13D Monitor

QUARTERLY ACTIVIST REPORT

ALLOCATOR EDITION

MARCH 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 29 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 32 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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March 2024

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A NEW ERA FOR SHAREHOLDER ACTIVISM

Coming out of 2010 shareholder activism was one of the most sought-after niche strategies in the market. Activists were raising money without any problem and new activists like Corvex Management, Sachem Head and Marcato Capital Management were launching "three comma" funds with their choice of seeders. This allure to activism peaked in 2015 when an unfortunate "black swan" event occurred that caused many to run from activists. That event was Valeant – two of the largest activist funds, ValueAct Capital and Pershing Square Capital, had 13D positions and/or a board seat in an $88 billion company that was alleged to be gouging consumers by presidential candidate Hilary Clinton and conducting fraudulent practices by a public short seller, some of which ultimately proved to be true. This led to the stock declining by 70% over three months from $257 to $70 on its way down to below $10. This was a black period for shareholder activism but also truly a black swan event – one activist fund with a 13D position in an $80+ billion company is rare and may never happen again – that is a $4+ billion position for the fund; two activist funds with such a position will almost certainly never happen again; and then a company of that size losing 95%+ of its value from alleged fraudulent activities is something that happens once or twice in a couple of decades.

This took all of the steam out of activism for a year or so, and just as it was starting to make a recovery, it hits a growth stock market that is impossible for value investors to compete with. Over the past five years, midcap growth stocks have returned 11.56% annually versus 8.94% annually for midcap value. Allocators are not investing in activist funds to get FANG exposure or growth stock exposure for that matter. They are investing in top value investors who are identifying undervalued stocks and being their own catalyst to close that valuation gap. That strategy is hard to flourish in a zero-interest rate environment where growth stocks and indexes are returning 20%+ every year. Even last year when we thought we were at the end of this growth bull market, there was an AI induced growth spurt led by the Magnificent Seven that led to a year of midcap growth stocks up 25.87% versus 12.71% for midcap value.

This growth market has been like a tsunami in the face of value investors. But it seems that we are now finally entering more of a normalized market where value will be able to compete with growth, and small cap will be able to compete with large cap. As a result, allocators are starting to look more at smid cap value than they have in years past. If smid cap value is appealing, smid cap value with a catalyst should be even more compelling. It is time for allocators to embrace activism again.

Shareholder activism has changed significantly over the past 15 years. The era of poison pen letters and levered balance sheets and stock buybacks went out with pet rocks and beanie babies. This is not your father's activist anymore. The activists of today are corporate governance oriented investors that are long term minded and generally leave companies in much better positions than they found them. They are not doing it for the headlines or the "glory". In fact most eschew the headlines and do not care who gets the credit. Likewise, they are not viscerally coming in looking for board seats like they may have 15 years ago, but many would prefer to be active shareholders than restricted directors. When they do take board seats,

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A NEW ERA FOR SHAREHOLDER ACTIVISM

they are more often doing it amicably and quietly (i.e., ValueAct at Seagate; Sachem Head at Olin; Impactive at Avid; Corvex at MGM), and creating great value as a member of a team, not as an opponent in the room.

It is also important to remember that shareholder activism is a media favorite and while it is often reported on CNBC and the Wall Street Journal for ratings or clicks, it is extremely infrequent. As of March 31, 2023, there were 5,996 companies listed on the NYSE and NASDAQ stock exchanges. In 2023 only 80 companies with greater than $100 million market cap were engaged by an activist. That is significantly less than 2% of all public companies. Activists have genuine respect for a vast majority of directors and CEOs – they only go where they are needed.

And sometimes that is confrontational activism. But activists should not be apologizing for confrontation or hiding from it. They should recognize it as an unfortunate but necessary component of being a successful activist investor. It is necessary because not every situation can be amicable. The difference between amicable and confrontational activism is not the activist, but the response of the company. Trian entered Unilever in the same way it entered Procter & Gamble, yet one resulted in an amicable board appointment and the other in a contentious proxy fight. It was not the activist that changed in those two situations, but the company. It is also necessary because it is hard to be a good activist if companies do not believe you will go to a proxy fight if necessary. But the ultimate goal is always amicable engagement, which is not only the most profitable type of activism, but also the most prolific.

Perhaps the most criticized type of activism is removing a CEO. This occurs in a microscopic percentage of activist cases but gets disproportionate media attention. Activists do not like doing this – it makes their job much harder, but do it when it is necessary and significantly benefits shareholders. In 125 activist engagements going back to 2006 where the activist had replacing the CEO as part of its thesis and was successful in its activist campaign, the average return was 42.17% versus an average of 23.89% for the Russell 2000 over the same time periods. In the 41 situations where the activist had replacing the CEO as part of its thesis and was not successful in its activist campaign, the average return was 0.03% versus an average of 17.62% for the Russell 2000 over the same time periods.

Despite activists being true corporate governance-oriented investors and despite the change to shareholder activism over the past 15 years, the stigma that was present back then is still not completely gone. And, of course, there are exceptions and not all activism is long term minded or beneficial to shareholders. Nor are all activists good at what they do, like any group of participants in any activity. But it is more than past the time to completely remove the stigma and start respecting shareholder activism as a strategy. Active participation in any other realm is admired – a tenant who goes on the condo board, a parent who goes on the school board; why should we be critical and suspicious of an investor, a fiduciary, who wants to go on a portfolio company board?

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INTERVIEW WITH JEFF SMITH

Jeffrey Smith is a Managing Member, Chief Executive Officer, and Chief Investment Officer of Starboard Value LP. Mr. Smith is currently on the Board of RB Global, Inc. Formerly, Mr. Smith has served as the Chair of the Boards of Papa John's International, Advance Auto Parts, Inc., and Darden Restaurants, Inc. Mr. Smith's board experience includes sitting on more than fifteen public company Boards. Mr. Smith also serves on the Board of Advisors for First Generation Investors, inc., a non-profit with a mission to help first-generation investors learn about wealth generation as well as the Shaquille O'Neal Foundation, a foundation creating pathways for underserved youth to help them achieve their full potential. Mr. Smith received his Bachelor's of Science in Economics from The Wharton School of Business at The University of Pennsylvania.

13DM// You have been a shareholder activist for over 20 years. How has the strategy evolved since you first started? How has Starboard evolved?

JS// First, thanks for the interest in Starboard and for the great job you do in covering the activist investing space.

Yes, over 20 years! We are so thankful for the support we have received from our investors, shareholders, and the terrific companies in which we have invested. We also fully appreciate the amazing team at Starboard. We are incredibly fortunate to be able to attract and retain such talented and good people. Our external network also continues to grow with each new investment and each new year. We are fortunate to be able to work with, and are guided by, such extraordinary people and industry experts. It is humbling and thoroughly appreciated that we have been able to earn and maintain so much trust.

Some of our evolution emanates from the power of that trust. In the early years, management teams and activist investors were far more adversarial. So, our discipline was developed in this adversarial environment whereby we could not, and would not, ever assume that a company would easily listen to ideas for change. Over time, and with a good degree of success, much more trust and respect has been earned. We continue to enter each investment planning for the more difficult path while working toward an easier solution. All along the way, we will focus on the best way to improve value for the benefit of all shareholders.

13DM// Have you seen any changes to companies' initial responses to your approach or any increase/decrease in the number of proxy contests you've had to run in recent years versus earlier in Starboard's history? What do you think the reasons for the changes are?

JS// Again, we are prepared to go as far as needed in each investment to effectively drive change and improve performance. That being said, companies are more willing to engage from the beginning of each investment and we have run fewer contests. Over time, management, boards, company advisors, have continued to increase their appreciation of Starboard. They know we can add value. They know we are respectful partners. They know we are focused on what is in the best interest of the company and its shareholders. And, they know we will remain committed until the company substantially improves its performance and value.

