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*Case Study*

Leading N.A. Industrial Manufacturer

# Background

- Client is a North American market leader in an industrial mfg. sub-sector

Client Sector  
**Industrial Mfg.**

Market Cap.  
**~\$1.5 Bn**

Average Daily Vol.  
**400k Shares**

Engaged Rose & Co.  
**January 2020**

## Situation overview

- Prior to the pandemic, [Redacted]'s business was in a cyclical downturn
- Combined impact of pandemic and collapse in crude oil demand severely impacted [Redacted]'s performance
- Analyst coverage had dropped from 17 to 6 over the last several years
- Negative experience with activists turned the C-suite off from consistently marketing to institutional investors

## Scope of Rose & Co. engagement

- Review [Redacted]'s narrative and develop key messaging to bring forth [redacted]'s value proposition to resonate with long-term value-oriented institutional investors
- Work with [Redacted] on an ongoing basis to optimize financial communications and adapt their equity story as market conditions evolved
- Develop comprehensive investor outreach program to expose [Redacted] to new institutional investors and enhance dialogue with investors outside of the top 25 shareholders that have potential to become larger shareholders

# Investor Engagement Framework

1



Maintaining active dialogue with large shareholders builds a lasting relationships and facilitates healthy two-way dialogue.

2



Look past the top 10 shareholders to see who has the potential to grow in size since these investors already know [Redacted]'s story. Try to understand if/how they can grow in size.

3



Actively target prospective shareholders outside of the traditional sell-side channel, an activity facilitated by Rose & Co. Review targets periodically to prioritize.

4



Conduct an ongoing outreach to targeted prospective investors, an activity being actively facilitated by Rose & Co. Ensure all “live” targets are aware of important developments and spoken to periodically – converting these to shareholders rarely occurs after one meeting.

5



Set goals (eg # of meetings with high quality targets, # of new shareholders) and manage time and resources most efficiently to meet those goals.

6



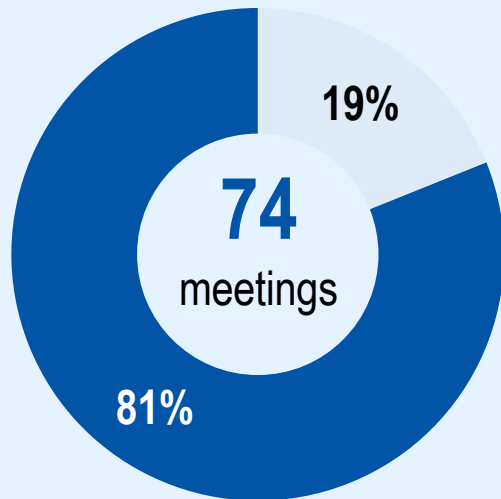
Track progress and adapt messaging, targets and tactics depending on outcomes and business conditions.

