from three dominant benchmark franchises: Ratings, Indices, and Platts. The remaining profits are derived from the sale of proprietary and non-proprietary data and insights delivered to customers across a range of channels, together with embedded, primarily desktop-based workflow and analytics tools. The company also previously owned an automotive data and analytics business, which was spun off into a separate public company in July 2026.

Our opportunity to invest in S&P Global arose amid concerns of AI disintermediation of the company's data offerings and workflow and analytics products, including Capital IQ. In February 2026, the stock declined more than 25% from peak-to-trough following Anthropic's launch of Claude Cowork and SPGI's release of 2026 organic growth guidance that was below the company's medium-term financial targets announced at their November 2025 Investor Day. As a result, the stock's valuation declined from 25 to 19 times earnings per share, the lowest valuation in the previous five years, and a bargain level for a company that is often cited as one of the world's highest-quality businesses.

Each of SPGI's benchmark franchises is a high-margin, IP licensing business with a formidable competitive moat inside an oligopolistic market structure. Ratings, the company's largest and namesake business, is a powerful effective duopoly alongside Moody's, with each company rating over 95% of U.S. corporate debt as most debt issuances are rated by at least two agencies. Ratings has an exceptionally strong customer value proposition, with estimated annual interest savings that are roughly three times the one-time, upfront fee on a new debt issuance. Ratings' revenue is nearly equally split between these more cyclical transaction fees and recurring surveillance and monitoring fees on outstanding debt. Through the cycle, Ratings has averaged 7% revenue growth comprised of 4% debt issuance growth and 3% pricing, with robust operating leverage that should be enhanced by AI efficiencies. Global debt issuance is currently benefiting from strong secular and cyclical tailwinds including AI capex, increasing M&A volumes, substantial refinancing walls of COVID-era debt in 2027 and 2028, and global infrastructure needs.

Indices is a high-margin royalty on equity market appreciation and continued active-to-passive flows. We estimate that Indices generates over 70% of its profits from ownership of the S&P 500 trademark, which is the dominant global equity benchmark with over $20 trillion of assets indexed to or benchmarked against it. Revenue growth has averaged 11%, with passive share gains and new products driving revenue growth even in down years for the stock market. With 48% of long-term assets under management still actively managed and a robust outlook for corporate earnings growth, we believe the runway remains long for continued double-digit growth in Indices.

Platts is the leading provider of spot energy and commodity pricing benchmarks, including those used to price approximately 70% of waterborne crude globally. These data are used to settle ICE Brent futures and benefit from many of the same secular tailwinds as ICE's energy franchise, with revenue growth averaging high single-digits. Collectively, S&P's benchmark businesses have formidable competitive positions and attractive growth prospects, with next to no AI disruption risk.

Despite broad-based concerns of AI disintermediation in the company's Market Intelligence segment, we believe the market overestimates the portion of segment profits susceptible to AI disruption and underestimates the potential for AI to accelerate demand for S&P's proprietary and curated structured data as LLM-based workflows become increasingly important.

Though investors are concerned about disintermediation risk related to Capital IQ and other desktop offerings that are used to access both proprietary and non-proprietary data, these products represent a small percentage of profits. For example, Capital IQ, which has drawn a disproportionate amount of investor attention this year, represents less than 7% of total revenue and an even smaller percentage of total profits. On the other hand, over 40% of Market Intelligence revenue is driven via the sale of proprietary or curated data that are typically deeply embedded in customer workflows, including the redistribution of Ratings content, private markets data, SNL datasets for regulated industries, and evaluated loan pricing. Another quarter of Market Intelligence revenue is derived from leading software and workflow tools serving niche, often highly regulated use cases in the capital markets, many of which benefit from strong network effects and are further enhanced by interoperability with the company's vast data estate.

While AI may eventually exert price or volume pressure on a relatively small percentage of Market Intelligence revenues, we believe this will be offset by growing demand for high-quality proprietary and curated data. Consistent with its long-standing flexible delivery strategy, S&P Global has embraced MCP connectors to power LLM workflows. Given the critical importance of high-fidelity structured data for AI analysis, we believe the company should ultimately be able to offset any pressure in their desktop-based offerings through accelerated growth in its data business, especially given the company's preponderance of value-based (versus seat-based) enterprise contracts.

As the Q&A on the most recent earnings call further highlights, we believe investors have become myopically focused on potential threats to a single-digit portion of the company within Market Intelligence and have lost sight of the fact that future earnings growth will be almost exclusively determined by the company's benchmark businesses. These high-growth franchises should enable the company to meet its multi-year target for high-single-digit revenue growth even if Market

Intelligence growth is below the 6% to 8% range set by management. Given S&P Global's robust capital return program that should reduce shares outstanding by 4% per annum, we believe earnings are likely to compound in the low-to-mid teens driving an annualized return in the mid-20s% if the company ultimately reapproaches a valuation that we view as appropriate for a business of this quality.

Intercontinental Exchange (ICE)

We recently established an investment in Intercontinental Exchange, a business we have followed for nearly a decade. Founded in 2000 by current Chairman & CEO Jeff Sprecher, ICE is a leading global exchange operator and financial data and infrastructure provider built through 25 years of organic growth and acquisitions of marquee financial infrastructure assets. Its highly moated Exchanges segment generates nearly 70% of earnings, anchored by a crown-jewel energy franchise with revenues more than two-and-a-half times those of its next-largest competitor. Most of ICE's Exchanges revenue comes from its futures and options exchanges, which vertically integrate trading and clearing, meaning that a position opened on an ICE exchange can only be closed on that same exchange and can only receive offsetting margin benefits from other positions in the same clearinghouse. This structure results in highly dominant positions in individual products, such as Brent crude futures, where ICE is the global benchmark with ~90% market share, driving enhanced pricing power, faster growth, and far higher margins than products cleared externally, such as equities. Over the last five years, Exchanges grew revenue 8% and profits 10% annually, with margins expanding to 75%.

ICE generates just under 20% of earnings from its Fixed Income & Data Services (FIDS) segment, a collection of mostly subscription businesses that have grown revenue 6%, and the remainder from Mortgage Technology, assembled through acquisitions over the past decade and currently weathering a prolonged cyclical downturn. Both smaller segments are highly profitable, with 45% and 41% profit margins, respectively.

ICE has delivered an 18% annualized return since its 2005 IPO and 15% annual EPS growth since 2006, with EPS growing in each of the last nineteen years. Despite exceptional earnings growth and business momentum into 2026, ICE shares fell 21% in the year before our purchase as its multiple compressed from 25 times to 17 times earnings per share, near a record low. Two secular concerns drove the dislocation: the long-term impact of AI on the two smaller segments, and the competitive threat of perpetual futures to Exchanges. We believe neither is likely to impair ICE's earnings power or intrinsic value.

While small pieces of FIDS and Mortgage Technology are less differentiated, most subsegments should see growth continue or accelerate as AI proliferates. FIDS's largest units are also its highest-quality ones and include colocation services at ICE's specialized data centers, evaluated pricing on over three million fixed income instruments, and a fixed income index franchise with nearly $1 trillion of ETF assets. We estimate the more competitive lines such as consolidated feeds and fixed income reference data drive only a single-digit percentage of segment revenue and a de minimis share of enterprise revenue.

Over the last several quarters, revenue growth across all three of ICE's data subsegments – one of which sells only proprietary data and sits within Exchanges – has consistently accelerated. ICE's mortgage software platform benefits from dominant market share, powerful network effects, high costs of failure, and the heavy regulation inherent to the mortgage industry. With U.S. origination volumes still ~50% below long-term averages, we view the segment as a call option on their eventual recovery.

More recent fears center on perpetual futures, or "perps," following regulatory approval of the first onshore contract, for Bitcoin, on May 29th. Introduced in their current form in 2016, perps have grown to dominate offshore crypto trading. Despite the name, a perp is most economically akin to a total return swap that never expires. Unlike swaps, which are available only to institutional investors and carry agreed, upfront financing rates, perps are largely a retail product that uses a floating funding rate to tether its price to the underlying instrument. Their retail appeal rests on 24/7 trading, the absence of a need to roll positions, and, perhaps above all, enormous, embedded leverage.

Public-policy questions around retail suitability aside, we are confident perps hold little if any appeal for institutional investors who drive over ~95% of ICE's trading volume. ICE's existing contracts offer orders of magnitude greater liquidity, far lower financing rates fixed upfront, and the ability to take physical delivery of a commodity and hedge specific geographic and temporal exposures, while effectively eliminating counterparty risk through the centralized clearinghouse model. The latter is a decisive risk management advantage over perps venues, which mutualize losses onto winning traders in a default scenario through a process called "auto-deleveraging." We also take comfort in management's deep understanding of innovation and the intersection of finance and technology, as evidenced by their investments in Polymarket and OKX. Should perps have greater institutional resonance than we anticipate, ICE is well-positioned to participate directly or through partnerships.

We believe that a favorable macro backdrop and powerful secular tailwinds should enable ICE to achieve low-to-mid-teens earnings growth, which combined with a multiple re-rating toward year-ago levels as our thesis on the secular concerns is borne out, creates the potential for an annualized stock return in the mid-20s%. Volatility is a key driver of exchange trading volumes and should persist across global energy and interest rate markets. Energy hedging needs are structurally higher following paradigm shifts such as Europe's move from long-term, fixed-price Russian natural gas to the global LNG market and the rewiring of oil flows around the Strait of Hormuz. We believe that AI should power structurally higher growth in both data consumption and trading activity, while a mortgage market recovery is critical to curing the prolonged U.S. housing shortage. We are also encouraged by a recent acceleration in share repurchases at depressed prices.

In summary, in ICE we see a classic, simple, predictable, free-cash-flow-generative business that has sold off on concerns we view as unwarranted, a setup that has proven highly profitable for prior Pershing Square investments.

Alcon Inc. (Alcon)

Alcon is the world's leading ophthalmology company, with a dominant position in surgical vision, strong positions in vision care and contact lenses, and a small but promising pharmaceuticals business. It benefits from attractive long-term, mid-single-digit market growth supported by aging population demographics, rising global incomes, and improved access to healthcare.

Alcon is the premier franchise in this industry, benefiting from a massive global installed base, strong brand affinity, and unrivaled commercial capabilities. The core of Alcon's business is its dominant surgical vision franchise, supported by a 30,000-unit capital equipment installed base. This installed base anchors a highly attractive stream of high-margin recurring consumables revenue — a classic "razor / razor-blade" model — which in turn funds Alcon's ability to field the industry's largest sales, commercial, and research organizations, powering its innovation flywheel.

While the company has grown earnings at an 8% compounded rate since its spin-out from Novartis in 2019, we believe that historical growth significantly understates Alcon's potential. Underlying margin expansion and earnings growth have been tempered by foreign exchange headwinds, tariff absorption, and significant sales, research, and capital investments in support of new product launches.

We believe Alcon's current 20% operating profit margin remains well below its structural potential and expect operating margins to rise to 25% or greater over the next several years, consistent with the company's longstanding commitments. Margin expansion will come from the continued optimization and leveraging of its fixed cost base, and further gross margin expansion in its contact lens business as it continues to season its manufacturing platforms. We also expect Alcon to reduce its currently elevated research expenses, which are burdened by significant transient costs as the company funds Phase 3 trials for a novel therapy, AURN001.

