



# **THIRD POINT OFFSHORE INVESTORS LIMITED**

## **INTERIM REPORT & UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

For the period ended 30 June 2019

## Contents

1	Chairman's Statement
3	Directors' Report
16	Disclosure of Directorships in Public Listed Companies
17	Statement of Directors' Responsibilities in Respect of the Financial Statements
18	Investment Manager's Review
21	Independent Review Report
22	Statements of Assets and Liabilities
23	Statements of Operations
24	Statements of Changes in Net Assets
25	Statements of Cash Flows
24	Notes to the Unaudited Condensed Interim Financial Statements
	IBC Management and Administration

# Chairman's Statement

Dear Shareholder,

I am pleased to present the Twelfth Unaudited Semi-Annual Financials for Third Point Offshore Investors ("the Company").

The Company was established as a closed-end investment company, registered and incorporated in Guernsey on 19 July 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.

The first half of our financial year represented a sharp recovery from the difficult conditions experienced towards the end of 2018. For the half year, the Net Asset Value (NAV) rose by 15.1% with net exposure to equity markets averaging around 40%, meaning significantly less value at risk in a volatile period marked by slowing global growth. The portfolio was invested in equities, both long and short as well as credit markets. Although, given the dynamism of the portfolio and the low net exposure to equities, I do not believe benchmark comparisons to be particularly informative for investors in the Company, it is worth noting the MSCI World Index was up +17.4% for the same period. The stated return (of 15.1%) differs from the 13% return achieved by the Master Fund because of the accretive effect of the share cancellation described below.

The manager, under the leadership of Daniel Loeb, responded to the market conditions which characterized the end of 2018 by reducing some market, sector, and factor exposure in key equity holdings. The objective of this approach was to isolate fundamental, idiosyncratic returns and hedge out any unwanted risks. This had the effect of further reducing the beta (or market exposure) of the portfolio to equity markets from that which had been the traditional range for the manager in recent history.

The manager also invested in additional resources to seek anomalies which arise as a result of changes in the way markets operate. This initiative has involved a greater focus on data science combined with more investment in strategic thinking. For example, the increase in passive investing through ETF's and the like have allowed specialist managers like Third Point to identify 'herding' behaviour and to focus on areas which passive products are not designed to exploit.

Much of the alpha generated over the year has come from activist (or perhaps more accurately, constructivist) positions. A significant new 'constructivist' position in Japanese company, Sony, was added during the period, and a letter with proposals to reorganize the company was published. More details of portfolio performance drivers can be found in the manager's report, which follows.

During the past year, the Board has implemented a series of changes with the goal of reducing the stubborn discount to NAV at which the shares trade. These include:

- Listing the shares on the Premium section of the London Stock Exchange; although the shares were admitted to the All Share Index in December 2018, they were recently removed because of a technical change in the requirements for index membership. At some point in the future, we hope that this can be rectified and that we will again join the Index;
- Implementing a fresh buyback programme which added 27 cents to NAV during the half year. Furthermore, the shares in the Company held by the Master Fund were cancelled. In two tranches, this led to an accretion of 60 cents to NAV;
- Removing the dividend, which was being paid out of capital;
- Rolling up the fairly illiquid GBP share class into the USD share class;
- Reducing the fee substantially, as explained in the annual report.

## Chairman's Statement continued

Despite these actions, which were designed to bolster governance and take into account the concerns of shareholders, the discount has remained stubbornly wide. While it is impossible to know why a discount persists at a particular level, there are further measures we can take. Principally, these are focused on better communication of the message about the Company to existing and prospective investors. To some extent, the Company's investment thesis is hard to explain to a generalist, but the Manager has committed to provide more information about what the Company is doing, more frequently and to a broader investment audience. For additional information, please visit the Company's website: [www.thirdpointoffshore.com](http://www.thirdpointoffshore.com). In time, your Board hopes that these efforts will bear fruit in attracting new shareholders who will rebalance the shareholder register and bring the discount down.

If this combination of efforts does not achieve the objective of narrowing the discount substantially, the Board will consider further initiatives. We do need, however, to balance the interests of all shareholders and maintaining the scale of the Company and its liquidity is very important for many of them. These matters are kept under constant review, as you would expect.

Keith Dorrian retired from the Board after the AGM in July, and I would like to record our gratitude to him for his sterling service over the years. In total, three new directors have joined in 2019 - Rupert Dorey, Huw Evans and myself. Rupert has wide experience in the closed end fund world and has extensive experience in debt capital markets. Huw is a Chartered Accountant and has advised a wide range of companies in financial services and other sectors on mergers and acquisitions and more general corporate strategy. He has been identified as a replacement for Chris Legge who has indicated that he does not intend to stand for re-election at the AGM in 2020. I was appointed to take over from Claire Whittet as Chairman of the Company, a role which I am now endeavouring to fill.

Looking ahead, the monetary background has become substantially more supportive of risk assets than was the case at the end of 2018. Nevertheless, this easier money environment reflects an ambivalent performance by the global economy in recent months and a heightening of geopolitical tension to do with trade disputes and the deteriorating situation with Iran. Despite the robust performance of equity markets this year, the Manager remains concerned that high returns will be tempered by greater volatility than seen recently. Although predictions of the end of the economic cycle look a little premature, the economy has been expanding since 2009 and there are some signs of strain, particularly in labour markets. The Manager has great flexibility in how the Master Fund is invested and remains focused on adding value to a number of key investments through the application of a constructive approach.

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

Steve Bates

August 28, 2019

# 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 2019, (together the "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 23 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 was admitted to the Premium Official List Segment ("Premium Listing") of the London Stock Exchange ("LSE") on 10 September 2018.

