13D Monitor

QUARTERLY ACTIVIST REPORT

ALLOCATOR EDITION

JUNE 2024

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KEN SQUIRE

Ken Squire is the Founder and President of 13D Monitor. 13D Monitor is the premier subscription research service specializing in the analysis of activist investors' 13D filings and following the broader shareholder activist community. Squire has focused exclusively on following shareholder activism and corporate governance since 2006 and is a leading commentator in the industry. He is frequently quoted in the Wall Street Journal and other financial publications, and his weekly column The Activist Spotlight was featured in Barron's from 2007 to 2020. He is now a CNBC Contributor and The Activist Spotlight column can be read on CNBC.

In 2010, Squire created the annual Active-Passive Investor Summit, a forum that brings together the activist and passive investor communities to discuss prevailing corporate governance issues and provides top activist investors a platform to present investment ideas. Speakers have included Carl Icahn, Bill Ackman, Jeff Smith, Marty Lipton, Ken Moelis, Michele Edkins, Donna Anderson and Joele Frank.

In 2012, Squire founded the 13D Activist Fund, an event-driven mutual fund that focuses on investing in opportunities identified in activist engagements. Squire is the founder, chief investment strategist and portfolio manager. The Fund was the first of its kind, providing both individual and institutional investors diversified, liquid and low-cost access to the most compelling activist investments in this asset class.

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13D MONITOR

13D Monitor was launched in 2006 when modern day shareholder activism was a nascent strategy. Since then, we have reviewed and analyzed every activist campaign and sent reports (see Page 31 for a sample) to our client base, which includes top activist investors, institutional investors and activist and activist defense bankers, lawyers, proxy solicitors and other advisors. Over 18 years, we have developed a comprehensive database (www.13DMonitor.com) that includes:

Activist Profiles

(see Page 33 for a sample)

Advisor Profiles

Activist Campaign Database

Searchable and sortable Activist Campaign Database going back to 2006

Letters & Agreements

Library of Activist Letters, Agreements and Presentations

Standstill Database

Searchable and sortable Standstill Database with a real time analysis of Standstill Provisions

Voting Database

Searchable and sortable Voting Database detailing how the largest institutional investors have historically voted

Media Center

Activist News and Articles searchable by activist, company or key words

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THE BIG EAST

HAS ACTIVISM BECOME ASIA'S BIGGEST IMPORT?

Japan was the world's second-largest economy in the 1980s despite not being in the top ten in population. Shockingly, at its peak in 1989, Japan represented 45% of the world's stock market capitalization. Japanese companies were buying western assets and properties, including Rockefeller Center and Columbia Pictures, like money was no object despite the fact that foreigners were not allowed the same access to Japanese properties. The West was frantically taking up Japanese as a second language and paranoid of a future ruled by a Japanese economic superpower.

Legendary and pioneering activist and raider, T. Boone Pickens attempted to turn the tables. In 1989 he spent $1 billion to acquire 26% of headlight-maker Koito Manufacturing and pressed for board seats among other things. Koito management and shareholders did not give him the time of day and he sold his shares and walked away in 1991. Since then, the Tokyo stock market plummeted by 60% over a couple of years and three decades of stagnation and deflation has sent Japan's market cap to approximately 6% of the world's stock market capitalization.

Cut to Former Prime Minister Shinzo Abe's second term in 2012, when he fired his proverbial three arrows to revive the stagnating economy, one of which targeted corporate governance, to address Japan's lack of shareholder returns. The three arrows were: 1) monetary policy, 2) fiscal policy, and 3) structural reform. Structural reform included corporate governance reforms that were meant to improve the valuation of domestic Japanese companies. Soon thereafter, the Tokyo Stock Exchange adopted a stewardship code that required fund managers to put clients' interests first when voting, Institutional Shareholder Services ("ISS") adopted a policy to recommend voting against the management of any company with a return on equity below 5%; and the Tokyo Stock Exchange adopted a policy that boards have a responsibility to improve capital allocation and not just let cash accumulate on the balance sheet. This led to a bull market in Japan and since Abe's "Three Arrows" were introduced, Japan's Nikkei Index has outperformed the S&P 500, albeit in local currency.

But there is a long way to go in corporate governance improvements in Japan and plenty of value to reap along the way. Today, the Tokyo Stock Exchange has taken the baton and shown a willingness to become not just the arbiter of corporate governance but the enforcer. On April 1, 2023, Hiromi Yamaji, who had spent the previous two years as president of the TSE, was elected as president of the Japan Exchange Group, owner of the TSE and other exchanges. Yamaji-san has publicly stated:

- "We will more effectively implement Japan's Corporate Governance Code;
- We will urge publicly traded companies to update plans for improving return on equity at least once a year;
- Too many Tokyo listed companies have a P/B ratio below 1;
- I urge companies to open a dialogue with activist investors instead of trying to shut

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> them out . . . activists can add urgency to decision making that could lift the value of Japan Inc."

This is a long way from 2008, when Japan's vice minister of economy, trade and industry called shareholders "stupid, greedy, adulterous, irresponsible and threatening."

ISS has also joined the battle, outlining in their latest Japan 'Proxy Voting Guidelines' that they will now generally recommend voting Against the senior executive of a company, if less than a third of the board are independent, if there isn't at least one female director on the company's own AGM slate; if a company has generated an ROE of less than 5% for five years or more, and if cross-shareholdings account for more than 20% of net assets.

This has led to an astonishing increase in shareholder activism in Japan and corporate governance reforms at Japanese companies. During the June 2023 annual meeting season, shareholders made a total of 385 proposals to 90 Japanese publicly listed companies, representing a 237% and 63% increase, respectively, over 2021 figures. And it is not just shareholder proposals that are changing, investors are seeing more success in board fights as well. In one case, shareholder Yamauchi-No.10 Family Office successfully replaced seven of the nine directors at Toyo Construction.

What is interesting and telling about activism in Japan is that the activist success rate in terms of winning board seats or having shareholder proposals passed is quite low relative to the United States. In 2023, only three percent of corporate governance shareholder proposals and four percent of balance sheet-based shareholder proposals were passed. But, believe it or not, this is a step in the right direction. These shareholder proposals have historically almost always been rejected as a matter of course and now shareholders are actually voting based on the content of the proposal. Moreover, unlike in the United States, just engaging with a Company can start the path to shareholder value creation whereas shareholder activism has become so commonplace in the United States, that the market is somewhat numb to it unless the activist wins and can implement its agenda.

And there is still plenty of momentum to continue this movement. On March 31, 2023, the TSE requested that listed companies take measures to conduct their businesses with a greater focus on cost of capital and stock prices pointing out that the Corporate Governance Code of Japan requires companies to sufficiently consider profitability and to enhance corporate value over the mid-to-long term. This is leading to record dividends and numbers of share buybacks among Japanese listed companies, and a significant increase to ROE. While that is more of a short-term measure, the TSE is also urging companies to make fundamental long-term changes to their business and strengthen dialogue with shareholders.

But the biggest opportunity to create value in Japanese companies is decreasing the number of cross-shareholdings that have been a tradition in Japan going back to the days when large firms took strategic stakes in each other to fend off hostile takeovers and maximize control over corporate decisions, often to the detriment of small shareholders. Japanese companies have been reducing their cross-shareholdings to include the fewest targets on record as of

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March 31, 2022. Companies sold off 1.99 trillion yen ($13.5 billion) of strategic shares in 2022, a figure behind only the 2.31 trillion yen offloaded during fiscal 2021. The proceeds from divesting the shares are being allocated to growth investments, share / treasury share repurchases, and dividend distribution.

This has been happening in response to growing pressure from the stock market. Japan's Corporate Governance Code that took effect in 2015 calls on companies to provide good-faith explanations for why they retain certain shares. Proxy advisory firms representing shareholders also have played a major role. Institutional Shareholder Services recommends voting against a company's top executive if cross-shareholdings account for 20% or more of its net assets. Glass Lewis has a 10% threshold. So, many of these companies are now restructuring, spinning off non-core business – eliminating more than 50% of crossholdings since 1990. The result has been improved multiples, higher profits and positive reaction in equity prices. But many are not. As of March 31, 2022, listed Japanese companies that invested in strategically held shares still account for approximately 30% of the entire Tokyo Stock Exchange market capitalization (down from 70% in 1990). That is great progress, but still equal to almost $2 trillion of crossholdings.

The Tokyo Stock Exchange has made changes to compel companies to invest in their businesses, grow and thereby improve shareholder returns. Efforts initiated in 2023 were focused on companies with low book values, requiring them to take steps to increase their value within a prescribed timeframe or risk delisting. The Exchange has more recently been calling out companies that fail to report on their plans and progress.

By some estimates, roughly half of the companies in Japan's TOPIX index currently trade below book value. So, there's still a ton of upside to be had from corporate governance reforms. As of March of 2023, almost half of the companies listed on the Prime Market (high market cap and liquidity and strong corporate governance) and 60% on the Standard Market (market cap and liquidity above a certain level) have ROE below 8% and Price to Book (P/B) ratios below 1. In October, the Tokyo Stock Exchange said even those at the 1 times threshold should be aiming higher.

The Japanese government, Tokyo Stock Exchange and ISS can only do so much. As in the United States, the foot soldiers to implement many of these corporate governance reforms will be the activist investors. This has opened the door for activist involvement and for the first time in decades, activists are starting to be well received in Japan and creating significant shareholder value. It's easy to find Japanese companies that trade below fair value. But it's more difficult to find management teams that care about their shareholders. Activists can help convince them to do the right thing. Shareholder activist campaigns can help provide the catalyst to unlock value.

A perfect example is Palliser Capital's activist campaign at Keisei Electric Railway Co. Keisei is a Japanese railway company with a $7 billion market cap when Palliser announced its position but what Palliser believed to be a $10.7 billion intrinsic value. 80% of the intrinsic value of this Company was derived from its 22% stake in non-core, listed and highly liquid Oriental Land (OLC), worth around $9 billion. Moreover, Oriental Land is the operator of Tokyo Disneyland

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THE BIG EAST

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and Tokyo DisneySea in Japan, which provides no business synergies with the Company. The Company's core business is a railway division that operates 152 km of railway serving over 200 million passengers annually and includes the Narita link from the airport into central Tokyo. Palliser estimated the value of this business at around $2 billion. Palliser urged the Company to reduce the OLC stake to below 15%. That would immediately reclassify it as an Other Investment Security, mark it to market, and double the balance sheet value per share, which the market will notice. This would also allow the Company to use the proceeds to develop a capital allocation plan, which they have never had before. The Company has already started to decrease this position since Palliser engaged and the stock price has reacted accordingly.