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13DM// 13D Monitor's data shows that of the 2023 activist campaigns that have been resolved already, activists have had some level of success in 96% of them. We have never seen numbers like this before. Do you think the Universal Ballot is making it easier for activists to get board seats? Leading to more settlements?

JS// Let's first start with defining success. For Starboard, success is defined by creating value. Companies in which we invest need to create value, usually by improving performance, so shareholders have acceptable returns . That is success. That is success for us, it is success for other shareholders, and it should be the primary focus for companies. Gaining board seats or working with companies in other ways are important components to driving success, but not the definition. I believe there are several components increasing activist investor influence. One may be the Universal Ballot, but I believe there are also other factors. Current activist investors are more experienced and more disciplined than ever before. These investors have resources and are, as we discussed, also more respected than at different times in the past. So, if an activist investor is a large shareholder, has reasonable suggestions and capabilities, is highly professional and truly focused on making the company better, we would hope management would be willing to listen and work with us. We believe companies often recognize the value and thoughts from activist investors and that the companies' advisors are more willing to advise companies to work with professional and sophisticated activists.

13DM// Has the rise of passive investing and use of ETFs affected Starboard's investment opportunity set or the ways you engage with shareholders / proxy advisory firms during a campaign?

JS// Those running passive investment firms as well as those who allocate to the stock market broadly understand, or should understand, that activist investors are the true watchdogs for the market. Governance and company performance has generally improved over the last 20 years as activism has strengthened. Underperforming companies or companies that make material mistakes find themselves "vulnerable" to an activist investor who can garner shareholder support to make the necessary changes to get the company back on the right path. As management teams and boards have become more and more aware of the strength of activism, management teams and boards have become more active in their decision making to avoid these kinds of mistakes or to fix them faster. This virtuous cycle makes markets more efficient and benefits even broad based passive investors.

13DM// How has your idea generation/ screening process evolved over the years?

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INTERVIEW WITH JEFF SMITH

Have the sources of ideas changed over time?

JS// Our discipline revolves around Value, Plan, and Path and has remained consistent throughout our history. We need to find companies that are undervalued, with an opportunity to make a meaningful difference in the performance of the business, with a path to catalyze change. Importantly, this opportunity exists, and will continue to exist in all environments because, by definition, there are always companies that are underperforming.

13DM// To be a successful activist, it is helpful, if not required, to have strong relationships with the large mutual funds and long only investors. How have you developed those relationships? and how have they been mutually beneficial?

JS// As mentioned earlier, we have spent over 20 years developing our reputation and trust with companies and other institutional investors. We take that responsibility seriously and act in a manner to represent the best interest of the company and its shareholders. We have developed strong relationships across many constituents and value those relationships deeply. We go to great lengths to listen to our fellow investors, share our thoughts when appropriate, and be mindful and respectful of their perspectives.

13DM// There are some allocators who may not like "headline risk" - opening the paper or turning on CNBC and seeing one of their managers in the headlines fighting with one of their portfolio companies. But sometimes fighting with companies is inevitable and the best path to maximize returns for your investors, and the best way to reach other shareholders is through the media. Do you sometimes feel a conflict between what is optimal to achieve successful activism and what is tenable to the allocator community? How do you walk this thin line?

JS// Our partners understand what we do and love to hear about it and are happy to read about it. We are extremely professional and respectful. Whenever we discuss a company, it is always about the merits and what we believe is best for the company. A healthy debate about the merits is in the fabric of our country.

13DM// Shareholder activism is considered by many allocators as a public investing proxy to private equity. How can activism take advantage of market dislocations in ways that private equity can't?

JS// There are some similarities with private equity, but also a lot of differences. Many of the companies in which we invest are underperforming, high quality businesses that a private equity firm would be happy to own. So, yes, we often look for similar qualities in our companies and we often look to improve those companies through improved growth and cash flow.

We can buy any stock we want without paying a premium – often on dislocations opportunistically. Private equity needs permission to buy a company and can only buy it if they are the highest bidder paying a material premium.

Private equity controls the company once they buy it and can make whatever change they want. We need to influence companies with minority ownership through active engagement with management and the board. We have significantly better liquidity than private equity as we have the flexibility to transact in the open market to buy and sell investments and trade around investments. Private equity generally can only receive liquidity through a transaction or IPO and subsequent sales.

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INTERVIEW WITH JEFF SMITH

So, the target investments often exhibit similar qualities as good companies which can produce more growth and more cash flow. Many of our plans for improvement could also be similar. But entry point, trading, and degree and method of influence are significantly different.

13DM// We both know a lot of really smart investors who are successful long/short equity managers who admittedly do not have the inclination or skillset to be an activist investor. What characteristics and skills are required to be a successful activist? How do those skills make activism an advantaged strategy?

JS// There are many very smart long/short managers who are excellent. Similar to activist investors, they identify companies that are, or may be, undervalued. Most are analyzing each company and its business and attempting to gain or lose confidence in its stated plan. Obviously, they may be long with more confidence and short with less confidence. For us, it may start out similarly, but then goes several steps further and then likely differs. With confidence in management's plan, we may be similar to a long/short manager but with an extra level of conviction. If we have confidence in management's plan, we would ask ourselves, with our involvement as a catalyst, can we increase the probability and magnitude of the success? If we lack confidence in management's stated plan or management's ability to execute their plan, we may differ greatly from a long/short manager. As a highly operational activist investor, we can make a big difference in the future of these companies for the benefit of shareholders and employees. We would ask ourselves if we believe better board oversight or a potential change in management would substantially change our confidence level. We would also try to determine if there is a better plan that may be executed with higher probability for a much better outcome.

In general, activist investing can be similar to long value investing, private equity, and other long investing strategies. We are looking for good companies that are undervalued. Because they are undervalued, many of these companies appreciate on their own. One of the benefits to activism, however, is we can be our own catalyst for those situations that don't appreciate on their own. The 'second chance to win' in any investment provides additional conviction to own substantial positions and to have higher probabilities of successful outcomes. We love what we do and appreciate the support, confidence, and trust.

"We can buy any stock we want without paying a premium – often on dislocations opportunistically. Private equity needs permission to buy a company and can only buy it if they are the highest bidder paying a material premium."

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2023: A YEAR IN REVIEW

2023 was an eventful year for North American shareholder activism with the SEC officially publishing new amendments to the 13D rules and the first full proxy season mandating the use of a Universal Proxy Card. This has been somewhat of an inflection year in activism with many very interesting key data points.

- *Dip Amid an Uphill Trend.* While there was a slight drop off (8.0%) in the total number of activist campaigns this year from last, there was still a continuation of an uphill trend if you exclude 2022 with a 12.0% increase from the number of campaigns in 2021.

- *More Capital Being Deployed.* There was a substantial increase (14.9%) in the total dollars invested in activist campaigns from 2022, continuing the trend since 2020 with total dollars invested up 41.2% between 2020 and 2023. Essentially, in 2023 versus 2022, activists mounted fewer campaigns at smaller companies, but took larger ownership percentages.

- *Unprecedented Activist Success Level.* But we buried the lede. The biggest change was that in 2023 activists either settled or at least partially won 96% of their campaigns that have been resolved (other than ones withdrawn or pending). This is a huge change from 2022 where at this time last year, activists had settled or at least partially won only 70% of their resolved campaigns. We believe the Universal Proxy Card was, and will continue to be, a game changer for activists.

- *International Activism.* International (non-North American Activism) is up over 50% versus 2022 with historically US activists, such as Sachem Head and ValueAct, increasing their activity outside of the continent.

13D Activism. This year saw the same level of 13D activity as last year, with 44 new filings in both 2022 and 2023. However, there are a few interesting distinctions from this year compared to last. While the average market cap of companies engaged in 13D filings decreased from $2.61 billion in 2022 to $2.03 billion in 2023, the amount of total dollars invested in new 13D campaigns increased from $7.48 billion in 2022 to $8.38 billion in 2023 and the average 13D position size jumped from 7.34% in 2022 to 9.31% in 2023. It is important to keep in mind that these numbers only include beneficial ownership and exclude additional economic exposure that activists have through cash settled swaps that are disclosed in 13D filings but not included in beneficial ownership under 13D rules.

