

Third Quarter 2023 Investor Letter

November 14, 2023

Dear Investor:

During the Third Quarter, Third Point returned -0.9% in the flagship Offshore Fund.

	Q3 ¹	YTD ¹	ANNUALIZED NET RETURN ²
TP OFFSHORE FUND, LTD.	-0.9%	-3.9%	12.7%
CS HF EVENT-DRIVEN INDEX	1.5%	5.7%	6.6%
S&P 500 INDEX (TR)	-3.3%	13.1%	8.7%
MSCI WORLD INDEX (TR)	-3.4%	11.6%	7.1%

¹Through September 30, 2023.

² Annualized Return from inception (December 1996 for TP Offshore and quoted indices).

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The top five winners for the quarter were UBS Group AG, Jacobs Solutions Inc, Vistra Corp Shell PLC and Danaher Corp. The top five losers for the quarter were Pacific Gas and Electric Co, Microsoft Corp, Hertz Global Holdings Inc, Bath & Body Works Inc and LVMH Moet Hennessy Louis Vuitton.

Performance Review and Portfolio Outlook

The funds generated small losses in the Third Quarter. Our equity book modestly outperformed broader indices, and both corporate and structured credit (which are roughly 40% of overall exposure) continued to generate attractive risk-adjusted returns with less volatility than equity markets.

Markets in the Third Quarter were intensely focused on the dramatic moves in long-term interest rates, as 10-year and 30-year US treasury yields climbed 73 and 84 bps, respectively, levels last seen before the GFC. Real interest rates are now firmly positive after several years of dovish monetary policy that proved to be a boon to multiples and financial engineering.

While the moves in stocks have seemed violent at times, the market reaction to macro developments in the Third Quarter was quite rational: unprofitable growth stocks, levered companies, and bonds proxies like utilities, real estate and staples were the big underperformers. Our equity portfolio performed relatively well in this environment with shorts significantly underperforming longs for the first time this year. Our long book had limited exposure to bond proxies like staples and real estate, and while our largest equity position (PCG) is a utility, its deeply discounted valuation made it far less vulnerable to rate moves than peers, allowing it to extend its relentless period of outperformance versus the sector.

It is hard to overstate the market's current obsession with balance sheet strength. This is a growing area of focus for the investment team, as major systematic moves generally create great idiosyncratic opportunities that can only be uncovered through old fashioned fundamental research. Distinguishing which companies have real leverage problems versus perceived leverage problems involves thorough analysis of asset sale opportunities, capital structures, and cash flow statements, all areas where Third Point has a durable competitive advantage. Our equity team's consistent collaboration with our structured credit, corporate credit, and private credit groups provides us real time insights into the broad suite of solutions available to corporates to manage their balance sheets to create or preserve equity value.

The current opportunity set in credit is the most attractive overall since 2020. Spreads are not extraordinarily wide, but yields are exceptionally attractive (close to 10% on the JPM Global High Yield Index), and we are seeing wide dispersion between "high quality" and more complex situations. While overall corporate leverage is high, we believe that if the average is

disaggregated, the high leverage levels are buried in private credit and public credit leverage remains modest by historical standards.

Corporate Credit Update

Third Point's corporate credit portfolio has contributed 1.3% to fund returns on a net basis year to date, and outperformed the JPM Domestic High Yield Index by more than 450bps during that time period. In Q3, we continued to actively trade the portfolio and several event-driven situations either came to fruition or reached their price targets. Every significant new position we initiated was in a security with an upcoming hard catalyst.

We are finding many opportunities in improving credits with 'bulletproof' securities (by virtue of seniority, security, or both) yielding 10%-13%. Throughout the year we have maintained our focus on relatively defensive industries such as healthcare and telecommunications. We also have concentrated on credits that face challenges in their capital structures or businesses that we believe are temporary and relatively easy to overcome. We expect these situations to generate total returns in the mid-to-upper teens with moderate credit risk. Given this environment, we expect to continue to increase corporate credit exposure in the coming quarters.

Structured Credit Update

Structured credit remains a compelling asset class in the current market environment. The strategy's high risk-adjusted yield and lower correlation to the broader markets allows us to invest higher in the capital structure with superior overall yields. The strategy has also contributed 1.3% to fund returns on a net basis year to date. Our mortgage portfolio outperformed relative to the 40% interest rate hedge ratio we have maintained, as home values and non-performing/delinquent loan prices improved.

As rates continue to march higher, we have seen renewed interest from various asset managers in credit, particularly structured credit loans, as unlevered yields for residential mortgages and consumer loans have moved into the 8-12% yield context. Money managers

and insurance companies were the first to add exposure at the start of the year, and we are now seeing capital inflows from hedge funds and private credit/equity firms.

Given our extensive relationship with mortgage servicers, we have been working to improve our liquidation pipelines to maximize total recovery on non-performing loans, which we expect to comprise about 15% of our loan pools on average. This strategy is particularly valuable when the loan-to-value of the mortgages is around 55%, and we have seen an improvement in house prices for the sub-\$350,000 home value segment in the last six months.

