

**HHH**

Howard Hughes Holdings Inc.

NYSE

REAL ESTATE / DIVERSIFIED HOLDINGS (TRANSITIONING)

MASTER PLANNED COMMUNITIES + SPECIALTY INSURANCE (POST-VANTAGE)

**\$64.30**

MCap 3830000000 · EV 7880000000

As of 2026-05-17

P/E	EV/EBITDA
<b>30.7</b>	<b>15.3</b>
FCF YIELD	ROIC
<b>9.3</b>	<b>4.5</b>
ROCE	GROSS %
<b>5</b>	<b>48</b>
OP %	ND/EBITDA
<b>21.5</b>	<b>9.8</b>
DIV YLD	BB YLD
<b>—</b>	<b>—</b>

Howard Hughes Holdings is undergoing a watershed transformation. Following Bill Ackman's \$900M Pershing Square equity infusion in May 2025 and his assumption of the Executive Chairman role, HHH is being explicitly engineered into what Ackman has called a 'modern-day Berkshire Hathaway.' The December 2025 announcement of the \$2.1B acquisition of Bermuda-based specialty insurer Vantage Group Holdings — expected to close Q2 2026 — is the foundational step: an insurance float platform layered on top of a 21,000-acre residential and 14,000-acre commercial MPC landbank (Summerlin, Bridgeland, The Woodlands, Teravalis, Ward Village) that has decades of runway. Q1 2026 showed MPC EBT +33% to \$84M and Operating Assets NOI +2% to \$73.1M, with \$1.8B cash. The thesis is binary on Ackman's capital-allocation skill over 20 years, not on the underlying real estate, which already supports the current price.

## INVESTMENT COMMITTEE VERDICT

**BUY (Small Position)**

*Pay fair value for an irreplaceable real estate castle, receive the Ackman/Berkshire transformation as a free 20-year call option.*

2-3% portfolio position. Do not chase above \$75. Re-underwrite annually against Ackman's actual (not stated) capital allocation decisions. Add aggressively below \$58 (real estate floor). Trim above \$110.

## LENS CONVERGENCE

62%

## COMPOSITE SCORE

72 /100

**AMORDAD**

INSTITUTIONAL RESEARCH TERMINAL

**HHH**

Howard Hughes Holdings Inc.

RECOMMENDATION	BUY (Small Position)
LENS CONVERGENCE	62%
COMPOSITE SCORE	72 / 100
CURRENT PRICE	\$64.3
BASE INTRINSIC VALUE	\$92
PROB-WEIGHTED IV	\$92.3
MOS STATUS	AT MARGIN OF SAFETY THRESHOLD
REPORT DATE	May 29, 2026

Howard Hughes Holdings is undergoing a watershed transformation. Following Bill Ackman's \$900M Pershing Square equity infusion in May 2025 and his assumption of the Executive Chairman role, HHH is being explicitly engineered into what Ackman has called a 'modern-day Berkshire Hathaway.' The December 2025 announcement of the \$2.1B acquisition of Bermuda-based specialty insurer Vantage Group Holdings — expected to close Q2 2026 — is the foundational step: an insurance float platform layered on top of a 21,000-acre residential and 14,000-acre commercial MPC landbank (Summerlin, Bridgeland, The Woodlands, Teravalis, Ward Village) that has decades of runway. Q1 2026 showed MPC EBT +33% to \$84M and Operating Assets NOI +2% to \$73.1M, with \$1.8B cash. The thesis is binary on Ackman's capital-allocation skill over 20 years, not on the underlying real estate, which already supports the current price.

*Pay fair value for an irreplaceable real estate castle, receive the Ackman/Berkshire transformation as a free 20-year call option.*

THE SIX: BUFFETT · MUNGER · ACKMAN · HOHN · LI LU · KLARMAN

INCLUDES 10Y / 20Y FORWARD PROJECTION · BUFFETT-VOICE SHAREHOLDER LETTER

INCLUDES EARNINGS QUALITY ANALYSIS — SIX INVESTOR LENSES

INCLUDES INSIDER AND CONGRESSIONAL TRADING (30-DAY WINDOW)

**FOR RESEARCH & EDUCATIONAL PURPOSES ONLY**

**NOT FINANCIAL ADVICE**

AMORDAD . CAPITAL

## VERDICT

### FINANCIALS

ADEQUATE

**62** /100

*MPC and Operating Assets are genuinely high-quality with record results. But GAAP earnings are volatile, leverage is high (net debt/EBITDA ~9.8x), credit rating below investment grade, and ROIC of ~4.5% is mediocre. The commanded focus — Berkshire transformation — depends on financials improving via insurance float; current financials are not yet Berkshire-like.*

### VALUATION

SOLID

**70** /100

*Trading at ~\$64 vs sum-of-parts intrinsic ~\$92 and bull case ~\$165. The asymmetry is genuinely interesting; real estate alone covers the price. The commanded Ackman/Berkshire optionality is essentially free. Score capped because P/E 30x and EV/EBITDA 15x look expensive in isolation.*

### MOAT

SOLID

**72** /100

*Bifurcated moat. MPC landbank is nearly unreplicable (wide moat, narrow scope). Holding-company moat depends entirely on Ackman — high upside, high single-person dependency. The Berkshire template Ackman is following is the highest-quality moat in capital markets when it works.*

### MANAGEMENT

STRONG

**78** /100

*Ackman as Executive Chairman is the entire upgrade. His Pershing track record (~16% annualized since 2004 net of fees) is among the best in modern hedge-fund history despite famous failures (Valeant, Herbalife). Pershing fee structure is the meaningful red flag distinguishing this from Berkshire. Score elevated because the commanded transformation hinges on management quality.*

### CATALYSTS

STRONG

**80** /100

*Vantage close in Q2 2026 is a scheduled, near-term, identifiable catalyst. Following Ackman's January 2025 letter to Q2 2026 Vantage close, every milestone has been delivered on time. This is unusual catalyst clarity.*

### KEY STRENGTHS

### KEY RISKS

## MARGIN OF SAFETY — 25% REQUIREMENT

AT MARGIN OF SAFETY THRESHOLD

BASE INTRINSIC

\$92

MOS ENTRY PRICE

\$64.4

CURRENT PRICE

\$64.3

IMPLIED DISCOUNT

30.1%

Trading essentially at the threshold of a 30% margin of safety against base-case intrinsic value. The real estate alone justifies most of today's price; investors are paying very little for the Berkshire-style optionality. This is the rare case where the asymmetry sits in the call option you get for free, not in the underlying.

## FINANCIALS

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ADEQUATE

62 /100

MPC and Operating Assets are genuinely high-quality with record results. But GAAP earnings are volatile, leverage is high (net debt/EBITDA ~9.8x), credit rating below investment grade, and ROIC of ~4.5% is mediocre. The commanded focus — Berkshire transformation — depends on financials improving via insurance float; current financials are not yet Berkshire-like.

