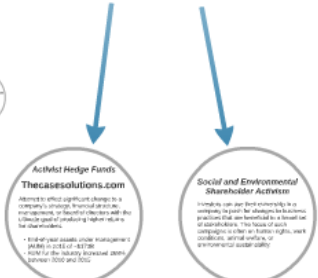


Shareholder Activists and Corporate Strategy

Thecasesolutions.com





Shareholder Activists and Corporate Strategy

Thecasesolutions.com



Agenda

Thecasesolutions.com

- Definition and examples of shareholder activism
- The activist playbook
- Ethics of shareholder activism

Definition

Thecasesolutions.com

An activist investor is an individual or group that **purchases large numbers of shares** in a public company and/or tries to obtain seats on the company's board with the **goal of effecting a major change** in the company.



Activist Hedge Funds

Thecasesolutions.com

Attempt to effect significant change to a company's strategy, financial structure, management, or board of directors with the ultimate goal of producing higher returns for shareholders.

- End-of-year assets under management (AUM) in 2015 of ~\$173B
- AUM for the industry increased 268% between 2010 and 2015

Icahn Enterprises

Thecasesolutions.com



- Carl Icahn
- Select activist positions
 - Apple
 - Xerox
 - Yahoo
 - Netflix

Pershing Square

Thecasesolutions.com



- Bill Ackman
- Select activist positions
 - J.C. Penney
 - Chipotle
 - Valeant Pharmaceuticals
 - Canadian Pacific
 - Herbalife (short)

Greenlight Capital

Thecasesolutions.com



- David Einhorn
- Select activist positions
 - Allied Capital Corporation (short)
 - Lehman Brothers (short)

Third Point

Thecasesolutions.com



- Daniel Loeb
- Select activist positions
 - Yahoo
 - Sotheby's
 - Sony
 - Baxter International
 - Ligand Pharmaceuticals