

Markets

Ackman's Pershing Square Postpones US Closed-End Fund IPO, NYSE Site Says

- Pershing Square USA says it's proceeding with the offering
- US fund was expected to price IPO on Monday, trade Tuesday



Bill Ackman *Photographer: Jeenah Moon/Bloomberg*

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July 26, 2024 at 10:18 PM GMT+2

Updated on July 27, 2024 at 12:40 AM GMT+2

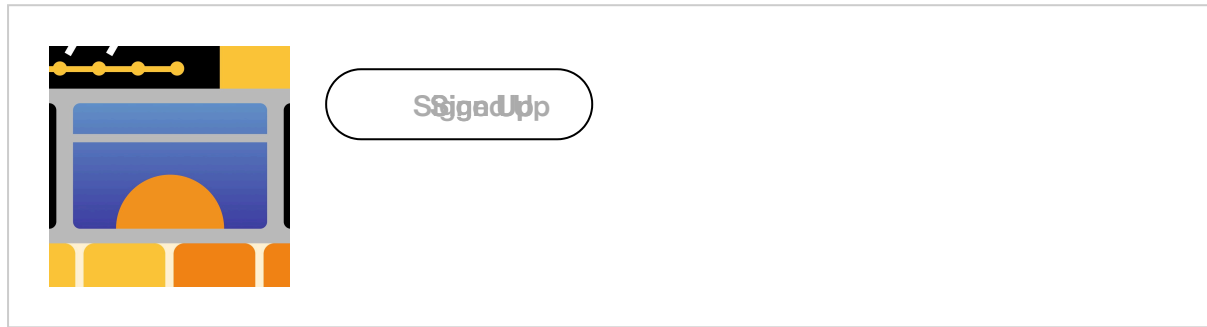
Billionaire Bill Ackman's US closed-end fund is facing a delay to its highly-anticipated initial public offering as it awaits regulatory approval.

Pershing Square USA Ltd. is proceeding with its offering, with the date of pricing to be announced, according to a [statement](#) □□ . The deal had been slated to price on Monday and trade the following day, according to terms of the deal seen earlier by Bloomberg News.

A registration statement has been filed with the US Securities and Exchange Commission but has not yet become effective, Pershing Square USA's statement shows. The statement must be effective before shares can be sold to investors.

The pricing could now come as soon as the end of next week or early the following week, according to a person familiar with the matter.

The fund's announcement on Friday was published shortly after an update signaling the delay appeared on the New York Stock Exchange [website](#). Pershing Square USA had already scaled back the size of its planned first-time share sale from a target of about \$25 billion to between \$2.5 billion and \$4 billion.



The notice came a day after Pershing Square USA filed a regulatory [update](#) with the US Securities and Exchange Commission that featured a letter he wrote to investors July 24. In the letter, the head of Pershing Square Capital Management said the firm was scaling back the expected proceeds from the deal and had brought in a range of orders from a “diverse group of investors” that included Seth Klarman’s Baupost Group.

Read More: [Ackman Eyes \\$4 Billion for Closed-End Fund, Short of Goal](#)

At \$25 billion, Pershing Square USA would have been the largest closed-end fund in the US. The price of the shares had been set at \$50 each, the filings show.

In Ackman’s July 24 letter, he wrote that the “\$25 billion number in the media initially anchored investors in thinking the deal would be too large.” The anchoring could be helpful for the final outcome, he said.

Postponements of closed-end fund offerings don’t happen often except for when market-driven events close exchanges, according to Kim Flynn, President at Chicago-based XA Investments, which has a closed-end fund consulting practice.

“Usually CEF sponsors take what they can raise and don’t risk postponing,” Flynn said in an email.

Pershing Square has a European-listed fund that trades at a discount compared to the underlying value of its assets – an issue that has historically plagued closed-end offerings. Analysts including Bloomberg Intelligence’s David Cohn had said the fund had the potential to trade at a premium to its net asset value, however.

Pershing Square, the management firm that oversees the closed-end funds and hedge funds, sold a 10% stake in itself ahead of a potential IPO down the road, according to a statement June 3. The management company’s IPO could come as soon as late 2025 or 2026, Ackman said earlier this month on a call with potential investors in the US closed-end fund.

– *With assistance from Amy Or and Lydia Beyoud*

(Updates in first four paragraphs with Pershing Square statement.)

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