

### Third Point Offshore Investors Limited (the "Company")

(a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered number 47161. LEI: 549300WXTCG65AQ7V644 (Classified Regulated Information, under DTR 6 Annex 1 section 1.2))

**30 August 2018**

#### **HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018**

Third Point Offshore Investors Limited ("TPOIL" or the "Company"), the closed-end, London listed opportunistic, value-oriented hedge fund managed by Daniel S. Loeb's Third Point LLC (the "Investment Manager") announces its half year results for the six months ended 30 June 2018.

#### **Financial Highlights** (as at 30 June 2018, unless otherwise stated)

Ticker	Tranche	NAV HY18	NAV FY17	NAV Total Return*
TPOU	USD Class \$	\$19.58	\$20.25	0.7%
TPOG	GBP Class £	£18.42	£19.21	(0.1%)

\*The calculation includes dividends paid during the period ended 30 June 2018.

- The Company's Net Asset Value ("NAV") increased 0.7% for the U.S. Dollar share class and decreased by -0.1% for the Sterling share class.
- The drift between the U.S. Dollar share class and the Sterling share class performance is largely attributable to the cost of foreign exchange hedging for the Sterling share class.
- On 5 January 2018, an annual distribution was declared equivalent to 4% of the NAV of the Company in respect of the year ended 31 December 2017, amounting to \$0.81 per USD share and £0.77 per GBP share (31 December 2016: \$0.71 per USD share and £0.67 per GBP share) and paid on 16 February 2018.

#### **Portfolio Performance of the Master Fund**

- During the first six months of 2018 the Investment Manager maintained a well-balanced equity-oriented portfolio with a global mix of event-driven situations, value compounding situations, and activist opportunities.
- Positive performance during the first half of 2018 was generated by both equity and credit investments. In equities, gains in core positions in Healthcare and TMT were partially offset by losses in Consumer and the hedge portfolio.

#### **Outlook**

- The Investment Manager remains constructive on market performance and the current portfolio through year end primarily due to several positive characteristics in the broader global economic environment. Among others, these include growth in the US remaining stable or increasing modestly due to government fiscal stimulus and continued evidence of stable inflation in the near-term.
- During the second half of the year, the Investment Manager plans to remain actively engaged with many core equity investments and anticipates positive portfolio developments in the coming months.
- The Investment Manager remains focused on bottom-up, fundamental investing and will continue to monitor global market dynamics including political events and shifts in economic policy, data, and forecasts.
- The Investment Manager believes the risk of a recession in the near-term is low and several positive tailwinds including fiscal stimulus in the United States should result in equity markets continuing to appreciate, albeit at a slower pace when compared to 2017.

**Marc Antoine Autheman, Chairman of Third Point Offshore Investors Limited, commented:** “I am pleased to announce that Third Point Offshore Investors delivered positive NAV growth throughout the first six months of 2018 in the US Dollar share class, and only a very minor decline for the Sterling share class. The latter was driven by negative performance for the foreign exchange hedge portfolio.”

“The Board and Investment Manager have been focused on the persistent discount of the share price to net asset value. As a result, we have announced a series of actions intended to better reflect the strong risk-adjusted performance of the Master Fund in the share price of the Company. The Board believes that these steps and TPOIL’s transfer to a premium listing will serve to improve liquidity for all shareholders and moderate the discount. We are fully committed to ensuring that the Company is best-positioned to deliver long-term value for all shareholders.”

#### **Enquiries:**

**Third Point Offshore investors**

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#### **Notes to Editors**

Third Point Offshore Investors Limited (“TPOIL”) is a feeder fund that invests in Third Point Offshore Fund Ltd. (the “Master Fund”), with the investment objective of achieving uncorrelated, long term, attractive risk-adjusted returns. Until recently, the Company has two share classes which differ by denomination (LSE: TPOU, TPOG). Currently, TPOIL has one share class denominated in U.S. Dollars.

During the first six months of 2018, market dynamics and portfolio movements created a somewhat volatile path to slightly positive performance. A strong start to the year was quickly followed by a market sell-off sparked by fears of inflation during the first quarter. Concerns regarding inflation were later replaced by the expectation of a slowdown in growth both globally and in the United States where most of the portfolio is domiciled.

#### **Chairman’s Statement**

I am pleased to present the Eleventh Unaudited Semi-Annual Financial Statements for Third Point Offshore Investors (“the Company”).

The Company was established as a closed-end investment company, registered and incorporated in Guernsey on 19 June 2007. The Company invests its assets in Third Point Offshore Master Fund L.P. (the “Master Partnership”) via Third Point Offshore Fund, Ltd. (the “Master Fund”), which pursues an opportunistic investment approach based on event-driven fundamental value analysis.

During the first six months of 2018, the Company’s net asset value appreciated by +0.7% for the U.S. Dollar share class and declined by -0.1% for the Sterling share class due to negative performance for the foreign exchange hedge portfolio. Third Point LLC (the “Investment Manager” or “Third Point”) maintained a well-balanced equity-oriented portfolio with a global mix of event driven situations, higher-multiple defensive companies, and activist opportunities. Performance was buoyed by strong results for several core investments in Healthcare and Technology, Media, and Telecommunications (“TMT”). The Investment Manager expects declines in other core equity positions will be reversed in the coming months following positive developments, particularly in Consumer and Industrials.

Negative performance in market hedges and emerging markets also countered gains during the period. Despite a limited opportunity set, the modest credit book was additive to positive returns due to strong performance in the structured and sovereign credit portfolios.

The Board has been focused on the persistent discount of the share price to net asset value (“NAV”) and announced a series of actions intended to better reflect the strong risk-adjusted performance of the Master Fund in the share price for the Company. The Board is currently pursuing amendments to the Company’s voting rights structure that are necessary to permit a transfer from the standard listing segment of the Official List to the premium listing segment of the Official List and potential inclusion in the FTSE UK Index Series. The Company recently converted the modest Sterling share class into the U.S. Dollar share class as a prerequisite for the listing. Upon completion of the transfer to premium listing, the Company will adopt a Sterling quote alongside the U.S. Dollar quote. The Board believes these steps will improve liquidity for all shareholders and serve to moderate the discount.

Separately, the Board reviewed the Company’s capital allocation policy and determined the dividend policy previously outstanding to be misaligned with the Company’s corporate structure and the Investment Manager’s investment strategy. Following the issuance of a final dividend in the first quarter, the Board has terminated the dividend policy and has adopted a more traditional share repurchase and cancellation practice to ensure a better alignment of the capital allocation policy while considering shareholder views of best practices.

In May 2018, the Company announced corporate changes including the cancellation of 5% of outstanding shares in aggregate. The Company will redeem such shares from the Master Fund at the current market price prior to the transfer to the Premium Listing. The redemption will be a non-cash transaction and thus has no effect on the working capital position of the Company. The Board intends to cancel the remaining shares held by the Master Fund in 2019, subject to the support of Master Fund profits, and has committed not to sell any held shares unless the share price is at or above the NAV. Thereafter, the Board will continue to monitor the discount and will engage opportunistically in future share repurchases and cancellations by the Company. The Board is of the opinion that these actions will result in the alleviation of the perceived overhang and that the share price discount should reduce.

The Board is also aware that the requirements of the premium listing indicate that changes to the composition of the Board due to length of tenure are preferable and Mr Dorrian has indicated that he will not seek re-election at the 2019 AGM. The Board considers that a measure of continuity is beneficial to the Company and its Shareholders and in conjunction with professional advisors, has instigated a search for an appropriately qualified and experienced Non-Executive Director to fill the vacancy.

The Board will continue to monitor the Company’s rating and keep in close contact with Shareholders and may, at its discretion engage opportunistically in future share repurchases.

The Company has also developed a new website designed to make it easier for investors and prospective investors to learn about the Company and the Master Fund ([www.thirdpointoffshore.com](http://www.thirdpointoffshore.com)), reflecting the Investment Manager’s commitment to additional transparency for investors. The Investment Manager has also committed to increasing shareholder engagement and to providing more detailed reporting and disclosure.

My fellow Directors and I are honored to serve our shareholders.

**Marc Antoine Autheman**

23 August 2018

## **Directors' Report**

The Directors submit their Report together with the Company's Statements of Assets and Liabilities, Statements of Operations, Statements of Changes in Net Assets, Statements of Cash Flows and the related notes for the period ended 30 June 2018, "Unaudited Condensed Interim Financial Statements". These Unaudited Condensed Interim Financial Statements have been properly prepared, in accordance with accounting principles generally accepted in the United States of America, any relevant enactment for the time being in force, and are in agreement with the accounting records and have been properly prepared in all material aspects.

### **The Company**

The Company was incorporated in Guernsey on 19 June 2007 as an authorised closed-ended investment scheme and was admitted to a secondary listing (Chapter 14) on the Official List of the London Stock Exchange on 25 July 2007. The proceeds from the initial issue of shares on listing amounted to approximately US\$523 million. Following changes to the Listing Rules on 6 April 2010, the secondary listing became a standard listing.

The Company is a member of the Association of Investment Companies ("AIC").