Other examples are ValueAct getting board seats at Olympus Corp. and JSR Corp. where they have returned 162.02% versus 16.79% for the MSCI EAFE Index and 135.77% versus 44.35% for the MSCI EAFE Index, respectively; and Elliott Management's engagement at Dai Nippon Printing where they successfully pushed for a more aggressive share buyback, among other things (82.40% return versus 13.82% for the EAFE). And of course, there are local and regional activists like Oasis Management who has averaged a 24.99% return on its 23 activist engagements in Japan dating back to 2017 versus 5.69% for the EAFE, or, more recently, 3D Investment Partners, who have averaged a 31.93% return versus 17.90% for the EAFE in their four campaigns over the past three years.

Led by local activist Align Partners (see 10 Questions herein), South Korea is not far behind Japan in activist opportunity, where Prime Minister Han Duck-Soo has made a goal of introducing reforms to help reduce what he calls the "Korea Discount". Public companies in South Korea trade at deep discounts of three to four times EBITDA where private equity buys at 10 to 15 times EBITDA. Some of these initiatives and prior regulations include: (i) reforms in 2020 to support minority shareholders against the controlling family in South Korean chaebols, including the 3% Cap Rule limiting all shareholders voting rights to 3% or less for one audit committee member on the board of directors; (ii) mandatory tender offer reforms mandating that 25% bidders must increase their stake to 50% plus one share and must purchase stock at the same price from both large and small minority shareholders; and (iii) scrapping a prohibitive rule requiring foreigners to register with authorities to trade shares in locally listed companies.

All in all, the 214 activist campaigns in Asia that 13D Monitor has reported on since 2015 have returned an average of 23.83% versus an average of 8.37% for the MSCI EAFE over the same time periods. And this movement is still in the top of the first inning. We expect to see activism continue to create significant value for shareholders in Asia over the next several decades.

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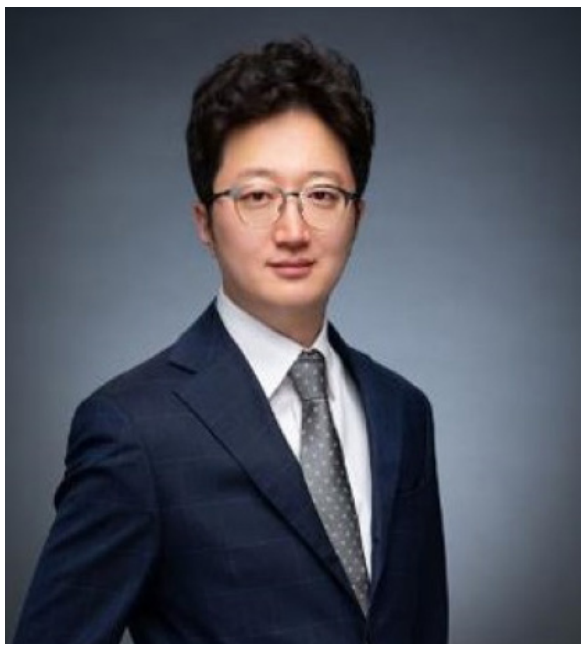
10 QUESTIONS WITH CHANGHWAN LEE



Changhwan Lee founded Align Partners in 2021 and currently serves as CEO and CIO. He is also serving as a non-executive director at SM Entertainment (KOSE:041510) and a director at Korea Corporate Governance Forum.

At Align Partners, Changhwan led public shareholder campaigns at SM Entertainment and seven publicly listed banks (KB, Shinhan, Hana, Woori, BNK, DGB, and JB) in Korea. Before Align Partners, he was an investment professional in KKR's Private Equity team in Korea, involved in several private equity investments by KKR including Oriental Brewery (operation and exit) and KCF Technologies (entry, operation, and exit). Before KKR, he worked at the Investment Banking Division of Goldman Sachs in Seoul as an analyst, where he focused on M&A advisory for public and private companies in Korea.

Bachelor of Business Administration (Summa Cum Laude) from Seoul National University

13DM// Tell us about Align Partners' investment philosophy and your approach to engagement in South Korea.

CL// Our investment philosophy combines value investing with a private equity approach. We select fundamentally strong companies that are significantly undervalued compared to their M&A value, mainly due to corporate governance issues. We invest for the long term and aim to enhance value through active engagement. We prioritize companies with strong, predictable cash flows and a robust, easily understandable business model based on publicly available data. This approach seeks to capitalize on the 'Korea discount,' which we attribute to structural conflicts of interest among various stakeholders and the lack of legal mechanisms to protect minority shareholder rights in Korea

In terms of engagement, we use a highly localized and long-term approach tailored specifically for Korea. The rules and overall environment of the Korean stock market differ significantly from other markets, necessitating a distinct engagement strategy. Public campaigns well-tailored to local audiences are crucial. We actively utilize local rules such as the "3 percent rule" and "cumulative voting." Based on our experience, placing even one person on the board can make a significant impact. Sometimes, localized lawsuits can effectively drive positive changes at our target companies. However, we always prefer to achieve reasonable outcomes through private conversations with the company before resorting to confrontational actions.

13DM// How does your background in Investment Banking and Private Equity guide your approach to activism in South Korea?

CL// My past experience in investment banking and private equity is crucial for understanding the motivations of controlling shareholders, which is a key driver of the Korea discount, and for navigating Korea's corporate landscape effectively. At Goldman, I was involved in advising many Korean conglomerates (so-called "Chaebol") on their succession planning. At KKR, I was deeply involved in the buyout of many Korean companies and in steering its portfolio companies to enhance value through interactions with the board and management.

Our key thesis is to capitalize on the significant gap between public market valuation and M&A valuation. We actively apply investment banking and private equity skillsets to

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"The rules and overall environment of the Korean stock market differ significantly from other markets, necessitating a distinct engagement strategy. Public campaigns well-tailored to local audiences are crucial."

our portfolio of public Korean companies, including capital structure optimization, selling non-core assets, adopting equity-based compensation, strengthening management talent, and creating M&A events, such as triggering a trade sale of the company.

13DM// How would you say activism in Korea differs from other jurisdictions such as the U.S. or Japan?

CL// Activism in Korea differs significantly from that in the U.S. and Japan, primarily due to the dominance of controlling shareholders in listed companies. Over 90% of KOSPI 200 companies are controlled by families, who typically own 25-40% of the companies directly or indirectly through other entities they control. This concentration of ownership makes it much more challenging for minority shareholders to exert influence and assert their rights, whereas in the U.S. or Japan, ownership is more dispersed, allowing activist shareholders to drive changes more effectively.

Additionally, Korea has relatively weak investor protection laws. For example, there is no fiduciary duty of directors to shareholders. As a result, boards of directors, often appointed by controlling shareholders, do not always serve the pro-rata rights of minority shareholders. There is also no tag-along right for minority shareholders in the event of a change of control. Furthermore, the awareness of political leaders and the general public about global standard shareholder rights has been relatively low, making it difficult to take confrontational action against companies historically.

13DM// Talk to us about the "Korea Discount" and valuations in South Korea.

CL// Sure, the "Korea discount" refers to the phenomenon where Korean listed companies have lower stock valuations compared to foreign companies, even if their earnings or net asset values are similar. The term surfaced in the early 2000s and remains a significant indicator of vulnerabilities in the Korean stock market. As a result, valuations in Korean stock market is very low. As of April 30, 2024, average PBR of KOSPI 200 companies is 0.95x, which compares to 1.38x of Japan (Nikkei 225), 2.23x of Taiwan (TAIEX), and 4.54x of S&P 500. We can find many public companies that trade at less than 3~4x EBITDA or 50% of its estimated trade sale value.

Biggest driver of the Korea discount is weak corporate governance. In Korea, many listed companies are under dominant control by controlling shareholders who hold a significant amount of control rights disproportionate to their actual cash flow rights. This situation incentivizes these controlling shareholders to prioritize personal interests, which can undermine the interests of other shareholders.

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This imbalance makes it difficult to challenge or replace ineffective boards and/or management, weakening the board's effectiveness in serving pro-rata rights of entire shareholders.

13DM// What are some of the measures the South Korean government and regulators have taken to close this discount?

CL// The first notable government measures were introduced with the "Three Fair Economy Act" in December 2020. This Act included several significant provisions, including 1) The adoption of the 3% rule, which mandates that the appointment of at least one director who is to be an audit committee member be elected separately under a 3% voting rights threshold; 2) Eased requirements for exercising minority shareholder rights; and 3) The adoption of a multiple derivative suits system.

The government has subsequently introduced minor, yet meaningful measures including an Investor protection mechanism against IPOs of split-off subsidiaries and has also been discussing on the introduction of a mandatory tender offer system, like that of the US, where entities seeking to acquire more than 25% of listed companies would be required to make an offer for 50%+1 shares of the total outstanding shares.

Recently, the government has released the Value-up Program, partially benchmarking the so-called "naming and shaming" approach formally employed by Japan. However, fundamental set of reforms on legally defined investors' rights, such as amendments to directors' fiduciary duties to shareholders as identified by 'Article 382-3' of the Korean Commercial Act, and reforms to lower barriers for shareholder lawsuits, or tax reforms, such as inheritance tax and dividend income tax, have not yet been implemented, though these imperative changes are under continued discussions in the public domain.

13DM// What are some of the measures the South Korean government and regulators have taken to encourage, or at least not discourage, shareholder engagement in South Korea?

CL// The Korean Stewardship Code was introduced in 2016 to outline the fiduciary responsibilities of institutional investors in protecting client interests and minority shareholder rights. In March 2024, revisions were made as part of the Value-Up Program, further emphasizing the responsibility of institutional investors to ensure invested companies implement long-term strategies to enhance corporate value. Over the past several years, domestic pension funds, asset managers, and securities companies have gradually adopted the code, and as of today, most relevant market participants have implemented it.

In April 2024, the first government-led roundtable meeting on shareholder activism took place, chaired by the governor of the Financial Supervisory Service (FSS). The meeting included leaders of four local activist funds, regulatory bodies, and corporate executives, fostering a meaningful discussion on regulatory and corporate expectations towards the local activist funds. Subsequently, in May 2024, the FSS governor acknowledged the positive role played by the activist funds, citing Japan's example during his conference in New York. These increasing dialogue between the regulators and the activist funds is understood to be a major milestone demonstrating a shift in mood in Korea towards a more shareholder-friendly stock market, officially recognizing local activist funds as meaningful contributors to the stock market.