METRIC	2019	2020	2021	2022	2023	2024	2025	5Y CAGR
Revenue	\$1,352	\$798	\$1,832	\$1,597	\$1,086	\$1,747	\$1,472	1.4%
Gross Profit	\$430	\$250	\$720	\$600	\$410	\$720	\$706	8.6%
Gross Margin	31.8%	31.3%	39.3%	37.6%	37.8%	41.2%	48.0%	—
Operating Income	\$120	\$-80	\$280	\$180	\$50	\$380	\$290	15.8%
Operating Margin	8.9%	-10.0%	15.3%	11.3%	4.6%	21.8%	19.7%	—
Net Income	\$-80	\$-320	\$105	\$184	\$83	\$285	\$124	—
Net Margin	-5.9%	-40.1%	5.7%	11.5%	7.6%	16.3%	8.4%	—
Operating CF	\$-50	\$-180	\$220	\$280	\$290	\$535	\$446	—
CapEx	\$200	\$170	\$120	\$140	\$110	\$75	\$89	-12.6%
Free Cash Flow	\$-250	\$-350	\$100	\$140	\$180	\$460	\$357	—
FCF Margin	-18.5%	-43.9%	5.5%	8.8%	16.6%	26.3%	24.3%	—
Total Debt	\$3,800	\$4,400	\$4,800	\$5,100	\$5,300	\$5,180	\$5,130	5.1%
Total Equity	\$3,300	\$3,050	\$3,200	\$3,450	\$3,520	\$3,700	\$3,650	1.7%
Debt / Equity	1.15	1.44	1.50	1.48	1.51	1.40	1.41	—
Return on Equity	-2.4%	-10.5%	3.3%	5.3%	2.4%	7.7%	3.4%	—

METRIC	2019	2020	2021	2022	2023	2024	2025	5Y CAGR
Diluted Shares	43.2	54.5	55	50.2	49.6	49.8	56	—

2024 reflects spinoff of Seaport Entertainment (SEG); historical SEG results reclassified to discontinued ops. 2025 reflects May Pershing \$900M equity infusion: 9M new shares issued at \$100. Revenue volatility is the natural rhythm of MPC land/condo timing — not deterioration of underlying assets.

## VALUATION

### VALUATION

SOLID

# 70

 /100

Trading at ~\$64 vs sum-of-parts intrinsic ~\$92 and bull case ~\$165. The asymmetry is genuinely interesting; real estate alone covers the price. The commanded Ackman/Berkshire optionality is essentially free. Score capped because P/E 30x and EV/EBITDA 15x look expensive in isolation.

### OWNER EARNINGS

LATEST	\$446.00M
PER SHARE	\$7.97
5Y CAGR	8.5

Adjusted Operating Cash Flow (HHH-disclosed) — proxy for owner earnings = Net income + D&A + non-cash items + working capital normalization - maintenance capex

Owner earnings normalizes the lumpy GAAP profile. The MPC segment generates land at near-zero basis with \$890k-\$1M/acre selling prices and 60%+ EBT margins — this is the true earnings engine. Operating Assets NOI of \$276M (2025) is the recurring annuity. Adjusted OCF declined from \$535M to \$446M YoY due to condo delivery timing, not deterioration.

### DCF ASSUMPTIONS

GROWTH RATE	6
DISCOUNT RATE	9.5
TERMINAL GROWTH	2.5

### INTRINSIC / SHARE

# \$92

Sum-of-parts DCF: (1) MPC landbank NPV ~\$45/share assuming 2086 sell-out at conservative pricing; (2) Operating Assets NOI \$276M cap'd at 6% = \$4.6B / 56M shares = \$82/share less allocated debt = ~\$35/share equity; (3) Strategic Developments / Ward Village condo backlog ~\$15/share; (4) Vantage at 1.5x BV with Pershing managing assets fee-free ~\$5/share initial accretion. Net: ~\$92/share. Excludes any value for the 'Ackman compounder' optionality which is the entire bull case.

## SCENARIO ANALYSIS

BEAR

0.3

**\$55**

-14.5

Vantage integration messy; combined ratio drifts to 102%; Pershing fees prove a drag; MPC land sales slow on housing recession; office vacancies at Downtown Columbia worsen; Ackman exits or is distracted by Pershing Square IPO/PSUS. Multiple compresses to 0.85x book.

BASE

0.5

**\$92**

43.1

Vantage closes Q2 2026, underwrites at 95% combined, generates \$300M+ float by 2028. MPC EBT \$343-391M 2026 guidance hits midpoint. Operating Assets NOI grows 4-5% annually. Ackman makes 1-2 holding-company acquisitions by 2028 at reasonable prices. P/B trades to 1.2x.

BULL

0.2

**\$165**

156.6

Ackman compounds NAV at 15%/yr for a decade (his historical Pershing track record). Vantage scales to \$1B+ float by 2030 invested by Pershing fee-free. HHH acquires 2-3 controlling stakes in cash-generative private businesses. Credit rating moves to investment grade by 2028 lowering borrowing costs 150bps. Market awards Berkshire-style premium to book.

PROBABILITY-WEIGHTED INTRINSIC VALUE

**\$92.3**

## EARNINGS — QUALITY &amp; THE SIX LENSES

## EARNINGS — QUALITY, QUANTITY, AND THE SIX LENSES

*Earnings are the most-discussed and most-misunderstood number in finance. Each of the six investors approaches earnings differently — Buffett distrusts GAAP and prefers owner earnings, Munger inverts to find what management is hiding, Ackman normalizes to find earnings power, Hohn demands per-share FCF growth, Li Lu judges decades-long durability, Klarman stress-tests against the worst case. Here is what they see.*

## EARNINGS VERDICT

**B+**

*GAAP volatility masks high-quality, asset-rich cash generation; price reasonable on owner earnings basis with Berkshire optionality essentially free.*

QUALITY SCORE

**62** / 100

### THE OWNER EARNINGS GAP — BUFFETT'S TRUTH TEST

GAAP EPS (LATEST)

**\$2.21**

OWNER EARNINGS / SHARE

**\$7.97**

GAP

**5.76**

*Gap of \$5.76/share — owner earnings are 3.6x GAAP EPS. This reflects (a) heavy D&A on a long-duration real estate portfolio that doesn't actually require replacement, (b) MPC land at near-zero cost basis generating cash sales fully economic, and (c) condo accounting timing. This gap is structural, not accounting trickery — but it also means GAAP P/E of 30x is misleading; the meaningful multiple is price-to-owner-earnings of ~8x.*

### HISTORICAL EARNINGS RECORD

YEAR	GAAP EPS	Adjusted EPS	Owner EPS	YoY Growth	Quality
2019	\$-1.85	\$0.50	\$2.10	—	45/100
2020	\$-5.87	\$-2.20	\$-1.50	—	30/100
2021	\$1.91	\$3.10	\$4.20	—	55/100
2022	\$3.66	\$4.80	\$5.60	91.6	62/100
2023	\$1.68	\$3.20	\$5.85	-54.1	58/100
2024	\$5.73	\$7.50	\$10.71	241	70/100
2025	\$2.21	\$4.80	\$7.97	-61.4	68/100

### AGGREGATE EARNINGS METRICS

## EPS 5Y CAGR

Not meaningful due to 2020 loss; 2020-2025 owner earnings CAGR ~+50% but distorted by base year

## VOLATILITY

Very high – coefficient of variation on GAAP EPS ~85%. Adjusted Operating Cash Flow (owner earnings proxy) is more stable but still cyclical due to condo delivery timing (lumpy revenue recognition at Ward Village towers).

## RETURN ON RETAINED

Modest. Per-share book value has grown from ~\$60 in 2019 to ~\$65 in 2025 – only ~1.5% annualized despite earnings retention. This is the core complaint that drove Ackman's intervention: retained capital was not compounding.

## OWNER EARNINGS 5Y CAGR

13.6

## PREDICTABILITY

45/100

## QUALITY ASSESSMENT — DETAIL

## CASH CONVERSION

Variable. 2024 adjusted OCF \$535M on net income \$285M (ratio 1.88x); 2025 adjusted OCF \$446M on net income \$124M (ratio 3.60x). Heavy D&A on commercial portfolio drives a structural gap between GAAP and cash earnings.

## ACCRUALS QUALITY

Significant condo accounting accruals — Ward Village towers generate revenue only at unit closing, creating multi-year lumpy patterns (Victoria Place delivered \$779M revenue in 2024 alone).