### **Investment Objective and Policy**

The Company's investment objective is to provide its Shareholders with consistent long term capital appreciation utilising the investment skills of Third Point LLC (the "Investment Manager") through investment of all of its capital (net of short term working capital requirements) in Class E Shares of Third Point Offshore Fund, Ltd (the "Master Fund"), an exempted company formed under the laws of the Cayman Islands on 21 October 1996.

The Master Fund is a limited partner of Third Point Offshore Master Fund L.P. (the "Master Partnership"), an exempted limited partnership organised under the laws of the Cayman Islands, of which Third Point Advisors II L.L.C., an affiliate of the Investment Manager, is the general partner. Third Point LLC is the Investment Manager to the Company, the Master Fund and the Master Partnership. The Master Fund and the Master Partnership have the same investment objectives, investment strategies and investment restrictions.

The Master Fund and Master Partnership's investment objective is to seek to generate consistent long-term capital appreciation, by investing capital in securities and other instruments in select asset classes, sectors, and geographies, by taking long and short positions. The Investment Manager's implementation of the Master Fund and Master Partnership's investment policy is the main driver of the Company's performance.

The Investment Manager identifies opportunities by combining a fundamental approach to single security analysis with a reasoned view on global, political and economic events that shapes portfolio construction and drives risk management.

The Investment Manager seeks market and economic dislocations and supplements its analysis with considerations of managing overall exposures across specific asset classes, sectors, and geographies by evaluating sizing, concentration, factor risk, and beta, among other considerations. The resulting portfolio expresses the Investment Manager's best ideas for generating alpha and its tolerance for risk given global market conditions. The Investment Manager is opportunistic and often seeks a catalyst that will unlock value or alter the lens through which the greater market values a particular investment. The Investment Manager applies aspects of this framework to its decision-making process, and this approach informs the timing and risk of each investment.

### **Results and Dividends**

The results of the period are set out in the Statement of Operations. On 5 January 2018, an annual distribution was declared equivalent to 4% of the NAV of the Company in respect of the year to 31 December 2017, amounting to \$0.81 per USD share and £0.77 per GBP share (31 December 2016: \$0.71 per USD share and £0.67 per GBP share) and paid on 16 February 2018.

### **Stated Capital**

Share Capital Conversions took place during the period ended 30 June 2018. A summary and the number of shares in issue at the period-end are disclosed in Note 6 to the Unaudited Condensed Interim Financial Statements.

**Key performance indicators (“KPI’s”)**

At each Board meeting, the Board considers a number of performance measures to assess the Company’s success in achieving its objectives. Below are the main KPI’s which have been identified by the Board for determining the progress of the Company:

- Net asset value;
- Share price; and
- Ongoing charges.

**Directors**

The Directors of the Company during the period and to the date of this report are as listed on page 4 of this Unaudited Condensed Interim Report.

**Directors’ Interests**

Mr. Targoff holds the position of Chief Operating Officer, Partner and General Counsel of Third Point LLC.

Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against them in connection with the performance of their duties as a Director of the Company.

Christopher Legge and Keith Dorrian held 4,500 and 2,500 U.S. Dollar shares respectively as at 30 June 2018 (31 December 2017: Christopher Legge and Keith Dorrian held 4,500 and 2,500 U.S. Dollar shares respectively). No other Directors held shares in the Company during the period.

**Corporate Governance Policy**

The Board has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (“AIC Code”) by reference to the Association of Investment Companies Corporate Governance Guide for Investment Companies (“AIC Guide”). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance.

The Board has determined that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. The Company has complied with all the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors’ remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, the Board considers these provisions are not relevant to the position of the Company, being an externally advised investment company with no executive Directors or employees. The Company has therefore not reported further in respect of these provisions.

The AIC Code provides a “comply or explain” code of corporate governance designed especially for the needs of investment companies. The AIC published the code of corporate governance and the Company has reviewed its compliance with these standards. The UK Financial Reporting Council (“FRC”) has confirmed that so far as investment companies are concerned it considers that companies which comply with the AIC Code will be treated as meeting their obligations under the UK Corporate Governance Code (“The UK Code”) and Section 9.8.6 of the Listing Rules. The AIC Code is publicly available at: [https://www.theaic.co.uk/sites/default/files/hidden-files/AICCodeofCorporateGovernanceJUL16\\_0.pdf](https://www.theaic.co.uk/sites/default/files/hidden-files/AICCodeofCorporateGovernanceJUL16_0.pdf). In July 2018, the FRC released a revised Corporate Governance Code which will become effective 1 January 2019. The Directors are currently evaluating the impact this will have on the Company.

The Company does not have employees, hence no whistle-blowing policy is necessary. However, the Directors have satisfied themselves that the Company's service providers have appropriate whistleblowing policies and procedures and confirmation has been sought from the service providers that nothing has arisen under those policies and procedures which should be brought to the attention of the Board. The UK Code is publicly available at: <https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-April-2016.pdf>.

The Code of Corporate Governance (the "Guernsey Code") provides a framework that applies to all entities licensed by the Guernsey Financial Services Commission ("GFSC") or which are registered or authorised as a collective investment scheme. Companies reporting against the UK Code or the AIC Code are deemed to comply with the Guernsey Code. It is the Company's policy to comply with the AIC Code.

The Board confirms that, throughout the period covered in the financial statements, the Company complied with the Guernsey Code issued by the GFSC, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

### Board Structure

The Board currently consists of five non-executive Directors. As the Chairman of the Board is an independent non-executive, the Board considers it unnecessary to appoint a senior independent Director.

Name	Position	Independent	Date Appointed
Marc Antoine Autheman	Non-Executive Chairman	Yes	21 June 2007
Keith Dorrian	Non-Executive Director	Yes	19 June 2007
Christopher Legge	Non-Executive Director	Yes	19 June 2007
Joshua L Targoff	Non-Executive Director	No	29 May 2009
Claire Whittet	Non-Executive Director	Yes	27 April 2017

As required by the AIC Code, every Director that has completed over nine years service on the Board must be subject to annual re-election by the Shareholders. Marc Antoine Autheman and Christopher Legge who have served for over nine years on the Board will be required to offer themselves for election at the next Annual General Meeting ("AGM"). Keith Dorrian is not going to stand for election at the next AGM.

Directors may retire by rotation at every AGM with the exception of Mr. J Targoff, who as the Chief Operating Officer, General Counsel and Partner of the Investment Manager, is not considered independent and will therefore be subject to annual re-election by Shareholders. All other Directors are considered by the Board to be independent of the Company's Investment Manager. Any Directors appointed to the Board since the previous AGM also retire and stand for re-election. The Independent Directors take the lead in any discussions relating to the appointment or re-appointment of Directors.

The Board meets at least four times a year and in addition there is regular contact between the Board, the Investment Manager and Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator" and "Corporate Secretary"). The Board requires to be supplied in a timely manner with information by the Investment Manager, the Administrator, and the Corporate Secretary and other advisors in a form and of a quality appropriate to enable it to discharge its duties. The Board, excluding Mr. Targoff, regularly reviews the performance of the Investment Manager and the Master Fund to ensure that performance is satisfactory and in accordance with the terms and conditions of the relative appointments and Prospectus. It carries this review out through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisors' appointment with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company's Shareholders.

New Directors will receive an induction from the Investment Manager on joining the Board, and all Directors undertake relevant training as necessary.

The Company has no executive Directors or employees. All matters, including strategy, investment and dividend policies, gearing and corporate governance procedures are reserved for approval by the Board of Directors. The Board receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings.



### **Board Tenure and Succession Planning**

The Board notes the AIC Code and UK Code suggest it would be good practice for all Directors to be offered for re-election at regular intervals subject to continued satisfactory performance. In accordance with the Company's articles of incorporation, the Independent Directors and Mr. Targoff (treated for the purposes of the AIC Code as a Non-Independent Director) may retire at each AGM (Principle 3 - AIC Code).

The Board believes that benefits to Shareholders arise from the Directors' long-term knowledge and experience of the Company and its management including their ongoing ability to independently review the performance of the Investment Manager. The Board have implemented a policy whereby a predesignated Director puts himself/herself up for re-election to the Board at each AGM. This policy is intended to address the balance of views and experience on the Board, and to comply with the AIC Code which requires that every Director that has completed over nine years service on the Board must be subject to annual re-election by the Shareholders. The revised UK Corporate Governance Code, effective 1 January 2019, will require that all Directors be subject to annual re-election.

The Board takes the view that independence is not necessarily compromised by the length of tenure on the Board and experience can add significantly to the Board's strength.

The Directors undertake an annual evaluation of the Board's performance and continuing independence and during this evaluation (which includes a review of the diversity of experience within the Board to ensure that it remains appropriate) all Directors are asked to confirm their future intentions. The Board has robust procedures for the identification of prospective Non-Executive Director candidates, and as part of the selection Process, due regard is paid to the recommendations for board diversity, however, ability and experience will be the prime considerations. Keith Dorrian is not going to stand for election at the next AGM.