Under the Threshold (UTT*) Activism. From 2020 to 2022, there was a steady uptick in UTT activism with 45 engagements in 2020, 51 engagements in 2021 and 68 engagements in 2022. This year the level of UTT activism tapered off with 59 engagements. However, there was a 16% increase in the number of total dollars invested in UTT campaigns with $15.53 billion in 2022 and $18.07 billion in 2023 and the average percentage ownership of these UTT positions increased slightly from 2.46% in 2022 to 2.51% in 2023. While the quantity of UTT campaigns had a slight drop off, there was certainly no lack of quality engagements. This year we saw many high profile, widely covered UTT activism campaigns, with multiple activists in several situations; the most notable being Salesforce and Disney.

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***UTTs** are activist situations that fall below the 13D filing requirement of 5% ownership

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2023: A YEAR IN REVIEW

Success Rates. This year marked the first proxy season that required companies to use the Universal Proxy Card for director elections at shareholder meetings. There was a lot of speculation leading up to this watershed moment for activism and after tracking the first season we have a much clearer picture of how this will affect director nominations and proxy contests in the years to come. 2023 saw an unprecedented level of success for activist campaigns that have been decided thus far. As of December 31, 2023, 24 of the 44 13D and 23 of the 59 UTT campaigns had been resolved. 100% of the 24 resolved 13D situations resulted in a settlement or at least partial win for the activist, and 91% of the UTT campaigns resulted in a settlement or at least partial win for the activist – we have never seen success numbers like this before. In 2022 at year end 84% of the 19 resolved 13D situations and only 61% of the 28 resolved UTT campaigns resulted in a settlement or at least partial win for the activist. Clearly, the Universal Proxy Card is providing a significant benefit to activists. It is also worth noting that activists continue to see more success when they file a 13D versus when they stay below 5%.

Activist Investor Concentration. This year the activist shareholder base with over three engagements had many of the usual suspects - including Elliott, Starboard and Ancora - all of whom were on the list in 2022. But this year the investor base was more concentrated with only eight investors in 2023 versus 12 in 2022 mounting three or more activist campaigns. As expected, this was led by Elliott and Starboard, with Carl Icahn decreasing from seven campaigns last year to only one in 2023. But this makes sense – activist campaigns are very time consuming and longer term than they generally get credit for. With seven campaigns last year, you would expect Icahn to commence significantly fewer this year. Elliott and Starboard are somewhat outliers to this phenomenon with a large team that can consistently be active in several investments each year. In fact, we expect many of the activists who slowed down this year to be more prolific next year.

Sector Diversification. The same top four sectors remained the most engaged in the activist space this year versus 2022 – Health Care, Consumer Discretionary, Information Technology and Industrials (in that order). However, last year Health Care was in fourth position and saw twice as much activism this year as last year on a percentage basis, jumping to the number one most frequently engaged sector in 2023.

International (non-North American) Activism. It should also be noted that shareholder activism has been on the rise abroad – notably in Japan, which has proven to be fertile ground for the strategy with tailwinds from structural growth, governance reforms, and support for increasing shareholder returns by the Tokyo Stock Exchange; Korea, for its deeply discounted equities amidst a backdrop of governance reforms; and Europe, which saw a slight uptick in campaign activity with additional focus on the UK and Germany. There were 86 international activist campaigns this year versus 57 last year. Elliott and Ancora each did one more international campaign this year than last, but Sachem Head did three this year versus none last year and ValueAct did four this year versus one last year. So, some of the activist activity is being exported.

DETAILED DATA AND CHARTS AVAILABLE TO 13D MONITOR CLIENTS

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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	21 - 28

AGGREGATE ACTIVIST HOLDINGS

The top 12 major activists increased their 13F holdings by $6.98 billion to $62.43 billion. The largest increase came from Elliott (+$5.79B). The other increases came from Starboard (+$904.69M), ValueAct (+$544.25M), Trian (+$432.18M), Impactive (+$194.96M), JANA (+$147.43M), Engaged (+$134.18M), Third Point (+$44.91M), and Corvex (+$44.56M). The decreases came from: Carl Icahn (-$1.17B), Sarissa (-$93.48M), and Sachem Head (-$4.15M).

ACTIVIST CONCENTRATION

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

CARL ICAHN (82.86%)
ICAHN ENTERPRISES LP (57.94%)
CVR ENERGY INC (18.52%)
SOUTHWEST GAS HOLDINGS (6.40%)

SARISSA (72.53%)
IRONWOOD PHARMA INC (28.90%)
BIOGEN INC (25.64%)
INNOVIVA INC (17.99%)

SACHEM HEAD (63.95%)
US FOODS HLDG CORP (33.86%)
INTERNATIONAL FLAV&FRAG (18.14%)
FLEX LTD (11.96%)

TRIAN (54.96%)
THE WALT DISNEY CO (32.95%)
JANUS HENDERSON GROUP (13.71%)
FERGUSON PLC NEW (8.30%)

IMPACTIVE (50.92%)
ASBURY AUTO GP (18.63%)
WEX INC (16.82%)
SLM CORP (15.46%)

JANA (47.41%)
SPDR S&P 500 ETF TR (17.00%)
FRESHPET INC (15.65%)
FRONTIER COMM (14.76%)

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ACTIVIST CONCENTRATION

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

VALUEACT (47.28%)
SALESFORCE INC (18.36%)
INSIGHT ENTERPRISES INC (16.00%)
EXPEDIA GROUP INC (12.92%)

ENGAGED (45.33%)
EVOLENT HEALTH INC (15.78%)
SHAKE SHACK INC (14.84%)
V F CORP (14.71%)

ELLIOTT (43.83%)
INVESCO QQQ TR (23.47%)
SELECT SECTOR SPDR TR (10.84%)
TRIPLE FLAG PRECIOUS METAL (9.52%)

CORVEX (41.62%)
SOUTHWEST GAS HLDGS (15.92%)
MGM RESORTS INTL (15.12%)
MDU RES GROUP INC (10.59%)

THIRD POINT (36.74%)
PG&E CORP (15.72%)
MICROSOFT CORP (11.41%)
AMAZON COM INC (9.61%)

STARBOARD (34.88%)
GODADDY INC (16.59%)
HUMANA INC (9.47%)
GEN DIGITAL INC (8.83%)

13F COMMENTARY

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

Carl Icahn

New Positions: Icahn disclosed a new position in **American Electric Power Company Inc (AEP)** – he now has a 1.02% ownership stake and has settled for board seats for Henry P. Linginfelter (former executive vice president of Southern Company Gas) and Hunter Gary (Senior Managing Director at Icahn Enterprises), and for a board observer seat for Andrew Teno (Portfolio Manager at Icahn Capital) (click here to view our report). Additionally, on February 12, 2024, Icahn filed a 13D disclosing a $199.71 million (9.91%) position in **JetBlue Airways Corporation (JBLU)** (click here to view our report). This was not included in Icahn's 13F because the entire position was acquired in January of 2024. On February 16th, Icahn settled for board seats at JetBlue for Jesse Lynn (general counsel of Icahn Enterprises) and Steven Miller (Portfolio Manager of Icahn Capital), who will both serve as observers until the 2024 Annual Meeting, whereat they will be appointed as directors.

Material Position Changes:

- Icahn reported increasing his position in **Icahn Enterprises L.P. (IEP)** from 85.40% to 89.55%. Since a research firm published a short report on IEP in May of 2023, Carl Icahn has continued to increase his personal stake in IEP, signaling his conviction in his firm.
- Icahn sold down his entire **Crown Holdings, Inc. (CCK)** position (click here to view our report).

