

10 June 2021

Third Point Investors Limited (LSE: TPOU) Proposes Innovative Exchange Feature at Upcoming AGM

- **New proposal to enable shareholders to convert TPIL shares into shares of Third Point's flagship Cayman Fund at a discount**
 - **Expected to be value accretive for all shareholders**
 - **A further proposal to address the Company's discount to NAV**

Following the [announcement of a multi-pronged approach to enhance shareholder value](#) made on 1 April 2021, the Board of the London-listed, multi-strategy Third Point Investors Limited ("**TPIL**" or the "**Company**") will seek shareholder approval to implement an innovative, value accretive exchange facility (the "**Exchange Facility**") at the Company's upcoming Annual General Meeting on 8 July 2021.

Developed in partnership with the Company's Investment Manager ("**Third Point**"), the Exchange Facility is intended to complement the previously announced structural enhancements to attract new buyers to the Company, narrow the discount to net asset value ("**NAV**"), and provide value creation for all TPIL shareholders.

A summary of the Exchange Facility is as follows:

- All Eligible Shareholders (as defined below) will have the opportunity to convert ordinary shares of Third Point Investors Limited ("**TPIL Shares**") into shares of Third Point's flagship Cayman Fund ("**Master Fund Shares**") at a 7.5% discount to the net asset value per TPIL Share, a level that reinforces the Board's previously stated discount target.
- The Board considers this attractive 7.5% discount conversion to represent a material uplift from the current discount, and all of the Company's shareholders are expected to benefit from any subsequent retirement of the exchanged TPIL Shares.
- In order to align with the minimum subscription request amount for the Master Fund, the minimum aggregate value of TPIL Shares which any one shareholder may tender for exchange will be US\$10 million, based on the NAV per TPIL Share as at 31 August 2021.
- Exchange requests will be subject to proration if they are received in respect of TPIL Shares worth in aggregate more than US\$50 million based on the NAV per TPIL Share as at 31 August 2021 (the "**Maximum Amount**").
- Exchange requests can be submitted from 1 October 2021 and must be received no later than 5pm (Guernsey time) on 15 November 2021.
- Further details of the Exchange Mechanism and the eligibility criteria and process for participation are set out below.
- The Board and the Investment Manager intend to review the efficacy of the Exchange Mechanism in reducing the discount to NAV at which TPIL Shares trade before determining whether to offer the Exchange Mechanism in future years.

Steve Bates, Chairman of TPIL, said: “Since first implementing a buyback programme in September 2019, the Board engaged with shareholders to find innovative features to assist in closing the persistent discount to NAV at which the shares trade. Following these measures and extremely strong portfolio performance, we are pleased to report significant progress has been made, with the discount closing from over 27% to approximately 14% over the past year.

“The Board believes this latest exchange option is a creative way to offer a path for eligible investors to access the Manager’s strategy directly, while offering benefits to remaining shareholders.

“The Board recognises that not all shareholders will qualify as eligible shareholders under the terms of the scheme. For this reason, the discount feature will ensure that any rollovers are accretive to all remaining shareholders. The Board also believes that to the extent that the scheme attracts new investors, such incremental source of demand may help to reduce the discount, while improving liquidity in the Company’s shares. If approved, the Board will monitor the program closely to gauge whether it would be beneficial to TPIL shareholders for this option to be offered again in future years.”

Daniel S. Loeb, Investment Manager of TPIL, said: “While generating superior risk-adjusted investment returns is our primary focus, we recognise that discount control is also a priority. The Board and the Investment Manager are committed to reducing the discount to NAV in the shares, and this Exchange Facility is an innovative extension of the ambitious plans announced following the Strategic Review. Augmented by a further commitment to our private markets effort, TPIL’s flexible mandate offers shareholders a differentiated approach to generating portfolio alpha in varied market conditions. Considering recent strong performance and the refreshed commitment to discount reduction, we believe the value proposition of the security is stronger than ever.”

As at 31 May 2021, TPIL’s NAV per share advanced 16.0% year-to-date, and 56.8% in the trailing 12 months, driven by dynamic asset allocation across a range of strategies, including activist and non-activist equity positions, corporate and structured credit, and Third Point’s venture portfolio.

The Exchange Mechanism will be subject to shareholder approval by way of an ordinary resolution proposed in advance of the 2021 Annual General Meeting of the Company, to be held on 8 July 2021 at 2:00pm BST. For a full agenda of the AGM, please access at the FCA’s [National Storage Mechanism](#) or the [Third Point Investors Limited web site](#). Additional details on the Exchange Facility are provided below.

Who is eligible to participate in the Exchange Facility?

- Only Eligible Shareholders will be able to exchange TPIL Shares for Master Fund Shares pursuant to the Exchange Mechanism. “**Eligible Shareholders**” are shareholders:
 - if in the United Kingdom, (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (ii) who fall within Article 49(2)(a) to (d) of the Order; and (iii) to whom Master Fund Shares may otherwise lawfully be marketed;
 - if in any other jurisdiction, to whom the Master Fund Shares may lawfully be marketed;

- who are eligible to hold Master Fund Shares directly pursuant to an offering and sale exempt from registration under the U.S. Securities Act of 1933 (or otherwise as determined by the Master Fund) and all other applicable laws and regulations;
- who are not U.S. persons, save for limited exceptions determined by Third Point in the case of shareholders with whom Third Point has a relationship and who Third Point has determined to be highly experienced and sophisticated in investment matters;
- who satisfy all other eligibility and suitability requirements for investing in the Master Fund Shares, including in connection with all applicable regulations relating to anti-money laundering; or
- who are not “related parties” of the Company for the purpose of the UK Listing Rules (including the Directors, Third Point, Daniel S. Loeb and any “substantial shareholders” as defined in the UK Listing Rules).