# Institutional Investor Marketing Mix

## Rose & Co. meetings arranged (LTM)

**4.7T**  
equity AUM represented

**51%**  
avg. portfolio turnover

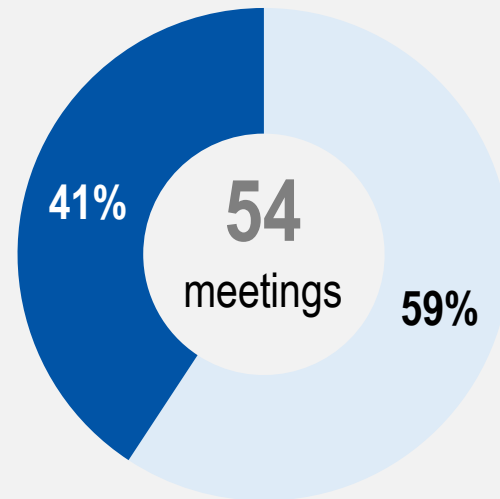


■ Hedge Fund ■ Mutual Fund

## Bank-sponsored meetings (LTM)

**1.9T**  
equity AUM represented

**110%**  
avg. portfolio turnover



■ Hedge Fund ■ Mutual Fund

# Vast Majority of Buyers were New Shareholders

Total Buyers

148

Shares Bought

5,301,000

New Positions

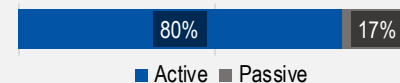
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Top 25 Institutional Buyers	Position Δ	Position	S/H Rank	As Of	Type	Style	Orientation	Metro
1 Franklin Mutual Advisers, LLC	1,100,188	2,740,863	3	12/31/20	MF	Value	Active	Short Hills
2 Towle & Company	619,837	619,837	8	12/31/20	MF	Value	Active	St Louis
3 DePrince, Race & Zollo, Inc.	385,017	385,017	14	12/31/20	MF	Yield	Active	Winter Park
4 Norges Bank Investment Manag	375,575	375,575	16	12/31/20	Sovereign F	Value	Active	Oslo
5 Donald Smith & Company, Inc	313,489	313,489	17	12/31/20	MF	Value	Active	New York
6 Intrinsic Edge Capital Managei	174,482	174,482	30	12/31/20	HF	Alternative	Active	Chicago
7 Royal Fund Management	140,185	140,185	37	12/31/20	IM	Unknown	Unknown	Atlanta
8 Thomson Horstmann & Bryant	137,687	137,687	39	12/31/20	MF	gressive Gro	Active	Norwalk
9 Impala Asset Management, LL	108,637	228,097	24	12/31/20	HF	Alternative	Active	Palm Beach
10 Kennedy Capital Management	106,296	300,754	18	12/31/20	MF	Value	Active	St Louis
11 Monarch Partners Asset Mana	101,953	101,953	49	12/31/20	IM	Value	Active	Boston
12 Quantitative Management Assc	99,557	138,363	38	12/31/20	MF	Index	Passive	Newark
13 First Trust Advisors, L.P.	76,961	76,961	53	12/31/20	MF	Index	Passive	Wheaton
14 Schroder Investment Manager	76,133	76,133	54	12/31/20	MF	GARP	Active	London
15 Scopus Asset Management, L.	75,000	75,000	56	12/31/20	HF	Alternative	Active	New York
16 Morgan Stanley & Company, I	68,400	296,659	19	12/31/20	BROKER	Broker	Passive	New York
17 Pacer Advisors, Inc.	61,339	61,339	60	3/31/21	MF	Index	Passive	Malvern
18 Tudor Investment Corporation	60,709	60,709	62	12/31/20	HF	Alternative	Active	Stamford
19 BlackRock Fund Advisors	55,998	4,772,379	1	12/31/20	MF	Index	Passive	San Francisco
20 Avantis Investors	54,605	60,127	64	4/1/21	MF	Index	Passive	Los Angeles
21 Global X Management Compa	51,844	74,864	57	12/31/20	MF	Index	Passive	New York
22 Susquehanna Financial Group	49,397	60,699	63	12/31/20	BROKER	Broker	Passive	Bala Cynwyd
23 PDT Partners, LLC	47,236	47,236	70	12/31/20	HF	Alternative	Passive	New York
24 American Century Investment	46,215	46,215	72	12/31/20	MF	Growth	Active	Kansas City
25 Bridgeway Capital Manage	42,200	179,100	27	12/31/20	MF	GARP	Passive	Houston

  New shareholder since start of Rose & Co. engagement

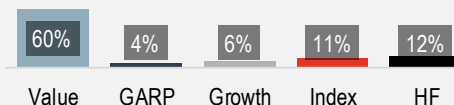
## Orientation\*

80% of shares were bought during the year bought by active buyers.



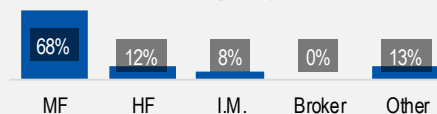
## Investment Style\*

The majority of shares bought this year were bought by Value buyers.



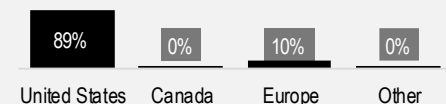
## Investor Type\*

The majority of shares bought this year were bought by MFs.



## Investor Location\*

The majority of shares bought this year were bought by U.S. buyers.