#### SHARE COUNT TREND

Increased from ~50M (2024) to ~56M (post May 2025) to 59.4M (2026) due to Pershing \$900M raise at \$100. Future PSH Preferred convertibility creates potential further dilution.

#### NON-RECURRING ITEMS

Frequent: 2024 had insurance proceeds from Waiea construction defect settlement (+); Seaport spinoff costs (-); 2023 had impairments (-). Investors should normalize.

#### TAX RATE NOTES

Effective tax rate variable due to MPC land sale geography and condo project structure. Mostly C-corp taxation (HHH is not a REIT).

#### RESTRUCTURING FREQUENCY

One major restructuring (Seaport spinoff 2024) plus the current transformation. Otherwise stable.

#### 🔗 THE SIX LENSES ON EARNINGS

*Six investors. Six distinct frameworks for understanding what these earnings actually mean.*

WB

Warren Buffett

OWNER EARNINGS OVER GAAP

*"Owner earnings of ~\$8/share at \$64 = 12.5% owner-earnings yield. That comfortably exceeds my Treasury+4% hurdle (roughly 8-9% today). If those owner earnings hold and modestly grow under Ackman's stewardship, the math works. The 'new Berkshire' label is irrelevant to the calculation — what matters is whether the cash machine keeps running. It probably does."*

CM

Charlie Munger

INVERSION — WHAT IS HIDDEN

*"Earnings quality is mediocre at the GAAP level and decent at the cash-economic level. The structural gap between reported EPS and owner earnings is the kind of thing fools mistake for fraud and the wise recognize as accounting conservatism on long-duration assets. I focus on cash. The cash story is acceptable, not great."*

BA

Bill Ackman

EARNINGS POWER, NORMALIZED

*"Adjusted operating cash flow per share of \$7.97 in 2025 against stock at \$64 is a 12.5% free cash flow yield. Add the MPC landbank embedded value not yet flowing through earnings, plus Vantage about to contribute \$150-200M of underwriting income annually, and run-rate owner earnings per share are heading to \$12-15 by 2028. At a 12-15x multiple of normalized earnings, that's \$150-200/share. This is precisely the kind of mispricing we built Pershing to exploit."*

CH

Chris Hohn

PER-SHARE FCF GROWTH &amp; ROIRE

*"Earnings quality is acceptable for a real-estate developer in transformation. The recurring NOI component (\$276M and growing) is high quality. The MPC EBT component is high-quality cash but lumpy. The condo component is one-time and should be excluded from long-term valuation. Post-Vantage, the insurance underwriting income will add a new high-quality stream. Predictability score will rise materially by 2027."*

LL

Li Lu

MULTI-DECADE EARNINGS DURABILITY

*"GAAP earnings tell almost nothing about this business — they are accounting artifacts. The economic earnings are the cash generated from selling land that was acquired at zero in 2010, plus rents from a growing portfolio, plus the new insurance underwriting and float income. That economic-earnings stream is durable and growing. I trust the cash flows; I don't trust the GAAP labels."*

SK

Seth Klarman

STRESS-TESTED EARNINGS — WORST CASE

*"Earnings volatility is a feature of the business, not a flaw — but it does mean I cannot underwrite this on multiples of trailing earnings. I underwrite it on (a) cash on the balance sheet (\$1.8B), (b) NPV of contracted Ward Village condo revenue (~\$1.6B at meaningful margins), (c) Operating Assets NOI capitalized conservatively (~\$3.5B equity value), (d) MPC landbank residual NPV (~\$2.5B), and (e) Vantage at acquisition cost (\$2.1B). Sum: \$11.5B+ vs market cap \$3.8B + net debt \$4B = EV \$7.9B. The asset value substantially exceeds enterprise value. That is where my margin of safety comes from — not from earnings multiples."*

Six brains agree: GAAP earnings are not the right metric for HHH. Owner earnings, adjusted operating cash flow, and asset-based valuation all paint a meaningfully better picture than the headline 30x P/E suggests. At ~\$8/share of owner earnings, the price is reasonable; the Berkshire-transformation thesis is largely free upside.

## ASYMMETRY CHECK

📄 ABOUT THIS ANALYSIS

+

AMORDAD ASYMMETRY SCORE

67 /100

ASYMMETRY PRESENT. PROCEED WITH SIZING DISCIPLINE.

DIVIDED

2

FAVORABLE

4

NEUTRAL

0

UNFAVORABLE

WB

**Warren Buffett***Owner Earnings vs. Permanent Loss*

ASYMMETRIC FAVORABLE

OWNER EARNINGS YIELD	HURDLE (BOND + 4%)	IMPAIRMENT RISK (10Y)
12.4%	8.5%	6%

On Ackman's plan to make HHH the new Berkshire: I keep coming back to the same arithmetic, and it favors us. Owner earnings of \$7.97 per share in 2025 against a stock price of \$64.30 gives you an owner-earnings yield of 12.4 percent. The ten-year Treasury yields roughly 4.5 percent today, so my hurdle of Treasury-plus-four is about 8.5 percent. We clear it by nearly four full percentage points before crediting Mr. Ackman with a single dollar of value added. The master planned community landbank — Summerlin selling at \$990,000 per acre in 2024 and \$890,000 in 2025, with a sell-out date estimated at 2086 — is the kind of long-duration cash generator I would have happily owned in 1970. Adjusted operating cash flow of \$446 million in 2025 on a market capitalization of \$3.8 billion is a real number, not an accounting fiction. The market has effectively closed for ten years on Howard Hughes already — the stock is roughly where it was three years ago despite record operational results — and the underlying business has gotten substantially more valuable. That is exactly the situation a long-term owner wants. The probability of permanent capital impairment over a decade is genuinely low, perhaps six percent. The downside scenarios I can construct — Vantage underwriting catastrophe, Sunbelt housing collapse, Ackman departure — would dent value but not erase it. The land in Summerlin and Bridgeland is not going to be worth zero in 2036 even in the bear case; it is going to be worth more, probably substantially more. The Berkshire comparison is presumptuous on Mr. Ackman's part, and his fee structure is the structural opposite of how I ran my own outfit. But the underwriting on this particular security at this particular price clears my hurdles. I would own a modest position. I would not call this the new Berkshire. There is only one of those.

CM

**Charlie Munger***Inversion Stress Test*

NEUTRAL

ACKMAN KEY-MAN FAILURE — DISTRACTION, DEPARTURE, JUDGMENT LAPSE (VALEANT-STYLE) OVER 20-YEAR HORIZON REQUIRED FOR 'BERKSHIRE' OUTCOME

**Medium × Serious**

VANTAGE UNDERWRITING CATASTROPHE — BERMUDA SPECIALTY/REINSURANCE HIT BY TAIL EVENT (HURRICANE, PANDEMIC, CYBER), 100%+ COMBINED RATIO FOR 2-3 YEARS

**Medium × Serious**

PERSHING FEE STRUCTURE COMPOUNDS INTO MEANINGFUL DRAG — \$25-40M/YR PERMANENT COST VS BERKSHIRE'S ZERO OVERHEAD

**High × Manageable**

SUNBELT HOUSING RECESSION DEPRESSING MPC LAND SALES 40-50% FOR 3+ YEARS (SUMMERLIN/BRIDGELAND/TERAVALIS EXPOSURE)

**Medium × Manageable**

BELOW-INVESTMENT-GRADE CREDIT RATING CONSTRAINS ACQUISITION FLEXIBILITY; IF RATES STAY 6%+ REFINANCING 2032/2034 NOTES GETS EXPENSIVE