### **Directors' Biographies**

#### **Marc Antoine Autheman**

Marc Antoine Autheman, is a resident of France. He has over 39 years of experience in the public and private finance sectors. Mr. Autheman is currently Chairman of Euroclear S.A. and Chairman of Cube Infrastructure Fund. He worked in the French Treasury for ten years from 1978 to 1988, prior to joining the Minister of Finance's private office, Minister Berezovoy, as advisor for monetary and financial affairs between 1988 and 1993. From 1993 to 1997, he worked as Executive Director for France for the International Monetary Fund and the World Bank and chaired the audit committee of the World Bank during this time. From 1997 to 2004, he worked in a number of roles at Credit Agricole S.A. ("CASA"), mainly as CEO of Credit Agricole Indosuez. He holds Master's degrees in Law and Economics from the University of Paris.

#### **Keith Dorrian**

Keith Dorrian, is a Guernsey resident and has over 44 years' experience in the offshore finance industry. Joining Manufacturers Hanover in 1973 he moved to First National Bank of Chicago in 1984 where he was appointed Vice President and Company Secretary. In 1989 he joined ANZ Bank (Guernsey) where, as a Director of the Bank and Fund Management company, he was closely involved in the banking and fund management services of the Group. He took up the position of Manager Corporate Clients in Bank of Bermuda Guernsey in 2000 and was appointed local Head of Global Fund Services and Managing Director of the Guernsey Bank's Fund Administration company Management International (Guernsey) Limited in Guernsey in 2001, retiring on 31 December 2003. He is currently a member of the Guernsey Investment Fund Association, the Institute of Financial Services, the Institute of Directors and is a Director of a number of funds and fund management companies and holds the Institute of Directors Diploma in Company Direction. Mr. Dorrian was elected a Fellow of the Institute of Directors.

#### **Christopher Legge**

Christopher Legge, is a Guernsey resident and worked for Ernst & Young in Guernsey from 1983 to 2003. Having joined the firm as an audit manager in 1983, he was appointed a partner in 1986 and managing partner in 1998. From 1990 to 1998, he was head of Audit and Accountancy and was responsible for the audits of a number of insurance, banking, investment fund and financial services clients. He also had responsibility for the firm's training, quality control and compliance functions. He was appointed managing partner of Ernst & Young for the Channel Islands region in 2000. Since his retirement from Ernst & Young in 2003, Mr. Legge has held a number of non-executive directorships in the financial sector. He is an FCA and holds a BA (Hons) in Economics from the University of Manchester.

**Joshua L. Targoff**

Joshua L. Targoff has been the Chief Operating Officer of the Investment Manager since May 2009. He joined as General Counsel in May 2008. Previously, Mr. Targoff was the General Counsel of the Investment Banking Division of Jefferies & Co. Mr. Targoff spent seven years doing M & A transactional work at Debevoise & Plimpton LLP. Mr. Targoff graduated with a J.D. from Yale Law School, and holds a B.A. from Brown University. In 2012, Mr. Targoff was made a Partner of the Investment Manager.

**Claire Whittet**

Claire Whittet is a Chartered Banker. She is a Guernsey resident and has 40 years' experience in the banking industry. After gaining an MA in Geography from Edinburgh University, she joined the Bank of Scotland where she remained until moving to Guernsey in 1996. In the intervening period she was involved in a wide variety of credit transactions including commercial and corporate finance. She joined Bank of Bermuda in Guernsey becoming Global Head of Private Client Credit and moved to Rothschild Bank International as Director of Lending in 2003. She was latterly Co-Head and Managing Director and since May 2016 has been a Non-Executive Director of the bank. She is a Non-Executive Director of 5 other listed funds, is a Member of the Chartered Institute of Bankers in Scotland, the Insurance Institute and holds the Institute of Directors Diploma in Company Direction.

**Meeting Attendance Records**

The table below lists Directors' attendance at meetings during the period, to the date of this report.

	<b>Scheduled Board Meetings Attended (max 3)</b>	<b>Audit Committee Meetings Attended (max 1)</b>
Marc Antoine Autheman	3 of 3	1 of 1
Christopher Legge	3 of 3	1 of 1
Keith Dorrian	3 of 3	1 of 1
Joshua L Targoff <sup>1,2</sup>	3 of 3	N/A
Claire Whittet	3 of 3	1 of 1

<sup>1</sup> Mr. Targoff is not a member of the Audit Committee.

<sup>2</sup> Mr. Targoff does not attend Meetings as a Director where recommendations from the Investment Manager are under consideration. Targoff is not a member of the Audit Committee.

**Committees of the Board**

The AIC Code requires the Company to appoint nomination, remuneration and management engagement committees. The Board has not deemed this necessary as, being comprised wholly of non-executive Directors, the whole Board considers these matters.

Following the "Women on Boards" review conducted by Lord Davies' of Abersoch in February 2011, the Board has examined Lord Davies' recommendations and noted that it was consistently reviewing its policy and future appointments to the Board would continue to be based on the individual's skills and experience regardless of gender. The Board has a female Director and therefore 20% diversity.

The Investment Manager has wide experience in managing and administering fund vehicles and has access to extensive investment management resources. The Board considers that the continued appointment of the Investment Manager on the terms agreed would be in the interests of the Company's Shareholders as a whole.

**Audit Committee**

The Company's Audit Committee conducts formal meetings at least three times a year for the purpose, amongst others, of considering the appointment, independence, effectiveness of the audit and remuneration of the auditors and to review and recommend the annual statutory accounts and interim report to the Board of Directors.



**Directors' Duties and Responsibilities**

The Directors have adopted a set of Reserved Powers, which establish the key purpose of the Board and detail its major duties. These duties cover the following areas of responsibility:

- Statutory obligations and public disclosure;
- Strategic matters and financial reporting;
- Board composition and accountability to Shareholders;
- Risk assessment and management, including reporting, compliance, monitoring, governance and control; and
- Other matters having material effects on the Company.

These Reserved Powers of the Board have been adopted by the Directors to clearly demonstrate the seriousness with which the Board takes its fiduciary responsibilities and as an ongoing means of measuring and monitoring the effectiveness of its actions.

The Directors are responsible for the overall management and direction of the affairs of the Company. The Company has no Executive Directors or employees. The Company invests all of its assets in shares of the Master Fund and Third Point LLC acts as Investment Manager to the Master Fund and is responsible for the discretionary investment management of the Master Fund's investment portfolio under the terms of the Master Fund Prospectus.

Northern Trust International Fund Administration Services (Guernsey) Limited ("NT") acts as Administrator and Company Secretary and is responsible to the Board under the terms of the Administration Agreement. The Administrator is also responsible to the Board for ensuring compliance with the Rules and Regulations of The Companies (Guernsey) Law, London Stock Exchange listing requirements and observation of the Reserved Powers of the Board and in this respect the Board receives detailed quarterly reports.

The Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable rules and regulations of The Companies (Guernsey) Law, the GFSC and the London Stock Exchange. Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors on an ongoing basis and the Company has maintained appropriate Directors' Liability Insurance cover throughout the period.

The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Internal Control and Financial Reporting**

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss.

The Directors review all controls including operations, compliance and risk management. The key procedures which have been established to provide internal control are:

- Investment advisory services are provided by the Investment Manager. The Board is responsible for setting the overall investment policy, ensuring compliance with the Company's Investment Strategy and monitors the action of the Investment Manager and Master Fund at regular Board meetings. The Board has also delegated administration and company secretarial services to NT; however it retains accountability for all functions it has delegated.
- The Board considers the process for identifying, evaluating and managing any significant risks faced by the Company on an on-going basis. It ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all local and international laws and regulations are upheld.

Particular attention has been given to the effectiveness of controls to monitor liquidity risk, asset values, counterparty exposure and credit availability.

- The Board clearly define the duties and responsibilities of their agents and advisors and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such agents and advisors.
- The Investment Manager and NT maintain their own systems of internal control, on which they report to the Board. The Company, in common with other investment companies, does not have an internal audit function. The Audit Committee has considered the need for an internal audit function, but because of the internal control systems in place at the Investment Manager and NT, has decided it appropriate to place reliance on their systems and internal control procedures.
- The systems are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and costs of control. It follows therefore that the systems of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement or loss.

#### **Board Performance**

The Board and Audit Committee undertake a formal annual evaluation of their own performance and that of their committees and individual Directors. In order to review their effectiveness, the Board and Audit Committee carry out a process of formal self-appraisal. The Directors and Committee consider how the Board and Audit Committee functions as a whole and also review the individual performance of its members. This process is conducted by the respective Chairman reviewing individually with each of the Directors and members of the Committee their performance, contribution and commitment to the Company. The performance of the Chairman is evaluated by the other independent Directors.

#### **Management of Principal Risks and Uncertainties**

As noted in the Statement of Directors' Responsibilities in respect of the Audited Financial Statements, the Directors are required to provide a description of the principal risks and uncertainties facing the Company. The Directors have considered the risks and uncertainties facing the Company and have prepared and review regularly a risk matrix which documents the significant risks faced by the Company.

This process has been in place for the period under review and up to the date of approval of the Audited Financial Statements and is reviewed by the Board and is in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

This document considers the following information:

- Identifying and reporting changes in the risk environment;
- Identifying and reporting changes in the operational controls;
- Identifying and reporting on the effectiveness of controls and remediation of errors arising; and
- Reviewing the risks faced by the Company and the controls in place to address those risks.

