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Asset Value Investors Limited
2 Cavendish Square
London W1G 0PU

tel 020 7659 4800
ww.assetvalueinvestors.com

Copied to the Directors of Third Point Investors Limited
Copied to the Directors of Third Point Offshore Independent Voting Company Limited ("VoteCo")

Dear fellow Ordinary Shareholders ("**Shareholders**") of Third Point Investors Limited ("**TPIL**" or "**the Company**"),

"A Battle for the Soul of Investment Trusts' Governance"

Asset Value Investors urges Shareholders to vote FOR our resolution to appoint Richard Boléat to the TPIL Board

AVI Global Trust and three other Shareholders including Metage Funds Limited and Global Value Fund Limited (the "**Requisitioning Group**"), together representing over 18% of TPIL's Ordinary Shares, have today requisitioned the board of TPIL (the "**Board**") requiring the Board to convene an EGM at which Shareholders will be asked to vote on a resolution to appoint Richard Boléat as a director of TPIL.

What began as a dispute over discount control mechanisms with concerns around proper process and delineation of Board/Manager roles has, through the actions of the Board, exploded into a fully-fledged corporate governance crisis. In the words of one sell-side commentator, it is now "*a battle for the soul of investment trusts' governance*".

"ESG investors who value the 'G' in ESG should therefore care a lot about the current debate at Third Point Limited…which can be seen as a proxy for the broader battle to protect high standards of investment trusts corporate governance."

Stuffing the Ballot Box

1 December 2021 was a dark day for the closed-end fund sector and the London-listed market more generally. For the first time of which we are aware, a resolution supported by a majority of Shareholders failed to pass due to votes cast by an entity **owning no economic stake** in a company. "Unprecedented" has become an over-used adjective over the last two years. It is likely entirely accurate in this case.

The company in question was of course TPIL. The entity casting its votes contrary to the wishes of the majority of Shareholders who voted to remove Third Point's representative from the Board was VoteCo, a company set up to own TPIL's unlisted Class B Shares which carry 40% of the votes. The ostensible reason for the creation of the Class B Shares? To "*address jurisdictional regulatory issues in the US*"? VoteCo's stated objective? "*To exercise the voting rights attached to the B Shares in the best interest of Ordinary Shareholders as a whole, including by not exercising such voting rights if not to do so is in the best interest of the Ordinary Shareholders as a whole*."

We positioned the December EGM resolution as a proxy vote on our original proposal for a discount control mechanism that the Board twice refused to put to Shareholders. The facts are indisputable: At the EGM, which saw the highest turn-out at a Company meeting since voting breakdowns were first disclosed in 2013, 52% of Shareholders supported our resolution, translating to an overwhelming 75% of Shareholders independent of the Manager once we remove Dan Loeb's votes from the count. But this clear expression of

Shareholders' wishes was swamped by VoteCo's decision to stuff the ballot box. We note these figures have not been disputed by the Board.

At this point, the independent directors on the Board had a choice. They could have transparently disclosed what portion of the votes had come from VoteCo; accepted that Shareholders had spoken loud and clear; ensured that Joshua Targoff step down from the Board; and implemented the discount control mechanism voted for by proxy by a majority of Shareholders or, at the very least, acknowledged that the current discount control mechanisms in place had been shown to be inadequate in the eyes of Shareholders, and engaged with the Requisitioning Group and other Shareholders to build a consensus. They could also have accepted the need to reform the VoteCo structure (more on this later). We believe this is the path any independent director acting properly would have chosen.

Instead, however, they made a decision likely to haunt them. An astonishing Regulatory Announcement[1] was issued, purportedly written by the Board but bearing all the hallmarks of a Third Point/PR-crafted press release, trumpeting the "*defeat*" of the resolution to remove Joshua Targoff with no acknowledgement that VoteCo had voted its Class B Shares. Worse, the Board highlighted the statement from AVI's 11 November 2021 letter in which we promised that "*If our proposal were not backed by a majority of independent Shareholders, we would quite happily move on*", and stated that we should do exactly that "*given the result of the vote*" despite the truth being that 75% of independent Shareholders backed our proposal.

Let us be clear. This is not a case of different interpretations. This is not a situation where reasonable people can disagree. This is not subjective. There is no middle ground. There are not two sides to this story. It is also not hyperbole to say that we cannot recall such a misleading statement from the Board of a London-listed company.

There are only two explanations, equally unacceptable: Either the Board delegated its duty to the Manager on a key announcement and - worse - allowed them to pretend it came from the Board. Or the Board did write it themselves and deliberately misled Shareholders and the market.