**Medium × Manageable**

On Ackman's plan: the right question is not whether HHH will be the new Berkshire — it won't be, imitations almost never are — but whether it will be a passable conglomerate that produces decent returns. I see no terminal failure modes. The land in Summerlin doesn't disappear if Ackman gets hit by a bus. Vantage doesn't blow up Howard Hughes; at \$2.1 billion against a \$7.9 billion enterprise value, it's a meaningful but bounded bet. The Pershing fee structure is the most annoying feature — a permanent tax on shareholders that Buffett never imposed on Berkshire. That alone is the difference between a fifteen percent compounder and a twelve percent compounder over twenty years. Compound that gap and you've given up roughly thirty percent of the terminal value to the manager. Not catastrophic, but not Berkshire either. The enumerated failure modes are mostly Medium-Serious or Medium-Manageable. None are High-Terminal. That puts me in the Neutral box, not the Favorable one, because I count two Medium-Serious items (key-man and Vantage underwriting) plus a High-Manageable one (Pershing fees). The Berkshire ambition does not improve the failure analysis; it adds an additional dependency on a single person's behavior over two decades. Charlie's rule was: avoid the things that obviously could kill you. None of these obviously could. But several could disappoint, and the cumulative probability of at least one disappointing is meaningfully above coin flip. Buy a small position. Don't mistake ambition for a moat.

BA

**Bill Ackman***Concentrated Conviction Asymmetry*

ASYMMETRIC FAVORABLE

BULL CASE (3Y)	BEAR CASE (3Y)	UPSIDE/DOWNSIDE
\$145	\$55	8.7:1

CATALYST

**Vantage acquisition close Q2 2026 with first full year of underwriting and Pershing-managed float income contributing to 2027 EPS; first non-insurance controlling-stake acquisition announcement within 18 months establishing the Berkshire template in practice**

My plan to make HHH the modern-day Berkshire Hathaway is the entire thesis, and it produces an unusually asymmetric three-year outcome. The bull case at \$145 assumes Vantage closes Q2 2026 and contributes \$150-200M of underwriting income plus float yield by 2028, MPC EBT grows from \$476M in 2025 toward \$550M, Operating Assets NOI grows to \$310M, and HHH announces at least one substantive operating-company acquisition at a reasonable price by 2027. At a 1.4x book value multiple — still below where Berkshire trades — that delivers \$145. The bear case at \$55 assumes Vantage underwrites poorly, MPC EBT softens with Sunbelt housing, no acquisitions materialize, and I am distracted by Pershing Square US's continuing rocky start. Even in that scenario, the real estate alone supports \$55-60 — that is the floor. Upside of 125.5 percent against downside of 14.5 percent is an 8.7-to-1 ratio. That is exactly the asymmetry profile I built Pershing Square to identify. I have a clearly named catalyst — Vantage closing in Q2 2026 — within the next quarter. I have a second catalyst, the first operating-company acquisition, within 18 months. I have committed \$900 million of my fund's capital at \$100 per share, a 48 percent premium to the then-trading price, which tells you what I think the underlying value is. I have structured Pershing's fees at HHH lower than any of my other vehicles and arranged for Pershing to manage Vantage's invested assets fee-free. The bet on me is the bet, and I have aligned the structure so that if I succeed, shareholders capture the great majority of the upside. This is the most concentrated, conviction-driven idea in our entire firm.

CH

Chris Hohn

*Moat-Protected Asymmetry*

NEUTRAL

MOAT QUALITY	DISRUPTION RISK	CAPITAL DISCIPLINE
7/10	3/10	6/10

On the Berkshire transformation: structurally, the architecture Ackman is attempting to replicate is the highest-quality compounding structure in capital markets. Permanent capital plus insurance float plus disciplined allocator equals decades of double-digit per-share intrinsic value growth — when it works. The MPC landbank scores genuinely well on moat dimensions I care about: irreplaceability (cannot be assembled at any price today), pricing power evidenced by sustained \$890k-\$990k per acre land sales, predictability over a 60-year sell-out horizon. That is a 7 out of 10 moat — narrow scope, but deep within that scope. Disruption risk is low (3): residential land in Sunbelt growth markets is not disrupted by software, AI, or any technology I can identify. Vantage in specialty insurance is more disruptable but operates in lines (specialty/reinsurance) where the disruption pace is slow. Capital discipline is the variable I cannot yet score above 6. Pre-Ackman, HHH burned capital at Seaport for a decade and failed to monetize an enormous landbank — that is the historical record. Post-Ackman, the signals are encouraging: Pershing financed Vantage on terms favorable to HHH common shareholders, fees were set lower than other Pershing vehicles, debt has been termed out at fixed rates through 2032 and 2034, and Pershing is managing Vantage's invested assets without charging a fee. These are the actions of an aligned shareholder. But the Pershing quarterly fee remains a permanent drag relative to Berkshire's zero overhead, the 47 percent controlling stake reduces minority shareholder protection, and we have no track record of the new structure executing a non-insurance acquisition. I would size this as a 1.5-2 percent watchlist position, not a core conviction. Re-underwrite annually against actual capital allocation decisions, not stated ambitions.

LL

Li Lu

*Depth-Compounds Asymmetry*

NEUTRAL

OWN UNDERSTANDING

6/10

MARKET UNDERSTANDING

5/10

INFORMATION EDGE

+1 pts

On whether Ackman can build the new Berkshire: I confess a limited circle of competence here. I understand the Berkshire template intimately — Charlie was my mentor and I have studied that company for thirty years. I understand the MPC business reasonably well — it is long-dated real estate with recurring cash generation, behaving like an inflation-linked bond plus a call option on Sunbelt growth. I understand specialty insurance and reinsurance moderately — Vantage is a Bermuda-based diversified writer with low catastrophe exposure, which is the right structural choice for a permanent-capital owner. But the central question — whether Bill Ackman has the temperament to compound capital at 12-15 percent for two decades without overpaying, without succumbing to glamour acquisitions, without being distracted by Pershing Square US's public debut — I cannot answer with the depth I usually require. I have studied his published record, his shareholder letters, his media appearances. I have not sat with him for hundreds of hours as I did with Charlie. That puts me at 6 on own depth, 5 on market depth — closer to symmetry than to genuine edge. The market has roughly priced this correctly given what is publicly knowable. At \$64, the real estate floor protects most of the downside and the Ackman optionality is essentially free. That is a reasonable risk-reward but it is not a circle-of-competence conviction. I would take a small position — perhaps 1.5 percent — as a way of paying attention over time and learning the management. I would not size larger. The Berkshire ambition is real, the structural advantages are real, but until I see Ackman execute one or two non-insurance acquisitions at disciplined prices, I cannot underwrite the 20-year compounding case with the depth Himalaya Capital usually demands.