Over the past year, Alcon's valuation multiple has compressed from a high-20s multiple of earnings to ~18 times due to a combination of sector weakness and company-specific factors, including some concerns regarding Alcon's ability to achieve its long-term targets following a disappointing 2025. We believe Alcon's mid-term 6%-8% revenue growth target remains credible, supported by a strong equipment launch cycle, a high rate of growth in ocular health, anticipated reacceleration in cataract procedural volumes, and innovation in Alcon's intraocular lens business. We believe that revenue growth combined with significant margin expansion should see Alcon grow its earnings at a mid-teens rate.

We see further potential based on the outcome of AURN001. Based on our due diligence, we believe that FDA approval is likely, with blockbuster potential beyond Alcon's own commercial targets. We view AURN001 as an underappreciated call option that could become a growth and margin tailwind.

The company recently authorized a new $1.5 billion share repurchase program, a good use of capital given the company's currently dislocated valuation. We anticipate Alcon can generate meaningful compounded returns from current levels as it grows earnings at a mid-teens rate and its valuation multiple expands to a level more reflective of its underlying business quality and long-term growth prospects.

Exited Equity Positions

We exited our investments in Universal Music Group and Alphabet during the six-month period ended June 30, 2026, and exited Hertz in July 2026.

PUBLIC COMPANY ENGAGEMENT SINCE INCEPTION[13]

Long Positions

Wendy's	Sears	Plains Resources	Atlantic Realty Trust	SPI		Sears Canada
2004	2004	2004	2004	2004	2005	2005
Borders	Ceridian	Target	GGP	Longs Drugs	EMC²	Landry's Restaurants, Inc.
2006	2006	2007	2008	2008	2008	2009
Howard Hughes	Fortune Brands	Beam	AB Alexander & Baldwin, Inc.	jcp	Canadian Pacific Railway	Justice Holdings Ltd.
2010	2010	2010	2010	2010	2011	2011
P&G	Platform Specialty Products Corporation	Air Products	FannieMae	Freddie Mac	zoetis	Allergan
2012	2013	2013	2013	2013	2014	2014
Valeant Pharmaceuticals North America	Nomad Foods	Mondelēz International	Chipotle Mexican Grill	ADP	Starbucks Coffee	United Technologies
2015	2015	2015	2016	2017	2018	2018
Lowe's	Hilton	Agilent Technologies	Starbucks Coffee	Restaurant Brands International	Pershing Square Tontine Holdings	Universal Music Group
2018	2018	2019	2020	2020	2020	2021
CPKC	Google	Pershing Square SPARC Holdings	Seaport Entertainment Group	Brookfield		Hertz
2021	2023	2023	2024	2024	2024	2024

Short Positions*

mbia Wisdom in Action	Ambac	FannieMae	Freddie Mac	FSA	Herbalife
2004	2005	2007	2007	2007	2012

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

The companies on this page reflect all of the portfolio companies, long and short, as of August 11, 2026, in respect of which (a) the Investment Manager or any Pershing Square Fund, as applicable, has designated a representative to the board, filed Schedule 13D, Form 4 or a similar non-U.S. filing or has made a Hart-Scott Rodino filing; or (b) the Investment Manager has publicly recommended changes to the company's strategy in an investment-specific white paper, letter or presentation.

Past performance is not a guarantee of future results. All investments involve risk, including the loss of principal. Please see accompanying endnotes and disclaimers on pages 53-56.

Directors' Report

INTERIM REPORT

The important events that have occurred during the first six months of the Company's current financial year and their impact on the Company's performance as shown in the unaudited condensed interim financial statements are given in the Chairman's Statement, the Investment Manager's Report, and the notes to these unaudited condensed interim financial statements.

GOING CONCERN

Risks associated with the Company's investment activities, together with existing and emerging risks likely to affect its future development, performance and position are set out in Principal Risks and Uncertainties in the Company's 2025 Annual Report and in its Prospectus, available on the Company's website (www.pershingsquareholdings.com).

The Board has considered the financial prospects of the Company through September 30, 2027 and made an assessment of the Company's ability to continue as a going concern. In assessing the going concern status of the Company, the Directors have considered:

- The Company's net assets attributable to all shareholders at June 30, 2026 of $12,935,906,153;
- The liquidity of the Company's assets (at June 30, 2026, 92.8% of its assets were comprised of cash, cash equivalents and Level 1 assets);
- The Company's total indebtedness to total capital ratio of 21.9% at June 30, 2026;
- The liquidity of the Company's assets relative to the future interest and redemption obligations of the Company's outstanding bonds; and
- The low level of fixed operating expenses relative to average net assets, such expenses approximating 1.3% for the six-month period ended June 30, 2026.

After making reasonable enquiries, and assessing all data relating to the Company's liquidity, particularly its cash holdings and Level 1 assets, the Directors and the Investment Manager believe that the Company is well placed to manage its business risks. Furthermore, the Directors confirm that they have a reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For these reasons, the Directors have adopted the going concern basis in preparing the unaudited condensed interim financial statements.

RELATED-PARTY TRANSACTIONS

Other than those disclosed in Note 9, there were no changes to the related-party transactions described in the 2025 Annual Report that had a material effect on the financial position or performance of the Company in the first six months of the current financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to a number of risks specific to its investment activities, structure and operations, as well as risks relating to general market conditions. In order to identify these risks (current and emergent), the Board reviews the management of investment risk and the operations of the Investment Manager at each quarterly Board meeting. In addition, the Risk Committee performs an annual assessment of the existing and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency or liquidity. Based on this assessment, the Risk Committee continues to identify the following subset of risks as the principal risks facing the Company: investment risk, scope of Investment Manager's authority, portfolio concentration, corporate engagement risks, NAV discount, regulatory risk, loss of key personnel, tax risk, market risk, information security risks, performance of key service providers, insurance coverage, and public relations risks. The emergent risks discussed by the Board during the first half include "Zero Day" vulnerabilities and the portfolio impacts from both artificial intelligence and geopolitical events, subsets respectively of information security, investment and market risks.

Further details of each of these risks and how they are mitigated are discussed in Principal Risks and Uncertainties within the 2025 Annual Report. The Board believes these risks are applicable to the six-month period ended June 30, 2026 and the remaining six months of the current financial year.

INTERNAL CONTROLS UPDATE

In accordance with Provision 29 of the UK Corporate Governance Code, the Board will provide its first formal declaration on the effectiveness of the Company's material internal control framework in the annual report for the year ending December 31, 2026. The Board expects to define materiality by reference to its existing risk management framework, which identifies and measures individual risks on both a gross basis, before mitigation, and a residual basis, net of mitigating controls. This framework is being used to identify the financial, operational, compliance and reporting controls upon which most reliance is placed. Whilst recognizing that the Board retains ultimate responsibility for the effectiveness of the controls framework, operational processes relevant to key controls are outsourced, among other parties, to the Investment Manager and the Company's administrator. The Audit Committee has established a timetable for receiving and evaluating independent assurance reports from service providers and for directly assessing internal compliance monitoring processes for controls not covered by third-party review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing this interim report and the unaudited condensed interim financial statements in accordance with the Disclosure Guidance and Transparency Rules ("DTR") of the United Kingdom's Financial Conduct Authority and with International Accounting Standard 34: Interim Financial Reporting.

Each of the Directors confirms that, to the best of her or his knowledge and belief:

- the unaudited condensed interim financial statements, prepared in accordance with International Accounting Standard 34: Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.4R;
- the interim report includes a fair review of the information required by DTR 4.2.7R, being an indication of the important events that have occurred during the first six months of the financial year and their impact on the unaudited condensed interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- the interim report includes a fair review of the information required by DTR 4.2.8R, being related-party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position or performance of the Company, and any material changes in the related-party transactions described in the 2025 Annual Report.

In preparing the interim report and unaudited condensed interim financial statements, the Board of Directors is also responsible for maintaining proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities. In doing so, it is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable; and
- establishing and maintaining internal procedures which ensure that all major financial information is known to the Board of Directors so that the timeliness, completeness and correctness of the external financial reporting are assured.

By order of the Board.

/s/ Rupert Morley	/s/ Andrew Henton
Rupert Morley	Andrew Henton
Chairman of the Board	Chairman of the Audit Committee
August 13, 2026	August 13, 2026

Independent Review Report

CONCLUSION

We have been engaged by the Company to review the unaudited condensed interim financial statements for the six months ended June 30, 2026 which comprises the Unaudited Condensed Interim Statement of Financial Position, Unaudited Condensed Interim Statement of Comprehensive Income, Unaudited Condensed Interim Statement of Changes in Equity, Unaudited Condensed Interim Statement of Cash Flows and the related Notes 1 to 13. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited condensed interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed interim financial statements for the six months ended June 30, 2026 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE 2410") issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

CONCLUSION RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE 2410, however future events or conditions may cause the Company to cease to continue as a going concern.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the interim report and unaudited condensed interim financial statements in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the interim report and unaudited condensed interim financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE FINANCIAL INFORMATION

In reviewing the interim report and unaudited condensed interim financial statements, we are responsible for expressing to the Company a conclusion on the unaudited condensed interim financial statements. Our conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion section of this report.

USE OF OUR REPORT

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

/s/ Ernst & Young
Ernst & Young LLP
Guernsey, Channel Islands
August 13, 2026

Unaudited Condensed Interim Financial Statements

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As of June 30, 2026 and December 31, 2025
(Stated in United States Dollars)

	Notes		2026 Unaudited		2025 Audited
Assets					
Cash and cash equivalents		$	201,265,840	$	1,141,502,364
Due from brokers			137,019,380		176,327,860
Trade and other receivables			13,711,447		14,234,637
Financial assets at fair value through profit or loss					
Investments in securities	4,5		16,363,033,379		17,989,469,787
Derivative financial instruments	4,5		—		39,960,965
Total Assets		**$**	**16,715,030,046**	**$**	**19,361,495,613**
Liabilities					
Due to brokers		$	8,175,991	$	43,800,000
Trade and other payables			4,658,874		490,307,310
Deferred tax expense payables	12		50,155,747		74,777,696
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	4,5		94,627,506		34,093,323
Bonds	11		3,621,505,775		3,669,110,397
Total Liabilities		**$**	**3,779,123,893**	**$**	**4,312,088,726**
Equity					
Share capital	6	$	5,722,349,692	$	5,722,349,692
Treasury shares	6		(1,318,893,218)		(1,198,448,246)
Retained earnings			8,532,449,679		10,525,505,441
Total Equity			**12,935,906,153**		**15,049,406,887**
Total Liabilities and Equity		**$**	**16,715,030,046**	**$**	**19,361,495,613**
Net assets attributable to Public Shares		$	12,935,434,571	$	15,048,864,858
Public Shares outstanding			174,262,536		176,382,491
Net assets per Public Share		$	74.23	$	85.32
Net assets attributable to Special Voting Share		$	471,582	$	542,029
Special Voting Share outstanding			1		1
Net assets per Special Voting Share		$	471,581.89	$	542,029.13

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2026 and June 30, 2025
(Stated in United States Dollars)

	Notes	2026 Unaudited	2025 Unaudited
Investment gains and losses			
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		$ (1,866,298,984)	$ 2,435,600,016
Net realized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2026: $31,906, 2025: nil))		(23,089,988)	—
Net change in unrealized gain/(loss) on commodity interests (net of brokerage commissions and other related fees of (2026: nil, 2025: nil))		—	—
	4	(1,889,388,972)	2,435,600,016
Net gain/(loss) on currency translation of the Bonds	11	37,519,198	(96,990,518)
Income			
Dividend income		69,364,962	62,429,011
Interest income		20,682,721	14,283,142
		90,047,683	76,712,153
Expenses			
Performance fees	8	—	(369,134,126)
Management fees	8	(99,927,410)	(95,092,821)
Interest expense		(69,316,658)	(44,928,001)
Professional fees		(5,366,835)	(3,724,746)
Other expenses		(1,349,396)	(1,192,504)
		(175,960,299)	(514,072,198)
Profit/(loss) before tax attributable to equity shareholders		**(1,937,782,390)**	**1,901,249,453**
Taxes			
Withholding tax (dividends)		(15,438,852)	(13,399,623)
Deferred tax expense	12	24,621,948	29,785,628
		9,183,096	16,386,005
Profit/(loss) attributable to equity shareholders		**$ (1,928,599,294)**	**$ 1,917,635,458**
Earnings per share (basic & diluted)[(1)]			
Public Shares	10	$ (11.00)	$ 10.60
Special Voting Share	10	$ (69,728.51)	$ 67,503.05

All the items in the above statement are derived from continuing operations. There is no other comprehensive income for the six-month periods ended June 30, 2026 and June 30, 2025.