A Fresh Start: Elect Richard Boléat to Reboot TPIL's Governance

We continue to believe there is a place in the London market for a reformed TPIL. But the Company and its Shareholders have been badly let down by its directors over the years, too many of whom seem to have been content to tolerate aggressive over-reach from the Manager who, lest we forget, is a service provider appointed under contract to the Company. TPIL's capital does not belong to the Manager, but to Shareholders, and if the Manager sees TPIL as "*permanent capital*", they should be disabused of that notion. There are numerous examples of the Manager seemingly failing to recognise proper governance structures, and their over-reach and undue influence has been allowed to prevail for too long. It is time for the independent directors to properly assert themselves.

We introduce to you Richard Boléat. Richard is an independent director specialising in hedge, private equity, and debt funds, SPVs, and investment management groups. He has deep experience of the London-listed investment companies' market and a reputation for adhering to and promoting sound corporate governance principles. Richard's CV can be found here.

For the avoidance of any doubt, Richard has no current or historic affiliations or relationships with any of the Requisitioning Group, nor any conflicts that would prevent him taking on the role.

Reflective of his open and collaborative approach to shareholder relationships, Richard is determined to start as he means to go on and is happy to speak with any and all Shareholders ahead of the EGM. Shareholders interested in a call with Richard should email him at richard.boleat@governancepartners.je.

[1] https://www.investegate.co.uk/third-point-investors-ltd--tpou-/prn/results-of-egm/20211201153749PAFCE/

A Vote for Richard Provides a Mandate from Shareholders
By electing Richard to the Board, you will be providing him with a mandate. In the broadest of terms, as with any new director appointed to a company in crisis such as TPIL, that mandate will be to re-engage with Shareholders, many of whom feel (quite literally) disenfranchised; to rebuild the relationship between the Board and Shareholders; and to seek consensus where it does not currently exist.

While it is not our place to determine where Richard's focus following his appointment will lie, there are - in our own view - several areas deserving of attention. At a high level, we would hope to see a review of the Company's governance and discount control mechanisms, and a properly independent investigation of where things have gone wrong. More specifically, and while not intended to be an exhaustive list, we believe the following are key issues:

(i) A Review of the Company's Structure and Voting Rights
Any notion that the Company's precise structure is a necessary evil required for regulatory reasons - and that the Board's hands are in some way tied - should be rejected outright. To recap, London-listed investment companies with a large percentage of US shareholders are in danger of losing their foreign private issuer status (if US ownership were to exceed 50%) and thus being forced to register under the US Investment Company Act. But it is instructive to note that the other London-listed funds besides TPIL that face this risk have adopted far more shareholder-friendly mechanisms to mitigate it.

The most striking example is that of Pershing Square Holdings (PSH), which listed on the Euronext exchange in 2014. Like TPIL, PSH also had a VoteCo that owned Class B Shares controlling a large percentage of PSH's voting rights and which, like TPIL's VoteCo, was required to vote "*in the best interests of the shareholders as a whole*". However, in connection with its admission to the Premium segment of the London market in 2017, PSH made changes to its VoteCo that were clearly designed to make it as shareholder-friendly as such a structure can be without it falling afoul of US securities law.

Firstly, it was made clear that PSH's VoteCo would now have access to the results of votes received from ordinary shareholders to provide it with the "*benefit of that information when determining how to vote [its shares]".* Secondly, a new Article was written to specify that its VoteCo would "*not be required to cast all of the votes…in the same manner*" and would be "*entitled…to split its votes either in favour, against or to withhold all or a proportion of its votes on any given resolution*". The inference that should be drawn from the combination of these two amendments is obvious: That PSH's VoteCo is highly likely to mirror the votes of ordinary shareholders when casting its votes.

That no such upgrades to its VoteCo were made by TPIL at the time of its admission to a Premium Listing in 2018 is telling, even more so given TPIL shared the same advisor as PSH at the time of their respective listings. Why was this decision taken? Did Third Point have any influence in this? This last question is particularly pertinent when considered alongside Mr. Loeb's now-infamous rant on a TPIL webinar (later deleted from the official recording) in February 2021 which saw him assert that VoteCo provides "*voting protection….put in place specifically to protect our long-term investors from short term profiteers who are looking to make a quick buck by trying to liquidate or diminish the amount of capital that we have invested*". These claims as to VoteCo's true purpose have not been rebutted by the Board to this day, despite a direct appeal from Staude Capital for independent director Rupert Dorey to do so in their letter of 7 January 2022[2].

Thankfully, we note two of the four current directors (Claire Whittet and Joshua Targoff) served at the time of TPIL's admission to the Premium List and will be able to provide answers to these questions.