The Directors have acknowledged they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness by focusing on four key areas:

- Consideration of the investment advisory services provided by the Investment Manager;
- Consideration of the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis;
- Clarity around the duties and responsibilities of the agents and advisors engaged by the Directors; and
- Reliance on the Investment Manager and Administrator maintaining their own systems of internal controls.

Further discussion on Internal Control is documented in the Directors' Report under "Internal Control and Financial Reporting".

The main risks and uncertainties that the Directors consider to apply to the Company are as follows:

- Underlying investment performance of the Master Fund. To mitigate this risk the Directors receive regular updates from the Investment Manager on the performance of the Master Fund. The Board reviews quarterly performance updates on the Master Fund and has access to the Investment Manager on any potential question raised;
- Concentration of Investor Base. The Directors receive quarterly investor reports from Jefferies International Limited ("the Corporate Broker") and there is regular communication between the Directors and Corporate Broker to identify potential significant changes in the shareholder base;
- Discount/Premium to the NAV. The Board monitors the discount/premium to the NAV on a regular basis and continually maintains regular contact with the Investment Manager when necessary. In addition, the Investment Manager, Corporate Broker and, when considered necessary, the Board of Directors, maintain regular contact with the significant Shareholders in the Company. As mentioned on page 1, the Board made updates in May 2018 to the Company's share repurchase programme, outlined in Note 6 on page 27, and dividend policy. Following the issuance of a final dividend in the first quarter amounting to \$40,628,420 (31 December 2016: \$35,416,482) and paid on 16 February 2018, the Board elected to stop dividend payments and instead adopt a more traditional share repurchase and cancellation practice. In May 2018, the Company announced corporate changes including the cancellation of 5% of outstanding shares in aggregate. The Company will redeem such shares from the Master Fund at the current market price prior to the transfer to the Premium Listing. The redemption will be a non-cash transaction and thus has no effect on the working capital position of the Company. The Board intends to cancel the remaining shares held by the Master Fund in 2019, subject to the support of Master Fund profits, and has committed not to sell any held shares unless the share price is at or above the NAV. Thereafter, the Board will continue to monitor the discount and will engage opportunistically in future share repurchases and cancellations by the Company.
- Performance of the Investment Manager. The Directors review the performance of the Investment Manager on an annual basis and Board representatives conduct annual visits to the Investment Manager;
- Failure of appointed service providers to the Company. The Directors conduct a formal review of each service provider annually in addition to receiving regular updates from each service provider and ensuring that there is ongoing communication between the Board and the various service providers to the Company;
- Financial Risk. The Board employs independent administrators to prepare the Financial Statements of the Company and meets with the independent auditors at least twice a year to discuss all financial matters including the appropriateness of the accounting policies;
- Liquidity Risk. Shares of the Master Fund may be redeemed quarterly on 60 days' prior written notice or at other times with the consent of the Master Fund's Board of Directors in order to pay Company expenses. The majority of the investments held by the Master Fund are held in cash and securities with quoted prices available in active markets/exchanges; and
- Cyber Security Risk. The Company is exposed to risk arising from a successful cyber-attack through its service providers. The Company requests of its service providers that they have appropriate safeguards in place to mitigate the risk of cyber-attacks (including minimising the adverse consequences arising from any such attack), that they provide regular updates to the Board on cyber security, and conduct ongoing monitoring of industry developments in this area.

**Going Concern**

During the first six months of 2018, the Directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Directors believe that the Company is well placed to manage its business risks successfully, having taken into account the current economic outlook.

The Directors, having considered the above risks and reviewed ongoing budgeted expenses, have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due.

After making enquiries and given the nature of the Company and its investment, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these Unaudited Condensed Interim Financial Statements. The Master Fund Shares are liquid and can be converted to cash to meet liabilities as they fall due. After due consideration, the Directors consider that the Company is able to continue for the foreseeable future.

**Significant Events During The Period**

There were no significant events during the period.

**Significant Events After Period End**

All GBP shares were compulsorily converted to the USD class as of 1 July 2018.

In August 2018, the Company proposed to transfer the listing category of its Ordinary Shares from a standard listing to a premium listing (closed-ended investment fund) under Chapter 15 of the Listing Rules. It is anticipated that this transfer will take effect in September 2018, conditional on the passing of the resolutions at the extraordinary general meeting of the Company on 31 August 2018.

**Relations with Shareholders**

The Board welcomes Shareholders' views and places great importance on communication with its Shareholders. The Board receives regular reports on the views of Shareholders and the Chairman and other Directors are available to meet Shareholders if required. Shareholders who wish to communicate with the Board should, in the first instance contact the Administrator, whose contact details can be found on the Company's website. The Annual General Meeting of the Company provides a forum for Shareholders to meet and discuss issues with the Directors of the Company. The eleventh Annual General Meeting was held on 28 June 2018 with all proposed resolutions being passed by the Shareholders.

**International Tax Reporting**

For the purposes of the US Foreign Account Tax Compliance Act, the Company is registered with the US Internal Revenue Services ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), received a Global Intermediary Identification Number and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS") is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"), which has been adopted by Guernsey and which came into effect on 1 January 2016.

The Board has taken the necessary action to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

**Criminal Finances Act 2017**

In respect of the UK Criminal Finances Act 2017 which has introduced a new corporate criminal offence ("CCO") of 'failing to take reasonable steps to prevent the facilitation of tax evasion', the Board confirms that it is committed to zero tolerance towards the criminal facilitation of tax evasion.

The Board also keeps under review developments involving other social, environmental and regulatory matters, such as Modern Slavery and the General Data Protection Regulation ("GDPR"), and will report on those to the extent they are considered relevant to the Company's operations.

**Significant Shareholdings**

As at 17 April 2018, the Company have been notified that the following had significant shareholdings in excess of 5% in the Company:

	Total Shares Held	% Holdings in Class
<b>Significant Shareholders</b>		
<b>US Dollar Shares</b>		
Goldman Sachs Securities (Nominees) Limited	6,564,862	13.13%
Vidacos Nominees Limited	5,879,753	11.76%
Chase Nominees Limited	3,773,131	7.55%

The Directors confirm to the best of their knowledge:

- these Unaudited Condensed Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America and have been properly prepared in all material aspects;

- these Unaudited Condensed Interim Financial Statements, and information detailed in the Directors' Report, the Investment Manager's Review and Notes to the Unaudited Condensed Interim Financial Statements provide a fair review of the information required by:

a) DTR 4.2.7 of the Disclosure and Transparency Rules ("DTR"), being an indication of important events that have occurred during the first six months of the financial year 2018 and their impact on these Unaudited Condensed Interim Report and Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8 of the DTR, being related party transactions that have taken place in the first six months of the current financial year 2018 and that have materially affected the financial position or the performance of the Company during the six month period ended 30 June 2018 and any changes in the related party transactions described in the last Annual Audited Financial Statements that could have a material effect on the financial position or performance of the Company in the first six months of the financial year 2018.

Signed on behalf of the Board by:

**Marc Antoine Autheman**  
Chairman

**Christopher Legge**  
Director

23 August 2018

**Disclosure of Directorships in Public Listed Companies**

The following summarises the Directors' directorships in public companies

<b>Company Name</b>	<b>Exchange</b>
<b>Christopher Legge</b>	
Ashmore Global Opportunities Limited	London
John Laing Environmental Assets Group Limited	London
NB Distressed Debt Investment Fund Limited	London
Sherborne Investors (Guernsey) B Limited	London
Sherborne Investors (Guernsey) C Limited	London
TwentyFour Select Monthly Income Fund Limited	London
<b>Keith Dorrian</b>	
AB Alternative Strategies PCC Limited	The International Stock Exchange ("TISE")
AB International Fund PCC Limited	The International Stock Exchange ("TISE")
IIAB PCC Limited	The International Stock Exchange ("TISE")
MasterCapital Fund Limited	The International Stock Exchange ("TISE")
<b>Claire Whittet</b>	
BH Macro Limited	London
Eurocastle Investment Limited	Euronext
International Public Partners Limited	London
Riverstone Energy Limited	London
TwentyFour Select Monthly Income Fund Limited	London

### **Statement of Directors' Responsibilities in Respect of the Financial Statements**

The Directors are responsible for preparing the Unaudited Condensed Interim Financial Statements in accordance with applicable Guernsey Law and accounting principles generally accepted in the United States of America. Guernsey Company Law requires the Directors to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Company and of the net income or expense of the Company for that period.

In preparing these Unaudited Condensed Interim Financial Statements the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed subject to any material departures disclosed and explained in the Unaudited Condensed Interim Financial Statements; and
- prepare the Unaudited Condensed Interim Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Unaudited Condensed Interim Financial Statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for the system of internal controls, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have responsibility to confirm that:

- these Unaudited Condensed Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America and have been properly prepared in all material aspects;
- these Unaudited Condensed Interim Financial Statements and information detailed in the Directors' Report, the Investment Manager's Review and Notes to the Unaudited Condensed Interim Financial Statements provide a fair review of the information required by:

a) DTR 4.2.7 of the Disclosure and Transparency Rules ("DTR"), being an indication of important events that have occurred during the first six months of the financial year 2018 and their impact on these Unaudited

Condensed Interim Report and Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8 of the DTR, being related party transactions that have taken place in the first six months of the current financial year 2018 and that have materially affected the financial position or the performance of the Company during the six month period ended 30 June 2018 and any changes in the related party transactions described in the last Annual Audited Financial Statements that could have a material effect on the financial position or performance of the Company in the first six months of the financial year 2018.