SK

Seth Klarman

*Explicit Margin of Safety*

NEUTRAL

CONSERVATIVE IV	DISCOUNT TO IV	STRESSED DISCOUNT
<b>\$88</b>	<b>26.9%</b>	<b>12.0%</b>

On Ackman's Berkshire ambition: ambition is not value, and I have spent my career being suspicious of catalysts that depend on charisma. My conservative intrinsic value work — MPC landbank at \$40-45/share assuming aggressive discount rates and below-current pricing on remaining acres, Operating Assets capitalized at 7% (above current cap rates), Ward Village backlog at contracted margins, Vantage at acquisition cost not future value, and zero credit for Ackman's allocator alpha — arrives at roughly \$88 per share. At \$64.30, that is a 27 percent discount, which clears my 15 percent minimum but falls short of my preferred 33 percent. Under stress — Vantage underwrites at 102% combined for three years, MPC land prices fall 25%, no further acquisitions materialize — the conservative intrinsic value drops to about \$73, and the discount compresses to 12 percent, which is below my threshold. The Berkshire transformation thesis sits entirely outside my conservative valuation. If it works, the stock is worth \$200+ in a decade and today's price is a steal. If it doesn't, the real estate floor at \$55-60 means losses are bounded but real. I have learned to distrust stories that require a single individual's discipline over 20 years to validate the price today. Ackman's mixed history — Pershing's brilliant 16 percent annualized record alongside Valeant's billion-dollar loss, Herbalife's frustrating short campaign, PSTH's eventual wind-down, and Pershing Square US's rocky debut — suggests his execution outside long-equity activism is variable. I would treat this as a special situation: small position, explicit catalysts (Vantage close, first acquisition) within 24 months, willingness to add aggressively if the stock breaks below \$58, and discipline to trim if it runs above \$110 before the transformation is proven. This is not a margin-of-safety investment in the classical Graham sense; it is an Ackman-skill bet with a real estate floor underneath. That bounded downside is what keeps me from voting Unfavorable. The lack of a 33%+ discount and the dependence on management quality is what keeps me from voting Favorable. Neutral, with patience.

**⚠ STRESS TEST GRID — EIGHT ADVERSITY SCENARIOS**

SCENARIO	COMPANY-SPECIFIC EXPOSURE	PRICE IMPACT	RECOVERY (3Y)	TYPE
<b>MULTIPLE COMPRESSION</b>	HHH's price-to-book compresses from current 1.04x to 0.65x as market loses faith in the Berkshire transformation thesis and re-rates back to pure-play developer multiples seen 2022-2024.	<b>-38%</b>	<b>MEDIUM</b>	TEMPORARY

SCENARIO	COMPANY-SPECIFIC EXPOSURE	PRICE IMPACT	RECOVERY (3Y)	TYPE
<b>MARGIN COMPRESSION</b>	Operating margin falls from 21.5% to ~15%; Operating Assets NOI margin compresses on office vacancies at Downtown Columbia and Meridian (Summerlin); Vantage post-close underwrites at 100% combined rather than 95% target.	<b>-25%</b>	<b>HIGH</b>	TEMPORARY
<b>TOP-LINE RECESSION</b>	Revenue declines 25% as Sunbelt housing recession depresses MPC residential land sales (Summerlin, Bridgeland, Teravalis exposure) and condo closings at Ward Village delay; resembles 2008-2010 but bounded by zero-basis landholdings.	<b>-32%</b>	<b>MEDIUM</b>	TEMPORARY
<b>BLACK SWAN</b>	Vantage hits a catastrophic underwriting year shortly post-close — a Bermuda-based reinsurer caught by a 1-in-50-year hurricane season concentration despite diversified book — triggering \$400-600M underwriting loss in year one of HHH ownership and reigniting investor skepticism about Ackman's insurance expertise.	<b>-28%</b>	<b>MEDIUM</b>	TEMPORARY
<b>DISRUPTIVE TECHNOLOGY</b>	AI-driven remote work persistence further erodes office demand at HHH's Downtown Columbia, The Woodlands, and Summerlin office portfolios (currently 88-89% leased), depressing Operating Assets NOI 15-20%. Limited disruption to residential land or insurance.	<b>-12%</b>	<b>LOW</b>	PERMANENT

SCENARIO	COMPANY-SPECIFIC EXPOSURE	PRICE IMPACT	RECOVERY (3Y)	TYPE
<b>RATE SHOCK</b>	10-year Treasury sustained at 6%+ for five years. HHH's \$5.1B debt at fixed rates through 2032/2034 is termed-out, but cap rates expand 150-200bps reducing Operating Assets value; mortgage rates depress homebuilder demand reducing MPC land prices 20%; below-investment-grade credit makes any acquisition financing prohibitively expensive.	<b>-30%</b>	<b>LOW</b>	<b>PERMANENT</b>
<b>REGULATORY STRIKE</b>	Bermuda tax/regulatory regime changes affecting Vantage post-acquisition; or Texas/Nevada/Arizona state-level water rights or zoning constraints affecting Bridgeland (Houston), Summerlin (Las Vegas water access), or Teravalis (Phoenix West Valley groundwater) development pipelines. Most material risk is Phoenix groundwater for Teravalis.	<b>-15%</b>	<b>MEDIUM</b>	<b>PERMANENT</b>
<b>MANAGEMENT FAILURE</b>	Ackman departs HHH executive chairmanship under duress — health, legal, distraction by Pershing Square US, or significant Pershing Square underperformance forcing him to refocus. Given Ackman is the entire Berkshire-transformation thesis, this is the singular key-man risk for HHH. Stock would re-rate to pure-play developer multiple. Ryan Israel as CIO provides some continuity but lacks Ackman's deal-making profile.	<b>-35%</b>	<b>LOW</b>	<b>PERMANENT</b>

AMORDAD — SIX MINDS. ONE ASSET. THE SHAPE OF THE BET.

## MOAT

MOAT

SOLID

72 /100

*Bifurcated moat. MPC landbank is nearly unreplicable (wide moat, narrow scope). Holding-company moat depends entirely on Ackman — high upside, high single-person dependency. The Berkshire template Ackman is following is the highest-quality moat in capital markets when it works.*

## MOAT RATING

🛡️ **Narrow-to-Wide (bifurcated)**

## DURABILITY

**MPC sell-out date estimated 2086 – 60-year runway. Vantage in specialty/reinsurance has high switching costs in broker relationships. Holding-company moat depends entirely on Ackman's longevity and discipline.**

## TRAJECTORY

**Strengthening – diversification away from pure-play cyclical real estate into permanent-capital insurance float is structurally moat-widening if executed.**

## ANALYST COMMENTARY

The Buffett analogy is instructive: Berkshire's moat isn't textiles or candy — it's the holding-company structure plus float plus Buffett. HHH is now attempting exactly that template. The MPC land is the See's Candies of the structure: a perpetually cash-generating, hard-to-replicate asset. Vantage is the GEICO seed. The open question is whether Ackman is Buffett.

## MANAGEMENT

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MANAGEMENT

STRONG

**78** /100

*Ackman as Executive Chairman is the entire upgrade. His Pershing track record (~16% annualized since 2004 net of fees) is among the best in modern hedge-fund history despite famous failures (Valeant, Herbalife). Pershing fee structure is the meaningful red flag distinguishing this from Berkshire. Score elevated because the commanded transformation hinges on management quality.*

**CHIEF EXECUTIVE**

**David R. O'Reilly (CEO since 2020) — Bill Ackman (Executive Chairman since May 2025) — Ryan Israel (Chief Investment Officer)**

O'Reilly: 6 years as CEO, 14+ years at HHH. Ackman: Pershing has held HHH since 2010 spinoff from GGP; Executive Chairman since May 2025 in connection with \$900M investment.

**CAPITAL ALLOCATION**

PRE-2025: MADIOCRE. SEAPORT NYC DEVELOPMENT WAS A MULTI-YEAR VALUE DESTROYER ULTIMATELY SPUN OFF AS SEG IN JULY 2024. FAILED TO MONETIZE UNDERUTILIZED LANDBANK FOR OVER A DECADE. POST-2025 (ACKMAN ERA): AGGRESSIVE, DELIBERATE. \$900M EQUITY INFUSION AT \$100 (ABOVE MARKET), \$2.1B VANTAGE ACQUISITION FINANCED WITH CASH + NON-INTEREST-BEARING PSH PREFERRED (EXTRAORDINARILY FAVORABLE TERMS — PERSHING TAKING EQUITY-LIKE RISK FOR PREFERRED-LIKE SECURITY), \$1B SENIOR NOTES REFINANCING 2028 MATURITIES, PERSHING MANAGING VANTAGE ASSETS FEE-FREE.

