



Activist Insight

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FOR IMMEDIATE RELEASE

Activists keep pace in difficult second quarter

Activist Index beats MSCI World Index, but funds exposed to the eurozone and emerging markets suffer

Activist Insight's performance measure for activist investors once again outperformed the MSCI World Index by nearly two percentage points in a period that has seen investors fleeing emerging markets. The Activist Index returned 2.68% in the second quarter of 2013. The MSCI World Index rose by just 0.85%, meaning that 3/4 of the 28 funds included in the Activist Index performed better.

The Activist Index, which is net of fees, underperformed against the S&P 500, which returned 2.91%. A strategy tracking the S&P would likely incur fees.

Q2 of 2013 was considerably more subdued than Q1, when the Activist Index rose by 11.76%¹ and the S&P 10.03%. And despite the strong performance of the top-performing fund (up 25.85%), exposure to the eurozone and emerging markets saw activists struggle to keep up with American stocks. The weakest activist fund in the index fell 8.99%.

Another underperformer, Bill Ackman's Pershing Square Capital Management – much in the news because of events at JC Penney and Herbalife – saw two important investments fall in value over the period. Proctor & Gamble and Canadian Pacific fell 0.91% and 4.40% respectively.

The best performing US investment in the index, in Zale Corp, increased in value by 131% over the period. Breeden Partners have been holding the stock since 2007. The worst US investment, in Unigene Laboratories Inc, declined in value by 75%, following a FDA probe.

The latest results mean that the Activist Index is up 14.80% for the half-year, six percentage points ahead of the MSCI World Index on 8.09%. The S&P climbed 12.6% in the same period.

Josh Black, an analyst for Activist Insight, said "Over the past quarter, the eurozone and emerging markets have been hit harder than US stocks, and this is reflected in the Activist Index. However, fees incurred tracking the S&P would likely make investing with activists worthwhile."

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Activist Insight was founded in 2012 by Nick Arnott and Kerry Pogue. The company provides the most comprehensive global information source on activist investment. This includes live alerts on activist investments, over 190 detailed activist manager profiles, over 1,900 relevant company profiles, unique stats on activist campaigns and proxy battles, and much more. A free monthly newsletter subscription is available on request.

If you would like more information about this topic, please contact Josh Black at +44(0)20 7129 1314 or email press@activistinsight.com.

¹ Revised down from 12.51% published on May 29, 2013 to 11.76% due to data from additional funds