Signed on behalf of the Board by:

**Marc Antoine Autheman**

Chairman

**Christopher Legge**

Director

23 August 2018

## Investment Manager's Review

### Performance Summary<sup>1</sup>

USD Class	30-Jun-2018	31-December-2017	% Return <sup>2</sup>
Share Price	16.38	17.29	(5.3%)
Net asset value per share	19.58	20.25	0.7%
Premium/(discount)	(16.4%)	(14.6%)	

GBP Class	30-June-18	31-December-2017	% Return <sup>2</sup>
Share Price	15.50	15.80	(1.9%)
Net asset value per share	18.42	19.21	(0.1%)
Premium/(discount)	(15.9%)	(17.8%)	

<sup>1</sup> For the period 1 January 2018 to 30 June 2018.

<sup>2</sup> Calculation includes dividends paid during the period ended 30 June 2018.

### Strategy Performance

For the six months ended 30 June 2018, the net asset value per share increased by 0.7% for the U.S. Dollar share class and decreased by -0.1% for the Sterling share class. The drift between the share class performance is largely attributable to the cost of foreign exchange hedging for the Sterling share class.

During the first six months of 2018, market dynamics and portfolio movements created a somewhat volatile path to slightly positive performance. A strong start to the year was quickly followed by a market sell-off sparked by fears of inflation during the first quarter. Concerns regarding inflation were later replaced by expectation of a slowdown in growth both globally and in the United States where most of the portfolio is domiciled.

Positive performance during the first half of 2018 was generated across a mixture of equity and credit investments. In equities, gains in core positions in Healthcare and TMT was partially offset by losses in Consumer and the hedge portfolio. The Investment Manager believes many of the losses in the portfolio are "mark to market" declines in positions that are expected to turn around in the second half of the year.

Within the minimal credit portfolio, gains in asset-backed securities and sovereign credit added to returns for the year-to-date. Additionally, positive results in the Master Fund's macroeconomic hedge book were countered by losses in merger arbitrage, currency hedges, and the modest private investment portfolios.

The Investment Manager made several adjustments to the portfolio by adding several core long equity positions across various sectors and exiting any direct investments in emerging markets. Short selling remains a key focus and the Manager added several team members dedicated to shorts during the period.



Third Point remains constructive on markets and the portfolio in the coming months due to the following positive characteristics of the current economic backdrop:

- Growth in the United States will remain high following fiscal stimulus due to spending increases;
- Despite market fears in Q1, inflation has remained stable and there is little sign indicating acceleration in the near term;
- Both companies and consumers are in strong condition with modest debt which should allow the cycle to continue for a longer time than originally expected; and,
- Equities broadly are not expensive at current multiples.

As of 30 June 2018, the top five single issuer positions in the portfolio were Baxter International Inc., Nestle' SA, NXP Semiconductors NV, United Technologies Corp., and DowDuPont Inc., excluding any positions deemed confidential.

### **Risk Outlook**

The Investment Manager remains focused on bottom-up, fundamental investing and will continue to monitor global market dynamics including political events and shifts in economic policy, data, and forecasts. Third Point believes the risk of a recession in the near term is low and several positive tailwinds including fiscal stimulus in the United States will result in equity markets continuing to appreciate, albeit at a slower pace when compared to 2017.

A positive equity environment coupled with a limited opportunity set in credit broadly is reflected in the equity-centric investment portfolio. During the second half of the year, the Investment Manager will remain actively engaged with many core equity investments and anticipates positive portfolio developments in the coming months. However, Third Point will opportunistically shift portfolio positioning should a market or macroeconomic turning point occur to change the Manager's current views.

The Investment Manager generally manages its portfolio pari passu across four funds and two managed accounts with limited exceptions. At 30 June 2018, exposure in the Flagship Fund was as follows:

**Exposure Breakdown<sup>1</sup>**

	<b>Long</b>	<b>Exposure Short</b>	<b>Net</b>
<b>Long/Short Equity</b>			
Consumer	23.2%	-4.8%	18.4%
Energy & Utilities	3.4%	-1.1%	2.3%
Financials	11.5%	-3.1%	8.4%
Healthcare	17.1%	-1.4%	15.7%
Industrials & Commodities	21.7%	-6.1%	15.6%
TMT	18.9%	-1.4%	17.5%
Market Hedges	3.7%	-12.8%	-9.1%
<b>Total L/S Equity</b>	<b>99.5%</b>	<b>-30.7%</b>	<b>68.8%</b>
<b>Credit</b>			
Distressed	1.1%	0.0%	1.1%
Government	3.1%	0.0%	3.1%
Performing	1.9%	-2.1%	-0.2%
ABS	7.5%	-2.2%	5.3%
<b>Total Credit</b>	<b>13.6%</b>	<b>-4.3%</b>	<b>9.3%</b>
<b>Other</b>			
Risk Arbitrage	6.7%	-0.4%	6.3%
Macro <sup>2</sup>	0.6%	0.0%	0.6%
Privates	8.2%	0.0%	8.2%
Currency	0.0%	0.0%	0.0%
<b>Total Other</b>	<b>15.5%</b>	<b>-0.4%</b>	<b>15.1%</b>

<sup>1</sup> Relates to the Third Point Offshore Master Fund L.P. Exposures are categorized in a manner consistent with the Investment Manager's classifications for portfolio and risk management purposes.

<sup>2</sup> Rates and FX excluded.

Net equity exposure is defined as the long exposure minus the short exposure of all equity positions (including long/short, arbitrage, and other strategies), and can serve as a rough measure of the exposure to fluctuations in overall market levels. The Investment Manager continues to closely monitor the liquidity of the portfolio, and is comfortable that the current composition is aligned with the redemption terms of the Fund.

Third Point LLC

23 August 2018

## **Independent Review Report**

### **Third Point Offshore Investors Limited**

#### **Introduction**

We have been engaged by the Company to review the Unaudited Condensed Interim Financial Statements in the ‘Unaudited Condensed Interim Report & Financial Statements’ for the six months ended 30 June 2018 which comprise the Statements of Assets and Liabilities, Statements of Operations, Statements of Changes in Net Assets, Statements of Cash Flows and the related unaudited notes 1 to 13. We have read the other information contained in the Unaudited Condensed Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Unaudited Condensed Interim Financial Statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. 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.

#### **Directors’ Responsibilities**

The ‘Unaudited Condensed Interim Report & Financial Statements’ is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the ‘Unaudited Condensed Interim Report & Financial Statements’ in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

As disclosed in note 3, the Unaudited Condensed Interim Financial Statements included in this Unaudited Condensed Interim Report have been prepared in accordance with accounting principles generally accepted in the United States.

#### **Our Responsibility**

Our responsibility is to express to the Company a conclusion on the Unaudited Condensed Interim Financial Statements in the ‘Unaudited Condensed Interim Report & Financial Statements’ based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Auditing Practices Board for use in the United Kingdom. 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.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Condensed Interim Financial Statements in the ‘Unaudited Condensed Interim Report & Financial Statements’ for the six months ended 30 June 2018 are not prepared, in all material respects, in accordance with accounting principles generally accepted in the United States and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

Ernst & Young LLP  
Guernsey, Channel Islands  
23 August 2018

**Statements of Assets and Liabilities**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>US\$</b>	<b>US\$</b>
<i>(Stated in United States Dollars)</i>		
<b>Assets</b>		
Investment in Third Point Offshore Fund Ltd at fair value (Cost: US\$420,186,888; 31 December 2017: US\$435,246,919)	979,969,582	1,014,421,855
Cash	146,919	16,816
Redemption receivable	225,500	156,500
Other assets	19,013	19,171
<b>Total assets</b>	<b>980,361,014</b>	<b>1,014,614,342</b>
<b>Liabilities</b>		
Accrued expenses and other liabilities	1,188,306	171,480
Directors' fees payable (Note 5)	61,543	-
Administration fee payable (Note 4)	87,249	50,261
<b>Total liabilities</b>	<b>1,337,098</b>	<b>221,741</b>
<b>Net assets</b>	<b>979,023,916</b>	<b>1,014,392,601</b>
<b>Number of Ordinary Shares in issue (Note 6)</b>		
US Dollar Shares	48,076,354	47,403,915
Sterling Shares	1,553,767	2,093,352
<b>Net asset value per Ordinary Share (Notes 8 and 11)</b>		
US Dollar Shares	\$19.58	\$20.25
Sterling Shares	£18.42	£19.21
<b>Number of Ordinary B Shares in issue (Note 6)</b>		
US Dollar Shares	32,050,922	31,602,630
Sterling Shares	1,035,860	1,395,582

The financial statements on pages 18 to 30 were approved by the Board of Directors on 23 August 2018 and signed on its behalf by:

**Marc Antoine Autheman**  
Chairman

**Christopher Legge**  
Director

*See accompanying notes and attached Unaudited Condensed Financial Statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.*