Unlike Japan, where global activists led most of the engagement efforts, it is the local activists in Korea that are playing a pivotal role. While the government's stance towards activist funds is becoming more positive, it still remains cautious. Until 2020, public understanding of shareholder rights in Korea was less advanced, influenced by conglomerates

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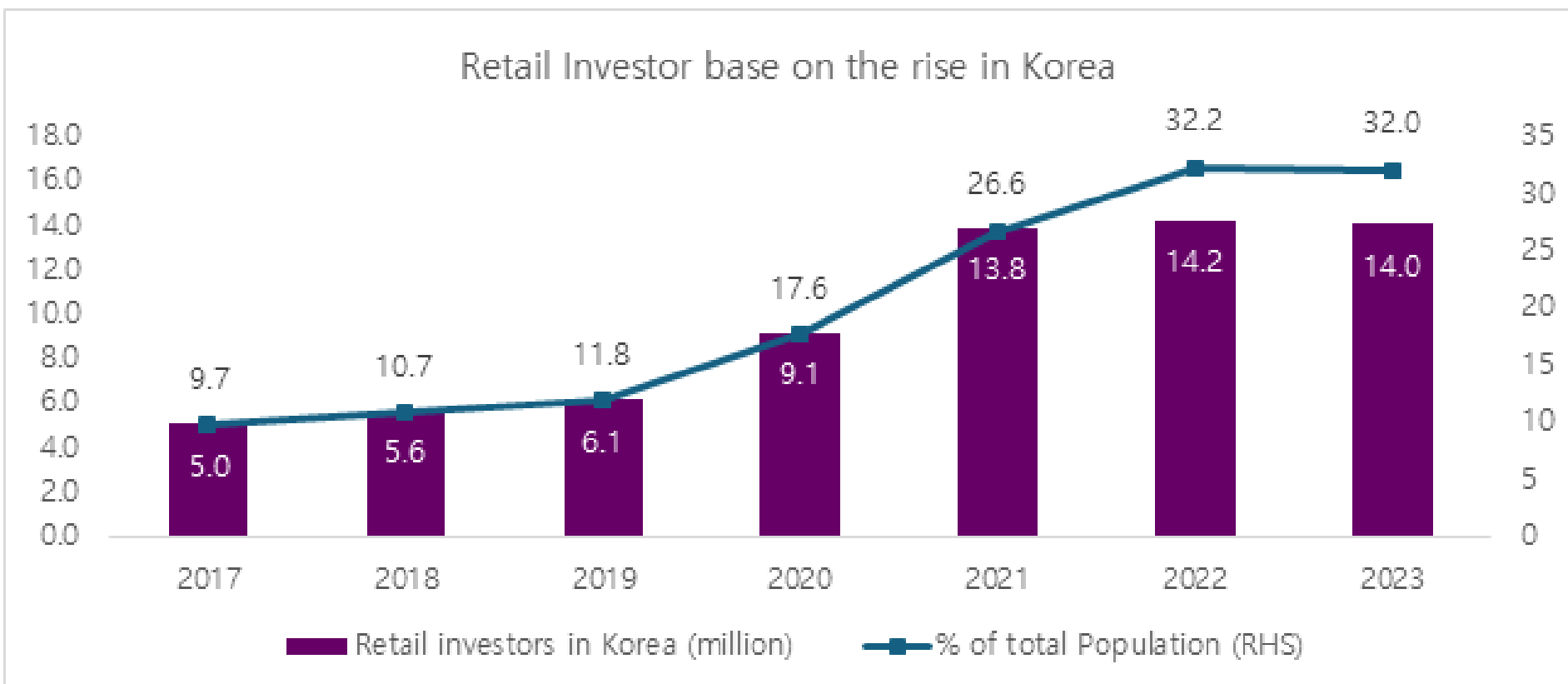
("chaebols") promoting negative opinions about foreign activists through media dominance. Some government officials still hold conservative views on shareholder activism, and controlling families continue to issue opposing statements to safeguard their interests, which makes it challenging for officials or politicians to make bold and direct statements on the matter.

13DM// Many readers will be surprised to know that not only is shareholder activism gaining traction in South Korea, but that Align has even won Board seats at SM Entertainment and more recently at JB Financial. Is this something that would have happened in South Korea five years ago?

CL// No, it would have been difficult five years ago. Align's success at SM Entertainment and more recently at JB Financial was made possible by several factors: meaningful improvements in public awareness, a favorable shift in the political landscape, the evolution of media driven by new platforms, gradual improvements in laws and regulations, and the growth of the local M&A market driven by private equity, which has supplied professionally trained local investment talent and improved the quality of advisors.

The biggest fundamental driver of this recent change is the rapid growth in the number of retail investors in Korea. Five years ago, in 2019, there were only 6.1 million retail investors. Now, the number has risen to 14.0 million, representing more than 30% of registered Korean voters. This rapid growth has transformed the political and media landscape. These retail investors, who often invest in other advanced markets such as the US, have started to compare the Korean market with other markets and demand justice and fair treatment of their shareholder rights from companies and the government. New media channels such as YouTube and social networking services have contributed to better information about stock investing and global standards of shareholder rights.

While the change may be slow and gradual due to deeply entrenched, powerful vested interests in Korea, as long as this changed environment persists, we believe the trend of improvement towards better protection of minority shareholder rights and corporate governance will continue.



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10 QUESTIONS WITH CHANGHWAN LEE

13DM// You have not only engaged with JB Financial, but targeted six other Korean Bank Holding Companies. How is that engagement going?

CL// Our work with the seven Korean banks, including JB Financial, in the "Align Partners' 7 Korean Banks Campaign" is going well and definitely making a difference.

We began private engagement with the seven banks around September 2022, continuously conducting private meetings and discussions. The public campaign has been ongoing since January 2023. Following the first campaign launched in January 2023, we launched the second campaign this January. Most of the banks have responded cooperatively, and the results have been positive.

The main goal of our first campaign was to get the seven bank holding companies to announce capital allocation and shareholder return policies. We weren't asking for immediate dividends. We wanted them to aim for a mid-term shareholder return ratio of over 50% by keeping RWA (Risk-Weighted Assets) growth in line with the nominal GDP growth (2-5%) of Korea. In response, all the financial holding companies came out with their own shareholder return policies that fit their situations.

In January this year, we launched the second campaign. This time, we focused on making sure they adhered to the policies they announced, and if they didn't, we planned to take proactive shareholder actions. Positively, most banks stated in their 2023 year-end earnings announcements that they would proactively manage their RWA growth rate to match GDP growth and significantly expand shareholder returns to achieve their target shareholder return ratio.

Even better, in the recent Q1 2024 earnings announcements, major banks rolled out improved shareholder return policies. For example, KB Financial came out with an ideal shareholder return policy, which we had asked for since the first campaign. They plan to keep their total cash dividends fixed while actively buying back and retiring shares to consistently boost their DPS. Additionally, the other banks have shown a commitment to shareholder value, such as by announcing the start of equal quarterly dividends.

We also pushed for improvements in the existing boards of the banks during the second campaign, such as adding capital market experts and industry professionals, increasing the number of board members to match overseas banks, and boosting gender diversity. Fortunately, the Financial Supervisory Service (FSS) also released best practices for the governance of financial holding companies, which really helped create a positive atmosphere for our campaign. Considering our meaningful success in appointing two outside directors at JBFG's 2024 AGM and the movement of the other six banks to improve their BOD composition, we believe our campaign has been effective.

	Shareholder Return Ratio[1]			TSR Since campaign launched[2]
	FY2021	FY2022	FY2023	
KB	26.0%	34.5%	38.6%	76.1%
Shinhan	26.0%	32.8%	36.3%	45.5%
Hana	25.6%	31.6%	37.4%	65.6%
Top 3 Banks Avg.	**25.9%**	**32.9%**	**37.4%**	**62.4%**
Woori	25.3%	26.2%	33.7%	44.9%
JB	23.0%	27.0%	33.1%	88.4%
BNK	23.5%	27.9%	27.7%	49.3%
DGB	21.2%	27.4%	28.8%	34.9%
7 Banks Avg.	**24.4%**	**29.6%**	**33.6%**	**57.8%**

[1] announcement basis; [2] Dec 29, 2022 ~ May 17, 2024

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10 QUESTIONS WITH CHANGHWAN LEE

After running two campaigns, we've seen some impressive improvements, and the impact of our efforts can be clearly seen through the numbers. Since the start of our bank campaign, there has been a significant increase in shareholder returns. The average shareholder return rate of the seven financial groups surged from 24.4% in FY2021 to 33.6% in FY2023. Additionally, total shareholder return (TSR) has also risen significantly. The average TSR of the top three Korean banks since our campaign launched is 62.4%, while the average TSR of the seven banks is 57.8%.

As most of the banks are now keeping in line with the right approach, we are hopeful that these banks will continue to make progress in creating long-term value for their shareholders.

13DM// What did you make of the government's recent announcements regarding the "Corporate Value-Up Program"? Does it go far enough to generate the same impact that the Japanese Government and Tokyo Stock Exchange have?

CL// Despite significant foreign capital inflows following the release of the Value-up Program, investor skepticism persists regarding the current government approach, which centers on "naming and shaming" with reliance on market pressure to improve corporate value. Unlike the US or Japan, more than 90% of public companies in Korea are still controlled by families. The Korean stock market is characterized by a significant conflict of interest between minority investors and the controlling families, mainly due to pyramidal ownership structures and very high inheritance tax (60%) and dividend income tax (49.5%) for the controlling families, which serves to be the core factor behind the "Korea Discount." These structural conflicts of interest are so severe that this so-called "market pressure" is not enough to drive a meaningful re-rating of the market.

However, this does not mean that the Value-up Program will have no positive effect at all. For example, as it worked for companies where there are no controlling families in Japan, this market-wide pressure may effectively impact most listed banks, privatized public companies, and those Korean companies with "lower-than-average" controlling family ownership. From an activist standpoint, it is also expected that the adoption of the Value-up Program will encourage shareholder activism and increase the effectiveness of public campaigns by giving them more rationale and support from the public. On top of that, the fact that it is not overly speeding up to re-rate the entire market puts activist funds in an optimal condition by leaving room for them to further capitalize on.

13DM// What do you think activism and valuations will look like in Korea in the next five to ten years?

CL// With the evolving landscape, Korea has seen a notable uptick in proposals from both local and international institutional investors, showcasing their views through voting against corporate actions. Retail investors are also becoming more aware of their shareholder rights, and this understanding will likely continue to improve in the future. Public perception towards activist movements has become much more favorable recently, and I expect this trend to continue over the next 5 to 10 years.

As evidenced in countries like the United States and Japan, which have longer histories of stock markets, I anticipate that activist funds will ultimately play a more significant role in the Korean stock market. Although I do not expect the structural issues that resulted in the "Korea discount" to disappear suddenly, I believe they can improve gradually but meaningfully over the next 5 to 10 years. This improvement could ultimately lead to a significant re-rating of valuations in Korea, which are currently very low compared to other markets. Given the deep discount that currently exists, there is a chance that the Korean stock market could meaningfully outperform the global benchmark, particularly in companies where activist investors are involved.

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DISSECTING ACTIVIST 13Fs

45 days after the end of each quarter, 13F filings are made by investors who have more than $100 million of qualifying assets under management. We analyze the 13F filings of the major US activist investors and provide the following data and commentary:

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(iv) 13F Analysis - Changes in Activist Holdings	24 - 30

AGGREGATE ACTIVIST HOLDINGS

The top 12 major activists increased their 13F holdings by $1.02 billion to $63.45 billion. The increases came from Third Point (+$1.21B), Trian (+$1.01B), Carl Icahn (+$1.0B), JANA (+$280.51M), Corvex (+$258.03M), Impactive (+$210.42M), Sachem Head (+$200.17M), and Starboard (+$32.09M). The decreases came from: Elliott (-$2.60B), ValueAct (-$452.92M), Sarissa (-$77.27M) and Engaged (-$65.61M).

