



## Sachem Named ‘King of the Activists’ in New Study on Performance

By Drew Singer / Bloomberg News

When Sachem Head Capital Management enters a new position, the stock normally doubles in two years. That was the largest return among 10 major activist investors, The Edge Consulting Group, a special situations research firm, told clients this week.

A disastrous outlook for 2020 earnings is likely to put increased emphasis on value investing, said The Edge Chief Executive Officer Jim Osman.

“Investors should look at catalyst investing going forward because, for the next few quarters, earnings are basically unknown,” he said in an interview. “So how are you buying any stock right now on the basis of earnings? Activism, spinoffs, anything that is going to move the stock without relying on the earnings per se.”

The study, entitled “King of the Activists,” tracked 15 years of shareholder campaigns by investors including Starboard Value LP, Blue Harbour Group LP and Icahn Enterprises LP, which respectively finished second, third and fourth in the rankings, behind Sachem.

While the numbers provide a possible roadmap for identifying new trades, the activists themselves don’t necessarily get the same returns. Those investors continue to make additional long and short trades after entering a new position, none of which were tracked by the study.

“The overall theme is activism can work and here’s an example of where you can pick your spots,” Osman said.

In February, Sachem disclosed new positions in Uber Technologies Inc., ForeScout Technologies Inc. and LKQ Corp.

Here are the 10 firms tracked by the study and their average stock performance, according to The Edge:

Ranking	Name	Average Stock Return
1	Sachem Head Capital Management	97.3%
2	Starboard Value LP	35.9%
3	Blue Harbour Group LP	26.1%
4	Icahn Enterprises LP	21.3%
5	Triun Fund Management LP	17.4%
6	Jana Partners LLC	17.0%
7	Pershing Square Capital Management LP	15.6%
8	Corvex Management LP	9.8%
9	Elliott Management Corp.	9.3%
10	Third Point LLC	7.5%

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