On the ABS side, we were proactive in selling subprime auto ABS earlier in the year and have seen default rates and loss severities increase in the last few months. We believe this is an early indication of a slow reversal in consumer performance. We have focused on more senior cashflows where the de-leveraging profile enables us to reinvest at higher yields and with more liquidity, giving us the option to rotate into distressed asset classes if the opportunity arises. We are spending more time on the commercial real estate sector and believe there will soon be emerging opportunities to invest in senior tranches from forced sellers.

Business Updates

We recently welcomed a new team member to Third Point.

Chris Taylor: Chris Taylor joined Third Point in 2023. After starting his career at Deloitte, Chris joined New York Life Investments (NYLIM) in 2005 as a credit analyst and rose to CEO of Madison Capital Funding LLC, its private lending boutique, where he helped build the platform to over \$15 billion in assets and oversaw a team of over 100 employees. He was also the founding CEO of Apogem Capital, which merged Madison Capital and two other investment boutiques owned by NYLIM to create a single, fully integrated, alternative investment boutique focused on middle market private capital solutions, with ~\$40 billion of AUM and over 200 employees. Chris earned a Master of Science in Taxation and B.S. in Accounting from the University of Illinois Urbana-Champaign. Chris will work closely with

the credit team on distressed and other opportunities emerging from the \$1.5 trillion private credit universe, as well as helping us build a stand-alone private credit business, to be launched in 2024.

Sincerely,

A handwritten signature in dark blue ink that reads "Daniel S. Loeb". The signature is written in a cursive, flowing style.

Daniel S. Loeb

CEO & CIO

The information contained herein is being provided to the investors in Third Point Investors Limited (the "Company"), a feeder fund listed on the London Stock Exchange that invests substantially all of its assets in Third Point Offshore Fund, Ltd ("Third Point Offshore"). Third Point Offshore is managed by Third Point LLC ("Third Point" or "Investment Manager"), an SEC-registered investment adviser headquartered in New York. Third Point Offshore is a feeder fund to the Third Point Offshore Master Fund L.P. in a master-feeder structure. Third Point LLC, an SEC registered investment adviser, is the Investment Manager to the Funds.

Unless otherwise specified, all information contained herein relates to the Third Point Offshore Master Fund L.P. inclusive of legacy private investments. P&L and AUM information are presented at the feeder fund level where applicable. Sector and geographic categories are determined by Third Point in its sole discretion.

Performance results are presented net of management fees, brokerage commissions, administrative expenses, and accrued performance allocation, if any, and include the reinvestment of all dividends, interest, and capital gains. While performance allocations are accrued monthly, they are deducted from investor balances only annually or upon withdrawal. From the inception of Third Point Offshore through December 31, 2019, the fund's historical performance has been calculated using the actual management fees and performance allocations paid by the fund. The actual management fees and performance allocations paid by the fund reflect a blended rate of management fees and performance allocations based on the weighted average of amounts invested in different share classes subject to different management fee and/or performance allocation terms. Such management fee rates have ranged over time from 1% to 2% per annum. The amount of performance allocations applicable to any one investor in the fund will vary materially depending on numerous factors, including without limitation: the specific terms, the date of initial investment, the duration of investment, the date of withdrawal, and market conditions. As such, the net performance shown for Third Point Offshore from inception through December 31, 2019 is not an estimate of any specific investor's actual performance. For the period beginning January 1, 2020, the fund's historical performance shows indicative performance for a new issues eligible investor in the highest management fee (2% per annum) and performance allocation (20%) class of the fund, who has participated in all side pocket private investments (as applicable) from March 1, 2021 onward. The inception date for Third Point Offshore Fund Ltd is December 1, 1996. All performance results are estimates and past performance is not necessarily indicative of future results.

The net P&L figures are included because of the SEC's new marketing rule and guidance. Third Point does not believe that this metric accurately reflects net P&L for the referenced sub-portfolio group of investments as explained more fully below. Specifically, net P&L returns reflect the allocation of the highest management fee (2% per annum), in addition to leverage factor multiple, if applicable, and incentive allocation rate (20%), and an assumed operating expense ratio (0.3%), to the aggregate underlying positions in the referenced sub-portfolio group's gross P&L. The management fees and operating expenses are allocated for the period proportionately based on the average gross exposures of the aggregate underlying positions of the referenced sub-portfolio group. The implied incentive allocation is based on the deduction of the management fee and expense ratio from Third Point Offshore fund level gross P&L attribution for the period. The incentive allocation is accrued for each period to only those positions within the referenced sub-portfolio group with i) positive P&L and ii) if during the current MTD period there is an incentive allocation. In MTD periods where there is a reversal of previously accrued incentive allocation, the impact of the reversal will be based on the previous month's YTD accrued incentive allocation. The assumed operating expense ratio noted herein is applied uniformly across all underlying positions in the referenced sub-portfolio group given the inherent difficulty in determining and allocating the expenses on a sub-portfolio group basis. If expenses were to be allocated on a sub-portfolio group basis, the net P&L would likely be different for each referenced investment or sub-portfolio group, as applicable.

While the performances of the fund has been compared here with the performance of well-known and widely recognized indices, the indices have not been selected to represent an appropriate benchmark for the fund whose holdings, performance and volatility may differ significantly from the securities that comprise the indices. Past performance is not necessarily indicative of future results. All information provided herein is for informational purposes only and should not be deemed as a recommendation to buy or sell securities. All investments involve risk including the loss of principal. This transmission is confidential and may not be redistributed without the express written

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