How will the conversion process work?

- Exchanges of TPIL Shares for Master Fund Shares will be effected by way of a redemption of the relevant TPIL Shares and an in-specie distribution of Master Fund Shares by TPIL to the exchanging shareholder.
- The number of Master Fund Shares a shareholder participating in the Exchange Mechanism will receive will be calculated by reference to a fixed formula. Consequently, a shareholder exchanging TPIL Shares will receive 92.5 per cent. of the number of Master Fund Shares held by TPIL that are attributable to the TPIL Shares being exchanged (with adjustments as necessary to account for leverage, accrued liabilities, cash or other assets held by TPIL). This will effectively result in exchanging shareholders receiving Master Fund Shares with an aggregate NAV equal to 92.5 per cent. of the aggregate NAV of the TPIL Shares being exchanged (calculated by reference to the NAV per TPIL Share and NAV per Master Fund Share as at 30 November 2021). TPIL's calculation of the number of Master Fund Shares to be distributed under the Exchange Mechanism will be conclusive and binding.
- Eligible Shareholders that express interest in exchanging their TPIL Shares for Master Fund Shares pursuant to the Exchange Mechanism may contact Third Point and, subject to (i) legal and regulatory considerations, and (ii) the interested shareholder completing a non-disclosure agreement, subsequently review the private placement memorandum of the Master Fund. Any decision to acquire Master Fund Shares pursuant to the Exchange Mechanism should be taken only on the basis of the private placement memorandum of the Master Fund.
- Each Eligible Shareholder interested in utilising the Exchange Mechanism will be required to provide such certifications and verification materials as the Master Fund and TPIL may in their absolute discretion determine necessary to establish the status of such shareholder as an Eligible Shareholder, and will be required to execute an application form, a subscription agreement to acquire Master Fund Shares and the side letter referred to below (the “**Exchange Application Documents**”). The fully completed and executed Exchange Application Documents must be received by TPIL no later than 5pm (Guernsey time) on 15 November 2021.
- Prior to distributing Master Fund Shares, the applicable number of Class E Master Fund Shares held by TPIL will be converted into Class N or Class O Master Fund Shares, by way of redemption and simultaneous resubscription. Exchanging shareholders will therefore receive

Class N and O Master Fund Shares, which are subject to a 1.50% management fee and a 20% incentive allocation, and may be redeemed quarterly subject to a 25% investor-level gate. Class N and O Master Fund Shares are substantially similar, except that Class O Shares are limited in their participation in new issues.

- Each converting shareholder will be required to enter into a side letter with the Master Fund pursuant to which it will agree that any redemption request with respect to the Master Fund will require six months' prior notice, as opposed to the 60 days' prior notice otherwise applicable to Class N and Class O Master Fund Shares.
- It is expected that the TPIL Shares tendered for exchange will be redeemed in return for the distribution of Master Fund Shares in connection with the Exchange Mechanism on or around the third week of December 2021, following publication of the NAV per Master Fund Share as at 30 November 2021.
- Implementation of the Exchange Mechanism is conditional on:
 - approval of shareholders at the 2021 AGM;
 - TPIL's satisfying the "shares in public hands" requirement of the UK Listing Rules immediately following implementation of the Exchange Mechanism; and
 - no shareholder being required to make a mandatory offer pursuant to Rule 9 of the City Code as a result of the implementation of the Exchange Mechanism.
- Full terms and conditions relating to the operation of the Exchange Mechanism, including the process to be followed by Eligible Shareholders wishing to tender their TPIL Shares for exchange, will be contained in the Exchange Application Documents that will be published by TPIL prior to commencement of the Exchange Period. The Board of TPIL may make such changes to the operation of the Exchange Mechanism as it considers appropriate.
- The tax treatment of any exchange of TPIL Shares pursuant to the Exchange Mechanism may vary, perhaps significantly, between different types of Shareholders and between Shareholders in different jurisdictions. It will be the responsibility of each individual Eligible Shareholder to determine the tax implications for it of participating in the Exchange Mechanism and investing in the Master Fund Shares.

- Ends -

Press Enquiries

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Notes to Editors

About Third Point Investors Limited

www.thirdpointlimited.com



Third Point Investors Limited (LSE: TPOU) was listed on the London Stock Exchange in 2007 and is a feeder fund that invests in the Third Point Offshore Fund (the Master Fund), offering investors a unique opportunity to gain direct exposure to founder Daniel S. Loeb's investment strategy. The Master Fund employs an event-driven, opportunistic strategy to invest globally across the capital structure and in diversified asset classes to optimize risk-reward through a market cycle. TPIL's portfolio is 100% aligned with the Master Fund, which is Third Point's largest hedge fund. TPIL's assets under management are currently \$1.0 billion.

About Third Point LLC

Third Point LLC is an institutional investment manager that actively engages with companies across their lifecycle, using dynamic asset allocation and an ethos of continuous learning to drive long-term shareholder return. Led by Daniel S. Loeb since its inception in 1995, the Firm has a 33-person investment team, a robust quantitative data and analytics team, and a deep, tenured business team. As of 31 May 2021, Third Point manages approximately \$17.3 billion in assets for sovereign wealth funds, endowments, foundations, corporate & public pensions, high-net-worth individuals, and employees.