The two TPIL directors who were not then on the Board, Rupert Dorey and Huw Evans, were appointed well over two years ago and thus have had ample time to push for a reform of TPOU's VoteCo to bring it into line with the best-in-class VoteCo structure (or other alternatives) described above. Why have they not done so?

[2] https://www.globalvaluefund.com.au/global-value-fund-jan-2022-letter-to-tpil-lse-tpou/

(ii) A Review of TPIL's Discount Control Mechanisms and Investigation into the Strategic Review

We know Shareholders harbour grave concerns as to the integrity of the Strategic Review that began in Q4-2020 and culminated in an underwhelming set of discount control measures, noting again that the consultant hired to lead the process was introduced by Third Point to the Board and that our extensive discussions with other Shareholders show that the measures announced did not accurately reflect the feedback received. What was the role of the Manager in this process?

With the support of and working with Shareholders, Richard would be well placed - if he so chose - to review TPIL's approach to discount control in light of the Company's persistently excessive discount to NAV.

(iii) A Review of Board Communications Policy

As we explained earlier, the statement announcing the EGM results issued on 1 December 2021[3] was misleading and evasive. But not content with this, the Board's 23 December 2021 statement[4] alleging so-called "*personal threats*" against the Chairman saw them double down on their strategy of gaslighting the Company's own Shareholders as to the results of the recent vote. While observing that Staude Capital's subsequent letter[5] robustly debunked the claims of "*personal threats*", we also note that the opening line of the Board's statement again claimed that Shareholders "*rejected*" our resolution to remove Joshua Targoff with no acknowledgement of the role played by VoteCo, and that the statement from Mr. Loeb at the end also boasted that Shareholders had "*reject[ed]*" our motion.

In addition, anyone reading that "*the Board….promptly arranged an in-person meeting with a representative of AVI and separately with representatives of Staude Capital*" is likely to infer that the Board were pro-active in initiating contact when, in reality, the meetings were organised following approaches from the shareholders in question. While a relatively minor point, this is yet again indicative of the Board's mendacious approach to communications.

This is not normal behaviour from a publicly listed company, nor should it in any way be accepted. Who is writing these statements? What role does the Manager play in crafting them? To what extent are PR companies being used? And how can supposedly independent directors be happy with these disingenuous announcements going out in their name?

Stand Aside, VoteCo

Having voted against the wishes of a majority of Shareholders once, we expect the Directors of VoteCo are feeling somewhat embarrassed and keen to avoid a recurrence. Thankfully, VoteCo's own constitution provides a solution. VoteCo's stated objective is "t*o exercise the voting rights attached to the B Shares in the best interest of Ordinary Shareholders as a whole,* ***including by not exercising such voting rights if not to do so is in the best interest of the Ordinary Shareholders as a whole*** [our emphasis]". Furthermore, given the resolution to appoint Richard Boléat potentially comes with a mandate from Shareholders to investigate and possibly reform the VoteCo structure itself, it would clearly be wholly inappropriate for the VoteCo directors to vote the Class B Shares on this occasion.

We intend to write privately to the Directors of VoteCo to make these points in more detail.

Stand Aside, Mr. Loeb

Similarly, we hope Mr. Loeb recognises the conflict of interests inherent in him voting his 17% stake on our resolution to appoint Richard as a director and decides to do the right thing and recuse himself.

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[3] https://www.investegate.co.uk/third-point-investors-ltd--tpou-/prn/results-of-egm/20211201153749PAFCE/

[4] https://www.investegate.co.uk/third-point-investors-ltd--tpou-/prn/statement-from-third-point-investors-limited/20211223070100PE451/

[5] https://www.globalvaluefund.com.au/global-value-fund-jan-2022-letter-to-tpil-lse-tpou/

To the Independent Directors: Your Investors are Watching
We ask the independent directors:

In the event VoteCo decides to vote its shares, will you commit to transparently publishing the results of the vote with VoteCo's votes broken out?

If a majority of independent ordinary shareholders, i.e., excluding VoteCo and Mr. Loeb's stake from the count, vote in favour of Richard's appointment, will you accept that non-conflicted Shareholders have voted for change and invite Richard to join the Board?

We are certain Shareholders at your other companies (***NB Global Monthly Income Fund; Standard Life Investments Property Income Trust; VinaCapital Vietnam Opportunity Fund; BH Macro; Eurocastle Investment; International Public Partners; Riverstone Energy; and TwentyFour Select Monthly Income Fund***) will be watching closely.

Over to you.

Yours sincerely,

Tom Treanor
Executive Director/Head of Research