(1) EPS is calculated using the profit/(loss) for the period attributable to equity shareholders divided by the weighted-average shares outstanding over the period as required under IFRS. See Note 10 for further details. All of the Company's share classes participate pro-rata in the profits and losses of the Company based upon the NAV of the share class (before any accrued performance fees) at the time of such allocation.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026 and June 30, 2025
(Stated in United States Dollars)

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
As of December 31, 2025 (Audited)	**$ 5,722,349,692**	**$ (1,198,448,246)**	**$ 10,525,505,441**	**$ 15,049,406,887**
Total profit/(loss) attributable to equity shareholders	—	—	(1,928,599,294)	(1,928,599,294)
Share buybacks(1)	—	(120,444,972)	—	(120,444,972)
Dividend distribution to equity shareholders	—	—	(64,456,468)	(64,456,468)
As of June 30, 2026 (Unaudited)	**$ 5,722,349,692**	**$ (1,318,893,218)**	**$ 8,532,449,679**	**$ 12,935,906,153**
As of December 31, 2024 (Audited)	**$ 5,722,349,692**	**$ (829,368,943)**	**$ 8,118,249,341**	**$ 13,011,230,090**
Total profit/(loss) attributable to equity shareholders	—	—	1,917,635,458	1,917,635,458
Share buybacks(1)	—	(154,740,960)	—	(154,740,960)
Dividend distribution to equity shareholders	—	—	(59,536,001)	(59,536,001)
As of June 30, 2025 (Unaudited)	**$ 5,722,349,692**	**$ (984,109,903)**	**$ 9,976,348,798**	**$ 14,714,588,587**

(1) During the six months ended June 30, 2026 and June 30, 2025, the Company repurchased Public Shares. This amount includes the accretion relating to the repurchases that was allocated to the Public Shares and the Special Voting Share. All repurchased Public Shares are subsequently held in Treasury. As of June 30, 2026 and December 31, 2025, 36,694,214 and 34,574,259 Public Shares were held in Treasury, respectively. See Note 6 for further details.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026 and June 30, 2025
(Stated in United States Dollars)

	Notes	2026 Unaudited	2025 Unaudited
Cash flows from operating activities			
Profit/(loss) for the period attributable to equity shareholders		$ (1,928,599,294)	$ 1,917,635,458
Adjustments to reconcile changes in profit/(loss) for the period to net cash flows:			
Bond interest expense	11	68,413,344	43,131,559
Bond interest paid	11	(78,498,768)	(32,400,000)
Net (gain)/loss on currency translation of the Bonds	11	(37,519,198)	96,990,518
(Increase)/decrease in operating assets:			
Due from brokers		39,308,480	(113,790,892)
Trade and other receivables		523,190	14,916,434
Investments in securities	4,5	1,626,436,408	(1,423,825,733)
Derivative financial instruments	4,5	39,960,965	(579,809,382)
Increase/(decrease) in operating liabilities:			
Due to brokers		(35,624,009)	413,700,000
Trade and other payables		(486,536,768)	143,264,730
Deferred tax expense payable	12	(24,621,949)	(29,785,627)
Derivative financial instruments	4,5	60,534,183	—
Net cash provided by/(used in) operating activities		**(756,223,416)**	**450,027,065**
Cash flows from financing activities			
Purchase of Public Shares	6	(119,560,571)	(155,298,188)
Dividend distributions	6	(64,452,537)	(59,536,001)
Proceeds from issuance of Bonds	11	—	738,983,723
Expenses relating to issuance of Bonds	11	—	(7,194,244)
Net cash provided by/(used in) financing activities		**(184,013,108)**	**516,955,290**
Net change in cash and cash equivalents		(940,236,524)	966,982,355
Cash and cash equivalents at beginning of period		1,141,502,364	436,520,113
Cash and cash equivalents at end of period		**$ 201,265,840**	**$ 1,403,502,468**
Supplemental disclosure of cash flow information			
Cash paid during the period for interest		$ 79,273,214	$ 33,409,695
Cash received during the period for interest		$ 22,558,903	$ 13,243,987
Cash received during the period for dividends		$ 68,739,429	$ 70,130,179
Cash deducted during the period for withholding taxes		$ 15,283,525	$ 15,665,401

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Organization

The Company was incorporated with limited liability under the laws of the Bailiwick of Guernsey on February 2, 2012. It became a registered open-ended investment scheme under Guernsey law on June 27, 2012 and commenced operations on December 31, 2012. On October 1, 2014, the Guernsey Financial Services Commission approved the conversion of the Company into a registered closed-ended investment scheme. The Company's registered office is at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Channel Islands.

A copy of the Prospectus of the Company is available from the Company's registered office and on the Company's website (www.pershingsquareholdings.com).

The latest traded price of the Public Shares is available on Reuters, Bloomberg and the LSE.

Investment Policy

Please refer to "Investment Policy" in the Report of the Directors in the 2025 Annual Report for the Investment Policy of the Company.

Bonds

The Company issues Bonds from time to time to fund investments and for other general corporate purposes in accordance with its Investment Policy.

On July 25, 2019, the Company closed on a fully committed private placement of $400 million Senior Notes at par with a coupon rate of 4.95%, maturing on July 15, 2039 (the "2039 $400m Bonds").

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

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

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

On April 29, 2025, the Company issued €650 million of Senior Notes at 99.890% of par with a coupon rate of 4.25%, maturing on April 29, 2030 (the "2030 €650m Bonds").

On October 28, 2025, the Company issued $500 million of Senior Notes at 99.805% of par with a coupon rate of 5.50%, maturing on October 28, 2032 (the "2032 $500m Bonds" and collectively with the 2027 €500m Bonds, 2030 €650m Bonds, 2030 $500m Bonds, 2031 $700m Bonds, 2032 $200m Bonds, and 2039 $400m Bonds, the "Bonds").

The Bonds rank equally in right of payment and contain substantially the same covenants. The Bonds' coupons are paid semiannually, with the exception of the 2027 €500m Bonds and 2030 €650m Bonds, which are paid annually. The Bonds are listed on Euronext Dublin under the symbol of PSHNA.

Investment Manager

The Company has appointed Pershing Square Capital Management, L.P. ("PSCM" or the "Investment Manager") as its investment manager pursuant to the Investment Management Agreement (as amended and restated as of August 5, 2025, the "IMA"). The Investment Manager has responsibility, subject to the overall supervision of the Board of Directors, for the investment of the Company's assets in accordance with the Investment Policy of the Company. The Company delegates certain administrative functions relating to the management of the Company to PSCM.

In April 2026, Pershing Square Holdco, L.P. ("Holdco"), the parent company of PSCM, converted into a Nevada corporation and changed its name to Pershing Square Inc. ("PS Inc.") in connection with its initial public offering, which was effected as part of a combined initial public offering of the common stock of PS Inc. and common shares of Pershing Square USA, Ltd. ("PSUS"), a newly launched closed-end management investment company that is also managed by PSCM. On April 29, 2026, common stock of PS Inc. and common shares of PSUS became listed on the New York Stock Exchange ("NYSE") and started trading under the symbol "PS" and "PSUS," respectively. PSCM remains a wholly owned subsidiary of PS Inc., which is controlled by senior management of PSCM, including William A. Ackman as the largest owner.

The corporate conversion and listing of PS Inc. were structured so as not to constitute an assignment of the IMA for purposes of the U.S. Investment Advisers Act of 1940. These transactions did not affect PSCM's management team, its role in managing the Company or its obligations under the IMA, and no approval of the Company's shareholders or Board was required.

Board of Directors

The Company's Board of Directors is comprised of Halit Coussin, Charlotte Denton, Andrew Henton, Rupert Morley, Jean-Baptiste Wautier and Julian Ide, all of whom are non-executive Directors. All Directors other than Ms. Coussin, who is the Chief Legal Officer and Chief Compliance Officer of the Investment Manager, are considered independent.

Bilge Ogut, who joined the Company's Board of Directors in August 2025, did not offer herself for re-election at the 2026 Annual General Meeting of the Company (the "2026 AGM"), retiring as a Director at the conclusion of that meeting. Julian Ide was appointed to the Company's Board of Directors as a non-executive Director in June 2026.

Committees of the Board

The Board has established an Audit Committee, a Management Engagement Committee, a Remuneration Committee, a Risk Committee, and a Nomination Committee. Ms. Coussin is a member of (but does not chair) the Risk Committee. The other committees are comprised solely of independent Directors of the Company who are not affiliated with the Investment Manager. Further information regarding each committee and each committee's written terms of reference are available on the Company's website or, on request, from the Company Secretary, Northern Trust International Fund Administration Services (Guernsey) Limited.

Prime Brokers / Custodians

Goldman Sachs & Co. LLC and UBS Securities LLC (the "Prime Brokers") both serve as custodians and primary clearing brokers for the Company. The Bank of New York Mellon ("BNY") serves as the Company's bond indenture trustee, custodian and securities intermediary in respect of derivatives subject to uncleared margin rules.

Administrator

Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") is the Company's Administrator and Secretary. The Administrator provides certain administrative and accounting services, including the maintenance of the Company's accounting and statutory records, and receives customary fees, plus out of pocket expenses, based on the nature and extent of services provided.

Exchange Listings

The Company's Public Shares trade on the LSE in USD and Sterling.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Preparation

The unaudited condensed interim financial statements of the Company for the six months ended June 30, 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles used to prepare these unaudited condensed interim financial statements comply with IFRS as issued by the International Accounting Standards Board and are consistent with those set out in the notes to the Company's annual financial statements for the year ended December 31, 2025, except that the accounting policy in respect of the Company's unconsolidated subsidiaries, set out below, is presented in full as the Company had no subsidiaries in prior periods. The unaudited condensed interim financial statements have been prepared on a historical-cost basis except for financial assets and financial liabilities at fair value through profit or loss that have been measured at fair value. The unaudited condensed interim financial statements do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2025.

