Bill Ackman's PROFILE

William Albert Ackman, more commonly known as Bill Ackman, has an extensive professional profile, working for many firms before starting his own.

The founder and CEO of Pershing Square Capital, Bill Ackman was born on May 11 1966. Ackman attended Harvard University and graduated with a Bachelor of Arts degree Magna cum Laude in 1988. Ackman received his MBA from Harvard Business School in 1992.

Prior to co-founding Gotham Partners LP in 1992, Ackman worked for his father at Ackman Brothers & Singer Inc., a real estate business, where he was responsible for arranging and structuring equity and debt financing for real estate investors and developers. Since 1993, he has been the co-investment manager of Gotham LP, Gotham III LP and Gotham Partners International.

Ironically, Ackman began his career in the real estate sector, which ultimately was the sector responsible for the downfall of Gotham and forced Ackman to liquidate the fund due to bad debts in 2003.

However, he re-entered the hedge fund business and created Pershing Square Capital, a concentrated, long-short value hedge fund, the same year. The fund's philosophy is devoted to fundamental analysis with a value-oriented approach, and sometimes activist investing as well. Ackman, with his expertise managed to turn his initial $54 million investment into over $10 billion. Pershing’s flagship fund has returned 290.8 percent net of fees since the fund’s inception, crushing the S&P500.

Despite his impressive track record, Bill Ackman has had his share of ups and downs to face in the investment world. Some believe his rather stubborn personality is to blame for his relentless investments.
One of his most recent and prominent investment failures was the loss of $1.8 billion, in 2009, from his investment in Target. He publicly apologized to his clients of Pershing Square Capital. Recently, he declared a loss of $125 million on his investment in Ann Arbor.

Ackman was one of the very few people who predicted the financial crisis which hit the globe in 2008. He was also among the very few who benefited and were capable in avoiding losses due to the financial market clash. Bill Ackman voiced his concerns regarding the market and warned anyone who would listen about the $2.5 trillion bond insurance business, which was in big trouble.

During that period, Ackman shorted some of the major players of the subprime industry which included Freddie Mac, Fannie Mae, MBIA and Ambac, which ended up a major win of billions of dollars. The Wall Street Journal, the SEC, The New York Times and others declared his claims as being fraudulent.

The story of MBIA was elaborated in the spectacular book Confidence Game: How Hedge Fund Manager Bill Ackman Called Wall Street's Bluff published by Christine S. Richard. He had started shorting the stock as early as 2002, after the muni-bond insurer started dabbling into credit derivatives and synthetic CDOs.

Bill Ackman read through 140,000 pages (no typo), while investigating MBIA. This story shows how much due diligence Ackman does as an investor. The stock reached a high of over $70 in 2007 and went as low as ~$2.50 in early 2009. Ackman engaged in a lot of debates with the company, and his story is very similar to David Einhorn's, as told in Fooling Some of the People All of the Time.

For a period of almost one year, from 2009 till 2010, Ackman served as a director of General Growth Properties Inc. He rescued GGP from a near-collapse situation, which earned Pershing Square Capital a net return of 29% in 2010. He bought GGP at $0.50 and sold at $15! In early 2011, he became the director of J.C Penny Company Inc. and Justice Holdings Limited.

**Bill Ackman's INVESTMENT PHILOSOPHY**

Keeping his seven and a half years of investment track record in mind, he is often compared to Carl Icahn due to his activist investment approach. The comparison, though, is regarded as being absurd by Ackman who claims his approach being more similar to that of Warren Buffett. Despite his few investment missteps, he was one of the prominent hedge-fund managers who successfully benefited from the financial clash in 2008, while many funds were forced into liquidation.

There is another reason for the detested comparison with Icahn; which is the fact that Ackman invests in the bluest of the blue-chip companies. Bill Ackman opines that his investment philosophy is completely different and what he does is seek to save companies which ultimately benefit the economy as a whole. The fact can be illustrated by his investment of $60 million for a 25 percent stake in the troubled General Growth, one of the largest malls present, the bankruptcy of which would have further deteriorated the health of the commercial real estate
sector.

He was successful in driving the stock prices up and turning his $60 million investment value into $1.6 billion. However, Ackman is not interested in rescuing dying companies by using the stake in the company to change its operations and cutting costs like some of the 'corporate raiders'. What he does is gain a substantial stake in troubled companies by investing enough to help them recover, and quickly leaves after squeezing one-time gains out of the company.

His investment philosophy is rather complex, something which cannot be categorized easily into any existing types of investors. From the analysis of his various investments, it is observed that he prefers middle-sized to large companies with low financial leverage and reserved sensitivity to economic changes.

He does not necessarily consider cheap prices to be a catalyst for value creation. He leaves a large margin of safety and like most value investors Ackman does not hesitate in holding cash when no attractive investment is found.

His portfolio is very concentrated, consisted of around 8 to 10 investments. Currently, his portfolio consists of 4 main sectors with consumer goods sector (30.2 percent) and consumer services sector (29.7 percent) making up for approximately 60% of his portfolio. This depicts his interested in very specific industries and his concentrated investment style.