The shares of the Company are quoted on the LSE in two currencies. On 28 March 2019, FTSE published an update to the UK Index Series Guide to Calculation Method for the Median Liquidity Test which stated that: "Where a security has a market quote in multiple currencies, only volume data from the eligible Sterling quote will be used in the liquidity test." Based on this revised calculation method the Shares have been removed from the UK Index Series.

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 and N 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.

# Directors' Report continued

## Investment Objective and Policy – continued

As of 1 January 2019, the Company transferred substantially all of its holding into a newly-created share class of the Master Fund. The new share class is subject to a 25% quarterly redemption gate. The Company plans to redeem an appropriate amount each quarter to account for planned share buybacks and Company fees and expenses.

The new share class attracts a lower management fee and the Company now also qualifies for an additional reduction in management fee applicable to it based on its size and longevity as an investor in the Master Fund. As a result, the Company's management fee in the newly created share class has been reduced from 2.0% to 1.25% per annum since 1 January 2019. Any Ordinary Shares traded mid-month will be purchased and held by the Master Partnership until the Company is able to cancel the shares following each month-end. Shares cannot be cancelled intra-month because of legal and logistical factors. The Company and the Master Partnership do not intend to hold any shares longer than the minimum required to comply with these factors, expected to be no more than one month.

## Results and Dividends

The results for the period are set out in the Statements of Operations. As disclosed in the announcement dated 1 March 2018, the Board, after consultation with major shareholders, resolved that the Dividend Policy should be discontinued with immediate effect.

On 5 December 2018, the Board announced the implementation of a share buyback programme, with share purchases being made through the market at prices below the then prevailing NAV per share.

## 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;
- Discount to the NAV;
- 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 6 of this 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.

Steve Bates held 2,923 shares as at 30 June 2019.

Christopher Legge and Keith Dorrian held 6,500 and 4,500 shares respectively as at 30 June 2019 (31 December 2018: Christopher Legge and Keith Dorrian held 4,500 and 2,500 U.S. Dollar shares respectively).

Rupert & Rosemary Dorey held 12,000 shares between them as at 30 June 2019.

Claire Whittet and her husband Martin Whittet, held 2,500 shares as at 30 June 2019 through their joint Retirement Annuity Trust Scheme (RATS).



### Corporate Governance Policy

The Board has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance ("AIC Code"). The AIC Code addresses all the principles set out in the UK Corporate Governance Code (the "UK 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 will provide appropriate information to Shareholders. The Company has complied with all the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

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

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 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/documents/AIC2019AICCodeofCorporateGovernanceFeb19.pdf>. In July 2018, the FRC released a revised Corporate Governance Code which became effective for accounting periods beginning on or after 1 January 2019. The AIC also updated its Code on 5 February 2019, to reflect the revised principle and provisions in the 2018 UK Corporate governance Code. The 2019 AIC Code also came into effect for accounting periods beginning on or after 1 January 2019. The Board are reporting under the 2019 AIC Code for the current period.

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 whistle-blowing 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/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>. The Board on an annual basis, ensures that service providers have appropriate whistleblowing, AML, disaster recovery and risk monitoring policies in place.

The AIC Code requires the Company to appoint Nomination, Remuneration and Management Engagement Committees. The independent directors of the Board will act as these committees and the first meetings will be held in August 2019. The Nomination and Remuneration Committee considers the composition of and recruitment to the Board, and will consider market practice, peer group statistics and the requirements of the role when determining remuneration levels of the Directors. The Management Engagement Committee will review the performance of the Company's service providers.

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 Unaudited Condensed Interim 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.

## Directors' Report *continued*

### Board Structure

The Board currently consists of six 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
Steve Bates	Non-Executive Chairman	Yes	5 February 2019
Rupert Dorey	Non-Executive Director	Yes	5 February 2019
Keith Dorrian <sup>1</sup>	Non-Executive Director	Yes	19 June 2007
Huw Evans <sup>2</sup>	Non-Executive Director	Yes	21 August 2019
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

<sup>1</sup>Mr. Dorrian retired at the AGM on 3 July 2019.

<sup>2</sup>Mr. Evans was appointed as a Director on 21 August 2019.

Mr. J Targoff, the Chief Operating Officer, General Counsel and Partner of the Investment Manager, is not considered independent. All other Directors are considered by the Board to be independent of the Company's Investment Manager.

As required by the AIC Code, every Director should be subject to annual re-election by the Shareholders. 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 requirement for all Directors be subject to annual re-election. 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) shall retire and offer themselves for re-election at each AGM.



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 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.

Steve Bates was appointed Chairman of the Board on 5 February 2019. In addition, in view of Keith Dorrian's decision not to stand for re-election at the 2019 AGM, the Board interviewed a number of candidates which culminated in Rupert Dorey joining the Board on 5 February 2019.

Chris Legge has indicated that he does not intend to stand for re-election at the AGM in 2020 and the Board has identified Huw Evans as a suitable replacement. Mr. Evans was appointed as a Director on 21 August 2019.

### **Directors' Biographies**

#### **Steve Bates**

Mr. Bates has over 38 years' experience in the investment industry. He began his career in 1980 with James Capel & Co. as an analyst covering US markets. From 1984 to 2003, he worked for JP Morgan and its predecessor Flemings where he was responsible for establishing and managing a range of Emerging Markets businesses and investment activities across regions. Since then, Mr. Bates has been Chief Investment Officer for GuardCap Asset Management Limited and its predecessor company. He is currently Chairman of both VinaCapital Vietnam Opportunities Fund and of BMO Capital & Income Investment Trust and is a Non-Executive Director of Biotech Growth Trust plc, all of which are listed on the London Stock Exchange. Mr. Bates holds a law degree from Cambridge University and is a CFA charterholder.