After making reasonable inquiries and assessing all data relating to the Company's liquidity, particularly its holding of cash and Level 1 assets in relation to its liabilities, the Investment Manager and the Board of Directors believe that the Company is well placed to manage its business risks and has adequate resources to continue in operational existence for at least twelve months from the date of approval of these unaudited condensed interim financial statements (through September 30, 2027). The Investment Manager and the Board of Directors do not consider there to be any threat to the going concern status of the Company. For these reasons, the Directors have adopted the going concern basis in preparing these unaudited condensed interim financial statements.

Investment Entity Status and Unconsolidated Subsidiaries

The Company has assessed itself to be an investment entity as defined by IFRS 10 Consolidated Financial Statements, on the basis that it (i) obtains funds from investors for the purpose of providing those investors with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (iii) measures and evaluates the performance of substantially all of its investments on a fair value basis. This conclusion is consistent with the assessment set out in the Company's annual financial statements for the year ended December 31, 2025.

In accordance with IFRS 10, an investment entity does not consolidate its subsidiaries; instead, it measures its investments in subsidiaries at fair value through profit or loss, except for any subsidiary that provides investment-related services or activities to the Company, which is consolidated. Where the Company holds investments through wholly-owned subsidiaries that are established solely for tax purposes, have no other operations or activities and do not provide investment-related services or activities to the Company, such subsidiaries are not consolidated and are measured at fair value through profit or loss. This treatment is consistent with the conclusion of the IFRS Interpretations Committee in March 2014 in respect of intermediate holding companies established by an investment entity for tax optimization purposes. The Company had no subsidiaries in periods prior to June 30, 2026. This policy therefore did not affect the financial statements for those periods.

During the six-month period ended June 30, 2026, the Company began holding its investment in Series A Non-Voting Exchangeable Perpetual Preferred Stock (the "HHH Preferred") issued by Howard Hughes Holdings Inc. ("HHH") through 14 wholly-owned subsidiaries incorporated in the Cayman Islands, PSH HHH Preferred Holding I, Ltd. through PSH HHH Preferred Holding XIV, Ltd., each of which holds one of the 14 equally-sized tranches into which the HHH Preferred is divided. These subsidiaries were established for tax purposes, have no other assets, liabilities or operations, and do not provide investment-related services or activities to the Company. The Company has not consolidated these subsidiaries and instead measures its investment in them at fair value through profit or loss. As each subsidiary is identical in all material respects and none is individually significant to the Company, the related disclosures are presented on an aggregated basis.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The amendments and interpretations which apply for the first time in 2026 have been assessed and do not have an impact on the unaudited condensed interim financial statements of the Company.

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table is a breakdown of the financial assets and financial liabilities at fair value through profit or loss:

As of	June 30, 2026	December 31, 2025
Financial assets		
Investments in securities	$ 16,363,033,379	$ 17,989,469,787
Derivative financial instruments	—	39,960,965
Financial assets at fair value through profit or loss	**$ 16,363,033,379**	**$ 18,029,430,752**

As of	June 30, 2026	December 31, 2025
Financial liabilities		
Derivative financial instruments	$ 94,627,506	$ 34,093,323
Financial liabilities at fair value through profit or loss	**$ 94,627,506**	**$ 34,093,323**

The following table is a breakdown of the net changes in fair value of financial assets and financial liabilities through profit or loss:

For the six-month period ended June 30	2026			2025		
	Realized	Unrealized	Total Gains/(Losses)	Realized	Unrealized	Total Gains/(Losses)
Investments in securities (assets)	$ 2,295,775,267	$ (4,063,729,638)	**$ (1,767,954,371)**	$ 664,886,208	$ 1,932,917,074	**$ 2,597,803,282**
Derivative financial instruments	(20,939,451)	(100,495,150)	**(121,434,601)**	(409,930,076)	247,726,810	**(162,203,266)**
Net changes in fair value	$ 2,274,835,816	$ (4,164,224,788)	**$ (1,889,388,972)**	$ 254,956,132	$ 2,180,643,884	**$ 2,435,600,016**

5. FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgment and considers factors specific to the asset or liability. Financial instruments are recognized at fair value and categorized in the following table based on the following:

Level 1 – Inputs are unadjusted quoted prices in active markets.

Level 2 – Inputs (other than quoted prices included in Level 1) are obtained directly or indirectly from observable market data at the measurement date.

Level 3 – Inputs, including significant unobservable inputs, reflect the Company's best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

Recurring Fair Value Measurement of Assets and Liabilities

(in thousands)

As of	June 30, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Equity Securities:								
Common Stock	$ 15,231,150	$ —	$ —	$ 15,231,150	$ 17,839,973	$ —	$ —	$ 17,839,973
Preferred Stock	74,871	—	—	74,871	110,620	—	—	110,620
Investment in Affiliated Entities	—	—	38,683 (1)	38,683	—	—	38,877 (1)	38,877
Investment in Subsidiaries	—	—	1,018,329 (2)	1,018,329	—	—	—	—
Derivative Contracts:								
Forward Purchase Agreement(5)	—	—	—	—	—	—	—	—
Total Return Swaps	—	—	—	—	—	39,961 (4)	—	39,961
Total	**$ 15,306,021**	**$ –**	**$ 1,057,012**	**$ 16,363,033**	**$ 17,950,593**	**$ 39,961**	**$ 38,877**	**$ 18,029,431**

As of	June 30, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities:								
Derivative Contracts:								
Currency Forwards	$ —	$ 1,487 (3)	$ —	$ 1,487	$ —	$ —	$ —	$ —
Total Return Swaps	—	93,141 (4)	—	93,141	—	34,093 (4)	—	34,093
Total	**$ –**	**$ 94,628**	**$ –**	**$ 94,628**	**$ –**	**$ 34,093**	**$ –**	**$ 34,093**

(1) Figure relates to the Company's investment in Pershing Square SPARC Sponsor LLC ("SPARC Sponsor"), the sponsor entity of Pershing Square SPARC Holdings, Ltd. ("SPARC"). Refer to Note 9 for further details.

(2) Figure relates to the Company's investment in the HHH Preferred, held through the subsidiaries described in Note 2. Refer to Note 9 for further details.

(3) Currency forwards are measured at fair value by the Investment Manager. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: current market and contractual prices from market makers or dealers, volatilities of the underlying financial instruments, interest rates, and/or current foreign exchange forward and spot rates. The significant inputs are market observable and included within Level 2. The Investment Manager utilizes a third-party pricing service and its widely recognized valuation models to obtain fair values of these financial instruments.

(4) Total return swaps are measured at fair value by the Investment Manager using market observable inputs. The fair values of these financial instruments may reflect, but are not limited to, the following inputs: market price of the underlying security, notional amount, and/or fixed and floating interest rates.

(5) Refers to the Company's investment in the SPARC Committed Forward Purchase Agreement. Refer to Note 9 for further details.

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

Some of the Company's investments in Level 1 securities represent a significant portion of the Company's portfolio. If such investments were sold or covered in their entirety, it might not be possible to dispose of them at the quoted market price. IFRS does not permit adjustments to the fair value of these investments to account for a potential sale at a discount to quoted market price.

The Directors have considered the impact of climate change on the valuation of the Company's investments. In line with IFRS the Company's investments are valued at fair value, which for substantially all of the Company's investments are, or incorporate, quoted prices for investments in active markets at June 30, 2026 and December 31, 2025 and therefore reflect market participants' view of climate change risk. Climate change risk does not have a material impact on the value of the Company's other investments.

Level 3 Transfers

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

Level 3 Reconciliation

Level 3 investments are measured at fair value using valuation methodologies determined by the Investment Manager. In applying its valuation methods, the Investment Manager utilizes information including, but not limited to the following: amount and timing of cash flows, discount rates, probability assessments, volatility of the underlying securities' stock price, comparable transaction data, dividend yields and/or interest rates. The Investment Manager engaged an independent third-party valuation firm to conduct valuations of the HHH Preferred, SPARC Committed FPA and of the SPARC Sponsor Shares and the SPARC Sponsor Warrants held by SPARC Sponsor (each as disclosed in Note 9). The independent third-party valuation firm provided the Investment Manager with written reports documenting their recommended valuations as of the determination date.

The following table summarizes the change in the carrying amounts associated with Level 3 investments for the six-month period ended June 30, 2026 and the year ended December 31, 2025.

	HHH Preferred	SPARC Sponsor	SPARC Committed FPA	Total
Balance at December 31, 2025	$ —	$ 38,876,792	$ —	$ 38,876,792
Purchase of preferred stock	1,000,000,000	—	—	1,000,000,000
Net gain/(loss)	18,329,200	(194,074)	—	18,135,126
Balance at June 30, 2026	**$ 1,018,329,200**	**$ 38,682,718**	**$ –**	**$ 1,057,011,918**

	SPARC Sponsor	SPARC Committed FPA	Total
Balance at December 31, 2024	$ 37,540,131	$ —	$ 37,540,131
Funding for Sponsor expenses	7,216	—	7,216
Net gain/(loss)	1,329,445	—	1,329,445
Balance at December 31, 2025	**$ 38,876,792**	**$ –**	**$ 38,876,792**

As a result of changes in the fair value of the SPARC Sponsor Warrants, the Company recorded a net loss of $194,074 and a net gain of $1,329,445 attributable to the SPARC Sponsor for the six-month period ended June 30, 2026 and the year ended December 31, 2025, respectively. The fair value of the SPARC Sponsor Shares and the SPARC Committed FPA remained constant.

When the Investment Manager agrees to a SPARC transaction, the SPARC Sponsor Shares and the SPARC Sponsor Warrants will be valued with reference to the market valuation of the post-combination company. During the period prior to a SPARC transaction, the Investment Manager will value the SPARC Sponsor Warrants and Shares using assumptions determined in accordance with its valuation policy and applicable accounting standards.

The Company's investment in the HHH Preferred, held through its subsidiaries, was made during the six-month period ended June 30, 2026 for $1,000,000,000 and had a fair value of $1,018,329,200 at June 30, 2026, resulting in a net gain of $18,329,200 for the period.

Quantitative Information of Significant Unobservable Inputs – Level 3

The quantitative information about the significant unobservable inputs used in the fair value measurement by the Company for Level 3 investments as of June 30, 2026 and December 31, 2025 are listed below.

SPARC Sponsor

Description	June 30, 2026	December 31, 2025
Volatility	25.0%	25.0%
Probability of Not Completing a Deal	30.0%	30.0%
Expected Time to Complete a Deal	3.6 Years	3.9 Years
Probability of Warrant Renegotiation	30.0%	30.0%
Estimated Target Equity Value	$4.5 billion	$4.5 billion

The SPARC Sponsor Warrants held through the Company’s investment in SPARC Sponsor are valued using a Black-Scholes option pricing model, with the following significant unobservable inputs: (i) Volatility, (ii) Probability of Not Completing a Deal, (iii) Expected Time to Complete a Deal, (iv) Probability of Warrant Renegotiation, and (v) Estimated Target Equity Value. The Volatility reflects the anticipated implied volatility of the potential target company from SPARC’s business combination over the SPARC Sponsor Warrants’ 10-year term based on comparable measures derived from past and existing investments. The Probability of Not Completing a Deal reflects a discount relating to SPARC’s deadline to complete its business combination prior to the expiration of its term. The Expected Time to Complete a Deal considers SPARC’s timeframe to consummate a business combination with all necessary shareholder and board approvals to be the midpoint of the remaining time until the 10-year deadline. The Probability of Warrant Renegotiation is a discount based on the probability that the SPARC Sponsor Warrants will be restructured at the time of SPARC's business combination. The discount is representative of the average restructuring of the sponsor incentive and founder stock forfeitures in completed blank check company transactions. The Estimated Target Equity Value is the SPARC’s assumption of the total equity capital of the entity following its business combination. This assumption factors in SPARC’s available capital at the time of the deal which is the estimated proceeds from the exercise of the subscription warrants and the forward purchase agreements, and applies a multiplier to SPARC’s available capital based on its observation of the median multiple between historical blank check companies’ available capital and the equity value of their eventual merger targets.