**INSIDER OWNERSHIP**

**Pershing Square entities own ~46.9% post-May 2025 deal; will own additional economic exposure to Vantage via PSH Preferred. CEO O'Reilly previously bought \$1M in warrants (since expired worthless). Ackman has no equity grants — alignment via Pershing's common stake, not personal options. Quarterly base fee to Pershing of \$3.75M plus market-cap-linked fee.**

**📄 PROMISES VS. DELIVERY**

Ackman delivered on every step of his publicly-stated playbook: January 2025 letter laid out Berkshire plan → May 2025 capital infusion → December 2025 Vantage announcement → Q2 2026 close. This is rare in activist situations.

**👍 CANDOR AND TRANSPARENCY**

Very high. Ackman's January 2025 letter was unusually candid about the company's stock underperformance. Quarterly calls and X Spaces sessions are exceptionally open.

**🏠 5-YEAR CAPITAL ALLOCATION REVIEW**

2020-2024 was a story of operational competence (record MPC results) hidden inside a market-disliked structure. Stock down 24% over the three years before Ackman's bid despite operational records — the textbook 'great business, broken structure' situation that activism is designed for.

## CATALYSTS

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CATALYSTS

STRONG

**80** /100

*Vantage close in Q2 2026 is a scheduled, near-term, identifiable catalyst. Following Ackman's January 2025 letter to Q2 2026 Vantage close, every milestone has been delivered on time. This is unusual catalyst clarity.*

### CATALYST MAP SUMMARY

The catalyst stack is unusually rich and time-defined. Unlike most stocks where catalysts are speculative, HHH has a literal, scheduled transformation timeline.

## THE SIX



### THE SIX MENTAL MODELS

*Six master capital allocators evaluate this investment through their own distinct lens — the compounder frame of Buffett, the inversion of Munger, the activist thesis of Ackman, the franchise discipline of Hohn, the depth requirement of Li Lu, and the risk-first absolute return of Klarman.*

#### LENS CONVERGENCE MATRIX

**WB**

**58**

WARREN

**BA**

**92**

BILL

**LL**

**65**

LI

**CM**

**55**

CHARLIE

**CH**

**60**

CHRIS

**SK**

**70**

SETH

WB

**Warren Buffett**

58/100

BERKSHIRE HATHAWAY

*Wonderful businesses at fair prices. Long compounders, low turnover.*

*On Ackman's plan to make HHH the new Berkshire: I am flattered, slightly amused, and genuinely skeptical. Building Berkshire took sixty years, the cheapest float in the insurance industry built over decades, and an obsessive temperament about being right rather than smart. Vantage at 1.5x book is not the GEICO at book value that I bought in 1996, and HHH paying Pershing a quarterly management fee is the structural opposite of how I ran Berkshire — I worked for \$100,000 a year and bought my own shares. That said, the master planned community landbank — Summerlin, Bridgeland, Teravalis — is a wonderful business. Decades of recurring land sales at near-zero cost basis is exactly the kind of long-duration, inflation-protected cash machine I would have wanted in 1970. If Mr. Ackman keeps his fee restraint, refuses to overpay, and gives this 20 years of patience, he could build something durable. But I would never call it the new Berkshire — there is only one Berkshire, and the imitations historically disappoint. At ~\$64, you are getting the real estate roughly fair and the Ackman call option for free. That is not nothing.*

CM

**Charlie Munger**

55/100

BERKSHIRE HATHAWAY

*Multidisciplinary mental models. Invert, always invert.*

*The 'next Berkshire' label is a marketing line, not an analysis. Charlie's question is always: invert. How does this destroy capital? First, Ackman is not Buffett — he is a brilliant analyst with a manic-depressive temperament evidenced by Valeant, Herbalife, and the Netflix round trip. Second, the Pershing fee structure is a perpetual tax on shareholders that Berkshire never had. Third, Vantage at 1.5x book is full price for an insurer with limited track record. Fourth, the structural complexity — preferred shares, repurchase tranches, fee schedules — is the kind of cleverness that often masks economic transfer to the manager. That said, the MPC landbank is exceptional and irreplaceable. Buying HHH at \$64 against ~\$90 of conservative intrinsic value is rational. But buy it for the real estate; treat the Berkshire ambition as the optionality, not the thesis. The big money is in waiting to see if Ackman becomes the disciplined capital allocator he claims to want to be.*

**BA****Bill Ackman****PERSHING SQUARE***Concentrated positions. Clear thesis. Catalysts. Contrarian.***92/100**

*This is my plan, my conviction, my reputation. I have publicly committed to building HHH into a modern-day Berkshire Hathaway and I am putting my fund's money — \$900M at \$100/share (a premium to market) plus another \$1B of PSH Preferred for Vantage financing — behind it. The structural advantages are real: permanent capital, no redemptions, public currency for acquisitions, an irreplaceable MPC landbank generating organic cash, and now Vantage providing insurance float at a 95-97% combined ratio target. I have structured Pershing's fees lower than any of my other vehicles, and Pershing is managing Vantage's assets fee-free — a direct giveback to HHH shareholders worth tens of millions annually. The bull case is straightforward: if I compound NAV at 12-15% per year for two decades — below my historical Pershing return — HHH at \$64 today becomes a multi-bagger. The bear case is that I am distracted by Pershing Square US, that I overpay for an operating acquisition, or that Vantage underwrites poorly. I take both seriously. I will hold this stock forever.*

**CH****Chris Hohn****TCI FUND MANAGEMENT***Quality activist. Capital discipline. Pricing power. Secular growth.***60/100**

*The institutional question is whether HHH's transformation creates the kind of high-return, predictable, moat-protected compounder I require. The MPC business meets several of my criteria — pricing power (record \$990k/acre 2024, \$890k 2025), high barriers (unreplicable landbank), and predictable cash flows over decades. Vantage adds underwriting earnings and float but introduces underwriting cyclicality I generally avoid in pure form. The capital discipline pillar is the variable. Pre-Ackman, HHH burned capital at Seaport for a decade. Post-Ackman, the discipline signals are encouraging — Seaport divested, leverage being termed out at fixed rates, Pershing's structurally favorable financing of Vantage, fee-free asset management. But governance complexity has increased: a 47%-owned Pershing-controlled board, a quarterly management fee, and a CIO seconded from the controlling shareholder. I would size this as a watch-list position. The Berkshire analogy is structurally apt but only if Ackman exhibits 20 years of capital discipline he has occasionally lacked.*

LL

Li Lu

HIMALAYA CAPITAL

*Circle of competence. Concentrated compounders. Long-term rationality.*

65/100

*I have studied Berkshire deeply — Charlie was my mentor. The replication of that structure is, in principle, the most powerful compounding architecture ever designed: permanent capital plus insurance float plus a disciplined allocator. Whether Ackman can replicate it depends on three things consensus is not properly pricing: first, his temperament over twenty years, not two; second, the cost of capital embedded in Pershing's fees compared to Buffett's effectively zero overhead; third, his discipline in declining acquisitions when prices are full. My depth of understanding here is moderate — I know the Berkshire template intimately and I know Ackman's published record, but I do not have a Pershing-style inside view of his decision-making. The MPC business is within circle of competence — it is essentially long-dated real estate with recurring cash generation, which behaves like an inflation-linked bond plus a call option on US Sunbelt growth. Buying HHH at \$64 with the real estate alone worth most of that price and the Berkshire optionality as a free ride is rational. But I would size modestly and revisit annually against Ackman's actual capital-allocation decisions, not his stated ambitions.*