ACTIVIST CONCENTRATION

TOP THREE 13F POSITIONS AS A PERCENTAGE OF TOTAL 13F VALUE

CARL ICAHN (79.50%)
ICAHN ENTERPRISES LP (52.51%)
CVR ENERGY INC (19.96%)
SOUTHWEST GAS HOLDINGS (7.04%)

TRIAN (71.21%)
THE WALT DISNEY CO (49.33%)
JANUS HENDERSON GROUP (13.07%)
GENERAL ELECTRIC CO. (8.82%)

SARISSA (68.63%)
IRONWOOD PHARMA (24.97%)
BIOGEN INC (24.26%)
INNOVIVA INC (19.40%)

SACHEM HEAD (57.52%)
US FOODS HLDG CORP (36.79%)
INTERNATIONAL FLAV&FRA (12.10%)
TWILIO INC (8.62%)

VALUEACT (56.13%)
SALESFORCE INC (23.11%)
INSIGHT ENTERPRISES INC (18.42%)
DISNEY WALT CO (14.59%)

IMPACTIVE (53.10%)
WEX INC (18.91%)
ASBURY AUTO GP (17.98%)
SLM CORP (16.22%)

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ACTIVIST CONCENTRATION

TOP THREE 13F POSITIONS AS A PERCENTAGE OF TOTAL 13F VALUE

JANA (46.64%)
SPDR S&P 500 ETF TR (19.46%)
FIDELITY NATL INFORMATION (13.94%)
TRIMBLE INC (13.23%)

ENGAGED (43.67%)
EVOLENT HEALTH INC (17.33%)
V F CORP (13.28%)
SHAKE SHACK INC (13.06%)

CORVEX (41.83%)
SOUTHWEST GAS HLDGS INC (16.84%)
MGM RESORTS INTL (13.14%)
MDU RES GROUP INC (11.86%)

ELLIOTT (35.74%)
SUNCOR ENERGY INC NEW (12.06%)
TRIPLE FLAG PRECIOUS M (11.99%)
SELECT SECTOR SPDR TR (11.69%)

THIRD POINT (33.54%)
PG&E CORP (12.36%)
AMAZON COM INC (11.72%)
MICROSOFT CORP (9.46%)

STARBOARD (32.47%)
GODADDY INC (15.74%)
GEN DIGITAL INC (8.61%)
ALGONQUIN PWR UTILS CO (8.11%)

13F COMMENTARY

13D MONITOR'S COMMENTARY ON NOTEWORTHY NEW POSITIONS & MATERIAL POSITION CHANGES

Carl Icahn

New Positions: Carl Icahn disclosed a new position in JetBlue Airways Corporation (JBLU) (click here to view our report) – he initially disclosed this position in a 13D filing on February 12, 2024 and he currently holds 9.91%. On February 16, 2024, Icahn settled for board seats at JetBlue for Jesse Lynn (general counsel of Icahn Enterprises) and Steven Miller (Portfolio Manager of Icahn Capital), who were appointed as directors at the May 17, 2024 Annual Meeting. Additionally, Icahn disclosed a new $305.87 million (37%) position in CVR Partners LP (UAN). CVR Energy Inc. (CVI) (in which Icahn holds a controlling 66.34% stake) serves as the general partner of CVR Partners and owns 37% of the common units representing limited partner interests of CVR Partners.

Material Position Changes:

- Icahn reported increasing his position in International Flavors & Fragrances Inc (IFF) from 0.25% to 1.47%. Icahn settled for two board seats through Cooperation Agreements, one of which was for Icahn Portfolio Manager, Gary Hu, where he currently serves as a director.
- Icahn sold down his entire positions in Newell Brands Inc. (NWL) (click here to view our report) and FirstEnergy Corp (FE), both situations where he had insiders on the board who no longer serve as directors.

Additionally, Icahn requested Confidential Treatment on his 13F, which is generally standard for Icahn. So, there is at least one material position that has not been disclosed.

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Corvex

New Positions: Corvex disclosed a new position in Vestis Corp (VSTS), which they have since taken up to 12.62% and filed a 13D (click here to view our report). Corvex also disclosed a $44.76 million (0.08%) position in Norfolk Southern Corporation (NSC), which was at the center of a heated proxy fight with Ancora Advisors (1.75%). In February 2024, Ancora nominated a majority director slate, which included new COO and CEO candidates. Ultimately, at the Company's Annual Meeting on May 9, 2024, shareholders voted to elect the following three of Ancora Advisors' seven director candidates: William Clyburn, Sameh Fahmy and Gilbert Lamphere. Ancora's proposed CEO candidate, Jim Barber, was not elected to the Company's Board. Additionally, Corvex disclosed a $31.30 million (0.06%) position in Air Products and Chemicals, Inc. (APD), which provides atmospheric gases, process and specialty gases, equipment, and related services. This was an activist position of Pershing Square in 2013, and more interestingly also a new 13F position for Sachem Head, whose founder, Scott Ferguson worked at Pershing Square until 2012. Finally, Corvex disclosed a $69.25 million (0.47%) position in TKO Group Holdings, Inc. (TKO), a sports and entertainment company that operates combat sports and entertainment brands like Ultimate Fighting Championship and World Wrestling Entertainment. This was a $42 million new position of Corvex's in their Q3 2023 13F filing – they sold out in the fourth quarter of 2023 and now they are back with a slightly larger position. This is an industry that Keith Meister knows well - Corvex has been a large long-term holder of Liberty Media Corporation and an on and off holder of Endeavor Group Holdings, Inc. (EDR), an entertainment, sports, and content company. Also, Keith Meister currently serves on the Board of MGM Resorts International (MGM).

Material Position Changes:

- Corvex slightly increased its position in Illumina Inc. (ILMN) from to 0.62% to 0.63% and converted all its call options to common stock. ILMN has been the subject of an activist campaign by Carl Icahn since March of 2023 (click here to view our report), but Icahn's board representative did not stand for re-election at the 2024 Annual Meeting.
- Corvex decreased its position in MGM Resorts International (MGM) from 1.97% to 1.91%. Keith Meister has served on the MGM board since January 18, 2019.

Elliott

New Positions: Elliott disclosed two new positions in the Energy sector: (i) a $341.38 million (0.61%) call option position in Valero Energy Corporation (VLO), a downstream petroleum company mostly involved in manufacturing and marketing transportation fuels, other petrochemical products, and power; and (ii) a $61.24 million (1.19%) position in Transocean Ltd. (RIG), a drilling company that was the subject of a Carl Icahn activist campaign from 2013 to 2016. Elliott has significant experience in the Energy sector and in November 2023, they launched an activist campaign at Valero peer, Phillips 66 (click here to view our report), where they collaborated with the Company on the appointment of a new director, Robert Pease.

However, Elliott's most interesting new positions are not disclosed in their 13F: (i) on April 29, 2024, Elliott and Sensata Technologies Holding PLC (ST) (click here to view our report) entered into a Cooperation Agreement, pursuant to which Phillip Eyler

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13F COMMENTARY CONT'D FROM PG 17

will be appointed as a director on July 1, 2024. Additionally, the Company announced that Jeff Cote will retire as CEO and President and will step down from the Board and Martha Sullivan will be appointed Interim President and CEO; and (ii) on May 21, 2024, Elliott reported taking an approximately $1 billion position in Johnson Controls International plc (JCI) (click here to view our report).

Material Position Changes:

- Elliott increased its position in Biomarin Pharmaceutical Inc (BMRN) (click here to view our report) from 1.59% to 1.84%, where they have settled for three board seats for Barbara Bodem, Athena Countouriotis, and Mark Enyedy, and the formation of a Strategic and Operating Review Committee.
- Elliott increased its position in Etsy Inc. (ETSY) (click here to view our report) from 1.59% to 1.92%, where they have received a board seat for Marc Steinberg (Partner at Elliott), who was also appointed to the Board's Audit Committee.
- Elliott increased its position Match Group Inc (MTCH) (click here to view our report) from 1.18% to 1.55% - on March 25, 2024, Match announced the appointment of Laura Jones and Spencer Rascoff to its Board, following constructive engagement with Elliott.
- Elliott increased its position Suncor Energy Inc (SU) from 0.77% to 4.10% - on July 18, 2022, Elliott settled for board seats for: Ian Ashby, Chris Seasons, Jackie Sheppard and Daniel Romasko.

Engaged

New Positions: Engaged disclosed a small, $6.92 million (0.22%) position in Envestnet Inc (ENV), which provides wealth management services and software to the investment community. This is currently Engaged's smallest 13F position and will not become a 13D given the Company's market capitalization. Impactive Capital has a live 13D on ENV (click here to view our report) from April 6, 2022, and on March 27, 2023, Impactive settled for board seats for Lauren Taylor Wolfe (co-founder and Managing Partner of Impactive Capital) and Wendy Lane. Additionally, Engaged disclosed a $28.22 million (2.72%) position in Portillo's Inc. (PTLO), a fast casual restaurant operator. This is an industry with which Engaged is very well acquainted, having launched activist campaigns at Shake Shack Inc (SHAK), Del Frisco's Restaurant Group Inc. (DFRG) and Jamba Inc (JMBA) – all situations where Engaged settled for board seats. This company is the right size for an Engaged 13D, and we will be keeping an eye on this one as should the PTLO board.

Material Position Changes:

- Engaged decreased its position in Nevro Corp (NVRO) from 5.98% to 5.13%, but they are not likely on the way out of the stock, having recently settled for a board seat for Kirt P. Karros on February 20, 2024 (click here to view our report).
- Engaged decreased its position in PRA Group Inc (PRAA) from 5.12% to 4.71% - this was a 13D situation for Engaged until February 16, 2024, when they sold below 5%, but they are still active here. On March 12, 2024, the Company appointed Glenn Marino to the Board, who was appointed in collaboration with Engaged (click here to view our report).

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13F COMMENTARY CONT'D FROM PG 18

- Engaged decreased its position in Shake Shack Inc (SHAK) from 3.23% to 1.83% - on May 16, 2023, they settled for a board seat for Jeffrey Lawrence and later settled for a seat for Chuck Chapman (click here to view our report).
- Engaged decreased its position in Upbound Group Inc (UPBD) (formerly Rent-A-Center) from 4.41% to 3.06%. Engaged previously settled for board seats for Jeffrey J. Brown, Mitchell E. Fadel and Christopher B. Hetrick, where Brown and Fadel currently serve as directors (click here to view our report).