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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13F COMMENTARY CONT'D FROM PG 14

Corvex

New Positions: Corvex disclosed a $136.46 million (0.62%) common stock/call option position in **Illumina Inc. (ILMN)**, a company that develops, manufactures, and markets life science tools and integrated systems for largescale analysis of genetic variation and function. ILMN has been the subject of an activist campaign by Carl Icahn since March of 2023. On May 25, 2023, at ILMN's Annual Meeting, Icahn won a board seat for one of his three director nominees, Andrew Teno (a portfolio manager at Icahn Capital). Icahn was also successful in getting Chairman John Thompson and CEO Francis deSouza replaced. However, now Icahn is suing the Company and seeking to remove any board members whose conflicts of interest led them to vote for the Company's acquisition of Grail Inc., which he believes was a breach of fiduciary duty. Illumina is also a portfolio company for ValueAct Capital. Additionally, Corvex disclosed a small $44,000 position in **flyExclusive, Inc. (FLYX)**, a provider of premium private jet charter experiences. FLYX is the product of a SPAC merger with EG Acquisition Corp., which is sponsored by EnTrust Global and GMF Capital. EnTrust, the majority shareholder, is run by Gregg Hymowitz who has historically teamed up with activists on co-investments.

Material Position Changes:

- Corvex increased its position in **Southwest Gas (SWX)** from 4.80% to 6.67% this quarter (click here to view our report). SWX has been the subject of an activist campaign by Carl Icahn since October 4, 2021 and he has since settled for board seats for Andrew W. Evans, Henry Linginfelter, Ruby Sharma and Andrew Teno (click here to view our SWX/Icahn report).
- Corvex decreased its position in **Algonquin Power & Utilities Corp. (AQN)** from 1.51% to 0.15%. Starboard has an activist 13D at AQN (click here to view our report), and called on them to initiate a sale of all or a majority of the Company's Renewable Energy Group. Starboard has steadily been growing their AQN position and currently holds 9.0%.
- Corvex decreased its **Knife River Corporation (KNF)** position from 4.48% to 2.33%. Corvex originally received the KNF shares in connection with **MDU Resources Group, Inc's (MDU)** spin-off of its construction materials subsidiary (click here to view our MDU report). Since going public on June 1, 2023, KNF stock has appreciated 95.83% versus a return of 18.41% for the S&P500 over the same period.

Elliott

New Positions: Elliott disclosed four new, interesting positions, all of which have been covered in 13D Monitor reports. First, they disclosed a $289.29 million (1.59%) position in **Biomarin Pharmaceutical Inc (BMRN)** (click here to view our report), 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. Second, they disclosed a $141.11 million (0.28%) stake in **Crown Castle International Corp. (CCI)** (click here to view our report), where they have settled for two board seats for Jason Genrich (Senior Portfolio Manager at Elliott) and Sunit Pate, the formation of a Fiber Review Committee and a CEO Search Committee, and adoption of an ROI performance hurdle to the Company's management incentive program. Third, they disclosed a $153.99 million (1.59%) position in **ETSY Inc (ETSY)** (click here to view our report), where they have received a board seat for Marc Steinberg (Partner at Elliott), who was also appointed to the Board's Audit Committee. Lastly, they disclosed a

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13F COMMENTARY CONT'D FROM PG 15

$117.87 million (1.18%) common stock/call position in **Match Group Inc (MTCH)** (click here to view our report), where they have not yet taken public action, but we would expect to see them seek board representation. Finally, it should be noted that Elliott discloses their interest in common stock of these companies, but their economic interest, which includes cash-settled swaps, is much higher, likely over $1 billion each.

Material Position Changes:

- Elliott slightly increased its position in **Constellation Brands, Inc. (STZ)** (click here to view our report) where they have an activist campaign from 0.27% to 0.28%.
- Elliott decreased its position in **Howmet Aerospace Inc (HWM)** from 1.32% to 0.58% - they have been gradually selling this position down since their 13D exit on June 2, 2023 (click here to view our report). However, Dave Miller (Portfolio Manager at Elliott) continues to serve on the Company's Board.

Engaged

New Positions: Engaged disclosed a $46.66 million (5.98%) position in **Nevro Corp (NVRO)** (click here to view our report), where they have since settled for a board seat for Kirt P. Karros. Additionally, Engaged disclosed a $52.68 million (5.12%) position in **PRA Group Inc (PRAA)** (click here to view our report). Engaged sold below 5% and exited their 13D on February 16, 2024 just over two months after filing their 13D, citing portfolio rebalancing. Further, Engaged reported a $60.95 million (3.55%) position in **NCR Atleos Corporation (NATL)**, shares of which they received in connection with NCR Voyix Corporation's (previously known as NCR Corporation) spin-off of their ATM-focused business, NCR Atleos.

Material Position Changes:

- Engaged reported slightly increasing its position in **VF Corp (VFC)** (click here to view our report) from 1.34% to 1.37%, and they have been active here – on February 13, 2024, VF announced that they would align with Engaged and will appoint a mutually agreed upon director in the near term, with priority given to candidates who have been identified by Engaged. Additionally, the Company announced that they have appointed Caroline Brown (former CEO of DKNY and former Managing Director at Closed Loop Partners) to serve as a director on the Board, an appointment that Engaged endorsed.
- Engaged reported increasing its position in **Evolent Health Inc (EVH)** (click here to view our report) from 2.46% to 2.84%. This was a 13D situation for them that was exited in August of 2022. Engaged settled for a board seat for Craig Barbarosh, who continues to serve on the Board.
- Engaged decreased its position in **Upbound Group Inc (UPBD)** (formerly Rent-A-Center, click here to view our report) from 6.75% to 4.41%. Engaged previously settled for board seats for Jeffrey J. Brown, Mitchell E. Fadel and Christopher B. Hetrick, all of whom currently serve on the Board.

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13F COMMENTARY CONT'D FROM PG 16

Impactive

New Positions: Impactive disclosed a $33.57 million (0.90%) position in **Walker & Dunlop, Inc. (WD)**, a company that sells and services a range of multifamily and other commercial real estate financing products and services for owners and developers of real estate in the US.

Material Position Changes:

- Impactive reported increasing the following positions, all of which are live activist engagements: (i) **Asbury Automotive Group Inc (ABG)** (click here to view our report) from 9.66% to 9.80%; (ii) **Clarivate Plc (CLVT)** (click here to view our report) from 4.90% to 5.69%; and (iii) **Concentrix Corp (CNXC)** from 4.89% to 5.14% (click here to view our report)

JANA

New Positions: JANA disclosed a $200.05 million (1.51%) stake in **Trimble Inc (TRMB)** (click here to view our report), where they called on the Company to cease M&A activities 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.

Material Position Changes:

- JANA reported increasing its position in **Frontier Communications Parent Inc (FYBR)** from 3.37% to 3.67%. 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 7.94% to 8.78%. 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.

Separate from portfolio updates, on February 22, 2024, JANA entered into a strategic partnership with Cannae Holdings, Inc., which includes an equity exchange and a collaborative effort to identify acquisition opportunities.

Sachem Head

New Positions: Sachem Head disclosed a $73.85 million (0.41%) position in **Seagate Technology PLC (STX)**, a data storage technology and solutions company that is no stranger to activism. ValueAct Capital had a 13D on STX for over six years and sold below 5% in September of 2023. However, Dylan Haggert, a former partner of ValueAct, was appointed to the Board on January 23, 2018 and currently serves as a director. Sachem Head also disclosed a $26.71 million (0.39%) position in **Nextracker Inc. (NXT)**, an energy solutions company that provides solar tracker and software solutions for utility-scale and ground-mounted distribut

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13F COMMENTARY CONT'D FROM PG 17

ed generation solar projects worldwide. This is not Sachem Head's first ESG-minded investment, having taken a stake in Denbury Inc (a producer of carbon-negative oil) on two separate occasions. Finally, Sachem Head disclosed a $50.60 million (0.54%) position in **Bio-Rad Laboratories, Inc. (BIO)**, a manufacturer and distributor of life science research and clinical diagnostic products.