SK

Seth Klarman

BAUPOST GROUP

*Margin of safety. Capital preservation. Contrarian. Absolute return.*

70/100

*Ambition is not value. The market is pricing HHH at \$64 against my conservative sum-of-parts of ~\$92, which provides a real but unspectacular discount. The Berkshire transformation thesis is fundamentally a bet on a single individual's future capital allocation over two decades — by definition unverifiable today and uncomfortably reliant on narrative. I prefer assets where the margin of safety exists regardless of management quality. Here, the MPC landbank arguably provides that floor — \$45-55/share of value is supportable from the real estate alone in a stress case, which is roughly where the stock would settle if the Berkshire ambition fails. So the downside is bounded. But I have learned to distrust catalysts that depend on charisma and stated intentions. Ackman's previous reinvention attempts (PSH original premium-to-NAV, the SPAC PSTH wind-down, Pershing Square US's rocky debut) suggest his execution outside of long-equity activism is uneven. I would not own this at \$80. At \$64, with the real estate floor protecting the downside, I would consider a small position as a special situation with explicit Vantage-close and first-acquisition catalysts within 24 months. But I would never call this a margin-of-safety investment in the classical sense.*

 CONCLUSION OF THE SIX

SYNTHESIS &amp; CLOSING ARGUMENT

The Six are uncommonly aligned on the central question: Bill Ackman's plan to make HHH the new Berkshire Hathaway is structurally sound but personally contingent — and the market is offering investors the underlying real estate at roughly fair value with the conglomerate optionality essentially free. Buffett and Munger admire the architecture but resist the comparison, noting that Berkshire's true edge was Buffett's \$100,000 salary and 60 years of obsessive discipline, neither of which is replicable. Ackman, with the highest conviction by far, points to his completed milestones — January letter, May 2025 capital infusion, December 2025 Vantage agreement, Q2 2026 close — as evidence of execution. Hohn and Li Lu would size the position modestly: the MPC moat is real, the holding-company structural advantage is real, but the dependence on one human being's discipline for two decades is a sizing constraint, not a thesis-killer. Klarman finds the real-estate-supported downside floor genuinely attractive at \$64 but refuses to mistake ambition for value. The consensus prescription: a modest 2-3% position, sized for the real estate, with the Ackman/Berkshire optionality treated as a free call — not a thesis to underwrite.

THE INVESTMENT COMMITTEE — HHH

FINAL RECOMMENDATION — BUY (SMALL POSITION)

## PROJECTION — 10 TO 20 YEAR FORWARD

### LONG-HORIZON PROJECTION — THROUGH SIX LENSES

*Where will this business stand 10 and 20 years from now? Each investor projects forward through their own mental model — Buffett on compounding durability, Munger through inversion, Ackman on catalysts, Hohn on franchise trajectory, Li Lu on long-arc compounding, Klarman on downside survival.*

#### QUANTITATIVE FORWARD PROJECTION

##### 10-YEAR HORIZON

REVENUE	3500000000
EPS	13.5
FREE CASH FLOW	850000000

##### SHARE PRICE RANGE

LOW	MID	HIGH
<b>\$110.00</b>	<b>\$170.00</b>	<b>\$270.00</b>

##### 20-YEAR HORIZON

REVENUE	11000000000
EPS	38
FREE CASH FLOW	2800000000

##### SHARE PRICE RANGE

LOW	MID	HIGH
<b>\$250.00</b>	<b>\$550.00</b>	<b>\$1100.00</b>

## PROJECTION CONFIDENCE — BY FRAMEWORK FIT

WB

45

WARREN

BA

85

BILL

LL

55

LI

CH

40

CHARLIE

CH

50

CHRIS

SK

60

SETH

WB

Warren Buffett

## 10-YEAR PROJECTION

*"HHH in 2036: revenues of ~\$3-4B with insurance and real estate roughly equal contributors. Owner earnings ~\$15/share if Ackman exercises Buffett-style restraint. Stock \$130-180. The key variable: does Ackman resist the temptation to do a big, premium-priced acquisition between now and then? If yes, this could be a wonderful holding. If no, mediocre."*

## 20-YEAR PROJECTION

*"By 2046, if Ackman has compounded book value at 10-12%/year (well below his Pershing record), HHH could be a \$40-60B holding company with insurance, real estate, and 4-6 controlling operating-company stakes. Stock \$400-700. But this requires Ackman alive, engaged, and disciplined into his eighties — an empirical question, not a financial one."*

CM

Charlie Munger

**10-YEAR PROJECTION**

*"Don't tell me where I'm going — tell me where I'll die so I won't go there. The places HHH dies in 10 years: Ackman overpays for a flashy acquisition in 2027-2028; Vantage hits a catastrophic loss year underestimating tail risk; or Ackman gets sidetracked by Pershing Square US and HHH becomes orphaned. If none of those occur, \$140-160 range. If one occurs, \$55-75. Probabilistically: \$90-130."*

**20-YEAR PROJECTION**

*"Twenty years is too long to predict anything except that imitation Berksbires usually disappoint. Loews, Leucadia (now Jefferies), Markel — all started with similar ambitions. Some succeeded; most underperformed Berkshire. I'd model HHH at \$250-400 in 2046 as a successful-but-not-extraordinary conglomerate outcome."*

BA

Bill Ackman

**10-YEAR PROJECTION**

*"By 2036 I will have compounded HHH's NAV at 12-15% annually. Vantage will have grown to \$5-8B of premiums with \$2B+ of investment float managed alongside Pershing's other portfolios. We will own 3-4 controlling stakes in great businesses. Stock \$220-300. This is the central case."*

**20-YEAR PROJECTION**

*"By 2046 HHH will be a \$100B+ market cap diversified holding company. Per-share intrinsic value compounded at 12%/year from today's ~\$92 reaches ~\$890. The Howard Hughes name will stand alongside Berkshire as one of the great American holding-company franchises."*

CH

Chris Hohn

**10-YEAR PROJECTION**

*"HHH 2036: revenues \$3-4B, EPS \$12-16, FCF \$700M-\$1B. Stock \$150-200 if capital discipline holds. The decisive period is years 3-7, when Ackman makes his first major non-insurance acquisition — that decision telegraphs the next two decades."*

**20-YEAR PROJECTION**

*"If governance and capital discipline hold, \$400-600 by 2046. Conditional probability roughly 35% — the structural advantages are real but the management dependency is high. Outside that band: \$150-250 (Ackman departed/distracted) or \$700+ (full Berkshire success)."*

LL

Li Lu

**10-YEAR PROJECTION**

*"Within my circle of competence, the MPC business compounds at 8-10% annually. The added value from Ackman's allocator skill is the unknown — call it +3-5% in the base case. Stock \$140-180 by 2036. EPS \$11-14, FCF \$600-800M."*

**20-YEAR PROJECTION**

*"Compounding at 11-12% from today's intrinsic value reaches \$700-900 by 2046. But two-decade single-person dependency means meaningful tail risk in either direction. I'd weight: \$300 (25%), \$600 (50%), \$1200 (25%)."*

SK

Seth Klarman

**10-YEAR PROJECTION**

*"Asymmetric outcomes. Bear case 2036: \$80-100 (real-estate floor with Berkshire ambition failed). Bull case: \$250-350 (Ackman delivered). Base case: \$140-170. The bear case being above today's price is what makes this interesting."*

**20-YEAR PROJECTION**

*"Twenty-year projections are speculative for any business. Bounded range \$200-600 for 2046. I focus on the 3-year window where catalysts are visible and bounded: Vantage close, first acquisition, credit upgrade."*

** 20-YEAR CONSOLIDATED THESIS**

IF BOUGHT TODAY AND HELD

Quantitative projections compound from the current owner-earnings base of ~\$8/share at rates ranging from 8% (real-estate-only) to 14% (full Ackman compounding). The 10-year mid-point of \$170 reflects ~10% IRR; the 20-year mid-point of \$550 reflects ~11% IRR. These are not heroic numbers — they are what a competent allocator with a great asset base should produce. The dispersion is unusually wide because Ackman's personal capital-allocation skill, exercised over 20 years, has enormous compound consequences.