#### **Rupert Dorey**

Mr Dorey has 35 years of experience in financial markets. Mr Dorey was at CSFB for 17 years from 1988 to 2005 where he specialised in credit related products, including derivative instruments where his expertise was principally in the areas of debt distribution, origination and trading, covering all types of debt from investment grade to high yield and distressed debt. He held a number of positions at CSFB, including establishing CSFB's high yield debt distribution business in Europe, fixed income credit product coordinator for European offices and head of UK Credit and Rates Sales. Since 2005 he has been acting in a Non-Executive Directorship capacity for a number of Hedge Funds, Private Equity & Infrastructure Funds, for both listed and unlisted vehicles. He is former President of the Guernsey Chamber of Commerce and is a member of the Institute of Directors. Rupert has extensive experience as both Director and Chairman of exchange listed and unlisted funds, chairing 9 of the funds, seven of which have been listed and 2 of which are FTSE 250 companies. He has served on boards with 18 different managers, including Apollo, Aviva, M&G, Partners Group, Cinven, Neuberger Berman and Harbourvest.

#### **Huw Evans**

Huw Evans is Guernsey resident and qualified as a Chartered Accountant with KPMG (then Peat Marwick Mitchell) in 1983. He subsequently worked for three years in the Corporate Finance department of Schroders before joining Phoenix Securities Limited in 1986. Over the next twelve years he advised a wide range of companies in financial services and other sectors on mergers and acquisitions and more general corporate strategy. Since moving to Guernsey in 2005, he has acted as a professional non-executive Director of a number of Guernsey-based companies and funds. He holds an MA in Biochemistry from Cambridge University.

## Directors' Report continued

### **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 & Co Bank International Ltd 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 a number of listed and unlisted 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.

### **Cross Directorships**

Mr. Legge and Mrs. Whittet are also both Directors of another listed Fund (TwentyFour Select Monthly Income Fund Limited). Mr. Bates and Mr. Evans are also both Directors of another listed Fund (VinaCapital Vietnam Opportunity Fund Limited). The Board believes that this does not create a conflict or affect their independence.

A number of the directors are Non-Executive Directors of other listed funds. The Board notes that none of these funds are trading companies and confirms that all Non-Executive Directors of the Company have sufficient time and commitment (as evidenced by their attendance and participation at meetings) to devote to this Company.

### Meeting Attendance Records

The table below lists Directors' attendance at meetings during the period.

	Scheduled Board Meetings Attended (max 3)	Audit Committee Meetings Attended (max 1)
Steve Bates <sup>1</sup>	2 of 2	N/A
Rupert Dorey <sup>1</sup>	2 of 2	1 of 1
Keith Dorrian <sup>2</sup>	2 of 2	N/A
Christopher Legge	2 of 2	1 of 1
Joshua L Targoff <sup>3,4</sup>	2 of 2	N/A
Claire Whittet	2 of 2	1 of 1

<sup>1</sup>Mr. Bates and Mr. Dorey were appointed 5 February 2019.

<sup>2</sup>Mr. Dorrian did not stand for re-election at AGM on 3 July 2019.

<sup>3</sup>Mr. Targoff is not a member of the Audit Committee.

<sup>4</sup>Mr. Targoff does not attend Meetings as a Director where recommendations from the Investment Manager are under consideration.

### Committees of the Board

The AIC Code requires the Company to appoint Nomination, Remuneration and Management Engagement Committees. The independent directors of the Board will act as these committees and the first meetings will be held in August 2019. The Nomination and Remuneration Committee considers the composition of and recruitment to the Board, and will consider market practice, peer group statistics and the requirements of the role when determining remuneration levels of the Directors. The function of the Management Engagement Committee is to ensure that the Company's management agreement is competitive and reasonable for the Shareholders, along with the Company's agreements with all other third party service providers (other than the external auditors).

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 is consistently reviewing its policy and future appointments to the Board will continue to be based on the individual's skills and experience regardless of gender.

The Committee also reviews annually the performance of the Investment Manager with a view to determining whether to recommend to the Board that the Investment Manager's mandate be renewed, subject to the specific notice period requirement of the agreement. The other third party service providers are also reviewed on an annual basis.

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, Interim Report and Unaudited Condensed Interim Financial Statements to the Board of Directors.

## Directors' Report continued

### 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:

**Internal Control and Financial Reporting – continued**

- 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 defines 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. The performance of the Management Engagement Committee will also be evaluated annually going forward. It is intended to consider having an independent review carried out in 2020.

**Management of Principal Risks and Uncertainties**

As noted in the Statement of Directors' Responsibilities in respect of the Unaudited Condensed Interim 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 Unaudited Condensed Interim 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;

## Directors' Report continued

### Management of Principal Risks and Uncertainties – continued

- 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 Numis Securities 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 to the NAV. The Board monitors the discount to the NAV on a regular basis and maintains regular contact with the Investment Manager. 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. The Board made updates in May 2018 to the Company's share repurchase programme, outlined in Note 6 on pages 29 to 31, and dividend policy.
- Performance of the Investment Manager. Through the Management Engagement Committee, 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. Through the Management Engagement Committee, 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;



**Management of Principal Risks and Uncertainties – continued**

- **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 2019, 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. These shares are subject to a 25% quarterly redemption gate. The Board considers this to be sufficient for normal requirements. After due consideration, the Directors consider that the Company is able to continue for the foreseeable future.

**Significant Events During The Period**

The FRC and AIC have revised their corporate governance codes, which became effective 1 January 2019. The Company is reporting under these revised codes.