Material Position Changes:

- Sachem Head decreased its position in **Fortrea Holdings Inc (FTRE)** from 2.24% to 1.03%. This is a live activist 13D for Starboard Value (click here to view Starboard's report), and Starboard has also been selling their position down following the Company's stock price appreciation.
- Sachem Head decreased its position in **Salesforce Inc (CRM)** from 0.06% to 0.05%. Since October of 2022, Salesforce has gained the attention of five other activist investors - Elliott, Inclusive, 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).
- Sachem Head decreased its position in **US Foods Holding Corp (USFD)** (click here to view our report) from 7.70% to 6.48%. This remains a live 13D for Sachem Head, where they settled for board seats for Scott Ferguson, David Toy and James Barber, Jr. However, on February 28, 2024, Sachem Head terminated their agreement with the Company and Scott Ferguson resigned as a director from the Board.
- Sachem Head sold down their entire position in both **Humana Inc (HUM)** and **Masimo Corporation (MASI)**, neither of which were material activist campaigns for them. Starboard is still active at Humana, holding a 0.81% position and settling for two board seats in February of 2022. Likewise, Politan Capital is still actively engaged at Masimo and won two board seats at the Company's 2023 Annual Meeting for Quentin Koffey (Managing Partner and CIO of Politan) and Michelle Brennan (click here to view our report).

Sarissa

Material Position Changes:

- Sarissa reported selling down its entire position in **Alkermes Plc (ALKS)** (click here to view our report). Sarissa initially filed its 13D on May 10, 2021, and settled for one board seat. However, in a more recent proxy fight at the Company, Sarissa was unsuccessful in getting three board seats at the 2023 Annual Meeting.

Starboard

New Positions: Starboard disclosed two new positions that have been covered in 13D Monitor reports – a $266.32 million (1.83%) position in **News Corporation (NWS)** (click here to view our report), where they have called on the Company to spin off their digital real estate division, which includes a stake in REA Group and Move Inc; and a $265.07 million (8.55%) position in **Fortrea Holdings Inc (FTRE)** (click here to view our report).

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Material Position Changes:

- Starboard reported increasing its position in **Bloomin' Brands Inc (BLMN)** (click here to view our report) from 9.61% to 9.72% and on January 2, 2024, Starboard settled for two board seats for Jon Sagal (Partner at Starboard) and Dave George (former COO of Darden Restaurants, Inc.).
- Starboard reported increasing its position in **Algonquin Power & Utilities Corp (AQN)** (click here to view our report) from 8.48% to 9.0%. Starboard has called on the Company to initiate a sale of all or a majority of the Company's Renewable Energy Group.
- Starboard reported decreasing its position in **GoDaddy Inc (GDDY)** (click here to view our report) from 7.06% to 5.28%, likely due to its stock price appreciation – Starboard currently has a 60.78% return on its 13D versus a return of 6.21% for the S&P500 over the same period. However, even though the stock has performed well, Starboard sees room for additional improvement. 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, given their continued discount compared to peers and their own historical trading multiple.
- Starboard reported decreasing its position in **Mercury Systems Inc (MRCY)** (click here to view our report) from 3.89% to 3.61%. They settled for a board seat for Howard L. Lance in June of 2022, but have been winding this position down since they exited on June 15, 2023.
- Starboard reported decreasing its position in **Rogers Corp (ROG)** (click here to view our report) from 2.93% to 2.44%. They have been winding this position down since they exited on June 6, 2023, and previously settled for two board seats.
- Starboard reported decreasing its position in **Salesforce Inc (CRM)** (click here to view our report) from 0.18% to 0.16%. Salesforce is a position for the following other top tier activists - Elliott, Inclusive, Sachem Head, Third Point and ValueAct – and Mason Morfit (CEO and CIO of ValueAct Capital) currently serves on the board.

Third Point

New Positions: Third Point disclosed two new positions that are currently the target of live activist campaigns – a $37.12 million (0.20%) position in **Biomarin Pharmaceutical Inc (BMRN)**, a company in which Elliott holds a $1+ billion position and recently settled for three board seats; and a $173.81 million (0.85%) position in **FLEETCOR Technologies Inc (FLT)**, a company where DE Shaw settled for a board seat in March of 2023. Additionally, Third Point disclosed a $173.33 million (0.11%) position in **Verizon Communications Inc. (VZ)**, showing an increasing interest in the Telecommunications sector. Last quarter, Third Point disclosed three new positions in this sector: **Telephone and Data Systems, Inc. (TDS)**, which they decreased this quarter; **T-Mobile US, Inc (TMUS)**, which they exited this quarter; and **United States Cellular Corporation (USM)**, which they continue to hold unchanged. Further, Third Point disclosed a new position in **flyExclusive, Inc. (FLYX)** - a $9.5 million (7.90%) position as per their February 13, 2024 13D filing. flyExclusive, a provider of premium private jet charter

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13F COMMENTARY CONT'D FROM PG 19

experiences, is the product of a SPAC merger with EG Acquisition Corp., which is sponsored by EnTrust Global and GMF Capital. EnTrust, the majority shareholder, is run by Gregg Hymowitz who has historically been a significant investor in activist funds and co-investment vehicles.

Trian

Material Position Changes:

- Trian reported decreasing its position in **Ferguson plc (FERG)** from 2.66% to 2.06%. Ferguson's stock has returned nearly 85% since Trian initially reported taking their position in the first quarter of 2021.
- Trian reported decreasing its position in **Wendys Co (WEN)** (click here to view our report) from 16.17% to 15.26%. Trian has been involved with Wendy's for over three decades, when Nelson Peltz and Peter May were appointed to the Board, where they currently serve and where Peltz serves as Chairman, and Matthew Peltz has since been appointed to the Board.

ValueAct

New Positions: ValueAct disclosed a $459.25 million (0.28%) position in **The Walt Disney Company (DIS)** (click here to view our report), the iconic entertainment company that is in the middle of a proxy fight with Trian. ValueAct took the Company's side on January 3, 2024, when they entered into a Confidentiality Agreement with Disney which enables the Company to provide information to ValueAct and to consult with them on strategic matters and ValueAct agreed to support the Company's recommended slate of nominees for election to the Board at the 2024 Annual Meeting. Additionally, ValueAct reported a $645.35 million (3.12%) position in **Expedia Group, Inc. (EXPE)**, the online travel company, and have expressed their belief that the Company is set to benefit from smarter pricing, better cost management and shrewd modernization of the services used to run websites. Finally, ValueAct reported a $125.69 million (1.08%) position in **Paycom Software, Inc. (PAYC)**, a cloud-based human capital management (HCM) solution delivered as software-as-a-service for small to mid-sized companies in the US. ValueAct has an extensive track record in the Information Technology space, most recently at Salesforce last year where they successfully gained a board seat for Mason Morfit (CEO and CIO of ValueAct), and at both **Fiserv Inc (FI)**, where they settled for a board seat for Dylan G. Haggart (former Partner at ValueAct) and **Insight Enterprises Inc (NSIT)**, where they settled for a board seat for Alexander L. Baum (a Partner of ValueAct).

Material Position Changes:

- ValueAct reported decreasing its position in **Fiserv Inc (FI)** (click here to view our report) from 1.24% to 0.70%. On February 18, 2022, ValueAct settled for a board seat for Dylan G. Haggart (a former Partner at ValueAct), where he currently serves as a director.
- ValueAct reported decreasing its position in **Illumina, Inc. (ILMN)** from 0.33% to 0.21% - ValueAct never initiated a campaign here, but ILMN has been the subject of an activist campaign by Carl Icahn (click here to view our report) since March of 2023. On May 25, 2023, at ILMN's Annual Meeting, Icahn won a board seat for one

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13F COMMENTARY CONT'D FROM PG 20

of his three director nominees, Andrew Teno (a portfolio manager at Icahn Capital). Icahn was also successful in getting Chairman John Thompson and CEO Francis deSouza replaced. However, now Icahn is suing the Company and seeking to remove any board members whose conflicts of interest led them to vote for the Company's acquisition of Grail Inc., which he believes was a breach of fiduciary duty.