Impactive

New Positions: Impactive disclosed a new position in Marriott Vacations Worldwide Corp (VAC), which they have since taken up to 7.40% and filed a 13D (click here to view our report).

Material Position Changes:

- Impactive reported increasing the following positions, both of which are live activist engagements: (i) Concentrix Corp (CNXC) (click here to view our report) from 5.14% to 5.83%; and (ii) Envestnet Inc (ENV) (click here to view our report), where they have settled for board seats for Lauren Taylor Wolfe (co-founder and Managing Partner of Impactive Capital) and Wendy Lane.
- Additionally, Impactive increased their share ownership of Clarivate Plc (CLVT) (click here to view our report) but due to a recent increase in the Company's outstanding shares, their percentage holdings decreased slightly from 5.69% to 5.67%.

JANA

New Positions: JANA disclosed two new positions that have been covered in 13D Monitor reports – (i) a $57.33 million (1.79%) position in Quidelortho Corp (QDEL) (click here to view our report) and (ii) a $134.46 million (3.62%) position in Wolfspeed Inc (WOLF) (click here to view our report), where they have sent a letter urging the Company to engage in a comprehensive review of strategic alternatives, including a sale of the Company.

Material Position Changes:

- JANA reported increasing its position in Frontier Communications Parent Inc (FYBR) from 3.67% to 3.91%. On February 5, 2024, the Company announced that they will initiate a strategic review, following JANA's call for such an action.
- JANA reported increasing its position in Mercury Systems Inc (MRCY) (click here to view our report) from 8.78% to 11.67%. On July 6, 2023, Scott Ostfeld (a Managing Partner of JANA) was appointed to the Board as a director, and earlier, on June 27, 2022, JANA settled for a board seat for William L. Ballhaus, who currently serves as CEO and Chairman of the Board.
- JANA reported increasing its position in Trimble Inc (TRMB) (click here to view our report) 1.51% to 1.54%, where they called on the Company to cease M&A activities

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13F COMMENTARY CONT'D FROM PG 19

and instead focus on organic growth in its existing businesses. On January 30, 2024, Trimble announced its plans to expand its share buyback to $800 million and add two directors to its Board.

- JANA reported decreasing its position in Freshpet Inc (FRPT) (click here to view our report) from 5.79% to 2.26%. On August 21, 2023, JANA and the Company entered into a Cooperation Agreement pursuant to which Timothy McLevish (one of JANA's director nominees) and Joseph E. Scalzo were appointed as directors to the Board, where they both currently serve.

Sachem Head

New Positions: Sachem Head disclosed a new $201.49 million (1.92%) position in Twilio Inc (TWLO) (click here to view our report) – on March 30, 2024, Sachem Head settled for a board seat for Andy J. Stafman (Partner at Sachem Head). Sachem Head also disclosed a new $111.69 million (0.21%) position in Air Products and Chemicals, Inc. (APD), a Materials company that provides atmospheric gases, process and specialty gases, equipment, and related service. APD is no stranger to activism, having been the subject of a campaign by Pershing Square from 2013 until 2017, a year after Sachem Head founder, Scott Ferguson, left Pershing Square to start Sachem Head. Pershing Square settled for board seats for Matthew Paull and Seifi Ghasemi, both of whom continue to serve on the board. Feguson knows Mathew Paul well as he was a member of Pershing Square's Advisory Board while Ferguson was at Pershing Square and he sat on many Pershing Square portfolio company boards. Additionally, Sachem Head disclosed a $95 million (2.79%) position in Sotera Health Company (SHC) and a $77.24 million (2.28%) position in Sprinklr, Inc. (CXM). SHC engages in the provision of sterilization, lab testing, and advisory services and is a peer of Catalent, recently engaged by Elliott Management and ultimately sold to Novo Holdings after Elliott received board representation. CXM provides enterprise cloud software products. One of Sprinklr's peers is Salesforce, another Sachem Head portfolio company.

Material Position Changes:

- Sachem Head decreased its position in Salesforce Inc (CRM) from 0.05% to 0.03%. Since October of 2022, Salesforce has gained the attention of the following other activist investors - Elliott, Starboard, Third Point and ValueAct – and Mason Morfit (CEO and CIO of ValueAct Capital) currently serves on the Board (click here to view ValueAct's report).

Sarissa

New Positions: Sarissa disclosed a new $21.03 million (0.29%) position in Cytokinetics, Incorporated (CYTK), a late-stage biopharmaceutical company which focuses on discovering, developing, and commercializing muscle activators and inhibitors as potential treatments for debilitating diseases. As with all Sarissa investments, this is a Health Care company and one that has taken a recent beating – trading down 41.8% since January 1, 2024. On May 23, 2024, the Company announced a funding deal with Royalty Pharma, in which it traded away a stake in future sales of its experimental heart drug for upfront cash. This announcement sent the stock price down nearly 20%.

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13F COMMENTARY CONT'D FROM PG 20

Starboard

New Positions: Starboard disclosed a new position in Alight Inc (ALIT), which they have since increased to 7.23% and have a live 13D (click here to view our report). After nominating four directors to the Board, on May 5, 2024, Starboard settled for board seats for Dave Guilmette and Coretha Rushing.

Material Position Changes:

- Starboard reported slightly increasing its position in Algonquin Power & Utilities Corp (AQN) (click here to view our report) from 9.0% to 9.01%. Starboard initially called on the Company to initiate a sale of all or a majority of the Company's Renewable Energy Group, and most recently, on April 18, 2024, Starboard settled for board seats for Brett C. Carter and Christopher Lopez.
- Starboard reported increasing its position in Mercury Systems Inc (MRCY) (click here to view our report) from 3.61% to 4.49%. They settled for a board seat for Howard L. Lance in June of 2022, but soon after decreased their position and exited their 13D. This was also a 13D position of JANA Partners who settled for a board seat for William L. Ballhaus. After that, JANA also decreased their position and exited their 13D, but also subsequently increased their position and filed a new 13D after Ballhaus was appointed as CEO and Chairman of the Board and Scott Ostfeld (a Managing Partner of JANA) was appointed to the Board.
- Starboard reported increasing its position in News Corp (NWS) (click here to view our report) from 1.83% to 2.58%. Starboard has called on the Company to spin off their digital real estate division, which includes a stake in REA Group and Move Inc.
- Starboard reported increasing its position in Rogers Corp (ROG) from 2.44% to 4.31%. Starboard was a 13D filer in this company from February through June of 2023 when they exited with a 20% return on their $127.50 average cost (click here to view our report). On June 6, 2023, they settled for two directors, neither of whom currently serve on the board. Since then the stock has been declining and they have been buying back into this stock.
- Starboard reported decreasing its position in Aecom (ACM) (click here to view our report) from 1.33% to 0.63%. They have been winding this position down since they exited their 13D on January 27, 2023.
- Starboard reported decreasing its position in Fortrea Holdings Inc (FTRE) (click here to view our report) from 8.55% to 5.93% and this remains a live 13D position for them. However, they recently increased this position to 8.50%.
- Starboard reported decreasing its position in GoDaddy Inc (GDDY) (click here to view our report) from 5.28% to 4.56%. Starboard exited their 13D on May 2, 2024, and made a 62.50% return on their 13D versus -8.49% for the Russell 2000. Most recently, on January 31, 2024, Starboard called on the Board to commit to improvement in its combination of growth and profitability and to provide a target of at least 40% growth plus profitability for FY2025 at the Company's 2024 Investor Day. Since January 31, 2024, the stock is up 31%.
- Starboard reported decreasing its position in Green Dot Corp (GDOT) (click here to view our report) from 10.09% to 9.43%. Peter Feld (Managing Member, Portfolio

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13F COMMENTARY CONT'D FROM PG 21

Manager and the Head of Research of Starboard) was appointed to the Board as a director on March 11, 2022 and resigned on October 5, 2023.

- Starboard reported decreasing its position in Salesforce Inc (CRM) (click here to view our report) from 0.16% to 0.12%. Salesforce is a position for the following other top tier activists - Elliott, Sachem Head, Third Point and ValueAct – and Mason Morfit (CEO and CIO of ValueAct Capital) currently serves on the board.
- Starboard reported decreasing its common stock position in Wix.Com Ltd (WIX) (click here to view our report) from 5.88% to 4.37%. Starboard sold below 5% on January 24, 2024, and never took Item 4 action. However, they made an 81.99% return on their 13D versus 10.88% for the Russell 2000 over the same period.

Third Point

New Positions: Third Point disclosed a new position in Advance Auto Parts Inc. (AAP) (click here to view our report), which they have since taken up to 8.04% and made a joint 13D filing with Saddle Point Management - on March 11, 2024, Third Point and Saddle Point entered into a Cooperation Agreement with AAP for three board seats. In typical Third Point fashion, they disclosed several new positions across various sectors. Third Point disclosed a $452.79 million (0.02%) position in Alphabet Inc. (GOOGL), a position that last appeared in Third Point's 13F filings for the third quarter of 2023. Third Point noted that they made a substantial investment here as the market has worried about the impact of large language models, personal assistants, and answer engines such as Perplexity AI on Google Search. They noted that the Company has both a substantial distribution and technology advantage over competitors and is positioned to use its AI capabilities. Additionally, they disclosed a $108.0 million (0.18%) position in Marvell Technology, Inc. (MRVL), a data infrastructure semiconductor solution company that was the target of an activist campaign by Starboard from 2016 – 2019, where Starboard settled for board seats for Peter A. Feld, Richard Hill, Oleg Khaykin and Michael Strachan – only Strachan currently serves as a director. Finally, Third Point disclosed an $89.85 million (4.09%) position in Cinemark Holdings, Inc. (CNK), a movie theater chain, on which they have filed a 13G; a $104.42 million (0.08%) position in The Goldman Sachs Group, Inc. (GS); and (iii) a $26.22 million (0.07%) position in Gartner, Inc. (IT), a technological research and consulting firm.

Material Position Changes:

- Third Point reported decreasing its position in Bath & Body Works Inc (BBWI) (click here to view our report) from 6.13% to 5.71% - on March 6, 2023, BBWI appointed Thomas J. Kuhn as a director to the board on Third Point's recommendation, where he no longer serves.

Trian

Material Position Changes:

- Trian reported decreasing its position in Ferguson plc (FERG) from 2.06% to 1.23%. Ferguson's stock has returned nearly 75% since Trian initially reported taking their

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13F COMMENTARY CONT'D FROM PG 22

position in the first quarter of 2021.

- Trian reported decreasing its position in The Allstate Corporation (ALL) from 1.07% to 0.85%. This has not been an activist play for Trian as much as an interest rate play.