As of 1 January 2019, the Company transferred substantially all of its holding into a newly-created share class of the Master Fund. The new share class is subject to a 25% quarterly redemption gate. The Company plans to redeem an appropriate amount each quarter to account for planned share buybacks and Company fees and expenses. The new share class attracts a lower management fee and the Company also qualifies for an additional reduction in management fee applicable to it based on its size and longevity as an investor in the Master Fund. As a result, the Company's management fee has been reduced from 2.0% to 1.25% per annum commencing on 1 January 2019.

For the period 1 January 2019 to 30 June 2019, 3,108,828 shares have been repurchased and cancelled at an average cost per share of \$14.64.

Steve Bates was appointed as Chairman on 5 February 2019.

Rupert Dorey was appointed as a Director on 5 February 2019.

On 11 February 2019, Christopher Legge purchased 2,000 shares in Third Point Offshore Investors Limited taking his total holding to 6,500 shares.

# Directors' Report continued

## Significant Events During The Period – continued

On 13 February 2019, Rosemary Dorey (spouse of Rupert Dorey, non-executive director of the Company) purchased 5,151 shares in Third Point Offshore Investors Limited taking their combined total holding to 12,000 shares.

On 4 March 2019, Claire Whittet in conjunction with her husband Martin Whittet, beneficially purchased 2,500 shares in Third Point Offshore Investors Limited through their joint Retirement Annuity Trust Scheme (RATS).

The shares of the Company are quoted on the LSE in two currencies. On 28 March 2019, FTSE published an update to the UK Index Series Guide to Calculation Method for the Median Liquidity Test which stated that: "Where a security has a market quote in multiple currencies, only volume data from the eligible Sterling quote will be used in the liquidity test." Based on this revised calculation method the Shares have been removed from the UK Index Series.

On 30 April 2019, the Board announced the appointment of Numis Securities Limited as a replacement for Jefferies International Limited as Corporate Broker to the Company.

There were no other events during the period which, in the opinion of the Directors, may have an impact on the Unaudited Condensed Interim Financial Statements for the period ended 30 June 2019.

## Significant Events After Period-End

On 3 July 2019, the Board of Directors announced the cancellation of all remaining 3,379,753 Shares currently held by the Master Fund for the benefit of the Company. The cancellation is in accordance with the Repurchase Policy announced on 2 May 2018.

Huw Evans was appointed as a Director on 21 August 2019.

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 2019.

## 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 twelfth Annual General Meeting was held on 3 July 2019 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.

### International Tax Reporting – continued

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 16 August 2019, 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>		
Goldman Sachs Securities (Nominees) Limited	5,421,454	13.33%
Chase Nominees Limited	4,933,930	12.13%
Vidacos Nominees Limited	3,466,900	8.52%
Morgan Stanley & Co. Incorporated	2,496,617	6.14%
Smith & Williamson Nominees Limited	2,340,869	5.76%

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 and the Investment Manager’s Review 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 2019 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 2019 and that have materially affected the financial position or the performance of the Company during the six month period ended 30 June 2019 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 2019.

Signed on behalf of the Board by:

**Steve Bates**  
Chairman

**Christopher Legge**  
Director

28 August 2019

# Disclosure of Directorships in Public Listed Companies

The following summarises the Directors' directorships in public companies:

Company Name	Exchange
<b>Steve Bates</b>	
VinaCapital Vietnam Opportunity Fund Limited	London
BMO Capital & Income Investment Trust plc	London
Biotech Growth Trust plc	London
<b>Rupert Dorey</b>	
NB Global Floating Rate Income Fund Limited	London
AP Alternative Assets, L.P.	Euronext
<b>Huw Evans</b>	
Standard Life Investments Property Income Trust Limited	London
VinaCapital Vietnam Opportunity Fund Limited	London
<b>Christopher Legge</b>	
Ashmore Global Opportunities 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>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.

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:

- the Interim Report and 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;
- the Interim Report and 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 2019 and their impact on these Interim Report and Unaudited Condensed Interim 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 2019 and that have materially affected the financial position or the performance of the Company during the six month period ended 30 June 2019 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 2019.

Steve Bates  
Chairman

Christopher Legge  
Director

28 August 2019

# Investment Manager's Review

## Performance Summary

USD Class	30-June-2019	31-December-2018	% Change
Share Price	14.98	14.00	+7.0%
Net asset value per share	19.85	17.24	+15.1%
Premium/(discount)	(24.6%)	(18.8%)	

## Strategy Performance

For the six months ended 30 June 2019, the net asset value per share increased by +15.1%, more than twice the appreciation in the corresponding share price.

At the onset of 2019, the Investment Manager reoriented the portfolio with a focus on generating alpha by concentrating on specialized strategies in which the Manager possesses an edge relative to competitors. The Manager aimed to reduce market risk by maintaining lower net exposures and less beta across the portfolio. The portfolio has increased exposure to event-driven investments, including activist names, and grew the concentrated book of single name short positions and sector and market hedges to dampen volatility and market correlation. As a result, net equity exposure levels have averaged at ~40% in 2019, significantly below exposure levels in recent years.

Through June, U.S. equity markets were strong despite weak global growth and low overall earnings growth. The strength seems largely driven by the dovish pivot in U.S. Fed policy from targeting higher neutral rates to focusing on low inflation and trade war concerns to initiate a rate cutting cycle. In Europe, the ECB has initiated efforts this year to stimulate Eurozone growth by maintaining rates at sub-zero levels and renewing a program of cheap bank loans, rather than tightening as previously forecast. In Asia, China has stimulated via credit and fiscal policy and may have room to stimulate further.