# Buying Offset the Impact of Passive Money Flows and Hedge Fund Sales

Total Sellers

85

Shares Sold

(2,547,611)

Sold Out

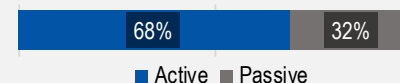
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Top 25 Institutional Buyers	Position Δ	Position	S/H Rank	As Of	Type	Style	Orientation	Metro
1 Mellon Investments Corporatio	(340,407)	575,556	9	12/31/20	MF	Yield	Active	Boston
2 Olstein Capital Management, L	(281,200)	0		12/31/20	MF	Value	Active	Purchase
3 Dimensional Fund Advisors, L	(247,949)	2,501,567	4	12/31/20	MF	Value	Passive	Austin
4 Dalton, Greiner, Hartman, Mat	(199,465)	173,006	32	12/31/20	MF	Value	Active	Naperville
5 Barrow Hanley Mewhinney &	(164,597)	2,109,300	5	12/31/20	MF	Value	Active	Dallas
6 LSV Asset Management	(144,098)	231,188	23	12/31/20	MF	Deep Value	Passive	Chicago
7 RBC Global Asset Managemer	(142,672)	384,257	15	12/31/20	MF	Growth	Active	Minneapolis
8 Two Sigma Investments, L.P.	(76,844)	0		12/31/20	HF	Alternative	Passive	New York
9 The Vanguard Group, Inc.	(69,530)	3,413,167	2	12/31/20	MF	Index	Passive	Malvern
10 QS Investors, LLC	(67,900)	16,900	122	12/31/20	MF	Growth	Passive	New York
11 Hotchkis and Wiley Capital Ma	(67,520)	193,252	26	12/31/20	MF	Deep Value	Active	Los Angeles
12 J.P. Morgan Investment Mana	(48,418)	282	224	12/31/20	MF	Growth	Active	New York
13 Citadel Advisors, LLC	(41,495)	18,485	117	12/31/20	HF	Alternative	Active	Chicago
14 BNY Mellon Investment Advise	(36,780)	177,404	28	12/31/20	MF	Value	Active	New York
15 Northern Trust Investments, In	(34,634)	390,632	13	12/31/20	MF	Index	Passive	Chicago
16 State Street Global Advisors (S	(34,054)	1,137,718	6	12/31/20	MF	Index	Passive	Boston
17 Ladenburg Thalmann Asset M	(33,737)	5,684	175	12/31/20	HF	Alternative	Active	New York
18 Charles Schwab Investment M	(33,496)	564,763	10	12/31/20	MF	Index	Passive	San Francisco
19 JGP Wealth Management, LLC	(29,331)	7,450	161	12/31/20	IM	Growth	Active	Portland
20 Paloma Partners Management	(25,165)	0		12/31/20	HF	Alternative	Active	Greenwich
21 Griffin Asset Management, Inc.	(23,004)	7,025	163	12/31/20	MF	Value	Active	New York
22 Arrowstreet Capital, L.P.	(22,700)	11,600	137	12/31/20	MF	Deep Value	Active	Boston
23 BlackRock Advisors, LLC	(22,133)	276,795	21	12/31/20	MF	Value	Active	New York
24 Skylands Capital, LLC	(19,900)	60,800	61	12/31/20	HF	Alternative	Active	Milwaukee
25 Jane Street Capital, LLC	(19,450)	9,874	148	12/31/20	PROP	Alternative	Passive	New York

Prior shareholders who fully exited their positions

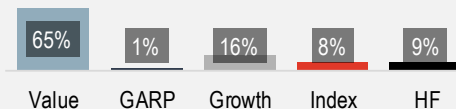
## Orientation\*

68% of shares sold during the year were sold by active sellers.



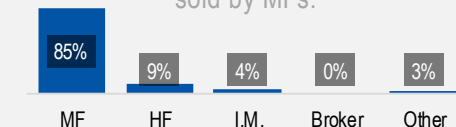
## Investment Style\*

The majority of shares sold this year were sold by Value sellers.



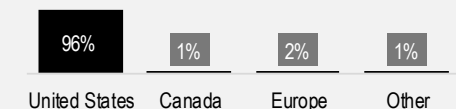
## Investor Type\*

The majority of shares sold this year were sold by MFs.