ValueAct

New Positions: ValueAct disclosed a new $78.18 million (0.28%) position in Flutter Entertainment plc (FLUT), an Ireland-based, sports betting and gaming company. They are the parent company for FanDual and only began trading on the New York Stock Exchange on January 29, 2024. This is a sector that has been garnering a lot of activist attention recently. Sachem Head, Eminence Capital, Corvex Management, and Dendur Capital all have positions in direct peer, Entain PLC (ENT.L). Most recently, on January 3, 2024, Entain announced the appointment of Ricky Sandler (founder, CEO and CIO of Eminence Capital) as a director to the board. Additionally, HG Vora Capital Management has a live 13D on PENN Entertainment Inc (PENN) and is seeking board representation. ValueAct has not come out publicly on Flutter, but they are known to be one of the most prolific "amicable activists", often getting invited onto boards.

Material Position Changes:

- ValueAct reported increasing its position in Walt Disney Co (DIS) (click here to view our report) from 0.28% to 0.30%. The Disney vs. Trian proxy fight was perhaps the most widely covered proxy fight in the first quarter of 2024. Previously, on January 3, 2024, ValueAct took the Company's side when they entered into a Confidentiality Agreement with Disney and agreed to support the Company's recommended slate of nominees for election to the Board at the 2024 Annual Meeting. At the 2024 Annual Meeting, Trian was unsuccessful in winning board seats for Nelson Peltz and Jay Rasulo.
- ValueAct reported slightly increasing its position in Insight Enterprises Inc (NSIT) (click here to view our report) from 13.85% to 13.86%, where they have settled for a board seat for Alexander L. Baum (a Partner of ValueAct), who currently serves as a director.
- ValueAct reported decreasing its position in CBRE Group Inc. (CBRE) (click here to view our report) from 1.52% to 0.81%, where former ValueAct partner Brandon B. Boze has served since December of 2012. Boze left ValueAct in January of 2024.
- ValueAct reported decreasing its position in Fiserv Inc (FI) (click here to view our report) from 0.70% to 0.62%. On February 18, 2022, ValueAct settled for a board seat for Dylan G. Haggart (a former Partner at ValueAct), who no longer serves on the board.
- ValueAct reported decreasing its position in KKR & Co LP (KKR) (click here to view our report) from 0.67% to 0.21%. ValueAct has been gradually winding down this position since they exited their 13D in September of 2021 – in this 13D situation, they had a 193.51% return versus a return of 77.16% for the Russell 2000 over the same period.
- ValueAct reported decreasing its position in New York Times Co (NYT) (click here to view our report) from 2.21% to 1.27%. ValueAct exited this 13D on August 18, 2023 with a 36.64% return versus -4.42% for the Russell 2000.

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13F ANALYSIS:

CHANGES IN ACTIVIST HOLDINGS

Carl Icahn

Total Holdings: $11.91B - Versus Previous Quarter: +$1.00B - Confidentiality: Yes

New	Increases	Decreases/Exited	Unchanged
JETBLUE AIRWAYS CO CVR PARTNERS LP	INTL FLVS AND FRAG	NEWELL BRANDS FIRSTENERGY CORP	AMERICAN ELECTRIC POWER BAUSCH HEALTH COMPANIES BAUSCH PLUS LOMB CORP. CONDUENT INC CVR ENERGY INC DANA INC. ICAHN ENTERPRISES LP ILLUMINA INC. OCCIDENTAL PETR (WTS) SANDRIDGE ENERGY, INC. SOUTHWEST GAS HOLDINGS

Corvex

Total Holdings: $2.16B - Versus Previous Quarter: +$258.02M - Confidentiality: No

Non-SPAC

New	Increases	Decreases/Exited	Unchanged
AIR PRODS & CHEMS BLACKSTONE INC (PUT) ENDEAVOR HLDGS (PUT) MACYS INC (PUT) NORFOLK SOUTHN CO SPDR S&P 500 (PUT) STANDARD BIOTOOLS TKO GROUP HOLDINGS UNITED STATES STL (PUT) VESTIS CORPORATION	ALPHABET INC ILLUMINA INC	COCA-COLA FEMSA SAB CSX CORP FOMENTO ECO. MEXICANO KKR & CO INC MGM RESORTS INTL ADOBE INC ENDEAVOR GROUP HLDGS KNIFE RIVER CORP SOMALOGIC INC UBER TECHNOLOGIES INC	ALGONQUIN PWR UTILS AMAZON COM INC ARDAGH METAL PKG COCA-COLA EUROPACIFIC FLYEXCLUSIVE INC (WTS) GENEDX HOLDINGS CORP IAC INC LIBERTY MEDIA CORP DEL MDU RES GROUP INC META PLATFORMS INC MICROSOFT CORP NVIDIA CORPORATION REVOLUTION MEDICINES SALESFORCE INC SOUTHWEST GAS HLDGS TESLA INC

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Elliott

Total Holdings: $16.12B - Versus Previous Quarter: -$2.60B - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
BOOKING HOLDING (NOTE)	BIOMARIN PHARMA	BILL HOLDINGS (NOTE)	BAUSCH HEALTH COS
HDFC BANK LTD	EQUINIX INC (PUT)	BLACKLINE INC (NOTE)	CARDINAL HEALTH INC
NVIDIA CORPORATION	ETF SER SOLUT (PUT)	CONFLUENT INC (NOTE)	CATALENT INC
ON SEMICONDUCT (NOTE)	ETSY INC	DIGITAL RLTY TR (PUT)	CONSTELLATION
TRANSOCEAN LTD	LIBERTY BROADBAND	HOWMET AEROSPACE	CORMEDIX INC
VALERO ENERGY (CALL)	MATCH GROUP INC	INVESCO QQQ TR (PUT)	CROWN CASTLE INC
VANGUARD INDEX (CALL)	MICROSTRATEGY (NOTE)	MARATHON PETE CORP	E2OPEN PARENT HLDGS
	SNAP INC (PUT)	PEABODY ENERGY CORP	ENDEAVOR GROUP
	SUNCOR ENERGY INC	Q2 HLDGS INC (NOTE)	NRG ENERGY INC
		RINGCENTRAL (NOTE)	PHILLIPS 66
		SEADRILL 2021 LTD	PINTEREST INC
		SELECT SCTR SPDR (PUT)	POLESTAR AUTOMOTIVE
		UNITY SOFTWAR (NOTE)	RAPID7 INC (NOTE)
		VANECK ETF TRUST (PUT)	TRIPLE FLAG PREC MTL
		FIDELITY NATL INFO	UNITI GROUP INC
		INVESCO QQQ TR (CALL)	WESTERN DIGITAL CORP.
		MARRIOTT INTL (PUT)	
		PALO ALTO NTWK (NOTE)	
		RESERVOIR MEDIA INC	
		SPDR DOW JONES (PUT)	
		SPDR SER TR (PUT)	
		TELADOC HEALT (NOTE)	
		VALARIS LTD	
		VANGUARD INDEX (PUT)	

Engaged

Total Holdings: $617.10M - Versus Previous Quarter: -$65.61M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
ENVESTNET INC	NCR VOYIX CORP	NEVRO CORP	BRC INC
PORTILLOS INC		PRA GROUP INC	EVOLENT HEALTH INC
		SHAKE SHACK INC	NCR ATLEOS CORP
		UPBOUND GROUP INC	V F CORP

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Impactive

Total Holdings: $2.65B - Versus Previous Quarter: +$210.42M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
MARRIOTT VACATIONS	CLARIVATE PLC CONCENTRIX CORP ENVESTNET INC WALKER & DUNLOP		ASBURY AUTO GP CROWN HOLDINGS SLM CORP WEX INC

JANA

Total Holdings: $1.83B - Versus Previous Quarter: +$280.51M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
QUIDELORTHO CORP WOLFSPEED INC	FIDELITY NATL INFO FRONTIER COMM MERCURY SYS INC SPDR S&P 500 ETF TR TRIMBLE INC	FRESHPET INC ENHABIT INC	TREEHOUSE FOODS

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Sachem Head

Total Holdings: $2.34B - Versus Previous Quarter: +$200.17M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
AIR PRODS & CHEMS	INVESCO EXCH (PUT)	INTL FLAVORS&FRAG	SEAGATE TECH
SOTERA HEALTH CO	NEXTRACKER INC	OKTA INC	US FOODS HLDG CORP
SPRINKLR INC	ZOOMINFO TECH	SALESFORCE INC	
TWILIO INC		BIO RAD LABS INC	
		FLEX LTD	
		FOMENTO ECON MEX	
		FORTREA HLDGS INC	
		R1 RCM INC	

Sarissa

Total Holdings: $571.63M - Versus Previous Quarter: -$77.27 - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
CYTOKINETICS INC	BIOCRYST PHARMA	NEUROCRINE BIOSCIENCE	AMARIN CORP PLC
	GILEAD SCIENCES		BIOGEN INC
			INNOVIVA INC
			IRONWOOD PHARMA
			REGULUS THERAPEUTICS
			VOR BIOPHARMA INC

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Starboard

Total Holdings: $4.84B - Versus Previous Quarter: +$32.09M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
ALIGHT INC	ALGONQUIN PWR UTILS	AECOM	ACACIA RESH CORP
HUMANA INC (PUT)	MERCURY SYS INC	FORTREA HLDGS INC	BLOOMIN BRANDS INC
	NEWS CORP NEW	GODADDY INC	GEN DIGITAL INC
	ROGERS CORP	GREEN DOT CORP	Q2 HLDGS INC (NOTE)
		HUMANA INC	RB GLOBAL INC
		LIVEPERSON INC (NOTE)	WIX COM LTD (NOTE)
		SALESFORCE INC	
		WIX COM LTD	
		VERTIV HOLDINGS CO	
		VERTIV HOLDINGS (PUT)	

Starboard

SPAC

NEW	HELD SINCE LAST QUARTER	EXITED
		ALCHEMY INVTS ACQUISITN CORP
		KEEN VISION ACQUISITION CORP
		SPRING VALLEY ACQUISTN CORP

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Third Point

Total Holdings: $7.85 - Versus Previous Quarter: +$1.21B - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
ADVANCE AUTO PARTS	AMAZON COM INC	BATH & BODY WORKS	AMERICAN INTL GROUP
ALPHABET INC	APOLLO GLOBAL MG	INTL FLAVS&FRAGRA	AURORA INNOVATION INC
CINEMARK HLDGS INC	CORPAY INC	MICROSOFT CORP	AURORA INNOVATIO (WTS)
GARTNER INC	INTERCONT EXCH	UBER TECHNOLOGIES	DANAHER CORPORATION
GOLDMAN SACHS GROUP	META PLATFORMS	VISTRA CORP	EQT CORP
MARVELL TECHNOLOGY	TELEPH & DATA SYS	BIOMARIN PHARMA	FERGUSON PLC NEW
PATTERSON-UTI ENERGY	WESCO INTL INC	DUPONT DE NEMOURS	FLYEXCLUSIVE INC
S&P GLOBAL INC		MCKESSON CORP	FLYEXCLUSIVE INC (WTS)
		TMC THE MTLS (WTS)	GLOBAL BLUE GROUP
		UNITED STATES STL CO	GLOBAL BLUE GROU (WTS)
			HERTZ GLOBAL (WTS)
			JACOBS SOLUTIONS INC
			NET POWER INC (WTS)
			PG&E CORP
			TAIWAN SEMICONDUCTOR
			UNITED STATES CELLULAR
			VERIZON COMM

Third Point

SPAC

NEW	HELD SINCE LAST QUARTER	EXITED
	JAWS MUSTANG ACQUISITION COR	SOCIAL LEVERAGE ACQUISN CORP

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Trian

Total Holdings: $8.02B - Versus Previous Quarter: +$1.01B - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
		FERGUSON PLC NEW THE ALLSTATE CORP	GE HEALTHCARE TECH GENERAL ELECTRIC CO. INVESCO LTD. JANUS HENDERSON GRP SYSCO CORPORATION THE WALT DISNEY CO WENDYS CO.