The significant unobservable input for the SPARC Sponsor Shares held through the Company’s investment in SPARC Sponsor is the Probability of Not Completing a Deal.

SPARC Committed FPA

As described in more detail in Note 9, the Company, Pershing Square, L.P. ("PSLP") and Pershing Square International, Ltd. ("PSINTL," and together with PSLP and the Company, the "Pershing Square Funds"), entered into the SPARC Committed FPA, obligating them to purchase at least $250 million and up to $1 billion of SPARC Public Shares, determined by the Final Exercise Price (as defined in Note 9). The fair value of the SPARC Committed FPA is mainly driven by SPARC's ability to execute on a business combination that is value-additive, meaning the intrinsic value exceeds the Final Exercise Price. After reviewing independent studies of value creation in business transactions, the independent third-party valuation firm determined that there was no expected incremental value creation in a SPARC transaction. Based on this determination, the Final Exercise Price and the intrinsic value of the business combination would be equal, leaving all other unobservable inputs irrelevant to the fair value. This analysis will likely remain unchanged until SPARC's subscription warrants are listed on the NYSE, which will not occur until after a business combination is announced.

HHH Preferred

Description	June 30, 2026
Discount Rate	15.9%
Weighted Average Book Value Growth[1]	14.5%

(1) The Weighted Average Book Value Growth is the probability-weighted average of the assumed book value annual growth rates across the four scenarios (upside, base, downside and severe downside), calculated as the sum product of each scenario's assumed growth rate and its respective probability weighting, as set out in the table below.

Scenario	Book Value Annual Growth	Probability
Upside	20%	25%
Base	15%	50%
Downside	10%	20%
Severe Downside	0%	5%

The HHH Preferred is valued using a scenario-based, probability-weighted discounted cash flow model. The significant unobservable inputs are: (i) the Discount Rate, (ii) the Book Value Annual Growth Rate and (iii) the Scenario Probability Weightings. Under each scenario, the model projects the cash consideration the Company would receive on repurchase of the HHH Preferred, equal to the greater of (a) the original issue price plus accretion at 4% per annum and (b) 1.5 times the US GAAP book value of InsuranceCo (as defined in Note 9), the HHH subsidiary that holds Vantage Group Holdings, Ltd. ("Vantage"), into whose common equity interests the HHH Preferred is exchangeable, multiplied by the Company's ownership percentage of InsuranceCo on an as-exchanged basis, and discounts those projected cash flows to present value. The model assumes that HHH exercises its right to repurchase the HHH Preferred ratably over the first seven fiscal years following issuance, which determines the timing of the projected cash flows. The Discount Rate is the annual rate used to present-value those projected cash flows and reflects the time value of money together with the credit risk and illiquidity of the instrument. The Assumed Book Value Annual Growth Rate is the projected annual rate of growth in the US GAAP book value of InsuranceCo, which is expected to be driven substantially by the growth of Vantage's business. The model applies a different Assumed Book Value Annual Growth Rate in each of four scenarios (Upside, Base, Downside and Severe Downside), and the Scenario Probability Weightings are the probabilities assigned to those scenarios. The fair value of the HHH Preferred is the average of the values indicated by the four scenarios, weighted by the Scenario Probability Weightings.

Sensitivity Analysis to Significant Changes in Unobservable Inputs with Level 3 Hierarchy

The sensitivity analysis calculates the effect of a reasonably possible change of each significant unobservable input and its effect on the fair value with all other variables held constant as of June 30, 2026 and December 31, 2025.

As of June 30, 2026	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
SPARC Sponsor Warrants					
Volatility	25.0%	5%	$ 4,077,686	5%	$ (4,086,438)
Probability of Not Completing a Deal	30.0%	5%	$ (2,578,414)	5%	$ 2,578,414
Expected Time to Complete a Deal	3.6 Years	1 Year	$ (1,471,728)	1 Year	$ 1,534,283
Probability of Warrant Renegotiation	30.0%	5%	$ (2,578,414)	5%	$ 2,578,414
Estimated Target Equity Value	$4.5 billion	5%	$ 1,804,891	5%	$ (1,804,891)
SPARC Sponsor Shares					
Probability of Not Completing a Deal	30.0%	5%	$ (184,637)	5%	$ 184,637
HHH Preferred					
Discount Rate	15.9%	1%	$ (34,079,200)	1%	$ 35,670,800
Weighted Average Book Value Growth	14.5%	2%	$ 58,999,212	2%	$ (56,828,217)

As of December 31, 2025	Inputs	Sensitivity Used (+)	Effect on Fair Value	Sensitivity Used (-)	Effect on Fair Value
SPARC Sponsor Warrants					
Volatility	25.0%	5%	$ 4,140,188	5%	$ (4,153,556)
Probability of Not Completing a Deal	30.0%	5%	$ (2,592,277)	5%	$ 2,592,277
Expected Time to Complete a Deal	3.9 Years	1 Year	$ (1,293,334)	1 Year	$ 1,341,128
Probability of Warrant Renegotiation	30.0%	5%	$ (2,592,277)	5%	$ 2,592,277
Estimated Target Equity Value	$4.5 billion	5%	$ 1,814,594	5%	$ (1,814,594)
SPARC Sponsor Shares					
Probability of Not Completing a Deal	30.0%	5%	$ (184,637)	5%	$ 184,637

6. SHARE CAPITAL

Authorized and Issued Capital

The Board has general and unconditional authority to issue an unlimited number of shares (or options, warrants or other rights in respect of shares). All of the Company's share classes participate pro-rata in the profits and losses of the Company based upon the NAV of the share class (before any accrued performance fees) at the time of such allocation. The NAV of each share class is the proportion of the Company's NAV attributable to such share class at the relevant valuation date, taking into account the assets and liabilities of the Company specifically attributable to such class of shares.

The Company had 174,262,536 Public Shares (December 31, 2025: 176,382,491) and the Special Voting Share (December 31, 2025: 1) issued and outstanding as of June 30, 2026. The Company also held 36,694,214 Public Shares in Treasury (December 31, 2025: 34,574,259) for a total of 210,956,750 Public Shares in issue as of June 30, 2026 and December 31, 2025.

The Company's Articles of Incorporation, in accordance with the UK Listing Rules, incorporate pre-emption rights in favor of existing shareholders on the issue or sale from treasury of new equity securities for cash (or to issue any rights to subscribe for or convert equity securities into ordinary shares of the Company). At the 2026 AGM, the Company proposed and shareholders passed a special resolution to approve the disapplication of the pre-emption rights contained in the Articles of Incorporation so that the Board has the authority to allot and issue (or sell from treasury) up to 17,503,059 Public Shares (equal to 10% of Public Shares outstanding as at the latest practicable date prior to the date of publication of the 2026 Notice of the Annual General Meeting). Such disapplication for issuances of 10% or less of outstanding equity is commonly requested by issuers listed on the LSE. The Company intends to propose the same special resolution at the 2027 AGM.

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

Voting Rights

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

Each Public Share carries one vote, such that the aggregate issued number of Public Shares carries 49.9% of the total voting power of the aggregate number of voting shares. The Special Voting Share carries 50.1% of the aggregate voting power in the Company.

Specified Matters

The UK Listing Rules permit only holders of Public Shares to vote on certain matters (the "Specified Matters"). Each of the Specified Matters is set forth in the UK Listing Rules.

Distributions

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

The Company's quarterly dividend is determined by multiplying the average NAV per Public Share of all trading days in December of the prior year by 0.25%, subject to a cap on the total dividends paid for the year of 125% of the average of the total dividends paid in each of the previous three years. Once the dividend is set for a specific year, the Company does not intend to decrease the dividend in future years, even if the NAV per Public Share were to decline. The quarterly dividend per Public Share for 2025 and 2026 is as follows:

Year	Announcement Date	Quarterly Dividend Amount
2025	January 20, 2025	$0.1646
2026	January 26, 2026	$0.1837

A proportionate quarterly dividend will be paid to the Special Voting Share, based on its net asset value on the ex-dividend date. Dividends will be paid in USD unless a shareholder elects to be paid in GBP. Shareholders may also elect to reinvest cash dividends into Public Shares through a DRIP administered by an affiliate of the Company's registrar. Further information regarding the dividend, including the anticipated payment schedule and how to make these elections, is available at www.pershingsquareholdings.com/psh-dividend-information.

Each dividend is subject to a determination that after the payment of the dividend the Company will continue to meet the solvency requirements under Guernsey law, and that, in accordance with the indentures governing the Bonds, the Company's total indebtedness will be less than one third of the Company's total capital. The Board may determine to modify or cease paying the dividend in the future.

In the six-month period ended June 30, 2026, the Company distributed dividends of $64,456,468, a higher amount than it distributed in the six-month period ended June 30, 2025 of $59,536,001 due to an increase in the quarterly dividend in 2026.

Winding-Up

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

Capital Management

The Company's general objectives for managing capital are:

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

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

At the 2026 AGM, shareholders renewed the Company's authority to engage in share buybacks up to a maximum of 14.99% of the Public Shares then outstanding.

The Company announced share buyback programs in November and December of 2024 on the LSE and Euronext Amsterdam (the "2024 Share Buyback Programs"), each of $100 million or for up to 5 million of the Company's outstanding Public Shares. The Company completed the 2024 Share Buyback Programs on April 4, 2025, repurchasing a total of 3,967,758 shares for $200 million at an average discount of 30.4%.

The Company announced a share buyback program of $200 million or for up to 10 million Public Shares in June 2025 and a further share buyback program of $100 million or for up to 5 million Public Shares in November 2025 (together, the "2025 Share Buyback Programs"), each on the LSE. The Company completed the 2025 Share Buyback Programs on March 24, 2026, repurchasing a total of 5,004,020 Public Shares for $300 million at an average discount of 27.7%.

The Company announced a share buyback program in May 2026 on the LSE (the "2026 Share Buyback Program") of $100 million or for up to 5 million Public Shares. As of June 30, 2026, 768,054 Public Shares had been repurchased for $40.4 million at an average discount of 31.7%, representing 40.4% of the 2026 Share Buyback Program.

From the Company's first buyback program in May 2017 through June 30, 2026, including the Company's May 2018 tender offer, the Company has repurchased a total of 75,692,585 Public Shares for $1.9 billion at an average discount of 29.2%.

Jefferies International Limited is the Company's buyback agent for its share buyback programs. Beginning on October 24, 2019, all Public Shares repurchased in the share buyback programs are held in Treasury.