- ValueAct reported decreasing its position in **KKR & Co LP (KKR)** (click here to view our report) from 1.29% to 0.67%. 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 86.30% for the S&P500 over the same period.
- ValueAct reported decreasing its position in **New York Times Co (NYT)** (click here to view our report) from 4.43% to 2.21%. ValueAct exited this 13D on August 18, 2023.
- ValueAct reported decreasing its position in **Seagate Technology PLC (STX)** (click here to view our report) from 3.67% to 0.13%. ValueAct had a 13D on STX for over six years and sold below 5% in September of 2023. Dylan Haggert, a former partner of ValueAct, was appointed to the Board on January 23, 2018, and currently serves as a director.

13F ANALYSIS:

CHANGES IN ACTIVIST HOLDINGS

Carl Icahn

Total Holdings: $10.91B - Versus Previous Quarter: -$1.17B - Confidentiality: Yes

New	Increases	Decreases/Exited	Unchanged
AMERICAN ELECTRIC	ICAHN ENTERPRISES	FIRSTENERGY CORP CROWN HOLDINGS	BAUSCH HEALTH COMPANIES BAUSCH PLUS LOMB CORP. CONDUENT INC CVR ENERGY INC DANA INC. ILLUMINA INC. INTERNATIONAL FLAV&FRAG NEWELL BRANDS, INC OCCIDENTAL PETR (WTS) SANDRIDGE ENERGY, INC. SOUTHWEST GAS HOLDINGS

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Corvex

Total Holdings: $1.90B - Versus Previous Quarter: +$44.56M - Confidentiality: No

Non-SPAC

New	Increases	Decreases/Exited	Unchanged
FLYEXCLUSIVE (WTS) (1)	AMAZON COM INC	ALGONQUIN PWR UTILS	ADOBE INC
ILLUMINA INC	COCA-COLA FEMSA	ARDAGH METAL PKG	ALPHABET INC
REVOLUTION MEDIC	SOUTHWEST GAS HLDG	ENDEAVOR GROUP HLDG	COCA-COLA EUROPAC
		FOMENTO ECON MEXI	CSX CORP
		GENEDX HOLDINGS CO	IAC INC
		KNIFE RIVER CORP	KKR & CO INC
		LIBERTY MEDIA CORP DEL	MDU RES GROUP INC
		UBER TECHNOLOGIES INC	META PLATFORMS INC
		APPLE INC	MGM RESORTS INTL
		BOOT BARN HLDGS INC	MICROSOFT CORP
		EQRX INC	NVIDIA CORPORATION
		KENVUE INC (CALL)	SALESFORCE INC
		TKO GROUP HOLDINGS	SOMALOGIC INC
		UNION PAC CORP (CALL)	TESLA INC

(1) Business combination with EG Acquisition, Inc. on 12/27/23

Corvex

SPAC

NEW	HELD SINCE LAST QUARTER	EXITED
		BLUESCAPE OPPOR ACQU (WTS) (1)
		EG ACQUISITION CORP (WTS) (2)

(1) Liquidated on 10/31/23
(2) Business combination with flyExclusive, Inc. on 12/27/23

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Elliott

Total Holdings: $18.72B - Versus Previous Quarter: +$5.79B - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
BIOMARIN PHARMA	CONSTELLATION BRANDS	BILL HOLDINGS (NOTE)	BAUSCH HEALTH COS
CROWN CASTLE INC	E2OPEN PARENT HLDGS	BLACKLINE INC (NOTE)	CARDINAL HEALTH INC
EQUINIX INC (PUT)	FIDELITY NATL INFO	CONFLUENT (NOTE)	CATALENT INC
ETSY INC	INVESCO QQQ TR (PUT)	HOWMET AEROSPACE	CORMEDIX INC
INVESCOQQQ (UNIT) (CALL)	MARRIOTT INTL INC (PUT)	PEABODY ENERGY CO	DIGITAL RLTY TR (PUT)
MATCH GROUP	SPDR DOW JONES (PUT)	Q2 HLDGS INC (NOTE)	ENDEAVOR GROUP
MATCH GROUP (CALL)	VANGUARD INDEX (PUT)	RAPID7 INC	ETF SER SOLUT (PUT)
SNAP INC (PUT)		RESERVOIR MEDIA INC	LIBERTY BROADBAND
SPDR SER TR (PUT)		RINGCENTRAL (NOTE)	MARATHON PETE CORP
		SEADRILL 2021 LTD	MICROSTRATEGY (NOTE)
		SELECT SECTOR (PUT)	NRG ENERGY INC
		SUNCOR ENERGY INC	PALO ALTO NTWK (NOTE)
		TELADOC HLTH (NOTE)	PHILLIPS 66
		UNITY SOFTW (NOTE)	PINTEREST INC
		VALARIS LTD	POLESTAR AUTOMOTIVE
		ALTERYX INC (NOTE)	TRIPLE FLAG PREC META
		APPLE INC (PUT)	UNITI GROUP INC
		ARM HOLDINGS PLC	VANECK ETF TRU (PUT)
		NISOURCE INC	WESTERN DIGITAL CORP.
		NOBLE CORP PLC	
		OKTA INC (NOTE)	
		SEAGATE TECH (PUT)	
		SELECT SECTOR SPDR	
		SKYWORKS SOLU (PUT)	
		TAIWAN SEMICO (PUT)	

Engaged

Total Holdings: $682.71M - Versus Previous Quarter: +$134.18M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
NCR ATLEOS CORP (1)	BRC INC	UPBOUND GROUP INC	NCR VOYIX CORP
NEVRO CORP	EVOLENT HEALTH INC	PRIMO WATER CORP	SHAKE SHACK INC
PRA GROUP INC	V F CORP		

(1) On 10/16/23, NCR Voyix Corp (previously known as NCR Corp) spun off their ATM-focused business, NCR Atleos.

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Impactive

Total Holdings: $2.44B - Versus Previous Quarter: +$194.96M - Confidentiality: No

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

JANA

Total Holdings: $1.55B - Versus Previous Quarter: +$147.43M - Confidentiality: No

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

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Sachem Head

Total Holdings: $2.14B - Versus Previous Quarter: -$4.15M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
BIO RAD LABS INC	FLEX LTD	FOMENTO ECON MEXI	
NEXTRACKER INC	OKTA INC	FORTREA HLDGS INC	
SEAGATE TECH	R1 RCM INC	INTL FLAVORS&FRAG	
	ZOOMINFO TECH	INVESCO EXCH (PUT)	
		SALESFORCE INC	
		US FOODS HLDG CORP	
		HUMANA INC	
		MASIMO CORP	
		SPDR S&P 500 ETF TR	

Sarissa

Total Holdings: $648.90M - Versus Previous Quarter: -$93.48M - Confidentiality: No

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

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Starboard

Total Holdings: $4.81B - Versus Previous Quarter: +$904.69M - Confidentiality: No

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

Starboard

SPAC

NEW	HELD SINCE LAST QUARTER	EXITED
	ALCHEMY INVTS ACQUISITN CORP	DENALI CAPITAL ACQUISITN CORP
	KEEN VISION ACQUISITION CORP	ISRAEL ACQUISITIONS CORP
	SPRING VALLEY ACQUISTN CORP	MONTEREY CAP ACQUISITION CORP