ValueAct

Total Holdings: $4.54B - Versus Previous Quarter: -$452.92M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
FLUTTER ENTMT PLC	DISNEY WALT CO INSIGHT ENTERPRISES ROBLOX CORP	CBRE GROUP INC EXPEDIA GROUP INC FISERV INC ILLUMINA INC KKR & CO INC NEW YORK TIMES CO SPOTIFY TECHNOLOGY DANAHER CORPORATION PAYCOM SOFTWARE INC SEAGATE TECHNOLOGY	SALESFORCE INC

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SAMPLE REPORT: TWLO / SACHEM HEAD

Twilio Inc (TWLO) - UTT
Monday, April 1, 2024

Under the 5% Threshold ("UTT")

Purchaser	Shares	Average Price	% of TSO
Sachem Head Capital Management	n/a	n/a	n/a

UTT Summary	On March 30, 2024, Sachem Head and Twilio Inc. entered into a Cooperation Agreement, pursuant to which the Company increased the size of the board from nine to ten members and appointed Andy J. Stafman (Partner at Sachem Head Capital Management) to the Board as a director and agreed to nominate him at the 2024 Annual Meeting. Sachem Head agreed to abide by certain voting and standstill provisions.

13F Data and Activist History	**13F Holdings *($000)*:**	$2,137,051	**# of Activist Campaigns:**	16	**# of Item 4 Actions Taken:**	15
	# of 13F Positions:	13	**Average Return on Activist Campaigns:**	39.90%	**Average Return on Item 4 Actions:**	36.57%
	Average 13F Position:	$164,389	**Versus S&P 500:**	11.55%	**Versus S&P 500:**	11.59%
	Largest 13F Position:	$723,512	**Average Holding Time (Mths):**	13.3	**Average Item 4 Holding Time:**	12.8

Relative Size of Investment: n/a

Noteworthy Activist History	On November 28, 2023, it was reported that Anson Funds sent a letter to Twilio Inc. and is pushing for a sale of the Company or a business divestiture. On January 8, 2024, the Company announced that CEO and Co-Founder Jeff Lawson will step down and be replaced by Khozema Shipchandler, an action that Anson supported. On March 5, 2024, the Company announced that it concluded an operational review of Segment and have decided not to divest Segment and, in connection therewith appointed Thomas Wyatt as president of Segment, where he formerly served as chief product and strategy officer.

UTT Commentary

The Activist

Sachem Head was founded in 2013 by Scott Ferguson, the first investment professional hired at Pershing Square where he worked for nine years. Sachem Head has a history of solid value investing, but we believe that they really found their activist stride in 2020 with their investment in Olin. Scott Ferguson took a board seat at Olin - the first public company board seat he took in an investment that was not part of a group - and created tremendous value there. More recently, after nominating a majority director slate, Sachem Head settled for three board seats at US Foods. Taking board seats signifies both commitment and contribution and this philosophy and style is really paying off for Sachem Head.

The Company

Twilio is a software and communications solutions company that operates a cloud communications platform that enables developers to build, scale, and operate customer engagement within software applications.

The Analysis

Twilio is comprised of two main business segments – Twilio Communications, which accounts for approximately 90% of revenue, and Twilio Segment, which accounts for 10% of revenue. The Company is considered to be the industry gold standard for communications infrastructure, providing messaging, voice, and email solutions to their customers. Twilio went public in June of 2016 with $65 million of sales and a $15 share price. Over the next five years it was a hyper-growth stock in a market that has put a premium on growth stocks more than any other market possibly in history. It was growing at 50%+ annually through 2021 when it had revenue of $2.8 billion and a stock price as high as $443.49. After 2021, the revenue growth started slowing to 8.5% today and estimated 5-10% in the coming years; and as much as a growth market rewards hyper-growth stocks, it punishes growth companies when revenue growth slows. So, with $4.2 billion of revenue today, the Company's stock price is down to $62.74 per share.

But the problem is not solely lack of growth – the Company is still growing at 8.5% per year. A bigger problem is that despite the level of revenue, even at $4.2 billion, the Company has never even come close to being profitable. That is ok, if you are a hyper-growth company, but if you just have normal growth, you better show profitability if you want to attract investors. Part of this problem is the inordinate amount of stock-based compensation the Company pays - $676 million in 2023 (leading to an operating loss of $877 million). This has partly been the cause of the Company's share count doubling since 2017 from approximately 90 million shares to 180 million shares. But there are several signs that the Company has been heading in the right direction even prior to Sachem Head's appointment to the board. Stock-based compensation has declined in 2023 by 15.4% from $1.2 billion in 2022. The Company has substantially reduced its headcount, cutting employees by 18% in the past year from 8,156 in 2022 to 5,867 in 2023. Moreover, Twilio's co-founder and former CEO Jeff Lawson resigned in January 2024 and was replaced by former CFO and COO, Khozema Shipchandler. This is not meant to denigrate Jeff Lawson - he is truly a visionary entrepreneur and technologist who created an incredible product and company, but he is not the best person to be CEO at this juncture. What the Company needs, and has gotten, is a more financially minded operating executive to continue to rein in expenses and bring the Company to profitability. Finally, in March 2024, shortly after the CEO transition, the Company announced an additional $2 billion share repurchase authorization that it is targeting to complete during FY 2024 and the completion of an operational review of its underperforming Segment business in which management committed to right-size costs and replaced the President of Segment.

The primary value creator here will be margin improvement. The Company's nearest publicly traded peer Sinch AB, a smaller and lower quality business built through M&A of even smaller Twilio competitors, has generated positive operating profits and net income for several years with negligible to no stock-based compensation. Twilio should be able to do even better. While the Company has demonstrated good intent and is doing a lot of the right things already, there is still plenty of upside potential for them on further margin expansion and reduction in stock-based compensation. This is a situation where the activist and management are like minded, which led to a quick and quiet settlement rather than a public proxy fight. On March 30, 2024, Sachem Head received a board seat for Andy J. Stafman (Partner at Sachem Head) and agreed to withdraw their notice of shareholder proposals and nomination of candidates for election to the Board at the 2024 Annual Meeting. It is always a great activism engagement when the activist goes on the Board to help management execute on a plan they all agree on, as opposed to convincing management that the activist's plan is better. We believe Stafman will be a valuable asset to the Company in overseeing their margin expansion and other plans but also expect that he will hold management accountable if they fail to do so. Additionally, we think there is a strong possibility that Twilio gets their top line growth up as well. Gardner and IDC still project an industry growth rate in the mid to high teens, and as the market leader Twilio should be at the high end of the range.

Finally, Sachem Head is not the only activist actively engaged with Twilio. Legion Partners and Anson Funds (who hired Sagar Gupta, former Senior Analyst and head of TMT investing at Legion Partners, in October of 2023) both have activist campaigns here. Both funds have been calling for the divestiture of Segment, one of the Company's business units. On March 5, 2024, the Company announced that it concluded an operational review of Segment and have decided not to divest Segment and, in connection therewith appointed Thomas Wyatt as president of Segment, where he formerly served as chief product and strategy officer.

Stock Price @ 04-01-23	$66.63	Stock Price @ 04-01-21	$352.04	Stock Price @ 04-01-19	$127.67
One Year Return	-8.22%	Three Year Return	-82.63%	Five Year Return	-52.10%

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SAMPLE REPORT, CONT'D: TWLO / SACHEM HEAD

Twilio Inc (TWLO) - UTT (cont.)
Monday, April 1, 2024

Material Factors

Board Composition: The Company has a ten person, three class, staggered Board with four directors up for election in 2024 and three directors up for election in 2025 and 2026, each serving three year terms. The Board and executive officers own less than 1% of the outstanding common stock of the Company.

Voting Standard for Uncontested Elections: Plurality

Shareholder Rights Plan: None

Top Ten Institutional Holders: The Vanguard Group, Inc.: 17,733,003 shares (9.74%); Generation Investment Management LLP: 8,513,201 shares (4.68%); Voya Investment Management LLC: 8,393,389 shares (4.61%); BlackRock Institutional Trust Company, N.A.: 7,645,174 shares (4.2%); ARK Investment Management LLC: 7,130,187 shares (3.92%); Sumitomo Mitsui Trust Bank, Limited: 6,046,445 shares (3.32%); Jeff Lawson: 5,957,438 shares (3.27%); Fidelity Management & Research Company LLC: 5,582,712 shares (3.07%); Baillie Gifford & Co.: 3,863,887 shares (2.12%); and State Street Global Advisors (US): 3,845,721 shares (2.11%).

Proxy Timeline

Last Annual Meeting: June 13, 2023 **Next Annual Meeting:**

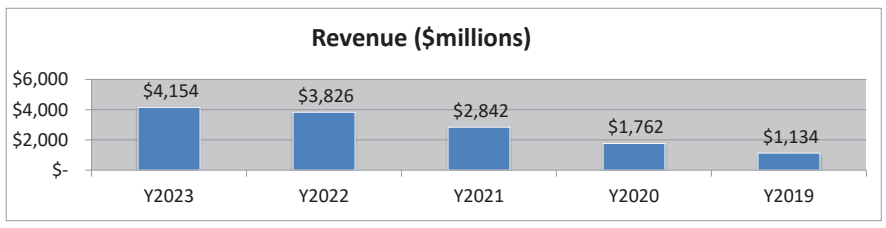
Shareholder Proposal Notification Deadlines: : For proposals to be included in the Company's proxy statement at the 2024 Annual Meeting: December 28, 2023; For proposals not to be included in the Company's proxy statement (including director nominations): Between February 11, 2024 and March 12, 2024.