The Public Shares, Special Voting Share and Treasury Shares transactions for the six-month period ended June 30, 2026 and year ended December 31, 2025 were as follows:

	Public Shares	Special Voting Share	Treasury Shares
As of December 31, 2024	**182,956,010**	**1**	**28,000,740**
Share Buybacks	(6,573,519)	—	6,573,519
As of December 31, 2025	**176,382,491**	**1**	**34,574,259**
Share Buybacks	(2,119,955)	—	2,119,955
As of June 30, 2026	**174,262,536**	**1**	**36,694,214**

7. COMMITMENTS AND CONTINGENCIES

As of June 30, 2026 and December 31, 2025, the Company had a commitment relating to the SPARC Committed FPA as described on page 48 of Note 9.

As of December 31, 2025, the Company had a commitment under a December 17, 2025 equity commitment letter to subscribe for up to $1.0 billion of HHH Preferred, which was satisfied on June 4, 2026 in connection with the completion of HHH's acquisition by its subsidiary Howard Hughes Insurance Holdings, LLC of Vantage, and accordingly does not represent a commitment of the Company as of June 30, 2026.

No other commitments or contingencies existed as of June 30, 2026 and December 31, 2025.

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

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

Management Fee

The Investment Manager receives a quarterly management fee payable in advance each quarter in an amount equal to 0.375% (1.5% per annum) of the net assets (before any accrued performance fee) attributable to fee-paying shares, measured as of the last day of the immediately preceding quarter. The fee-paying shares of the Company are the Public Shares and the Special Voting Share. Prior to the IPO of PS Inc., management fees paid by Public Shares held by PSCM employees, partners and certain of their affiliated entities were refunded to such shareholders by the Investment Manager. Following the IPO of PS Inc., management fees are no longer refunded to such shareholders.

In connection with the purchase of 9 million shares of HHH common stock by the Investment Manager's then parent company, Pershing Square Holdco, L.P. (together with the Investment Manager, "Pershing Square") on May 5, 2025, HHH entered into a Services Agreement with the Investment Manager (as described in Note 9). Under the Services Agreement, HHH pays the Investment Manager a quarterly fee for investment advisory and other services. Pursuant to an amendment to the Company's IMA dated August 5, 2025, the management fees payable by the Company to the Investment Manager are reduced by an amount equal to the fees payable to the Investment Manager by HHH that are attributable to the HHH common stock held by the Company (if any) (such amount, the "HHH Reduction Amount"). For the six-month period ended June 30, 2026, the Investment Manager reduced the Company's management fees by $3,029,569 (June 30, 2025: $653,314).

For the six-month periods ended June 30, 2026 and June 30, 2025, the Investment Manager earned management fees from the Company of $99,927,410 and $95,092,821, respectively.

Performance Fee

On February 7, 2024, the Board approved amendments to the IMA's performance fee provisions. Prior to the amendment, the Company was entitled to receive a fee reduction of 20% of the performance fees earned by the Investment Manager from non-PSH funds that invest in public securities. However, PSH would not benefit from the potential fee reduction until the Investment Manager had first recovered $120 million of costs it incurred in connection with PSH's initial public offering in 2014. The amendment eliminated the Investment Manager's right to receive the outstanding unrecovered IPO costs (which had been reduced to $36 million as of the date of the amendment), and expanded the fee reduction to also include 20% of management fees earned from any non-PSH funds that invest in public securities and do not charge performance fees.

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

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

The "Potential Reduction Amount" is equal to (i) 20% of the aggregate performance fees and allocation earned by the Investment Manager and its affiliates in respect of the same calculation period on the gains of current and certain future funds managed by the Investment Manager or any of its affiliates (collectively, the "Other Funds") plus (ii) solely with respect to such Other Funds that as part of their terms (and not due to performance) do not have performance fees or performance allocation, 20% of the dollar value of the management fees that the Investment Manager and its affiliates have earned on the assets of such Other Funds in respect of that period plus (iii) if the Potential Reduction Amount for the previous calculation period exceeded the 16% performance fee, the excess amount (which is in effect carried forward).

For the six-month period ended June 30, 2026, the Investment Manager did not earn or accrue any performance fees from the Company. As a result of management fees and performance fees and allocations earned and accrued on current non-PSH funds, the Company has a Potential Reduction Amount of $3,307,457 at June 30, 2026 available to offset performance fees earned during the year, and may carry the amount forward to future calculation periods if not used.

For the six-month period ended June 30, 2025, the Investment Manager earned performance fees of $552,270 in connection with the payment of the quarterly dividend and accrued an annual performance fee of $368,581,856 from the Company. The Company's crystallized performance fees were reduced by a Potential Reduction Amount of $11,009 and accrued performance fees were reduced by a Potential Reduction Amount of $6,367,129 as a result of performance fees and allocations earned and accrued on non-PSH funds.

Prior to the IPO of PS Inc., performance fees paid by Public Shares held by PSCM employees, partners and certain of their affiliated entities were refunded to such shareholders by the Investment Manager. Following the IPO of PS Inc., performance fees are no longer refunded to such shareholders.

Termination

The IMA automatically renews annually, except that it may be terminated (a) as of December 31st of any year upon four months' prior written notice by either party, subject, in the case of termination by the Company, to approval by a 66 2/3% vote (by voting power) of the holders of the then outstanding voting shares of the Company, together with a 66 2/3% vote (by voting power) of the holders of the then outstanding Public Shares; and (b) in case of dissolution or liquidation of either party or if a receiver or provisional liquidator or administrator or similar officer is appointed over any of the assets of such party or if either party commits a material breach of its obligations under the IMA and such breach remains uncured for more than 30 calendar days after the notice thereof delivered to the party in breach by the other party in accordance with the IMA.

The termination of the IMA at any time will be a crystallization event, which will result in the Variable Performance Fee described above being payable.

9. RELATED-PARTY DISCLOSURES

PSH Ownership

As of June 30, 2026 and December 31, 2025, William Ackman, Halit Coussin, other PSCM affiliates and their respective affiliated entities had total net economic share ownership of approximately 28% of the Company.

Directors' Fees

For the six-month period ended June 30, 2026, the Company's independent Directors' fees in relation to their services for the Company were $315,186 of which $3,543 were payable as of June 30, 2026. For the six-month period ended June 30, 2025, the Company's independent Directors' fees in relation to their services for the Company were $296,399 of which none were payable as of June 30, 2025.

Management and Performance Fees

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

Howard Hughes Holdings Inc.

Pershing Square & HHH Transaction

On May 5, 2025, Pershing Square announced an agreement with HHH to acquire 9 million newly issued shares of HHH common stock for $900 million. Following the transaction, Pershing Square and its affiliates collectively owned 46.9% of HHH's outstanding shares, including a 27.8% stake held by the Company. Pershing Square agreed to generally cap its voting power at 40% of the outstanding shares of HHH common stock and its beneficial or economic ownership at 47% on a fully diluted basis.

As part of the terms of the transaction, HHH reimbursed Pershing Square for $25 million of its out-of-pocket costs, fees, and expenses incurred in connection with the negotiation and execution of the transaction.

William Ackman was appointed the executive chairman of HHH's board of directors. Ryan Israel, Pershing Square's Chief Investment Officer, was named HHH's Chief Investment Officer, a newly created role, and also joined the HHH board. Jean-Baptiste Wautier was appointed to the HHH board as a new independent director. Ben Hakim, Pershing Square's President, continued in his role as a non-executive director. As of May 7, 2026, Marc Grandisson, former CEO of Arch Capital Group Ltd., who agreed to serve as a strategic adviser to the Investment Manager effective March 2027, joined the HHH board, replacing Mr. Hakim.

Pershing Square has the right to nominate for election a number of directors equal to 25% of the total number of HHH board members (after giving effect to such election, rounded up) as long as it holds at least 17.5% of the fully diluted shares of HHH common stock; if Pershing Square holds less than 17.5% but at least 10% of the outstanding shares on a fully diluted basis, it has the right to nominate for election at least 10% of the total number of HHH board members (after giving effect to such election, rounded up); and if Pershing Square holds less than 10% of the fully diluted HHH shares, it will no longer have the right to nominate directors.

HHH entered into a Services Agreement with the Investment Manager in connection with the transaction pursuant to which the Investment Manager provides investment, advisory, and other ancillary services including corporate development, transaction execution and capital markets services. The Investment Manager also assists HHH in identifying and hedging macro-related risks. HHH pays the Investment Manager a quarterly base fee of $3,786,000 (adjusted annually for inflation), plus 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 reference price of $67.6695, multiplied by a reference share count of 59,393,938 shares (based on the shares outstanding post-transaction). The reference price is adjusted annually for inflation and may also be adjusted for stock splits, reclassifications or similar capital changes. The reference share count is only subject to adjustment in the event of stock splits, reclassifications or similar capital changes and will not be adjusted for future HHH share issuances for raising capital, acquisitions or employee compensation. HHH will not provide any additional fees, cash compensation, or equity incentives to Pershing Square or its personnel.

Pursuant to an amendment to the Company's IMA dated August 5, 2025, the management fees payable by the Company to the Investment Manager are reduced by the HHH Reduction Amount as described in Note 8.

Series A Preferred Stock

On June 4, 2026, the Company subscribed for $1.0 billion of Series A Non-Voting Exchangeable Perpetual Preferred Stock issued by HHH (the HHH Preferred, as defined in Note 2). The subscription was made in connection with, and was used to partially finance, the completion on the same date of the acquisition by HHH's wholly owned subsidiary, Howard Hughes Insurance Holdings, LLC ("InsuranceCo"), of Vantage, a specialty insurance and reinsurance company, for aggregate cash consideration of approximately $2.1 billion.

The Company holds the HHH Preferred through the 14 wholly owned subsidiaries as described in Note 2. The Company does not expect each of these subsidiaries to generate or distribute cash to the Company during the period the HHH Preferred held by each subsidiary is outstanding, and the Company has no further commitment or intention to provide financial or other support to these subsidiaries.

The HHH Preferred ranks pari passu with HHH common stock, including with respect to payment rights and liquidation. Except as required by law and subject to certain protective provisions, the Company, as the holder of the HHH Preferred, has no voting rights. Within 60 days following the end of the seventh fiscal year following the date of issuance (beginning with the fiscal year ending December 31, 2026, and subject to the Call Option described below), and the end of each subsequent fiscal year, the Company may exchange the HHH Preferred, for no additional consideration, into common equity interests of InsuranceCo, subject to a cap of 49% of such outstanding common equity interests.

During the 60-to-90-day window following the end of each of the first seven fiscal years following issuance (beginning with the fiscal year ending December 31, 2026), HHH has the right, but not the obligation, to repurchase the HHH Preferred in one or more full tranches (the “Call Option”). The repurchase price per share is the greater of (i) the original issue price plus interest, compounded daily, at a rate of 4% per annum and (ii) 1.5 times the book value of InsuranceCo (excluding non-controlling interests and goodwill and purchase-related intangibles attributable to the acquisition) multiplied by the corresponding ownership percentage of InsuranceCo represented by such shares on an as-exchanged basis.

HHH is also required to offer to repurchase all outstanding HHH Preferred upon certain events, including a change of control or reorganization of HHH or InsuranceCo or a sale of all or substantially all of their assets (in each case excluding transactions with the Company or its affiliates), and certain uncured material breaches. If shares are not repurchased when required, they bear a dividend at 10% per annum of the original issue price until repurchased in full. The Company also has a right of first refusal over proposed secondary sales of InsuranceCo equity securities, subject to the ownership cap.