Despite lower exposures against a strong market backdrop, the Investment Manager was pleased to generate net returns of +13.0% for the Master Fund for the first six months of the year compared to the MSCI World Index returns of +17.4% for the same period. Shares of the Company outperformed the Master Fund with an increase in NAV of +15.1% for the same period. The Company's returns were enhanced by a significant amount of repurchase activity throughout the year.

During the first six months of 2019, each investment strategy contributed to positive returns with equities as the primary contributor, driving 80% of profits. As a result of portfolio repositioning at the beginning of 2019 and several new investments in event driven and activist situations, the equity portfolio has the highest proportion of idiosyncratic to other types of risks (such as market, sector, and factor) in the past five years. Gains were largely due to strong performance in core equity long positions, especially those with an activist component.

Within credit, the portfolio saw positive performance across each sub-strategy. The best performing position in corporate credit was also the largest position in the portfolio, a stake in the unsecured debt of a U.S. utility business. In sovereign credit, returns were primarily attributable to a recent investment in the debt of a country in Latin America that the Investment Manager knows well following successful historical investments in the region. Finally, the structured credit portfolio also performed well, largely due to gains in securitizations with U.S. residential mortgages as the underlying assets.

The Investment Manager made several adjustments to the portfolio by adding long core positions, primarily in equities, including a publicly announced constructive investment in Sony. Additional details on the investment can be found at [www.AStrongerSony.com](http://www.AStrongerSony.com). Corporate Governance remains a key area of focus for Third Point and the Firm recently dedicated several team members to the topic. Finally, it



was announced that Munib Islam was appointed as Co-CIO of Third Point, a title which largely recognizes a role that Munib has played for some time in working with Daniel Loeb to manage the equity team and investment portfolio while overseeing research activities, talent development, and risk.

As of 30 June 2019, the top five single issuer positions in the portfolio were Baxter International Inc., Sony Corp., Nestlé SA, United Technologies Corp., and Campbell Soup Co., 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. The Investment Manager remains more defensively positioned with lower net exposures when compared to recent historical exposure levels.

The Manager believes current positioning, late in the economic cycle, will allow them to take advantage of market corrections and be poised to shift more meaningfully into credit as opportunities emerge. While credit cycles can be difficult to predict, the Manager believes flexible positioning is appropriate given current debt levels throughout the system and the potential for an economic slowdown in the next few years, although there does not appear to be an immediate threat on the horizon. Third Point will also remain focused on generating alpha across a variety of strategies including event driven investing, especially activism, and short selling.

At 30 June 2019, exposure in the Investment Manager's portfolio was as follows:

### Exposure Breakdown<sup>1</sup>

	Long	Exposure Short	Net
<b>Long/Short Equity</b>			
Consumer	18.3%	-8.7%	9.6%
Energy & Utilities	3.8%	-1.5%	2.3%
Financials	7.4%	-4.1%	3.3%
Healthcare	22.2%	-3.3%	18.9%
Industrials & Commodities	16.4%	-12.3%	4.1%
TMT	22.7%	-12.7%	10.0%
Market Hedges	3.2%	-9.3%	-6.1%
<b>Total L/S Equity</b>	<b>94.0%</b>	<b>-51.9%</b>	<b>42.1%</b>
<b>Credit</b>			
Distressed	5.6%	0.0%	5.6%
Government	3.9%	0.0%	3.9%
Performing	5.1%	-1.3%	3.8%
ABS	14.0%	-0.9%	13.1%
<b>Total Credit</b>	<b>28.6%</b>	<b>-2.2%</b>	<b>26.4%</b>
<b>Other</b>			
Risk Arbitrage	0.0%	0.0%	0.0%
Macro <sup>2</sup>	0.8%	0.0%	0.8%
Privates	11.1%	0.0%	11.1%
Currency	0.0%	0.0%	0.0%
<b>Total Other</b>	<b>11.9%</b>	<b>0.0%</b>	<b>11.9%</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.

## Investment Manager's Review continued

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.

# Independent Review Report

to third point offshore investors limited

## Introduction

We have been engaged by the Company to review the Unaudited Condensed Interim Financial Statements for the six months ended 30 June 2019 which comprise the Statements of Assets and Liabilities, Statements of Operations, Statements of Changes in Net Assets, Statements of Cash Flows and the related notes 1 to 13.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Unaudited Condensed Interim Financial Statements.

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

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 of America ("US GAAP").

## Our Responsibility

Our responsibility is to express to the Company a conclusion on the Unaudited Condensed Interim 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 'Interim Report and Unaudited Condensed Interim Financial Statements' for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with US GAAP and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP  
Guernsey, Channel Islands  
28 August 2019

<sup>1</sup> The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website

<sup>2</sup> Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

# Statements of Assets and Liabilities

	Unaudited	Audited
	As at 30 June 2019 US\$	As at 31 December 2018 US\$
(Stated in United States Dollars)		
<b>Assets</b>		
Investment in Third Point Offshore Fund Ltd at fair value (Cost: US\$366,151,301; 31 December 2018: US\$398,942,647)	823,631,405	803,148,852
Cash	338,576	117,979
Subscriptions paid in advance	734,960	–
Due from broker	2,904	520,662
Redemption receivable of Company Shares from Master Fund	50,611,801	10,130,000
Other assets	11,098	18,933
<b>Total assets</b>	<b>875,330,744</b>	<b>813,936,426</b>
<b>Liabilities</b>		
Accrued expenses and other liabilities	348,655	258,425
Administration fee payable (Note 4)	43,837	41,974
<b>Total liabilities</b>	<b>392,492</b>	<b>300,399</b>
<b>Net assets</b>	<b>874,938,252</b>	<b>813,636,027</b>
<b>Number of Ordinary Shares in issue (Note 6)</b>		
US Dollar Shares	44,077,302	47,186,130
<b>Net asset value per Ordinary Share (Notes 8 and 11)</b>		
US Dollar Shares	\$19.85	\$17.24
<b>Number of Ordinary B Shares in issue (Note 6)</b>		
US Dollar Shares	29,384,868	31,457,421