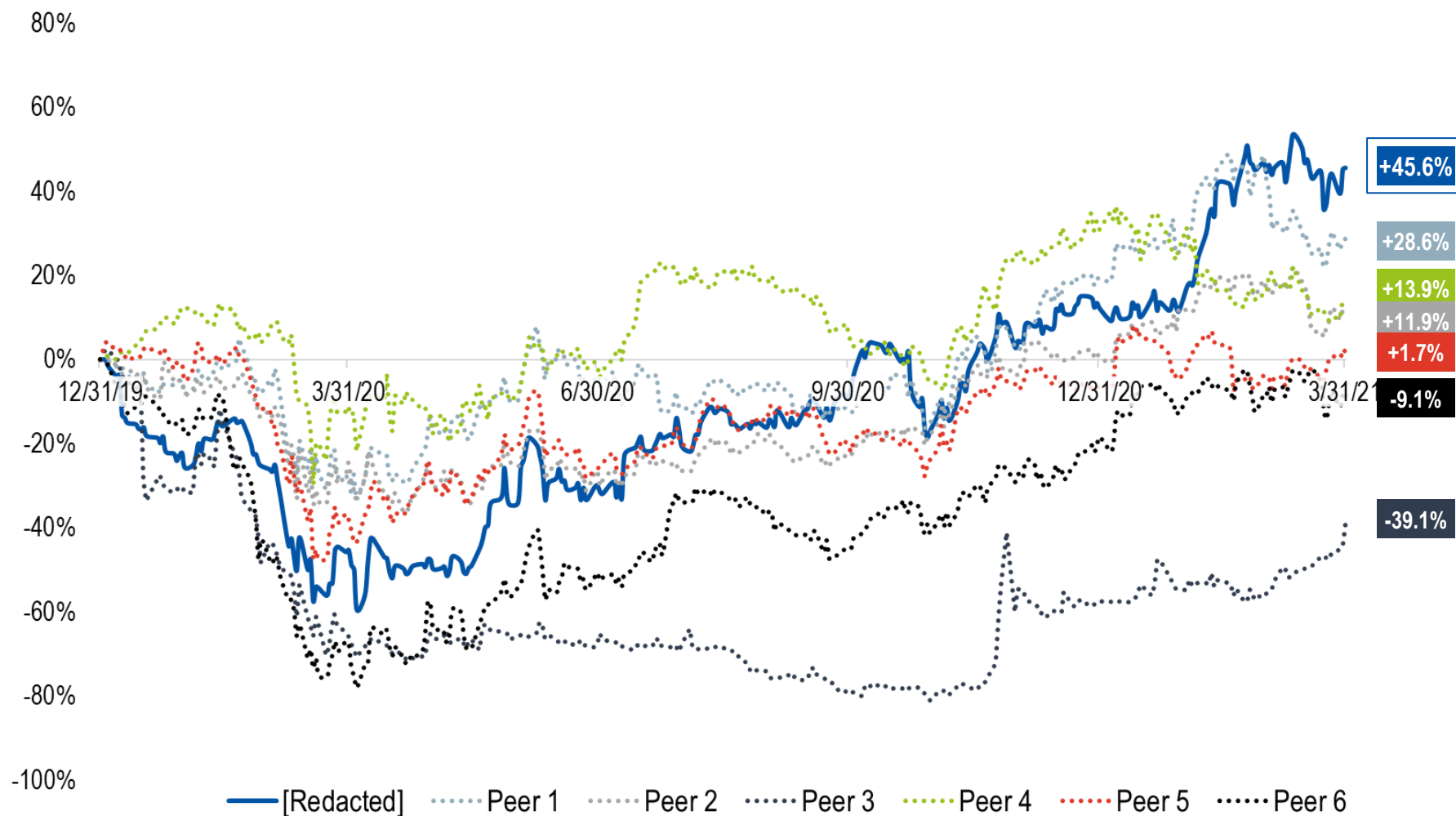


## Investor Location\*

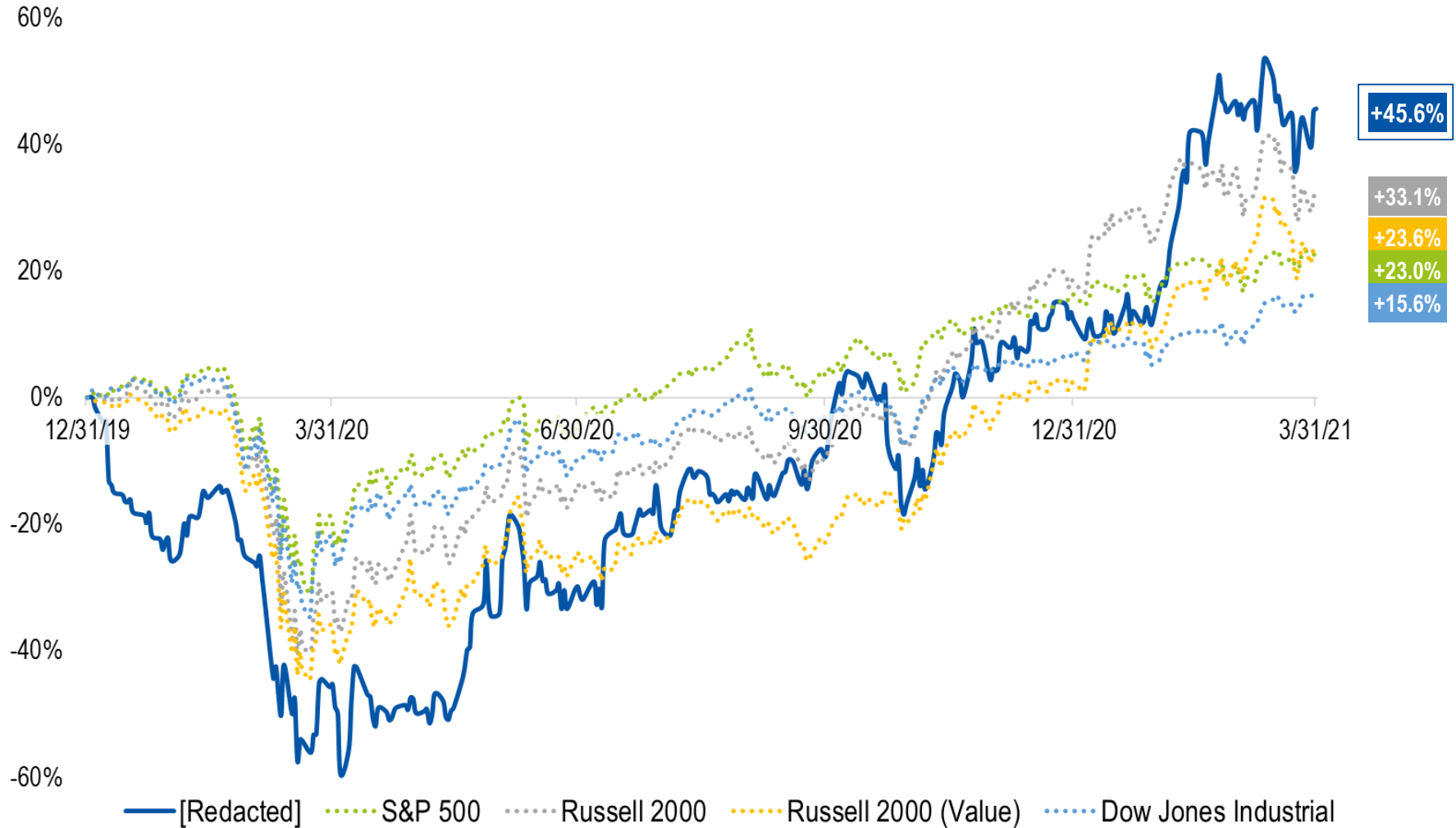
The majority of shares sold this year were sold by U.S. sellers.



# [Redacted]'s Share Price Performance at the Top of its Peer Group



# [Redacted]'s Share Price Performance Outperformed all Applicable Indexes





# ROSE & COMPANY

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