In connection with the closing, the Company and its applicable wholly owned subsidiaries entered into a Voting Proxy Agreement appointing PS Inc. as proxy to vote the HHH Preferred; the proxy terminates automatically upon a disposition of the related shares and is otherwise terminable on the terms set out in that agreement.

The subscription for the HHH Preferred constitutes a related-party transaction and was approved as such by the Board in accordance with the UK Listing Rules, as previously announced on December 18, 2025, with Mr. Wautier and Ms. Coussin recusing themselves from the Board's consideration and approval of the transaction given their respective positions as a director of HHH and as an officer of the Investment Manager. The Company’s commitment to subscribe arose under an equity commitment letter dated December 17, 2025. The Investment Manager provides investment, advisory and other services to HHH and, following the closing, to Vantage and its insurance subsidiaries, under existing services and investment management arrangements for no incremental fee; the management-fee reduction arrangements described in Note 8 continue to apply to the HHH common stock held by the Company.

The HHH Preferred is carried at fair value through profit or loss and is classified within Level 3 of the fair value hierarchy. See Note 5 for the fair value as of June 30, 2026 and the related valuation methodology and unobservable inputs.

Beneficial Ownership of Portfolio Companies

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

As of June 30, 2026 and December 31, 2025, the Company and its affiliates beneficially owned greater than 10% of the outstanding common equity securities of HHH, Seaport Entertainment Group Inc. ("SEG") and SPARC.

Ben Hakim was elected as a non-executive director of HHH and William Ackman retired as the chairman of the HHH board of directors at the HHH annual general meeting on May 23, 2024. In connection with Pershing Square's purchase of HHH shares as described in "Howard Hughes Holdings Inc." in this Note, on May 5, 2025, William Ackman rejoined the HHH board as the executive chairman, and Ryan Israel became HHH's Chief Investment Officer and joined the HHH board. Mr. Wautier was also appointed to the HHH board as a new independent director at that time. As of May 7, 2026, Marc Grandisson, former CEO of Arch Capital Group Ltd., who agreed to serve as a strategic adviser to the Investment Manager effective March 2027, joined the HHH board, replacing Mr. Hakim.

Anthony Massaro, a member of the PSCM investment team, serves on the board of SEG as a non-executive director.

William Ackman served as a non-executive director of Universal Music Group N.V. ("UMG") until his resignation at UMG's annual general meeting on May 14, 2025.

Associates

As of June 30, 2026 and December 31, 2025, HHH and SEG were deemed to be associates of the Company under IFRS 12 due to the significant beneficial ownership of HHH and SEG by the Company.

As of June 30, 2026	HHH	SEG
Nature of the relationship with the Company	Portfolio Company	Portfolio Company
Principal place of business	United States	United States
Beneficial ownership	27.7%	34.4%
Fair value of the investment	$ 1,180,930,299	$ 117,093,493

As of December 31, 2025	HHH	SEG
Nature of the relationship with the Company	Portfolio Company	Portfolio Company
Principal place of business	United States	United States
Beneficial ownership	27.8%	34.6%
Fair value of the investment	$ 1,317,706,112	$ 87,027,757

Pershing Square SPARC Holdings, Ltd.

SPARC is a Delaware corporation formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. SPARC's Form S-1 was declared effective by the SEC on September 29, 2023.

SPARC distributed, at no cost, subscription warrants (“SPARs”) to purchase SPARC Public Shares (defined below) at a future date to holders of Pershing Square Tontine Holdings, Ltd. (“PSTH”) Class A Common Stock (ticker: PSTH) or PSTH warrants (ticker: PSTH.WS) as of the close of business on July 25, 2022 (the last date on which such instruments could have been redeemed or cancelled): one SPAR for every four shares of PSTH common stock and one SPAR for every two PSTH warrants. After SPARC has entered into a definitive agreement for its business combination and distributed to SPAR holders a prospectus, included in an effective registration statement that describes the proposed business combination, SPAR holders may elect to exercise their SPARs. SPARC intends that, at the time during which a holder may elect to exercise, the SPARs will be listed on the NYSE. 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, dated September 29, 2023, is available on the SEC’s website (www.sec.gov).

Pershing Square SPARC Sponsor, LLC

SPARC Sponsor, a Delaware limited liability company, is the sponsor entity of SPARC. The Pershing Square Funds and PS Redemption, L.P. (“PS Redco” and collectively with the Pershing Square Funds, the “Sponsor Members”) wholly own SPARC Sponsor as non-managing members and are its only source of funding. PS Redco became a non-managing member of SPARC Sponsor in April 2026. The business and affairs of SPARC Sponsor are managed exclusively by its non-member manager, PSCM.

From November 9, 2021 through April 18, 2023, the Pershing Square Funds made capital contributions of $4,225,330 to SPARC Sponsor to fund its acquisition of 422,533 shares of SPARC common stock (“SPARC Sponsor Shares”) to pay various organizational and legal costs of SPARC, of which the Company paid $3,692,730.

For the six-month period ended June 30, 2026, the Sponsor Members did not make capital contributions to SPARC Sponsor. For the six-month period ended June 30, 2025, the Pershing Square Funds made capital contributions of $7,370 to SPARC Sponsor to pay for its expenses, of which the Company paid $6,477.

The SPARC Sponsor Shares, following the consummation of SPARC’s business combination, will become SPARC Public Shares. If necessary, SPARC will carry out a reverse stock split of the SPARC Sponsor Shares at a ratio such that the effective purchase price per SPARC Sponsor Share equals the exercise price at which SPAR holders will purchase SPARC Public Shares (the “Final Exercise Price”).

On July 28, 2023, the Pershing Square Funds made capital contributions of $35,892,480 to SPARC Sponsor to fund its acquisition of warrants from SPARC (the “SPARC Sponsor Warrants”) in a private placement, of which the Company paid $31,555,612.

Pursuant to the Sponsor Warrant Agreement filed as an exhibit to the registration statement on Form S-1 (the “SPARC Registration Statement”), of which the SPARC Prospectus forms a part, the SPARC Sponsor Warrants will be exercisable, in the aggregate, for up to 4.95% of the SPARC Public Shares that are outstanding as of the time immediately following the consummation of the business combination, on a fully diluted basis, and at an exercise price equal to 120% of the Final Exercise Price. The SPARC Sponsor Warrants will have a term of 10 years from SPARC’s business combination and will generally not be salable, transferable or exercisable until the three-year anniversary of the SPARC's business combination.

As of June 30, 2026 and December 31, 2025, the Company had an economic ownership of 88% of SPARC Sponsor. Refer to Note 5 for the fair market value associated with SPARC Sponsor as of June 30, 2026 and December 31, 2025.

SPARC Forward Purchase Agreement

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

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

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

The Pershing Square Funds' obligation under the SPARC Committed FPA is contingent upon SPARC's ability to consummate a business combination within its 10-year term, which expires on September 30, 2033.

Refer to Note 5 for the fair market value associated with the Company's investment in the SPARC Committed FPA as of June 30, 2026 and December 31, 2025.

Rebalancing Transactions

The Investment Manager may seek to effect rebalancing transactions from time to time pursuant to policies that are intended to result in the Company and the other Pershing Square Funds managed by the Investment Manager generally holding investment positions on a proportionate basis relating to their respective adjusted net asset values, which are equal to each of the entities' net asset values plus any accrued (but not crystallized) performance fees and the amount of any outstanding long-term debt, including the current portion thereof (which in the case of the Company, includes the gross proceeds from the Bonds as further discussed in Note 11). Rebalancing transactions involve either the Company purchasing or selling securities or other financial instruments held by/to one or more Pershing Square Funds.

Rebalancing transactions are subject to a number of considerations including, but not limited to, cash balances and liquidity needs, tax, regulatory, risk and other considerations, which may preclude these transactions from occurring or limit their scope at the time of the transactions. The Investment Manager effects rebalancing transactions based on independent market prices, and consistent with the valuation procedures established by the Investment Manager. Neither the Investment Manager nor any of the Pershing Square Funds receive any compensation in connection with rebalancing transactions. In addition, rebalancing transactions are generally effected without brokerage commissions being charged. To the extent that rebalancing transactions may be viewed as principal transactions due to the ownership interests in the Pershing Square Funds by the Investment Manager and its personnel, the Investment Manager will either not effect such transactions or comply with the requirements of Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"), including that the Investment Manager will notify the relevant entity (or an independent representative of that entity) in writing of the transaction and obtain the consent of that entity (or an independent representative of that entity), and any other applicable law or regulation.

There were no rebalancing transactions for the six-month periods ended June 30, 2026 and June 30, 2025.

10. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the profit/(loss) for the period attributable to the Public Shares and the Special Voting Share over the weighted average number of Public Shares and the Special Voting Share outstanding, respectively. In accordance with IFRS, the weighted average shares outstanding for the Public Shares and the Special Voting Share were 175,308,070 and 1, respectively for the six-month period ended June 30, 2026, and 180,876,432 and 1, respectively for the six-month period ended June 30, 2025. Accretion from share buybacks is not included in the calculation of EPS. The Company's share buybacks provided accretion to the Public Shares of $0.25 and $0.37 per share during the six-month periods ended June 30, 2026 and June 30, 2025, respectively.

11. BONDS

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

Bond	Date of Issuance	Bond Face	Price of Bonds at Issuance (of Par)	Fixed Rate Coupon (per annum)	Coupon Payment	Maturity Date
2027 €500m Bonds	October 1, 2021	€ 500,000,000	99.869%	1.375%	Annual	October 1, 2027
2030 €650m Bonds	April 29, 2025	€ 650,000,000	99.890%	4.250%	Annual	April 29, 2030
2030 $500m Bonds	November 2, 2020	$ 500,000,000	100%	3.250%	Semi-Annual	November 15, 2030
2031 $700m Bonds	October 1, 2021	$ 700,000,000	99.670%	3.250%	Semi-Annual	October 1, 2031
2032 $200m Bonds	August 26, 2020	$ 200,000,000	100%	3.000%	Semi-Annual	July 15, 2032
2032 $500m Bonds	October 28, 2025	$ 500,000,000	99.805%	5.500%	Semi-Annual	October 28, 2032
2039 $400m Bonds	July 25, 2019	$ 400,000,000	100%	4.950%	Semi-Annual	July 15, 2039

The Company generally uses the net proceeds of the offerings for general corporate purposes, including to make investments or hold assets in accordance with the Company's Investment Policy.

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

Bond	Par Call Date
2027 €500m Bonds	August 1, 2027
2030 €650m Bonds	March 29, 2030
2030 $500m Bonds	August 15, 2030
2031 $700m Bonds	July 1, 2031
2032 $200m Bonds	July 15, 2030
2032 $500m Bonds	August 28, 2032
2039 $400m Bonds	July 15, 2034

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

The fair value of the Bonds as of June 30, 2026 and December 31, 2025 is summarized in the table below:

As of		June 30, 2026		December 31, 2025
2027 €500m Bonds	$	558,514,306	$	572,739,596
2030 €650m Bonds		753,124,795		775,254,173
2030 $500m Bonds		460,535,000		464,310,000
2031 $700m Bonds		627,368,000		633,514,000
2032 $200m Bonds		171,372,000		171,496,000
2032 $500m Bonds		495,200,000		500,655,000
2039 $400m Bonds		363,292,000		361,244,000
Total Fair Value	$	**3,429,406,101**	$	**3,479,212,769**

In accordance with IFRS 9, the Bonds' carrying value on the statement of financial position as of June 30, 2026 (unaudited condensed interim statement) and December 31, 2025, is $3,621,505,775 and $3,669,110,397, respectively. The carrying value includes the original issue discount and capitalized transaction costs, which are amortized over the life of the Bonds using the effective interest method.