Statements of Operations	Unaudited	Unaudited
	For the period ended	For the period ended
	30 June 2018	30 June 2017
	US\$	US\$
<i>(Stated in United States Dollars)</i>		
<b>Realised and unrealised gain from investment transactions allocated from Master Fund</b>		
Net realised gain from securities, derivative contracts and foreign currency translations	47,711,348	74,423,891
Net change in unrealised (loss)/gain on securities, derivative contracts and foreign currency translations	(35,708,400)	50,463,072
Net gain/(loss) from currencies allocated from Master Fund	486,208	(1,315,958)
<b>Total net realised and unrealised gain from investment transactions allocated from Master Fund</b>	<b>12,489,156</b>	<b>123,571,005</b>
<b>Net investment loss allocated from Master Fund</b>		
Interest income	5,373,974	10,043,554
Dividends, net of withholding taxes of US\$ 1,017,003; (30 June 2017: US\$ 971,371)	5,211,693	3,112,860
Other income	1,117,561	119,989
Incentive allocation (Note 2)	(2,144,787)	(24,372,622)
Stock borrow fees	(56,735)	(40,746)
Investment Management fee	(9,919,262)	(9,076,488)
Dividends on securities sold, not yet purchased	(1,601,525)	(654,400)
Interest expense	(946,913)	(596,215)
Other expenses	(2,428,435)	(2,283,059)
<b>Total net investment loss allocated from Master Fund</b>	<b>(5,394,429)</b>	<b>(23,747,127)</b>
<b>Company expenses</b>		
Administration fee (Note 4)	(87,815)	(86,185)
Directors' fees (Note 5)	(127,875)	(122,758)
Other fees	(1,583,848)	(338,338)
Expenses paid on behalf of Third Point Offshore Independent Voting Company Limited <sup>1</sup> (Note 4)	(35,454)	(48,140)
<b>Total Company expenses</b>	<b>(1,834,992)</b>	<b>(595,421)</b>
Net loss	<b>(7,229,421)</b>	<b>(24,342,548)</b>
<b>Net increase in net assets resulting from operations</b>	<b>5,259,735</b>	<b>99,228,457</b>

<sup>1</sup> Third Point Offshore Independent Voting Company Limited consists of Director Fees, Audit Fee and General Expenses.

See accompanying notes and attached Unaudited Condensed Interim Financial Statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.

Statements of Changes in Net Assets	Unaudited	Audited
	For the period ended	For the year ended
	30 June 2018	31 December 2017
	US\$	US\$
<i>(Stated in United States Dollars)</i>		
<b>Increase in net assets resulting from operations</b>		
Net realised gain from securities, commodities, derivative contracts and foreign currency translations allocated from Master Fund	47,711,348	111,085,131
Net change in unrealised (loss)/gain on securities, derivative contracts and foreign currency translations allocated from Master Fund	(35,708,400)	107,642,579
Net gain/(loss) from currencies allocated from Master Fund	486,208	(45,804)
Total net investment loss allocated from Master Fund	(5,394,429)	(46,768,491)
Total Company expenses	(1,834,992)	(1,290,278)
<b>Net increase in net assets resulting from operations</b>	<b>5,259,735</b>	<b>170,623,137</b>
<b>Decrease in net assets resulting from capital share transactions</b>		
Dividend distribution	(40,628,420)	(35,416,482)
<b>Net assets at the beginning of the period/year</b>	<b>1,014,392,601</b>	<b>879,185,946</b>
<b>Net assets at the end of the period/year</b>	<b>979,023,916</b>	<b>1,014,392,601</b>

See accompanying notes and attached Unaudited Condensed Interim Financial Statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.

Statements of Cash Flows	Unaudited	Unaudited
	For the period ended	For the period ended
	30 June 2018	30 June 2017
	US\$	US\$
<i>(Stated in United States Dollars)</i>		
<b>Cash flows from operating activities</b>		
Operating expenses paid	(635,864)	(227,404)
Directors' fees paid	(66,332)	(128,759)
Administration fee paid	(50,827)	(83,431)
Third Point Offshore Independent Voting Company Limited <sup>1</sup>	(35,454)	(48,140)
Redemption from Master Fund	41,547,000	35,902,002
<b>Cash inflow from operating activities</b>	<b>40,758,523</b>	<b>35,414,268</b>
<b>Cash flows from financing activities</b>		
Dividend distribution	(40,628,420)	(35,416,482)
<b>Net increase/(decrease) in cash</b>	<b>130,103</b>	<b>(2,214)</b>
<b>Cash at the beginning of the year</b>	<b>16,816</b>	<b>88,845</b>
<b>Cash at the end of the year</b>	<b>146,919</b>	<b>86,631</b>

<sup>1</sup> Expenses paid on behalf of Third Point Offshore Independent Voting Company Limited consists of Director Fees, Audit Fee and General Expenses.

See accompanying notes and Unaudited Condensed Interim Financial Statements of Third Point Offshore Fund Ltd. and Third Point Offshore Master Fund L.P.

## **Notes to the Unaudited Condensed Interim Financial Statements**

For the period ended 30 June 2018

### **1. The Company**

Third Point Offshore Investors Limited (the “Company”) is an authorised closed-ended investment company incorporated in Guernsey on 19 June 2007 for an unlimited period, with registration number 47161.

### **2. Organisation**

#### **Investment Objective and Policy**

The Company’s investment objective is to provide its Shareholders with consistent long term capital appreciation, utilising the investment skills of the Investment Manager, through investment of all of its capital (net of short-term working capital requirements) in Class E shares of Third Point Offshore Fund Ltd. (the “Master Fund”), an exempted company formed under the laws of the Cayman Islands on 21 October 1996. The Master Fund’s investment objective is to seek to generate consistent long-term capital appreciation, by investing capital in securities and other instruments in select asset classes, sectors and geographies, by taking long and short positions. The Master Fund is managed by the Investment Manager and the Investment Manager’s implementation of the Master Fund’s investment policy is the main driver of the Company’s performance. The Master Fund invests all of its investable capital in Third Point Offshore Master Fund L.P. (the “Master Partnership”) a corresponding open-ended investment partnership having the same investment objective as the Master Fund.

The Master Fund is a limited partner of the Master Partnership, an exempted limited partnership organised under the laws of the Cayman Islands, of which Third Point Advisors II L.L.C., an affiliate of the Investment Manager, is the general partner. Third Point LLC is the Investment Manager to the Company, the Master Fund and the Master Partnership. The Master Fund and the Master Partnership share the same investment objective, strategies and restrictions as described above.

The Unaudited Condensed Interim Financial Statements of the Master Fund and the Unaudited Condensed Interim Financial Statements of the Master Partnership, should be read alongside the Company’s Unaudited Condensed Interim Financial Statements.

#### **Investment Manager**

The Investment Manager is a limited liability company formed on 28 October 1996 under the laws of the State of Delaware. The Investment Manager was appointed on 29 June 2007 and is responsible for the management and investment of the Company’s assets on a discretionary basis in pursuit of the Company’s investment objective, subject to the control of the Company’s Board and certain borrowing and leveraging restrictions.

The Company will pay to the Investment Manager at the level of the Master Partnership a fixed management fee of 2 percent per annum and a general partner incentive allocation of 20 percent of the Master Fund’s NAV growth (“Full Incentive Fee”) invested in the Master Partnership, subject to certain conditions and related adjustments, by the Master Fund. If a particular series invested in the Master Fund depreciates during any fiscal year and during subsequent years there is a profit attributable to such series, the series must recover an amount equal to 2.5 times the amount of depreciation in the prior years before the Investment Manager is entitled to the Full Incentive Fee. Until this occurs, the series will be subject to a reduced incentive fee equal to half of the Full Incentive Fee. The Company was allocated US\$2,144,787 (30 June 2017: US\$24,372,622) of incentive fees for the period ended 30 June 2018.

### **3. Significant Accounting Policies**

#### **Basis of Presentation**

These Unaudited Condensed Interim Financial Statements have been prepared in accordance with relevant accounting principles generally accepted in the United States of America (“US GAAP”). The functional and presentational currency of the Company is United States Dollars.

Management has determined that the Company is an investment company in conformity with US GAAP. Therefore the Company follows the accounting and reporting guidance for investment companies in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, Financial Services - Investment Companies (“ASC 946”).

The following are the significant accounting policies adopted by the Company:



**Cash**

Cash in the Statements of Assets and Liabilities and for the Statement of Cash Flows comprises cash at bank and on hand.

**Valuation of Investments**

The Company records its investment in the Master Fund at fair value. Fair values are generally determined utilising the net asset value (“NAV”) provided by, or on behalf of, the underlying Investment Managers of each investment fund. In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820 “Fair Value Measurement”, fair value is defined as the price the Company would receive upon selling a security in a timely transaction to an independent buyer in the principal or most advantageous market of the security. For further information refer to the Master Partnership’s Unaudited Condensed Interim Financial Statements.