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Third Point

Total Holdings: $6.64B - Versus Previous Quarter: +$44.91M - Confidentiality: No

New	Increases	Decreases/Exited	Unchanged
BIOMARIN PHARMA	AMERICAN INTL GRP	AMAZON COM INC	AURORA INNOV
EQT CORP	APOLLO GLOBAL	DANAHER CORP	AURORA INNOV (WTS)
FLEETCOR TECH	META PLATFORMS	DUPONT DE NEMOURS	BATH & BODY WORKS
FLYEXCLUSIVE INC (1)	PG&E CORP	FERGUSON PLC NEW	GLOBAL BLUE GRP
FLYEXCLUSIVE INC (WTS) (2)	UNITED STATES STL	INTERCONT EXCHANGE	GLOBAL BLUE GRP (WTS)
MCKESSON CORP	VISTRA CORP	INTL FLAV&FRAG	HERTZ GLOBAL (WTS)
VERIZON COMM		JACOBS SOLUTIONS	NET POWER INC (WTS)
		MICROSOFT CORP	TMC THE METALS (WTS)
		TAIWAN SEMICOND	UNITED STATES CELLUL
		TELEPHONE & DATA SYS	
		UBER TECHNOLOGIES	
		WESCO INTL INC	
		ALPHABET INC	
		FIDELITY NATL INFO	
		HERTZ GLOBAL HLDGS	
		OPTION CARE HEALTH	
		PROPETRO HLDG CORP	
		REGAL REXNORD CORP	
		SELECT SECTOR (CALL)	
		T-MOBILE US INC	

(1) (2) Business combination with EG Acquisition, Inc. on 12/27/23

Third Point

SPAC

NEW	HELD SINCE LAST QUARTER	EXITED
	JAWS MUSTANG ACQUISITION COR	BLUESCAPE OPPORTUNITIES ACQU (1)
	SOCIAL LEVERAGE ACQUISN CORP	DISRUPTIVE ACQUISITION CORP
		EG ACQUISITION CORP (2)

(1) Liquidated on 10/31/23
(2) Business combination with flyExclusive on 12/27/23

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Trian

Total Holdings: $7.00B - Versus Previous Quarter: +$432.18M - Confidentiality: No

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

ValueAct

Total Holdings: $5.00B - Versus Previous Quarter: +$544.25M - Confidentiality: No

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

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SAMPLE REPORT: ELAN / ANCORA

Elanco Animal Health Inc (ELAN) - UTT
Thursday, December 14, 2023

Under the 5% Threshold ("UTT")

Purchaser	Shares	Average Price	% of TSO
Ancora Advisors, LLC	n/a	n/a	3.00%

UTT Summary	On December 14, 2023, Ancora announced that they have taken a position in Elanco and are pushing for a replacement of the Company's CEO, changes to the Company's Board composition, and improved margins.

13F Data and 13D History					
13F Holdings *($000)*:	$3,767,619	**# of 13D Filings:**	31	**# of Item 4 Actions Taken:**	18
# of 13F Positions:	1,711	**Average Return on 13D Filings:**	35.52%	**Average Return on Item 4 Actions:**	24.08%
Average 13F Position:	$2,202	**Versus S&P 500:**	29.16%	**Versus S&P 500:**	23.20%
Largest 13F Position:	$209,717	**Average 13D Holding Time (Mths):**	26.3	**Average Item 4 Holding Time:**	24.9

Relative Size of Investment: n/a

Noteworthy Activist History	Sachem Head Capital Management filed a 13D on Elanco Animal Health Inc (ELAN) on October 7, 2020 and on December 13, 2020, Sachem Head settled for board seats for William Doyle, Scott Ferguson and Paul Herendeen, where Doyle and Herendeen currently serve as directors. On March 3, 2021, it was reported that Starboard Value took a stake in the Company and nominated three directors to the Company's Board, which they ultimately withdrew. Both Starboard and Sachem Head have sold out of Elanco.

UTT Commentary

The Activist

Ancora is not an activist investor. It is primarily a family wealth investment advisory firm and fund manager with $8.7 billion in assets under management, with an alternative asset management division that manages approximately $1.3 billion. It was founded in 2003 and hired James Chadwick in 2014 to pursue activist efforts in niche areas like banks, thrifts and closed-end funds. Ancora's website lists "small cap activist" as part of its products and strategies and their strategy has evolved in recent years - from 2010 to 2020, the majority of Ancora's activism was 13D filings on micro-cap companies and in the past few years they have taken a greater number of sub-5% stakes in larger companies. The alternatives team has a track record of using private and when necessary, public engagement with portfolio companies to catalyze corporate governance improvements and long-term value creation.

The Company

Elanco is an animal health company that delivers products and services to prevent and treat disease in farm animals and pets. Its portfolio serves animals across its core species and offers products in two primary categories: Pet Health, which is focused on parasiticides, vaccines and therapeutics; and Farm Animal, which consists of products designed to prevent, control and treat health challenges primarily focused on cattle.

The Analysis

Elanco is one of the largest global animal health pharmaceutical companies, developing and marketing products for both pet health and farm animals. They operate in a secularly growing industry, which has seen a massive wave of consolidation, and has been historically recession resistant. They are one of four players - including Zoetis, Merck Animal Health and Boehringer Ingelheim – who collectively have 80% market share. The Company was spun out of Eli Lilly in September 2018 and was met with a lot of excitement – in its first day of trading, the stock closed +50%. The reason why the stock was received so well was because management publicized opportunities to grow revenue at or above industry growth rates and to improve margins by approximately 1,000 basis points over five years. In 2018, Elanco's EBITDA margins were 21% versus 38% for Zoetis, its closest peer. While Zoetis's product mix allows for higher margins, that gap is still way too big and Elanco management targeted 31% EBITDA margins by 2023.

Stock Price @ 12-14-22	$12.80	Stock Price @ 12-14-20	$28.71	Stock Price @ 12-14-18	$32.37
One Year Return	7.58%	Three Year Return	-52.04%	Five Year Return	-57.46%

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SAMPLE REPORT, CONT'D: ELAN / ANCORA

Elanco Animal Health Inc (ELAN) - UTT
Thursday, December 14, 2023

Commentary (continued)

Then, on August 20, 2019, Elanco announced the acquisition of Bayer's Animal Health business for approximately $6.9 billion, which surprised the market and sent the stock down 24%. Elanco explained this acquisition as it being too good of an opportunity to pass up, as it would significantly expand scale and change the mix of the business. As a result, management accelerated the timeline of its margin target goal by a year and announced that because of this acquisition they would reach their goal of 31% EBITDA margins by 2022. But then, in 2020, management revised its guidance and stated that it was now hoping to achieve 31% EBITDA margins by 2024, a year later than even its first projection and two years later than its last projection. To confuse and frustrate shareholders even more, management has claimed that they have realized significant cost savings, but this is not resulting in margin expansion. In October of 2020, Sachem Head Capital Management filed a 13D on Elanco also taking issue with the Company's inferior EBITDA margins and progress in improving it. On December 13, 2020, Sachem Head settled for three board seats for William Doyle, Scott Ferguson and Paul Herendeen. Scott Ferguson has since resigned from the Board, but Doyle and Herendeen currently serve as directors.

Now, Ancora has taken an approximately 3% position and intends to push for margin improvements, a board refreshment and CEO replacement. Ancora sees this as a complete failure of corporate governance and accountability. Aside from the fact that management has failed to improve margins at all over the past five years, they overpaid for Bayer and were late in converting their debt from variable to fixed resulting in much higher interest expenses. All this with a board that does not appear to hold management accountable. What is worse than this is that the board does not even hold themselves accountable and flagrantly ignores the wishes of the shareholders. Of the 12 directors on the Board, four of them have received more than 50% votes against their re-election at their last election, with two of those receiving 62% and 71% against their election. Despite this, the board did not make any changes and kept all four on the Board. It is bad enough having a staggered board and plurality voting in uncontested elections in this day and age, it is another thing entirely to mock good corporate governance by egregiously ignoring 71% of your shareholders voting. And, by the way, the director who received 71% of votes against him was, and still is, the Chairman of the Company, R. David Hoover. That pretty much says it all.