The financial statements on pages 22 to 34 were approved by the Board of Directors on 28 August 2019 and signed on its behalf by:

Steve Bates  
Chairman

Christopher Legge  
Director

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 Operations

	Unaudited For the period ended 30 June 2019 US\$	Unaudited For the period ended 30 June 2018 US\$
(Stated in United States Dollars)		
<b>Realised and unrealised gain from investment transactions allocated from Master Fund</b>		
Net realised gain from securities, derivative contracts and foreign currency translations	31,974,723	47,711,348
Net change in unrealised gain/(loss) on securities, derivative contracts and foreign currency translations	85,559,460	(35,708,400)
Net (loss)/gain from currencies allocated from Master Fund	(550,630)	486,208
<b>Total net realised and unrealised gain from investment transactions allocated from Master Fund</b>	<b>116,983,553</b>	<b>12,489,156</b>
<b>Net investment loss allocated from Master Fund</b>		
Interest income	8,400,193	5,373,974
Dividends, net of withholding taxes of US\$1,681,621; (30 June 2018: US\$1,017,003)	3,619,167	5,211,693
Other income	2,017,464	1,117,561
Incentive allocation (Note 2)	(11,971,040)	(2,144,787)
Stock borrow fees	(98,417)	(56,735)
Investment Management fee	(5,308,453)	(9,919,262)
Dividends on securities sold, not yet purchased	(2,227,465)	(1,601,525)
Interest expense	(1,686,760)	(946,913)
Other expenses	(1,988,886)	(2,428,435)
<b>Total net investment loss allocated from Master Fund</b>	<b>(9,244,197)</b>	<b>(5,394,429)</b>
<b>Company expenses</b>		
Administration fee (Note 4)	(81,991)	(87,815)
Directors' fees (Note 5)	(134,276)	(127,875)
Other fees	(493,402)	(1,583,848)
Expenses paid on behalf of Third Point Offshore Independent Voting Company Limited <sup>1</sup> (Note 4)	(35,456)	(35,454)
<b>Total Company expenses</b>	<b>(745,125)</b>	<b>(1,834,992)</b>
Net loss	(9,989,322)	(7,229,421)
<b>Net increase in net assets resulting from operations</b>	<b>106,994,231</b>	<b>5,259,735</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 For the period ended 30 June 2019 US\$	Unaudited For the period ended 30 June 2018 US\$
(Stated in United States Dollars)		
<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	31,974,723	47,711,348
Net change in unrealised gain/(loss) on securities, derivative contracts and foreign currency translations allocated from Master Fund	85,559,460	(35,708,400)
Net loss/(gain) from currencies allocated from Master Fund	(550,630)	486,208
Total net investment loss allocated from Master Fund	(9,244,197)	(5,394,429)
Total Company expenses	(745,125)	(1,834,992)
<b>Net increase in net assets resulting from operations</b>	<b>106,994,231</b>	<b>5,259,735</b>
<b>Decrease in net assets resulting from capital share transactions</b>		
Dividend distribution	–	(40,628,420)
Share buybacks	(45,692,006)	–
<b>Net assets at the beginning of the period</b>	<b>813,636,027</b>	<b>1,014,392,601</b>
<b>Net assets at the end of the period</b>	<b>874,938,252</b>	<b>979,023,916</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 For the period ended 30 June 2019 US\$	Unaudited For the period ended 30 June 2018 US\$
(Stated in United States Dollars)		
<b>Cash flows from operating activities</b>		
Operating expenses	(395,334)	(635,864)
Directors' fees	(134,276)	(66,332)
Administration fee	(80,128)	(50,827)
Third Point Offshore Independent Voting Company Limited <sup>1</sup>	(35,456)	(35,454)
Redemption from Master Fund	47,292,758	41,547,000
Advance subscription to the Master Fund	(734,960)	–
<b>Cash inflow from operating activities</b>	<b>45,912,604</b>	<b>40,758,523</b>
<b>Cash flows from financing activities</b>		
Dividend distribution	–	(40,628,420)
Share buybacks	(45,692,006)	–
<b>Net increase in cash</b>	<b>220,598</b>	<b>130,103</b>
<b>Cash at the beginning of the period</b>	<b>117,979</b>	<b>16,816</b>
<b>Cash at the end of the period</b>	<b>338,577</b>	<b>146,919</b>

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

	Unaudited For the period ended 30 June 2019 US\$	Unaudited For the period ended 30 June 2018 US\$
(Stated in United States Dollars)		
<b>Supplemental disclosure of non-cash transactions from:</b>		
<b>Operating activities</b>		
Redemption of Company Shares from Master Fund	50,611,801	–
<b>Financing activities</b>		
Share buybacks	–	–

See accompanying notes and attached 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 2019

## 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) through a master-feeder structure in Class E and N 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.

As per the disclosure within the Annual Accounts, the Company’s annual management fee was reduced to 1.25 per cent (from 2 per cent) effective 1 January 2019 following a transfer of substantially all of its holdings into a new share class in the Master Fund and to reflect the Company’s size and longevity as an investor in the Master Fund. In the period ended 30 June 2019, the Company paid to the Investment Manager at the level of the Master Partnership a fixed management fee of 1.25 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 of 10%. The Company was allocated US\$11,971,040 (30 June 2018: US\$2,144,787) of incentive fees for the period ended 30 June 2019.