The valuation of securities held by the Master Partnership, which the Master Fund directly invests in, is discussed in the notes to the Master Partnership’s Unaudited Condensed Interim Financial Statements. The net asset value of the Company’s investment in the Master Fund reflects its fair value. At 30 June 2018, the Company’s US Dollar and Sterling shares represented 12.65% and 0.51% (31 December 2017:12.83% and 0.73%) respectively of the Master Fund’s NAV.

The Company has adopted ASU 2015-07, Disclosures for Investments in Certain Entities that calculate Net Asset Value per Share (or its equivalent) (“ASU 201-07”), in which certain investments measured at fair value using the net asset value per share method (or its equivalent) as a practical expedient are not required to be categorised in the fair value hierarchy. Accordingly the Company has not levelled applicable positions.

**Uncertainty in Income Tax**

ASC Topic 740 “Income Taxes” requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority based on the technical merits of the position. Tax positions deemed to meet the “more-likely-than-not” threshold would be recorded as a tax benefit or expense in the year of determination. Management has evaluated the implications of ASC 740 and has determined that it has not had a material impact on these Unaudited Condensed Interim Financial Statements.

**Income and Expenses**

The Company records its proportionate share of the Master Fund’s income, expenses and realised and unrealised gains and losses on a monthly basis. In addition, the Company accrues interest income, to the extent it is expected to be collected, and other expenses.

**Use of Estimates**

The preparation of Unaudited Condensed Interim Financial Statements in conformity with US GAAP may require management to make estimates and assumptions that affect the amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from those estimates. Other than what is underlying in the Master Fund and the Master Partnership, the Company does not use any material estimates in respect of the Unaudited Condensed Interim Financial Statements.

**Foreign Exchange**

Investment securities and other assets and liabilities denominated in foreign currencies are translated into United States Dollars using exchange rates at the reporting date. Purchases and sales of investments and income and expense items denominated in foreign currencies are translated into United States Dollars at the date of such transaction. All foreign currency translation gains and losses are included in the Statement of Operations.

**Recent accounting pronouncements**

We have evaluated all accounting standards updates issued by the FASB, none of the accounting standards updates will have a material impact on the Unaudited Condensed Interim Financial Statements.

#### **4. Material Agreements**

##### **Management and Incentive fees**

The Investment Manager was appointed by the Company to invest its assets in pursuit of the Company's investment objectives and policies. As disclosed in Note 2, the Investment Manager is remunerated by the Master Partnership by way of management fees and incentive fees.

##### **Administration fees**

Under the terms of an Administration Agreement dated 29 June 2007, the Company appointed Northern Trust International Fund Administration Services (Guernsey) Limited as Administrator (the "Administrator") and Corporate Secretary.

The Administrator is paid fees based on the NAV of the Company, payable quarterly in arrears. The fee is at a rate of 2 basis points of the NAV of the Company for the first £500 million of NAV and a rate of 1.5 basis points for any NAV above £500 million. This fee is subject to a minimum of £4,250 per month. The Administrator is also entitled to an annual corporate governance fee of £30,000 for its company secretarial and compliance activities.

In addition, the Administrator is entitled to be reimbursed out-of-pocket expenses incurred in the course of carrying out its duties, and may charge additional fees for certain other services.

Total Administrator expenses during the period amounted to US\$87,815 with US\$87,249 outstanding (30 June 2017: US\$86,185 with US\$46,612 outstanding).

##### **Related Party**

The Company has entered into a support and custody agreement with Third Point Offshore Independent Voting Company Limited ("VoteCo") whereby, in return for the services provided by VoteCo, the Company will provide VoteCo with funds from time to time in order to enable VoteCo to meet its obligations as they fall due. Under this agreement, the Company has also agreed to pay all the expenses of VoteCo, including the fees of the Directors of VoteCo, the fees of all advisors engaged by the Directors of VoteCo and premiums for directors and officers insurance. The Company has also agreed to indemnify the directors of VoteCo in respect of all liabilities that they may incur in their capacity as Directors of VoteCo. The expense paid by the Company on behalf of VoteCo during the period is outlined in the Statement of Operations on page 19 and amounted to US\$35,454 (30 June 2017: US\$48,140). As at 30 June 2018 expenses accrued by the Company on behalf of VoteCo amounted to US\$25,749 (30 June 2017: US\$25,258).

#### **5. Directors' Fees**

The Chairman is entitled to a fee of £63,000 per annum. All other independent Directors are entitled to receive £38,000 per annum with the exception of Mr. Legge who receives £46,000 per annum as the audit committee chairman. Mr. Targoff has waived his fees. The Directors are also entitled to be reimbursed for expenses properly incurred in the performance of their duties as Director. The Directors' fees during the period amounted to US\$127,875 with US\$61,543 outstanding (30 June 2017: US\$122,758 with US\$64,550 outstanding).

#### **6. Stated Capital**

The Company was incorporated with the authority to issue an unlimited number of Ordinary Shares (the "Shares") with no par value and an unlimited number of Ordinary B Shares ("B Shares") of no par value. The Shares may be divided into at least two classes denominated in US Dollar and Sterling.

The Company has issued approximately 40 percent of the aggregate voting rights of the Company to VoteCo in the form of B Shares. The B Shares are unlisted and except for an entitlement to receive a fixed annual dividend at a rate of 0.0000001 pence (Sterling) do not carry any other economic interests and at all times will represent approximately 40 percent of the aggregate issued capital of the Company. The Articles of Incorporation provide that the ratio of issued US Dollar B Shares to Sterling B Shares shall at all times approximate as closely as possible the ratio of issued US Dollar Shares to Sterling Shares in the Company.

	US Dollar Shares	Sterling Shares
<b>Number of Ordinary Shares</b>		
Shares issued 1 January 2018	47,403,915	2,093,352
<b>Shares Converted</b>		
Total shares transferred to share class during the period	810,253	104,177
Total shares transferred out of share class during the period	(137,814)	(643,762)
<b>Shares in issue at end of period</b>	<b>48,076,354</b>	<b>1,553,767</b>

	US Dollar Shares US\$	Sterling Shares US\$
<b>Stated Capital Account</b>		
Stated capital account at 1 January 2018	364,699,309	38,002,424
<b>Shares Converted</b>		
Total share value transferred to share class during the period	15,963,914	2,734,850
Total share value transferred out of share class during the period	(2,734,850)	(15,963,914)
<b>Stated Capital Account at end of period</b>	<b>377,928,373</b>	<b>24,773,360</b>

	US Dollar Shares	Sterling Shares
<b>Number of Ordinary B Shares</b>		
Shares in issue as at 1 January 2018	31,602,630	1,395,582
<b>Shares Converted</b>		
Total shares transferred to share class during the period	540,169	69,452
Total shares transferred out of share class during the period	(91,877)	(429,174)
<b>Shares in issue at end of period</b>	<b>32,050,922</b>	<b>1,035,860</b>

In respect of each class of Shares a separate class account has been established in the books of the Company. An amount equal to the aggregate proceeds of issue of each Share Class has been credited to the relevant class account. Any increase or decrease in the NAV of the Master Fund, as calculated by the Master Fund, is allocated to the relevant class account in the Company according to the number of shares held by each class.

Each class account is allocated those costs, expenses, losses, dividends, profits, gains and income which the Directors determine in their sole discretion relate to a particular class. Expenses which relate to the Company as a whole rather than specific classes are allocated to each class in the proportion that its NAV bears to the Company as a whole.

### Voting Rights

Ordinary Shares carry the right to vote at general meetings of the Company and to receive any dividends, attributable to the Ordinary Shares as a class, declared by the Company and, in a winding-up will be entitled to receive, by way of capital, any surplus assets of the Company attributable to the Ordinary Shares as a class in proportion to their holdings remaining after settlement of any outstanding liabilities of the Company. B Shares also carry the right to vote at general meetings of the Company but carry no rights to distribution of profits or in the winding-up of the Company.

As prescribed in the Company's Articles, each Shareholder present at general meetings of the Company shall, upon a show of hands, have one vote. Upon a poll, each Shareholder shall, in the case of a separate class meeting, have one vote in respect of each Share or B Share held and, in the case of a general meeting of all Shareholders, have one vote in respect of each US Dollar Share or US Dollar B Share held, and two votes in respect of each Sterling Share or Sterling B Share held. Fluctuations in currency rates will not affect the relative voting rights applicable to the Shares and B Shares. In addition all of the Company's Shareholders have the right to vote on all material changes to the Company's investment policy.

### Repurchase of Shares and Discount Control

The Directors of the Company were granted authority to purchase in the market up to 14.99 percent of each class of Shares in issue at the Annual General Meeting on 21 June 2017, and they intend to seek annual renewal of this authority from Shareholders. The Directors propose to utilise this share repurchase authority by introducing a new mechanism that will enhance future capital growth. Pursuant to the Director's share repurchase authority, the Company, through the Master Fund, commenced a share repurchase program in 2007. The Shares are being held by the Master Partnership. The Master Partnership's gains or losses and implied financing costs related to the shares purchased through the share purchase programme are entirely allocated to the Company's investment in the Master Fund. The Master Partnership has an ownership of 11.85% of the USD shares outstanding at 30 June 2018 (31 December 2017: 11.88%). While this repurchase approach has historically provided Shareholders a levered return stream, the Directors updated the Company's repurchase practice in May to a more traditional share repurchase and cancellation. In May 2018, the Company announced corporate changes including the cancellation of 5% of outstanding shares in aggregate. The Company will redeem such shares from the Master Fund at the current market price prior to the transfer to the Premium Listing. The redemption will be a non-cash transaction and thus has no effect on the working capital position of the Company. The Board intends to cancel the remaining shares held by the Master Fund in 2019, subject to the support of Master Fund profits, and has committed not to sell any held shares unless the share price is at or above the NAV. Thereafter, the Board will continue to monitor the discount and will engage opportunistically in future share repurchases and cancellations by the Company.

