

1 April 2021

## **Third Point Investors Limited (LSE: TPOU) Announces Multi-Pronged Approach to Enhance Shareholder Value**

- **Increased flexibility to pursue unique opportunities in private markets**
- **Introduction of a discount control mechanism and tender offer programme**
  - **Introduction of gearing through a revolving credit facility**
    - **Potential exchange facility to Cayman Fund**

Following a detailed strategic review in close partnership with the Investment Manager, the Board of the \$1.0 billion London-listed Third Point Investors Limited (“TPIL” or “the company”) is pleased to announce several changes aimed at enhancing the strength of the company. The changes seek both to build on the Investment Manager’s track record of successfully capitalizing on investment opportunities across the corporate lifecycle and to address the persistent discount to NAV (net asset value) at which the company’s shares trade. Together, these moves are intended to comprise the latest step in the company’s continuous pursuit of shareholder returns, providing investors with access to a unique and proven investment process and a path to narrowing the gap between its asset value and share price.

The changes include:

- The introduction of a discount control mechanism that will set a long-term target discount level of no more than 7.5% and strategically continue its buy-back programme to move the discount towards this target;
- An implementation of two tender offers for 25% of NAV, at a discount of only 2% to NAV, if in the six-month periods ending 31 March 2024 and 31 March 2027, the average discounts to NAV at which the Ordinary Shares have traded is more than 10% and 7.5%, respectively;
- Recognizing the significant opportunity set in private markets and the Investment Manager’s successful track record identifying innovative unlisted businesses, the company will elect to receive an increased allocation to venture capital and private equity investment opportunities in the Master Fund up to 20% of NAV;
- Intention to employ gearing using a revolving credit facility not exceeding 15% of NAV intended to facilitate an ability to increase exposure at times of increased opportunity; and
- In addition, the Board and the Investment Manager are exploring the creation of an exchange mechanism, pursuant to which qualified investors would be permitted to convert shares of the company for up to an aggregate of \$50 million of interests in the Master Fund. The creation of such facility is subject to regulatory and legal considerations and, ultimately, shareholder approval.

As a result of these changes, TPIL is likely to become an “offshore fund” for the purposes of the UK’s offshore fund rules; approval from HMRC will be required for the purposes of TPIL being treated as a “reporting fund”. It is not expected that becoming a “reporting fund” will have any material impact on shareholders.

These changes are designed to build on the recent momentum of the investment programme, which provides unique access to Third Point's largest hedge fund, the Third Point Offshore Fund, managed by CEO and Founder Daniel S. Loeb. Since first embarking on the strategic review in September 2020, the NAV per share of the company has increased 30.4% and the share price 45.4% as of 31 March 2021.

The diversity of these returns – driven by activist and non-activist equity positions, corporate and structured credit, and Third Point's venture portfolio – underscore Third Point's unique platform and ability to perform through various market cycles. In particular, private positions have been an important driver, as innovation and value creation are increasingly blurring the line between public and private markets. Third Point can leverage its more than 20-year history investing across the corporate lifecycle to continue to add differentiated returns, and the Board believes increased flexibility to pursue private investments will help further this effort.

At the same time, the Board is aware that performance is only part of the equation, and that structural enhancements are necessary to improve the company's value proposition. Targeting a discount threshold and enhancing the mechanism by which that tightening will be effected are important steps in this process.

**Steve Bates, Chairman of TPIL, said:** "The Board, aligned with the manager, Third Point, embarked on this strategic review last September. Our existing buyback programme was only one half of our strategy to reduce the discount. We are pleased to be making these changes from a position of fundamental strength and hope that the combination of both structural protections plus strong recent performance will attract new buyers to this unique and undervalued security in closing the discount in a sustainable way."

**Daniel S. Loeb, Investment Manager of TPIL, said:** "Third Point recognises the value of these structural changes announced today to better manage the discount to NAV. Along with these important measures, we believe that adding gearing power and expanding the capacity for private investments within the company enhances the value proposition of the shares for existing and new investors."

- Ends -

#### Press Enquiries

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## **Notes to Editors**

### **About Third Point Investors Limited**

[www.thirdpointlimited.com](http://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 Third Point Offshore Fund, which is known as the “Master Fund”. TPIL offers investors a unique opportunity to gain direct exposure to the Investment Manager, Daniel S. Loeb’s opportunistic investment strategy. 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 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. Third Point is driven by an ethos of continuous self and organizational improvement, a desire to embrace change and evolution, and a commitment to putting its investors first. Led by founder Daniel S. Loeb since its inception in 1995, the Firm has a 32-person investment team, a robust quantitative data and analytics team, and a deep, tenured business team. As of 28 February 2021, Third Point manages approximately \$16.5 billion in assets for sovereign wealth funds, endowments, foundations, corporate & public pensions, high-net-worth individuals, and employees.