### 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 presentation 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 and Cash Equivalents

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

#### Due from Broker

Due from broker includes cash balances held at the Company's clearing broker as of 30 June 2019. The Company clears all of its securities transactions through a major international securities firm, UBS, pursuant to agreements between the Company and prime broker.

#### Redemptions Receivable

Redemptions receivable are capital withdrawals from the Master Fund which have been requested but not yet settled as at 30 June 2019.

#### 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 2019, the Company's US Dollar shares represented 13.49% (31 December 2018: 13.30%) 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.

# Notes to the Unaudited Condensed Interim Financial Statements

(continued)

For the period ended 30 June 2019

## 3. Significant Accounting Policies (continued)

### 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

The Company has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective. The amendments and interpretations which apply for the first time in 2019 have been assessed and do not have an impact on the Unaudited Condensed Interim Financial Statements of the Company.

## 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\$81,991 (30 June 2018: US\$87,815) with US\$43,837 outstanding (31 December 2018: US\$41,974).

#### 4. Material Agreements (continued)

##### Administration fees (continued)

##### 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 23 and amounted to US\$35,456 (30 June 2018: US\$35,454). As at 30 June 2019 expenses accrued by the Company on behalf of VoteCo amounted to US\$24,971 (31 December 2018: US\$19,855).

#### 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\$134,276 (30 June 2018: US\$127,875) with US\$70,803 outstanding (31 December 2018: US\$Nil).

# Notes to the Unaudited Condensed Interim Financial Statements

(continued)

For the period ended 30 June 2019

## 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.

	US Dollar Shares
<b>Number of Ordinary Shares</b>	
Shares issued 1 January 2019	47,186,130
<b>Shares Cancelled</b>	
Total shares cancelled during the period	(3,108,828)
<b>Shares in issue at end of period</b>	<b>44,077,302</b>
	US Dollar Shares US\$
<b>Stated Capital Account</b>	
Stated capital account at 1 January 2019	371,703,326
<b>Shares Cancelled</b>	
Total share value cancelled during the period	(45,692,006)
<b>Stated Capital account at end of period</b>	<b>326,011,320</b>
<b>Retained earnings</b>	<b>548,926,932</b>
	US Dollar Shares
<b>Number of Ordinary B Shares</b>	
Shares in issue as at 1 January 2019	31,457,421
<b>Shares Cancelled</b>	
Total shares cancelled during the period	(2,072,553)
<b>Shares in issue at end of period</b>	<b>29,384,868</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



## 6. Stated Capital (continued)

### Voting Rights (continued)

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. 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 the Shares in issue at the Annual General Meeting on 28 June 2018, and they intend to seek annual renewal of this authority from Shareholders. The Directors have utilised this share repurchase authority by introducing a new mechanism that will hopefully enhance future capital growth. Pursuant to the Director's share repurchase authority, the Company, through the Master Fund, commenced a share repurchase programme 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 nil% of the USD shares outstanding at 30 June 2019 (31 December 2018: 7.16%).

As at 30 June 2019, the Master Fund held 3,379,753 (31 December 2018: 3,379,753) shares of the Company. On 3 July 2019, the Company announced the cancellation of the remaining 3,379,753 Shares held by the Master Fund, for the benefit of the Company. As a result, the Master Partnership will not hold any shares in the Company. The cancellation is in accordance with the Repurchase Policy announced on 2 May 2018.

### 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.

## 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 2019 other investment funds owned by or affiliated with the Investment Manager owned 5,630,444 (31 December 2018: 5,630,444) US Dollar Shares in the Company. Refer to note 4 and note 5 for additional Related Party Transaction disclosures.

# Notes to the Unaudited Condensed Interim Financial Statements

(continued)

For the period ended 30 June 2019

## 10. Significant Events

As of January 1, 2019, the Company transferred substantially all of its holding into a newly-created share class of the Master Fund. The new share class is subject to a 25% quarterly redemption gate. The Company plans to redeem an appropriate amount each quarter to account for planned share buybacks and Company fees and expenses. The new share class attracts a lower management fee and the Company also qualifies for an additional reduction of management fee applicable to it based on its size and longevity as an investor in the Master Fund. As a result, the Company's management fee has been reduced from 2.0% to 1.25% per annum.

For the period 1 January 2019 to 30 June 2019, 3,108,828 shares have been repurchased and cancelled at an average cost per share of \$14.64.

Steve Bates was appointed as Chairman on 5 February 2019.

Rupert Dorey was appointed as a Director on 5 February 2019.

On 11 February 2019, Christopher Legge purchased 2,000 shares in Third Point Offshore Investors Limited taking his total holding to 6,500 shares.

On 13 February 2019, Rosemary Dorey (spouse of Rupert Dorey, non-executive director of the Company) purchased 5,151 shares in Third Point Offshore Investors Limited taking their combined total holding to 12,000 shares.

On 4 March 2019, Claire Whittet in conjunction with her husband Martin Whittet, beneficially purchased 2,500 shares in Third Point Offshore Investors Limited through their joint Retirement Annuity Trust Scheme (RATS).

On 30 April 2019, the Board announced the appointment of Numis Securities Limited as Corporate Broker to the Company.