At 30 June 2018 and 31 December 2017 the Master Partnership held the following Shares in the Company in the after-market:

<b>30 June 2018</b>	<b>Currency</b>	<b>Number of Shares</b>	<b>Cost</b>	<b>Average Cost per Share</b>
US Dollar Shares	USD	5,879,753	US\$65,025,532	US\$11.06

<b>31 December 2017</b>	<b>Currency</b>	<b>Number of Shares</b>	<b>Cost</b>	<b>Average Cost per Share</b>
US Dollar Shares	USD	5,879,753	US\$65,025,532	US\$11.06

### Further issue of Shares

Under the Articles, the Directors have the power to issue further shares on a non-pre-emptive basis. If the Directors issue further Shares, the issue price will not be less than the then-prevailing estimated weekly NAV per Share of the relevant class of Shares.

### Share Conversion Scheme

The Company's Articles incorporate provisions to enable Shareholders of any one Class of Ordinary Shares to convert all or part of their holding into any other Currency Class of Ordinary Share on a monthly basis on the following terms:

- (1) the right of conversion is exercisable by the said holder giving to the Company or its authorised agent at least 10 business days notice;
- (2) the notice shall specify the number and Currency Class to be converted from and the Currency Class of Ordinary Shares into which they are to be converted;
- (3) the notice shall be submitted either through submission of the relevant instruction mechanism or through the return of the relevant Ordinary Share Certificate. Upon conversion a corresponding number of B Shares will be converted in a similar manner.

If the aggregate NAV of any Currency Class at any month-end falls below the equivalent of US\$50 million, the Shares of that Class may be converted compulsorily into Shares of the Currency Class with the greatest aggregate value in US Dollar terms at the time. Each conversion will be based on NAV (Note 8) of the share classes to be converted.

### 7. Taxation

The Fund is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989.

## 8. Calculation of Net Asset Value

The NAV of the Company is equal to the value of its total assets less its total liabilities. The NAV per Share of each class is calculated by dividing the NAV of the relevant class account by the number of Ordinary Shares of the relevant class in issue on that day.

## 9. Related Party Transactions

At 30 June 2018 other investment funds owned by or affiliated with the Investment Manager owned 5,630,444 (31 December 2017: 5,630,444) US Dollar Shares in the Company. Refer to Note 4 and Note 5 for additional Related Party Transaction disclosures.

## 10. Significant Events

There were no significant events during the period.

## 11. Financial Highlights

The following tables include selected data for a single Ordinary Share of each of the Ordinary Share classes in issue at the period end and other performance information derived from the Unaudited Condensed Interim Financial Statements.

	US Dollar Shares 30 June 2018 US\$	Sterling Shares 30 June 2018 £
<b>Per Share Operating Performance</b>		
<b>Net Asset Value beginning of the period</b>	<b>20.25</b>	<b>19.21</b>
<b>Income from Operations</b>		
Net realised and unrealised gain from investment transactions allocated from Master Fund <sup>1</sup>	0.28	0.12
Net loss	(0.14)	(0.14)
<b>Total Return from Operations</b>	<b>0.14</b>	<b>(0.02)</b>
Distribution Paid	(0.81)	(0.77)
<b>Net Asset Value, end of the period</b>	<b>19.58</b>	<b>18.42</b>
<b>Total return before incentive fee allocated from Master Fund</b>	<b>0.90%</b>	<b>0.09%</b>
Incentive allocation from Master Fund	(0.21%)	(0.19%)
<b>Total return after incentive fee allocated from Master Fund</b>	<b>0.69%</b>	<b>(0.10%)</b>

**Footnote:**

<sup>1</sup> Includes foreign currency translation of profit/(loss) with respect to Sterling share class.

	US Dollar Shares 30 June 2017 US\$	Sterling Shares 30 June 2017 £
<b>Per Share Operating Performance</b>		
<b>Net Asset Value beginning of the period</b>	<b>17.63</b>	<b>16.84</b>
<b>Income from Operations</b>		
Net realised and unrealised gain from investment transactions allocated from Master Fund <sup>1</sup>	2.43	2.24
Net loss	(0.49)	(0.44)
<b>Total Return from Operations</b>	<b>1.94</b>	<b>1.80</b>
<b>Net Asset Value, end of the period</b>	<b>18.86</b>	<b>17.97</b>
<b>Total return before incentive fee allocation from Master Fund</b>	<b>13.77%</b>	<b>13.44%</b>
Incentive fee allocation from Master Fund	(2.77%)	(2.75%)
<b>Total return after incentive fee allocated from Master Fund</b>	<b>11.00%</b>	<b>10.69%</b>

**Footnote:**

<sup>1</sup> Includes foreign currency translation of profit/(loss) with respect to Sterling share class.

Total return from operations reflects the net return for an investment made at the beginning of the period and is calculated as the change in the NAV per Ordinary Share during the periods ended 30 June 2018 and 30 June 2017 and this is not annualised. An individual Shareholder's return may vary from these returns based on the timing of their purchases and sales of shares on the market.

	US Dollar Shares 30 June 2018 US\$	Sterling Shares 30 June 2018 £
<b>Supplemental data</b>		
<b>Net Asset Value, end of the period</b>	<b>941,266,106</b>	<b>28,623,917</b>
<b>Average Net Asset Value, for the period <sup>2</sup></b>	<b>937,867,031</b>	<b>37,503,098</b>
<b>Ratio to average net assets</b>		
Operating expenses <sup>3</sup>	(1.70%)	(1.69%)
Incentive fee allocated from Master Fund	(0.22%)	(0.22%)
Total operating expense <sup>3</sup>	(1.92%)	(1.91%)
<b>Net loss</b>	<b>(0.73%)</b>	<b>(0.70%)</b>

	US Dollar Shares 30 June 2017 US\$	Sterling Shares 30 June 2017 £
<b>Supplemental data</b>		
<b>Net Asset Value, end of the period</b>	<b>895,178,265</b>	<b>36,741,959</b>
<b>Average Net Asset Value, for the period <sup>2</sup></b>	<b>860,571,104</b>	<b>34,914,549</b>
<b>Ratio to average net assets</b>		
Operating expenses <sup>3</sup>	(1.46%)	(1.46%)
Incentive fee allocated from Master Fund	(2.70%)	(2.61%)
Total operating expense <sup>3</sup>	(4.16%)	(4.07%)
<b>Net loss</b>	<b>(2.69%)</b>	<b>(2.61%)</b>

<sup>2</sup> Average Net Asset Value for the year is calculated based on published monthly estimates of NAV.

<sup>3</sup> Operating expenses are Company expenses together with operating expenses allocated from the Master Fund.

## 12. Ongoing Charge Calculation

Ongoing charges for the period/year ended 30 June 2018 and 31 December 2017 have been prepared in accordance with the AIC recommended methodology. Performance fees were charged to the Master Fund. In line with AIC guidance, an Ongoing Charge has been disclosed both including and excluding performance fees. The Ongoing charges for period/year ended 30 June 2018 and 31 December 2017 excluding performance fees and including performance fees are based on Company expenses and allocated Master Fund expenses outlined below.

(excluding performance fees)	30 June 2018	31 December 2017
<b>US Dollar Shares</b>	3.70%	2.85%
<b>Sterling Shares</b>	3.88%	2.94%

(including performance fees)	30 June 2018	31 December 2017
<b>US Dollar Shares</b>	4.14%	7.30%
<b>Sterling Shares</b>	4.32%	7.27%

## 13. Subsequent Events

All GBP shares were compulsorily converted to the USD class as of 1 July 2018.

The FRC has released a revised Corporate Governance Code which will become effective 1 January 2019. The Directors are currently evaluating the impact this will have on the Company.

In August 2018, the Company proposed to transfer the listing category of its Ordinary Shares from a standard listing to a premium listing (closed-ended investment fund) under Chapter 15 of the Listing Rules. It is anticipated that this transfer will take effect in September 2018, conditional on the passing of the resolutions at the extraordinary general meeting of the Company on 31 August 2018.

There were no other events subsequent to the period-end which, in the opinion of the Directors, may have an impact on the Unaudited Condensed Interim Financial Statements for the period ended 30 June 2018.

## **Management and Administration**

### **Directors**

#### **Marc Antoine Autheman (Chairman)\***

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#### **Keith Dorrian\***

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#### **Claire Whittet\***

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### **Investment Manager**

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### **Registrar and CREST Service Provider**

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### **Christopher Legge\***

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### **Joshua L Targoff**

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*\* These Directors are independent*

### **Registered Office**

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### **Administrator and Secretary**

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### **Legal Advisors (Guernsey Law)**

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