Bill Ackman's CURRENT PORTFOLIO

The current portfolio of Bill Ackman can be viewed here, and his recent stock picks here.

Bill Ackman’s QUOTES

“The investment business is about being confident enough to know that you’re right and everyone else is wrong. Yet you have to be humble enough that you recognize when you’ve made a mistake. Earlier in my career, I think I had the confidence part pretty solid. But the humbleness part I had to learn.”

“We think resources are not allocated efficiently today because this business is not independent. There is just no way to argue against transparency.”

“We are applauding the plan for adopting key strategic initiatives that will create a lot of shareholder value. I am not going to run a proxy contest.”

"When you go through something like the financial crisis, it makes a psychological imprint on you. It becomes hard to interpret information in a way that is positive. I'm emotionally very neutral about economic things. That's why I can look at them objectively."

Bill Ackman's BOOKS

Confidence Game: How Hedge Fund Manager Bill Ackman Called Wall Street's Bluff by
Christine S. Richard highlights the factors leading up to the most disastrous financial crisis since the Great Depression. The book elaborates Ackman’s warning regarding the $2.5 trillion bond insurance business leading to a catastrophe. The dissenting campaign by Ackman was declared fraudulent by many publications and regulatory agencies. The widespread delusion, excessive leverage, dangerous financial models and the blind belief in the AAA credit rating are identified and elaborated in the book as the major contributors which eventually lead to the rightly predicted credit market crash.

**Bill Ackman's LETTERS**

- [Bill Ackman Bites Back](#) (2009)
- [Pershing Square IV Letter to Investors](#) (2009)
- [Bill Ackman’s letter to the regulators in full, and his monoline model](#) (2008)
- [Bill Ackman letter to Securities](#) (2007)

**Bill Ackman's ARTICLES:**

- [Transcript of Bill Ackman's Super Fast Speech at the Ira Sohn Conference](#)
- [William Ackman: Targeting Target](#)
- [Bill Ackman's Soft Power](#)
- [The Happy Warrior](#)

**Bill Ackman’s Latest news:**

- [gnews search="Bill+Ackman"]

2011

- [2 Big Investors Get Their Say at J.C. Penney](#)
- [Ackman’s Pershing Square Buys 9.9% of Alexander & Baldwin](#)
- [Pershing’s Ackman Says He Is Short Simon Property Shares](#)
2010

Bill Ackman, Meet Howard Hughes

ACKMAN GETS A DEAL AT THE MALL (Limited View)

2009

Ackman's Target quest falls flat

Ackman argues for Target board bid; ex-director Bill George weighs in on Target's side

2008

Bill Ackman Scores $600 Million From CVS-Longs Merger

Ackman says Buffett's offer is positive for markets

Bill Ackman Said He Is Short Fannie and Freddie, Introduces Plan to Reorganize The GSEs (FNMT, FRE)

MBIA says Ackman's model has major deficiencies

2007

Ackman buy seen good for Sears regardless of sales

2006

McDonald's Says Investor Ackman Plans to Buy Shares

2005

Investor targeting McDonald's makeup: Financier Ackman wants property sold

Taking on McDonald's

AIG obscures significant MBIA story

IN BRIEF / RESTAURANTS; Shareholder May Seek Wendy's Restructuring (Limited View)

Top hedge fund stories of 2005

2003

Spitzer Turns Attention To Hedge Funds
Inquiry Reported on Hedge Fund Company

1999

PRIVATE SECTOR: A Name Is a Name Is a Name

1998

GOTHAM APPEARS TO TAKE CONTROL PRELIMINARY BALLOTS INDICATE INVESTMENT FUND WINS BATTLE TO CHANGE BOARD OF FIRST UNION REAL ESTATE

1995

Rockefeller Center Trust Gets New Plan

`Rock' Group Wins Center Bidding

Zell offers $1.16 billion for Rockefeller Center (Limited View)

Upstarts Vie for Rockefeller Center

Fight for Rockefeller Center Joined by David Rockefeller

1994

The Rookies' Big Score; Just Out of School, Bill Ackman and David Berkowitz Have a Hit Hedge Fund (Limited View)

1993

Market Place; BTR Realty's Plan to Convert to a REIT Attracts Arbitragers.

Bill Ackman's VIDEOS

Bill Ackman Interview on KFT (1)

Bill Ackman Interview on KFT (2)

Bill Ackman and David Einhorn Talk About Investing on CNBC

Ackman on Short Selling

Ackman Talks About Investing

Inside Look - Ackman Talks Target - Bloomberg
Ackman / Faber on Lehman

William Ackman on Fannie Mae and Freddie Mac, July 2008

Bill Ackman on Why Board Change at Target is Needed (Part 1 of 3)

Bill Ackman on Why Board Change at Target is Needed (Part 2 of 3)

Bill Ackman on Why Board Change at Target is Needed (Part 3 of 3)

Retailer Targets - Bloomberg

A conversation with Bill Ackman