THE FORWARD COMMITTEE — HHH

HORIZON — TWO DECADES

## A LETTER FROM WARREN BUFFETT

### ✉ THE AMORDAD CAPITAL LETTER — BUFFETT TRADITION

*A shareholder letter from the AMORDAD CAPITAL Investment Office, written in the tradition of Warren Buffett's annual letters. The brain applies sixty years of Buffett's investing principles — owner earnings, circle of competence, the castle and the moat, the distinction between price and value — to this specific company. The letter takes an independent position. It may endorse, decline, or refuse the stock. Honesty is the entire value.*

### AMORDAD CAPITAL INVESTMENT OFFICE — IN THE TRADITION OF WARREN BUFFETT

## On the Aspiration of a 'New Berkshire'

*“Reasonable price for a wonderful collection of long-duration assets, with a thoughtful but unproven attempt to bolt on the Berkshire architecture. We would own a small position; we would not bet the farm.”*

SHAREHOLDER LETTER — 2026

### TO THE SHAREHOLDERS OF AMORDAD CAPITAL

To the partners of AMORDAD CAPITAL:

The assignment this quarter was to give our honest view on Mr. Bill Ackman's stated ambition — to transform Howard Hughes Holdings into a 'modern-day Berkshire Hathaway.' I shall do so plainly, with apologies to no one, and with the recognition that my old friend Charlie would tell me to invert before I admire.

Let me begin with the castle. Howard Hughes owns one of the more remarkable pieces of American real estate I have encountered: roughly 21,000 acres of residential and 14,000 acres of commercial landbank in some of the best-growing places in the country — Summerlin in Las Vegas, Bridgeland and The Woodlands in Texas, Teravalis west of Phoenix, Ward Village in Honolulu, Downtown Columbia in Maryland. This land was largely acquired through the General Growth Properties bankruptcy in 2010 at what amounts to a fire-sale basis. The company sold residential acres in 2024 at an average price of \$990,000 each. In 2025 the price was \$890,000. The sell-out date is estimated at 2086 — sixty years of monetization runway. That, partners, is a castle.

Now to the moat. Land of this scale, contiguous, entitled, with infrastructure paid for, located in places where Americans are choosing to move — you cannot replicate that. Not with capital, not with patience, not with both. It is the See's Candies of the structure: a perpetually cash-generating, hard-to-duplicate asset. Last year the master planned community segment generated \$476 million in earnings before tax. The operating assets — the office, retail, and apartment buildings retained from the same landbank — generated \$276 million in net operating income. Adjusted operating cash flow was \$446 million, or \$7.97 per share. At today's price of about \$64, that is a cash yield of better than twelve percent. The bond on my desk yields about half that.

Now to Mr. Ackman's ambition. He has said publicly — in a letter, on CNBC, in shareholder meetings — that he intends to build HHH into a 'modern-day Berkshire Hathaway.' He invested \$900 million of Pershing's money at \$100 a share, a premium to the market price. He has agreed to acquire Vantage Group, a Bermuda specialty insurer, for \$2.1 billion to provide the insurance float that he correctly identifies as the secret ingredient of our own enterprise. He has structured the financing favorably for Howard Hughes shareholders — Pershing taking the riskier preferred position, and managing Vantage's invested assets without charging a fee. These are the actions of a serious person, not a self-promoter.

And yet, partners, I must be honest about the differences. When I bought GEICO at book value in 1976 and again at book value in 1996, I was not paying 1.5 times book value, which is roughly what Vantage costs. When I built Berkshire I worked for a salary of \$100,000 a year for sixty years; Mr. Ackman's Pershing Square will collect a quarterly base fee of \$3.75 million plus a quarterly fee on market capitalization. That is not the same incentive structure. Berkshire's edge was, in part, the absence of any fee structure at all — every dollar of compounding stayed with shareholders. Charlie would tell me to circle that fact and put it in the file.

There is also the matter of the man. Mr. Ackman is a brilliant analyst with a long and largely successful record at Pershing Square — roughly sixteen percent annualized since 2004 by my count. He is also the man who lost a billion dollars on Valeant, who waged the Herbalife campaign with mixed result, and whose Pershing Square US fund stumbled in its public debut. Two decades is a long time to bet on any temperament. I do not say this to disparage him; I say it because honesty requires it.

What then is our verdict? At \$64, the partners of AMORDAD are being asked to pay a fair price for the real

estate alone. The conservative sum-of-the-parts work suggests intrinsic value of roughly \$90 to \$95 per share — the master planned community landbank, the operating assets capitalized at modest rates, the Ward Village condo backlog, and Vantage at its acquisition cost. The 'Ackman building Berkshire' optionality — the chance that he compounds book value at twelve to fifteen percent for two decades — is, as far as I can tell, being given to investors at no charge. That is unusual. The market is not pricing the ambition; it is pricing only the assets. Mr. Munger would say this is the closest thing to a free lunch we are likely to encounter.

We would size accordingly: a small position, perhaps two or three percent of the portfolio. We would treat the real estate as the thesis and the Berkshire ambition as the call option. We would re-underwrite each year against Mr. Ackman's actual capital-allocation decisions, not his stated intentions. We would not chase the stock higher than \$75. And we would remember that imitations of Berkshire — Loews, Leucadia, Markel, others — have produced a wide range of outcomes, some very good, most ordinary. Mr. Ackman is more likely to land in the upper half of that distribution than the lower half. But he is not me, and HHH is not Berkshire. Mr. Market may someday confuse them. We should not.

The structural shape of this bet is favorable, because we are paying roughly fair value for the underlying castle and receiving the architect's ambition to build a great compounder on top of it as a free option.

With candor and our usual margin of safety,

The AMORDAD CAPITAL Investment Office, after the manner of Warren Buffett

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Sincerely,

*The AMORDAD CAPITAL Investment Office, after the manner of Warren Buffett*

AMORDAD CAPITAL — INVESTMENT OFFICE

This letter is an AI-generated synthesis applying the investing principles of Warren Buffett. It does not represent the views of Mr. Buffett, Berkshire Hathaway, Mr. Ackman, Pershing Square, Howard Hughes Holdings, or any affiliated entity. It is for educational and analytical purposes only and is not investment advice.

## INSIDER & CONGRESS SHARES — PAST 30 DAYS

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### INSIDER AND CONGRESSIONAL TRADING — PAST 30 DAYS

*Two of the most informed groups of investors in the world: corporate insiders, who have direct knowledge of their own businesses, and members of the U.S. Congress, who have access to legislative briefings and committee information. When they buy with their own money, the signal deserves attention. When they sell heavily, that deserves attention too. Below: every disclosed transaction in this stock for the past 30 days.*



*Insider data is loading. If this message persists, the FMP API may be temporarily unavailable.*

## INSTITUTIONAL OWNERSHIP — FORM 13F

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### FORM 13F — INSTITUTIONAL OWNERSHIP

Quarterly · 10+ Year History · US Listed

*Investment managers with over \$100M in AUM must disclose equity holdings quarterly via SEC Form 13F. This section shows the latest reported institutional ownership: top holders, net share changes, put/call ratios, and aggregate ownership as a percentage of float.*



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