## 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 2019  
US\$

### Per Share Operating Performance

Net Asset Value beginning of the period	17.24
<b>Income from Operations</b>	
Net realised and unrealised gain from investment transactions allocated from Master Fund	2.35
Net loss	(0.02)
<b>Total Return from Operations</b>	<b>2.33</b>
Share buyback accretion	0.28
Distribution Paid	—
<b>Net Asset Value, end of the period</b>	<b>19.85</b>
<b>Total return before incentive fee allocated from Master Fund</b>	<b>15.14%</b>
Incentive allocation from Master Fund	(1.51%)
<b>Total return after incentive fee allocated from Master Fund</b>	<b>13.63%</b>

**11. Financial Highlights (continued)**

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 period ended 30 June 2019 and 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 US\$
<b>Per Share Operating Performance</b>		
Net Asset Value beginning of the period	20.25	19.21
<b>Income from Operations</b>		
Net realised and unrealised gain from investment transactions allocated from Master Fund	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 allocation 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 allocation from Master Fund</b>	<b>0.69%</b>	<b>(0.10%)</b>

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 period ended 30 June 2018 and 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 2019 US\$
<b>Supplemental data</b>	
Net Asset Value, end of the period	874,938,252
Average Net Asset Value, for the period <sup>1</sup>	853,900,686
<b>Ratio to average net assets</b>	
Operating expenses <sup>2</sup>	(1.34%)
Incentive fee allocated from Master Fund	(1.40%)
Total operating expense <sup>2</sup>	(2.74%)
Net loss	(1.14%)

# Notes to the Unaudited Condensed Interim Financial Statements

(continued)

For the period ended 30 June 2019

## 11. Financial Highlights (continued)

	US Dollar Shares 30 June 2018 US\$	Sterling Shares 30 June 2018 US\$
<b>Supplemental data</b>		
Net Asset Value, end of the period	941,266,106	28,623,917
Average Net Asset Value, for the period <sup>1</sup>	937,867,031	37,503,098
<b>Ratio to average net assets</b>		
Operating expenses <sup>2</sup>	(1.70%)	(1.69%)
Incentive fee allocated from Master Fund	(0.22%)	(0.22%)
Total operating expense <sup>2</sup>	(1.92%)	(1.91%)
Net loss	(0.73%)	(0.70%)

<sup>1</sup> Average Net Asset Value for the period is calculated based on published monthly estimates of NAV.

<sup>2</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 2019 and 31 December 2018 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 2019 and 31 December 2018 excluding performance fees and including performance fees are based on Company expenses and allocated Master Fund expenses outlined below.

(excluding performance fees)	30 June 2019	31 December 2018
US Dollar Shares	1.76%	2.82%
Sterling Shares*	–	1.86%
(including performance fees)	30 June 2019	31 December 2018
US Dollar Shares	4.59%	2.87%
Sterling Shares*	–	2.08%

\* All Sterling shares were compulsorily converted to the US Dollar class as of 1 July 2018.

## 13. Subsequent Events

On 3 July 2019, the Board of Directors announced the cancellation of all remaining 3,379,753 Shares currently held by the Master Fund for the benefit of the Company. The cancellation is in accordance with the Repurchase Policy announced on 2 May 2018.

Huw Evans was appointed as a Director on 21 August 2019.

There were no 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 2019.

# Management and Administration

## Directors

### Steve Bates (Chairman)\*<sup>1</sup>

PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

### Rupert Dorey\*<sup>1</sup>

PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

### Huw Evans\*<sup>2</sup>

PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

## Investment Manager

Third Point LLC  
18th Floor, 390 Park Avenue,  
New York, NY 10022,  
United States of America.

## Auditors

Ernst & Young LLP  
PO Box 9, Royal Chambers  
St Julian's Avenue,  
St Peter Port, Guernsey,  
Channel Islands, GY1 4AF.

## Legal Advisors (UK Law)

Herbert Smith Freehills LLP  
Exchange House, Primrose Street,  
London, EC2A 2HS,  
United Kingdom.

## Legal Advisors (US Law)

Cravath, Swaine & Moore, LLP  
825 Eighth Avenue, Worldwide Plaza,  
New York, NY 10019-7475,  
United States of America.

## Registrar and CREST Service Provider

Link Market Services (Guernsey) Limited  
(formerly Capita Registrars (Guernsey) Limited)  
2nd Floor, No.1 Le Truchot,  
St Peter Port, Guernsey,  
Channel Islands, GY1 1WO.

## Registered Office

PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

### Christopher Legge\*

PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

### Joshua L Targoff

PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

### Claire Whittet\*

PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

*\* These Directors are independent.*

<sup>1</sup> Appointed 5 February 2019.

<sup>2</sup> Appointed 21 August 2019.

## Administrator and Secretary

Northern Trust International Fund  
Administration Services (Guernsey) Limited,  
PO Box 255, Trafalgar Court, Les Banques,  
St Peter Port, Guernsey,  
Channel Islands, GY1 3QL.

## Legal Advisors (Guernsey Law)

Mourant Ozannes  
Royal Chambers, St Julian's Avenue,  
St Peter Port, Guernsey,  
Channel Islands, GY1 4HP.

## Receiving Agent

Link Market Services Limited  
The Registry,  
34 Beckenham Road,  
Beckenham, Kent BR3 4TU,  
United Kingdom.

## Corporate Broker

Numis Securities Limited<sup>3</sup>  
The London Stock Exchange Building,  
10 Paternoster Square,  
London EC4M 7LT,  
United Kingdom.

## Kepler Partners LLP

9/10 Savile Row,  
London W1S 3PF,  
United Kingdom.

## Jefferies International Limited<sup>4</sup>

Vintners Place,  
68 Upper Thames Street,  
London EC4V 3BJ,  
United Kingdom.

<sup>3</sup> Appointed on 30 April 2019.

<sup>4</sup> Engagement terminated on 26 April 2019.