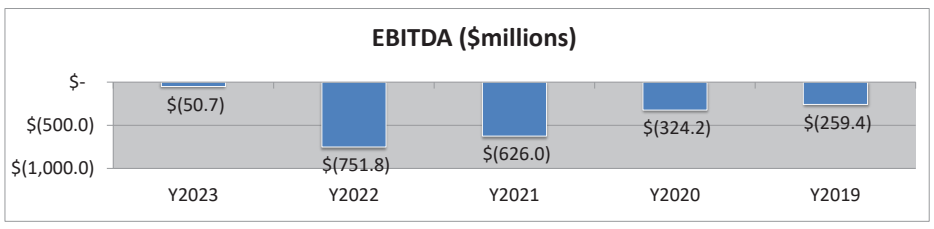
Business Overview

Twilio Inc. provides a customer engagement platform comprising communications application programming interfaces. It enables developers to embed numerous forms of messaging, voice, and email interactions into their customer-facing applications, and software products that target specific engagement needs, including its customer data platform, digital engagement centers, marketing campaigns and advanced account security solutions. Its platform provides developers tools to build, scale, and deploy real-time communications within software applications. Its APIs and software products include Twilio Flex and Twilio Engage. It operates through two business units: Twilio Communications (Communications) and Twilio Data & Applications. Its communication solutions consist of customizable APIs and products that can be used individually or in combination to build rich contextual communications within applications. Its key communication offerings include Messaging, Voice, Email, Flex and others.

State of Incorporation: DE; Principal Place of Business: San Francisco, CA.

Sales and EBITDA



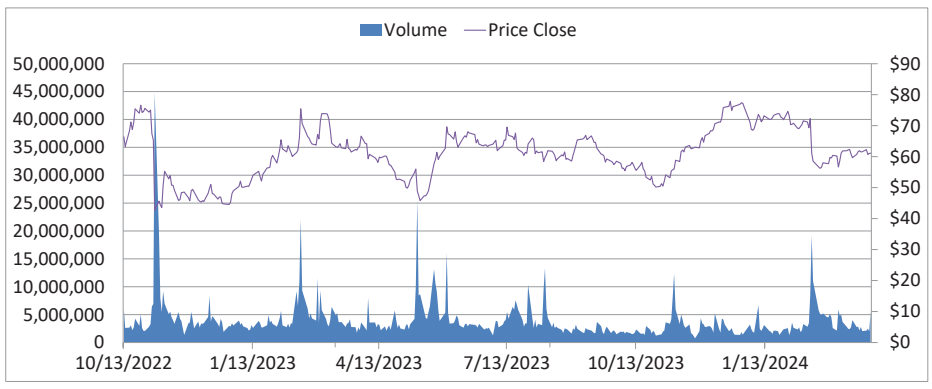


Summary Financial Information

Equity Market Cap	$11.13B
Enterprise Value	$8.12B
EBITDA (LTM Ending 12/31/2023)	-$50.71M
EV/EBITDA	(160.10 x)

Stock Price Performance

Stock Price	$61.15
52 Week High (Date)	$78.16 (12/19/23)
52 Week Low (Date)	$45.02 (05/12/23)
Average Trading Volume	2,879,100
Short Interest as a % of Float	1.96%



PEER ANALYSIS

Company Name	1 Yr Return	3 Yr Return	5 Yr Return	1 Yr Return Delta	3 Yr Return Delta	5 Yr Return Delta
Twilio Inc	***-8.22%***	***-82.63%***	***-52.10%***			
Cisco Systems Inc	-1.62%	5.02%	5.58%	-6.60%	-87.65%	-57.68%
Zoom Video Communications Inc	-11.47%	-79.96%	5.44%	3.25%	-2.67%	-57.54%
RingCentral Inc	13.27%	-88.61%	-68.22%	-21.49%	5.98%	16.12%
Five9 Inc	-14.08%	-62.18%	20.16%	5.86%	-20.45%	-72.26%
Salesforce Inc	50.95%	37.88%	87.10%	-59.17%	-120.51%	-139.20%
Atlassian Corp	13.99%	-12.53%	71.34%	-22.21%	-70.10%	-123.44%
Snowflake Inc.	4.74%	-31.75%	n/a	-12.96%	-50.88%	n/a
Peer Average	**7.97%**	**-33.16%**	**20.23%**	-16.19%	-49.47%	-72.33%

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SAMPLE ACTIVIST PROFILE: JANA PARTNERS

JANA Partners, LLC

Download profile

Jump to section

Activist History | Types of Activism | 13F Analysis | Holdings

Contact Information

JANA PARTNERS
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Description

JANA Partners is an activist investment firm founded in 2001 by Barry Rosenstein. JANA's activist, long-only strategy is JANA Strategic Investments (JSI), which launched in 2010. JANA's driving purpose is to leverage shareholder engagement to create substantial value for both investors and the stakeholders of the select companies JANA chooses to invest in. JANA also engages in the sponsorship of special purpose acquisition companies.

Management

Barry Rosenstein, Founder, Managing Partner, and Co-Portfolio Manager of JANA Strategic Investments:

Activist Profile

Activim Analysis & History

13D Monitor's Activist Analysis

Activist 13D Summary

13F Summary (12/31/2023) ($000)	
Total Holdings	$1,549,099
# of Position:	8
Average Position	$193,632
Largest Position	$263,290

Live 13D Filings Returns			
# of 13D Filings	2		
Avg Filings	-5.05%	Avg S&P	19.48%
# of Item 4 Actions	2		
Avg Filings	-5.05%	Avg S&P	19.48%

Exited 13D Filings Returns			
# of 13D Filings	26		
Avg Filings	26.35%	Avg S&P	9.73%
# of Item 4 Actions	40		
Avg Filings	23.83%	Avg S&P	8.66%

Average 13D Holding Time (Number of Months)		
All 13D Positions		
All	Item 4	No Item 4
14.77	11.49	30.08
Exited Positions		
14.47	10.96	30.08

Activist History

☐ All Activist Campaigns ☐ 13D Filings Only ☐ Under the Threshold (non-13D activism) Only

☐ See annualized returns ☐ See filing date closing price ☐ Versus Russell 2000 Benchmark

Type	Company Name	Industry	Market Cap (x1000)	13D Filing Date/ Approximate Action Date	Holdings Shares	Holdings (%)	Filing Date/ Announcement Date Price	Purchaser Cost	Item 4 Action	Current Price / Exit Price	Dividends Per Share	Return	S&P Return	Exit Date	Exit Type
UTT	Trimble Inc (TRMB)	Information Technology	$14,480,760	12/11/2023	-	n/a	$48.05	n/a	No	$58.21	$0.00	21.16%	7.58%	Live	n/a
UTT	Frontier Communications Parent Inc (FYBR)	Communication Services	$6,458,974	10/17/2023	-	n/a	$17.97	n/a	No	$22.21	$0.00	23.59%	13.26%	Live	n/a
13D	Mercury Systems Inc (MRCY)	Industrials	$1,791,665	7/6/2023	6,553,120	11.04%	$33.40	$34.49	Yes	$30.55	$0.00	-11.42%	12.28%	Live	n/a
UTT	Fidelity National Information Servcs Inc (FIS)	Information Technology	$37,113,170	12/15/2022	-	0.63%	$69.79	n/a	No	$62.64	$0.00	-10.25%	27.14%	Live	n/a
13D	Freshpet Inc (FRPT)	Consumer Staples	$4,288,222	9/22/2022	2,383,150	4.94%	$45.37	$46.11	Yes	$81.53	$0.00	76.82%	27.29%	1/11/2024	13D/A
13D	New Relic Inc (NEWR)	Information Technology	$6,178,348	6/21/2022	3,215,426	4.58%	$52.50	$52.17	Yes	$55.57	$0.00	6.52%	4.83%	11/17/2022	13D/A

Types of Activism

Types of Activism

Company Name	Date	Corporate Governance	Strategic	Capital Allocation / Balance Sheet	Operational	Activist Level	Success Level	Result	Exit Date
Trimble Inc (TRMB)*	12/11/2023		• Other		• Other		• Pending		Live
Frontier Communications Parent Inc (FYBR)*	10/17/2023		• Hire investment Bank to explore strategic alternatives • Sell Company • Spinoff Subsidiary/sell division				• Pending		Live
Mercury Systems Inc (MRCY)	7/6/2023	• Change in Board Composition				• Standstill or Voting agreement • Settle with Company	• Settlement	• Director	Live
Fidelity National Information Servcs Inc (FIS)*	12/15/2022		• Acquisition of Company • Hire investment Bank to explore strategic alternatives • Other • Spinoff Subsidiary/sell division				• Pending		Live
Freshpet Inc (FRPT)	9/22/2022	• Change in Board Composition	• Sell Company		• Reduce cost structure	• Nominate Directors • Solicit Proxies or consents • Filed lawsuit • Standstill or Voting agreement • Settle with Company	• Settlement	• Director	1/11/2024
New Relic Inc (NEWR)	6/21/2022	• Change in Board Composition	• Other			• Settle with Company • Standstill or Voting agreement	• Settlement	• Director	11/17/2022
New Relic Inc (NEWR)*	6/8/2022	• Change in Board Composition				• Settle with Company • Standstill or Voting agreement	• Settlement	• Director	6/21/2022
Encompass Health Corp (EHC)*	12/28/2021		• Sell Company				• Loss		3/31/2023
Mercury Systems Inc (MRCY)	12/23/2021	• Other • Change in Board Composition	• Sell Company			• Settle with Company • Standstill or Voting agreement	• Settlement	• Director	2/3/2023
Zendesk Inc (ZEN)*	12/1/2021	• Change in Board Composition	• Oppose Strategic Transaction			• Nominate Directors • Solicit Proxies or consents	• Loss		6/30/2022

13F Analysis & Holdings

13F Analysis

View Filing Period: 12/31/2023 Go

Portfolio Summary ($ 000)

Summary Date	Total Holdings	Total of Positions	Average Position	Largest Position	New Positions	Closed Positions	Increased Positions	Unchanged Positions	Decreased Positions
12/31/2023	$1,549,099	8	$193,632	$263,290	1	2	4	1	2

View Original Filing

Holdings

Ticker	Company Name	Title of Class	Type	Stock Price	Shares Held	Value (x1000)	Put/Call	Shares Held Change	Total Shares Outstanding (%)
EHAB	ENHABIT INC	COM	Increased	$10.35	2,083,777	$21,567	-	288,750	4.16%
FIS	FIDELITY NATL INFORMATION SV	COM	Decreased	$60.07	3,314,414	$199,097	-	-421,912	0.56%
FRPT	FRESHPET INC	COM	Decreased	$86.76	2,793,954	$242,403	-	-460,526	5.79%
FYBR	FRONTIER COMMUNICATIONS PARE	COM	Increased	$25.34	9,023,476	$228,655	-	744,300	3.67%
MRCY	MERCURY SYS INC	COM	Increased	$36.57	5,211,135	$190,571	-	505,886	8.78%
SPY	SPDR S&P 500 ETF TR	TR UNIT	Increased	$475.31	553,933	$263,290	-	246,900	0.00%
THS	TREEHOUSE FOODS INC	COM	Unchanged	$41.45	4,907,689	$203,424	-	0	8.87%
TRMB	TRIMBLE INC	COM	New	$53.20	3,790,371	$200,052	-	0	1.51%

CLICK HERE TO VIEW JANA'S COMPLETE ACTIVIST PROFILE

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