Well, the Board's chickens may just be coming home to roost now. Ancora will have the opportunity to replace four directors at the next annual meeting, one being the Company's CEO, Jeff Simmons. Ancora is pushing for board refreshment and the replacement of the CEO, but might be able to do that in one fell swoop. If the CEO is not re-elected as a director, it will be hard for even this board to keep him as CEO. Ancora will likely nominate three industry directors and one Ancora executive, signaling their intention to be a long-term shareholder. Of the four incumbent directors up for re-election, all received over 20% withhold votes at their last election in 2021 (with two of them over 46% and Simmons over 37%) and were not even being contested. And that is when Elanco was trading at $35.76 per share. It is now at $13.62 per share, down 62% from then versus the S&P500 being up 13% over the same time. Shareholders should be waiting for Ancora with flowers and chocolate. We think Ancora should easily win three seats in a proxy fight and have a better than even chance of winning the fourth. ISS understandably does not like recommending voting against a sitting CEO, but they also do not like a board who has ignored the will of their shareholders for the past three years. Even if Simmons is able to retain his board seat in a proxy fight, if this goes to a vote, the large number of shares voted against him will send a strong message to the Board and likely be the writing on the wall for him.

We rarely see a company set up so well for board refreshment and management change. A refreshed board and management team that can get gross margins from the mid-50s to the 60s and EBITDA margins up to the high 20s (even below management's promised 31%) would substantially increase shareholder value.

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SAMPLE REPORT, CONT'D: ELAN / ANCORA

Elanco Animal Health Inc (ELAN) - UTT (cont.)
Thursday, December 14, 2023

Material Factors

- **Board Composition:** The Company has a 12 person, three class, staggered Board with four directors up for election each year, each serving three year terms. The Board and executive officers own <1% of the outstanding common stock of the Company.
- **Voting Standard for Uncontested Elections**: Plurality
- **Shareholder Rights Plan:** None
- **Top Ten Institutional Holders:** Dodge & Cox: 84,203,300 shares (17.09%); PRIMECAP Management Company: 50,629,379 shares (10.27%); The Vanguard Group, Inc.: 48,893,661 shares (9.92%); T. Rowe Price Associates, Inc.: 19,401,141 shares (3.94%); BlackRock Institutional Trust Company, N.A.: 18,657,696 shares (3.79%); Shapiro Capital Management LLC: 15,795,714 shares (3.21%); Black Creek Investment Management, Inc.: 15,523,457 shares (3.15%); Citadel Advisors LLC: 13,815,603 shares (2.8%); Dimensional Fund Advisors, L.P.: 11,278,665 shares (2.29%); and State Street Global Advisors (US): 9,642,563 shares (1.96%).

Proxy Timeline

Last Annual Meeting: May 18, 2023 **Next Annual Meeting:** tbd

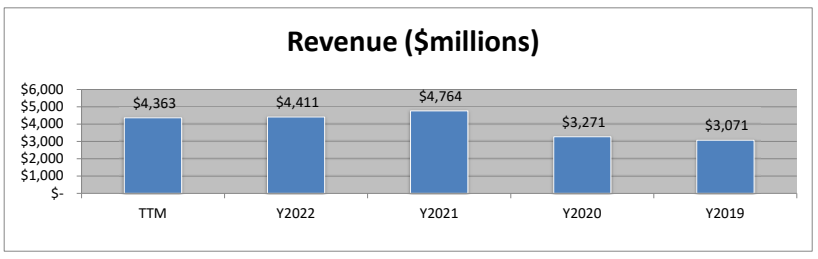
Shareholder Proposal Notification Deadlines: For proposals to be included in the Company's proxy statement at the 2024 Annual Meeting: December 8, 2023; For proposals not to be included in the Company's proxy statement (including director nominations): Between January 18, 2024 and February 17, 2024; Universal proxy deadline: March 24, 2024.

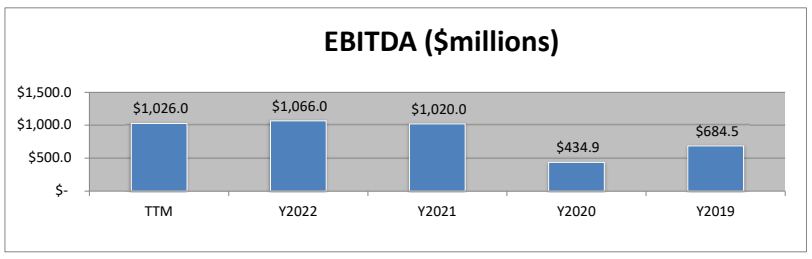
Business Overview

- Elanco Animal Health Incorporated is an animal health company. The Company is focused in delivering products and services to prevent and treat disease in farm animals and pets. Its portfolio serves animals across its core species consisting of dogs, cats and cattle, poultry, swine, sheep and aqua. It offers products in two primary categories: Pet Health and Farm Animal. Its Pet Health portfolio is focused on parasiticides, vaccines and therapeutics. Its parasiticide portfolios in the pet health sector include species and formulations, with products that protect pets from worms, fleas and ticks. Its over-the-counter treatments include Seresto, Advantage, Advantix, Advocate, Credelio, Interceptor Plus and Trifexis. Its Farm Animal portfolio consists of products designed to prevent, control and treat health challenges primarily focused on cattle. Its products include medicated feed additives, antibiotics, vaccines, such as Rumensin and Baytril. Its poultry products are Maxiban and others.

- State of Incorporation: IN; Principal Place of Business: Greenfield, IN.

Sales and EBITDA



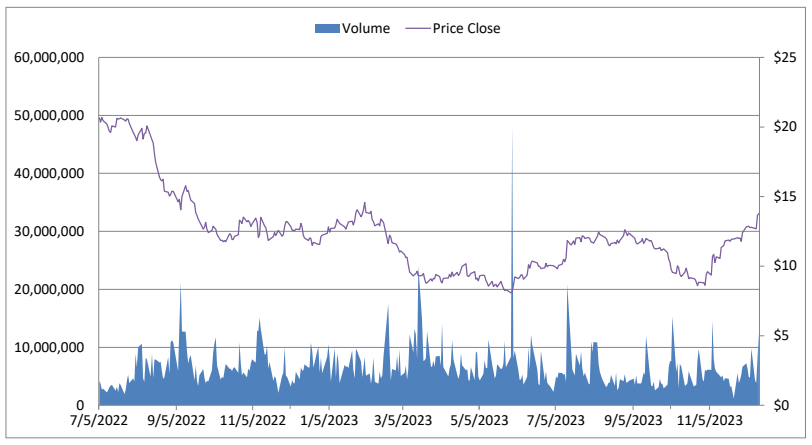


Summary Financial Information

Equity Market Cap	$6.79B
Enterprise Value	$12.29B
EBITDA (LTM Ending 09/30/2023)	$1.03B
EV/EBITDA	11.98 x

Stock Price Performance

Stock Price	$13.77
52 Week High (Date)	$14.69 (02/02/23)
52 Week Low (Date)	$7.88 (05/31/23)
Average Trading Volume	6,822,330
Short Interest as a % of Float	2.95%



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
Elanco Animal Health Inc	***7.58%***	***-52.04%***	***-57.46%***			
Zoetis Inc	33.02%	28.21%	134.00%	-25.44%	-80.25%	-191.46%
Merck & Co Inc	-2.44%	51.93%	69.08%	10.02%	-103.97%	-126.54%
Bayer AG	-36.15%	-24.46%	-38.44%	43.73%	-27.58%	-19.02%
IDEXX Laboratories Inc	28.87%	20.96%	191.26%	-21.29%	-73.00%	-248.72%
Align Technology Inc	31.26%	-49.04%	19.23%	-23.68%	-3.00%	-76.69%
Teva Pharmaceutical Industries Ltd	10.48%	-0.78%	-44.58%	-2.90%	-51.26%	-12.88%
DENTSPLY SIRONA Inc	8.81%	-31.92%	-2.22%	-1.23%	-20.12%	-55.24%
Peer Average	**10.55%**	**-0.73%**	**46.90%**	-2.97%	-51.31%	-104.36%

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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
1330 Avenue of the Americas
31st Floor
New York, NY 10019
212-455-0900

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	2,793,994	$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	$41.46	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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