For the six-month period ended June 30, 2026		
At December 31, 2025	$	**3,669,110,397**
Unrealized currency (gain)/loss on translation		(37,519,198)
Finance costs		68,413,344
Bonds coupon payments		(78,498,768)
At June 30, 2026	$	**3,621,505,775**
Finance costs for the period:		
Bonds coupon expense	$	65,495,218
Amortization of Bonds issue costs incurred as finance costs		2,590,263
Amortization of Bonds original issue discount incurred as finance costs		327,863
	$	**68,413,344**

For the year ended December 31, 2025

At December 31, 2024	**$**	**2,320,801,301**
2030 €650m Bonds principal		739,797,500
2030 €650m Bonds issue costs		(8,408,171)
2030 €650m Bonds original issue discount		(813,777)
2032 $500m Bonds principal		500,000,000
2032 $500m Bonds issue costs		(5,662,624)
2032 $500m Bonds original issue discount		(975,000)
Unrealized currency (gain)/loss on translation		93,973,889
Finance costs		103,268,815
Bonds coupon payments		(72,871,536)
At December 31, 2025	**$**	**3,669,110,397**

Finance costs for the year:		
Bonds coupon expense	$	98,809,410
Amortization of Bonds issue costs incurred as finance costs		3,969,451
Amortization of Bonds original issue discount incurred as finance costs		489,954
	$	**103,268,815**

12. DEFERRED TAX EXPENSE

As a foreign corporation holding a beneficial ownership in a U.S. real property interest, the Company will be subject to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") income tax withholding upon disposition of such investment. Foreign corporations purchasing U.S. real property interests are required to pay the U.S. corporate tax rate (currently 21%) on the gains realized upon disposition. The Company's investments in HHH and SEG are classified as U.S. real property interests. To accrue for this potential withholding, the Company assesses an expense equal to 21% of the unrealized gains on the stock of HHH and SEG.

As the stock price of HHH declined for the six-month period ended June 30, 2026, deferred tax expense had a positive impact on the unaudited condensed interim statement of comprehensive income in the amount of $24,621,948. As the stock prices of HHH and SEG declined for the six-month period ended June 30, 2025, deferred tax expense had a positive impact on the unaudited condensed interim statement of comprehensive income in the amount of $29,785,628.

The deferred tax expense payable on the statement of financial position as of June 30, 2026 (unaudited condensed interim statement) and December 31, 2025, was $50,155,747 and $74,777,696, respectively.

13. EVENTS AFTER THE REPORTING PERIOD

The Investment Manager has evaluated the need for disclosures and/or adjustments resulting from subsequent events during the period between the end of the reporting period and the date of authorization of the unaudited condensed interim financial statements. This evaluation together with the Directors' review thereof did not result in any additional subsequent events that necessitated disclosures and/or adjustments, except as follows.

Non-Adjusting Subsequent Events

Ranjani Kearsley was appointed as a non-executive Director on July 20, 2026.

Adjusting Subsequent Events

The Company did not have any subsequent events after the reporting period requiring adjustments to the unaudited condensed interim financial statements.

Disclosures

ENDNOTES TO CHAIRMAN'S STATEMENT

i. The Company's NAV appreciation is calculated with respect to the Public Shares only. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and assume an investor has participated in any "new issues" as such term is defined under Rules 5130 and 5131 of FINRA. Net returns also reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and performance fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance due to these share buybacks is reflected in the returns herein. Performance is based on the dollar return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Past performance is not a guarantee of future results.

ii. The Company's share price performance is calculated based on the Company's Public Shares listed on the LSE in USD and includes dividend reinvestment. Over the same period, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling decreased by 22.5%.

iii. The S&P 500 Total Return Index ("index") has been selected for purposes of comparing the performance of an investment in the Company or PSLP, as applicable, with a well-known, broad-based equity benchmark. The statistical data regarding the index has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The index is not subject to any of the fees or expenses to which the Pershing Square funds are subject. The Pershing Square funds are not restricted to investing in those securities which comprise this index, their performance may or may not correlate to this index and they should not be considered a proxy for this index. The volatility of an index may materially differ from the volatility of the Pershing Square funds' portfolios. The S&P 500 is comprised of a representative sample of 500 U.S. large cap companies. The index is an unmanaged, float-weighted index with each stock's weight in the index in proportion to its float, as determined by Standard & Poor's. The S&P 500 index is proprietary to and is calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, are registered trademarks of Standard & Poor's Financial Services LLC. © 2026 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.

iv. See Endnote iii. Over the same periods, the share price performance, including dividend reinvestment, of Public Shares listed on the LSE in Sterling decreased by 22.5% and 18.7%.

v. Discount to NAV is calculated based on the Company's Public Shares listed on the LSE in USD. Over the same period, the discount to NAV of Public Shares listed on the LSE in Sterling widened from 23.4% to 33.3% and has since widened further to 34.9%.

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

1. Performance results are presented on a net-of-fees basis. Net returns include the reinvestment of all dividends, interest, and capital gains from underlying portfolio companies and reflect the deduction of, among other things, management fees, brokerage commissions, administrative expenses and accrued and/or crystallized performance allocation/fees (if any). The Company has periodically engaged in share repurchases whereby its buyback agent has repurchased Public Shares subject to certain limitations. Any positive impact on the Company's performance due to these share buybacks is reflected in the returns herein. The Company's performance is based on the dollar

return for the specific period, including any and all dividends paid by the Company, calculated from the beginning of such period to the end of such period. Where the Company's performance is presented with that of PSLP, performance results assume that an investor (i) has been invested in PSLP since inception and has participated in any "new issues," as such term is defined under Rules 5130 and 5131 of FINRA and (ii) invested in PSLP at its inception on January 1, 2004 and converted to PSH at its inception on December 31, 2012. Such performance information does not reflect either the performance of PSLP since its inception or PSH since its inception and neither fund has actually achieved these results. The information is presented to illustrate how Pershing Square's core strategy has performed over a longer time horizon prior to the inception of the Company and is not necessarily, and does not purport to be, indicative, or a guarantee, of future results. This performance provided is calculated based on certain inputs and underlying assumptions, but not all considerations may be reflected therein and such performance is subject to various risks and inherent limitations that are not applicable to the presentation of the performance of either PSH or PSLP alone. Although Pershing Square believes the performance calculations described herein are based on reasonable assumptions, the use of different assumptions would produce different results. For example, depending on the timing of an individual investor's specific investment in the Company and/or PSLP, net performance for an individual investor may vary from the net performance as stated herein. This performance is also provided to you on the understanding that you will understand and accept the inherent limitations of such results, and will not rely on them in making any investment decision with respect to an investment with Pershing Square.

2. PSLP's net performance results are presented as it is the Pershing Square fund with the longest track record and substantially the same investment strategy as the Company. The inception date for PSLP is January 1, 2004. In 2004, Pershing Square earned a $1.5 million (approximately 3.9%) annual management fee and PSLP's general partner earned a performance allocation equal to 20% above a 6% hurdle from PSLP, in accordance with the terms of the limited partnership agreement of PSLP then in effect. That limited partnership agreement was later amended to provide for a 1.5% annual management fee and 20% performance allocation effective January 1, 2005. The net returns for PSLP presented herein reflect the different fee arrangements in 2004, and subsequently. In addition, pursuant to a separate agreement, in 2004 the sole unaffiliated limited partner of PSLP paid Pershing Square an additional $840,000 for overhead expenses in connection with services provided unrelated to PSLP, which have not been taken into account in determining PSLP's net returns. To the extent that such overhead expenses had been included as fund expenses of PSLP, net returns would have been lower.
3. Please refer to Endnote iii of the Chairman's Statement.
4. The performance data presented on page 2 under "Cumulative (Since Inception)" and "Cumulative (Since PSH Inception)" is calculated from January 1, 2004 and December 31, 2012, respectively.
5. The Investment Manager's Report contains Pershing Square's own views and opinions, based on publicly available information, to illustrate Pershing Square's thinking on the matters therein. An investment in the Company will entail substantial risks, and a prospective investor should carefully consider the risks described in "Principal Risks and Uncertainties" and the disclosures contained in Pershing Square's Form ADV Part 2A and the Company's Prospectus.
6. Please refer to Endnotes i and iii of the Chairman's Statement.
7. Returns are as of August 11, 2026. Please refer to Endnote 1 and Endnote iii of the Chairman's Statement.
8. Stock price performance is as of August 11, 2026. Stock price performance reflects the Company's NAV performance prior to its IPO and the NAV performance of PSLP prior to the inception of the Company. The

Company's share return includes dividend reinvestment and is calculated based on PSH's Public Shares traded on Euronext Amsterdam until December 31, 2024 and Public Shares traded on the LSE in USD thereafter. Please refer to Endnote 1.

9. Discount to NAV is calculated based on the Company's Public Shares listed on the LSE in USD and is as of August 11, 2026. The discount to NAV of Public Shares listed on the LSE in Sterling was 34.9%.

10. The Portfolio Update reflects Pershing Square's own views and opinions as a shareholder of the portfolio companies discussed therein and should not be taken to reflect the view or opinions of the management or the board of directors of any portfolio company or that of any individual director. Pershing Square recognizes that there may be confidential or otherwise non-public information in the possession of the companies discussed in this report and others that could lead these companies to disagree with Pershing Square's conclusions. The analyses provided include certain statements, assumptions, estimates and projections prepared with respect to, among other things, the historical and anticipated operating performance of the companies. Such statements, assumptions, estimates, and projections reflect various assumptions by Pershing Square concerning anticipated results that are inherently subject to significant economic, competitive, legal, regulatory, and other uncertainties and contingencies and have been included solely for illustrative purposes. No representations, express or implied, are made as to the accuracy or completeness of such statements, assumptions, estimates or projections or with respect to any other materials herein. Furthermore, the estimates of portfolio companies' EPS multiples and estimates of longer-term EPS growth of these companies is not, and should not be considered to be, a forecast, prediction or expectation of future outcomes with respect to the applicable portfolio companies. Pershing Square understands that actual results of a given portfolio company, which are each subject to a number of risks and uncertainties and many of which are difficult to predict and generally beyond our control, may likely differ materially from the estimates presented in the table.

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

12. Current Equity Positions do not include positions under 3% of the Company's NAV (before accrued performance fees) unless there is a material update to the business of the portfolio company to report.

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

DISCLAIMERS

Limitations of Performance Data

Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. This report does not constitute a recommendation, an offer to sell or a solicitation of an offer to purchase any security or investment product. This report contains information and analyses relating to all publicly disclosed positions above 3% of the Company's portfolio from January 1, 2026 to August 11, 2026. Pershing Square may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this report for any reason. Pershing Square hereby disclaims any duty to provide any updates or changes to the information contained in this report, including, without limitation, the manner or type of any Pershing Square investment.

Forward-Looking Statements

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

Pershing Square Holdings, Ltd.
pershingsquareholdings.com