

**Form ADV Part 2A: Firm Brochure**  
**JANA Partners LLC**

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**March 28, 2019**

This Brochure (“Brochure”) provides information about the qualifications and business practices of JANA Partners LLC.

If you have any questions about the contents of this Brochure, please contact our Chief Legal Officer and Chief Compliance Officer, Jennifer Fanjiang, at (212) 455-0900 or [compliance@janapartners.com](mailto:compliance@janapartners.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about JANA Partners LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference to JANA Partners LLC as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

## **ITEM 2**

### **MATERIAL CHANGES**

JANA Partners LLC is required to identify and discuss any material changes made to this Brochure since the last annual update (which was made on March 28, 2018).

On January 15, 2019, JANA Partners LLC announced that it has decided to wind down JANA Partners, L.P., JANA Partners Qualified, L.P., JANA Offshore Partners, Ltd., and JANA Intermediary Fund, L.P., all of which invest in JANA Master Fund, Ltd., and JANA Nirvana Fund, L.P., and JANA Nirvana Offshore Fund, Ltd., both of which invest in JANA Nirvana Master Fund, L.P. The assets of these client funds will be liquidated during the winding down process. No new subscriptions will be solicited by these client funds.

This Brochure has been updated to reflect JANA Partners LLC's assets under management as of December 31, 2018. In addition, certain clarifications and updates have been made to fees and expenses, conflicts of interests, investment strategy, the aggregation of client orders, and the review of client accounts, some of which may be considered material.

JANA Partners LLC recommends that you read this Brochure in its entirety. If JANA Partners LLC makes any material changes to this Brochure, this item will be revised to include a summary of such changes.

This Brochure may be requested, free of charge, by contacting the Client Advisory Group at (212) 455-0920 or [IR@janapartners.com](mailto:IR@janapartners.com).

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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. General Description of Advisory Firm**

JANA Partners LLC is a Delaware limited liability company headquartered at 767 Fifth Avenue, 8<sup>th</sup> Floor, New York, NY 10153. JANA Partners LLC is registered as an investment adviser with the SEC and is subject to the rules and regulations governing registered investment advisers under the Investment Advisers Act of 1940, as amended. JANA Partners LLC has been in business since April 2001 and has been registered with the SEC since October 2009.

JANA Partners LLC's principal owner is Barry Rosenstein. In addition, investment funds affiliated with Dyal Capital Partners (a subsidiary of Neuberger Berman) hold a passive minority interest in JANA Partners LLC and certain of its affiliates. Those investment funds have no authority over the day-to-day operations or investment decisions of JANA Partners LLC or its affiliates as they relate to the Client Accounts (as defined below) but have certain consent rights relating to actions by JANA Partners LLC and its affiliates with respect to actions that would negatively impact their ownership interest.

JANA Partners LLC, JANA Special Situations Management, LP, and JANA EG, LLC (collectively, "*JANA*," "*Adviser*," "*we*," "*us*," or "*our*") have together filed a single Form ADV under an umbrella registration. As relying advisers of JANA Partners LLC, JANA Special Situations Management, LP and JANA EG, LLC are not separately registered as an investment adviser with the SEC, but each is considered to be a registered investment adviser by virtue of JANA Partners LLC's registration with the SEC.

#### **B. Description of Advisory Services**

JANA provides Investment Advisory Services (as defined below) to private investment vehicles and managed accounts. As used herein, the terms "Client" or "Client Account" refers to each private investment vehicle and managed account. Our Clients are set forth below:

- JM IV, L.P., JANA Strategic Investment Fund V, L.P., JANA Strategic Investment Fund VI, L.P., JANA Strategic Investment Fund VII, L.P., JANA Strategic Investment Fund VIII, L.P., JANA Special Situations Investments LLC, and JANA Special Situations Investments II, LLC, as well as other investment vehicles and managed accounts which pursue identical or substantially similar strategies (the "*JSI Funds*");
- JANA Strategic Investments Benchmark Fund, L.P. and JANA Strategic Investments Benchmark Offshore Fund, Ltd., both of which invest in JANA Strategic Investments Benchmark Master Fund, L.P. and any related co-investment vehicles (the "*JSI Benchmark Funds*");
- JANA Partners, L.P., JANA Partners Qualified, L.P., JANA Offshore Partners, Ltd., and JANA Intermediary Fund, L.P., all of which invest in JANA Master Fund, Ltd. (the "*JANA Partners Funds*");

- Investment vehicles and accounts that pursue identical or substantially similar strategies to the JANA Partners Funds (the “*Managed Accounts*”);
- JANA Nirvana Fund, L.P. and JANA Nirvana Offshore Fund, Ltd., both of which invest in JANA Nirvana Master Fund, L.P. (the “*JANA Nirvana Funds*”); and
- Funds, investment vehicles and managed accounts that pursue other strategies, including but not limited to proprietary accounts and co-investment vehicles (the “*Other Accounts*”).

As is described in Item 2, JANA is in the process of winding down the JANA Partners Funds and the JANA Nirvana Funds. The assets of these Client Accounts will be liquidated during the winding down process. No new subscriptions will be solicited by these Client Accounts.

As an investment adviser, we source potential investments, conduct research and due diligence on potential investments, structure investments, and monitor investments on behalf of our Clients. We also provide certain administrative services to Clients or arrange for such services to be provided by a third party. We refer to all of these services as “*Investment Advisory Services*.” We generate all of our advisory fees from Investment Advisory Services.

Client assets are typically managed on a discretionary basis according to the stated investment objectives and policies of each Client. We have the authority and responsibility to formulate the investment strategy on behalf of our Clients, including deciding which securities to buy and sell, when to buy and sell, and in what amounts.

We do not limit the types of Investment Advisory Services we offer and there are no material limitations on the types of securities in which we may invest or advise on behalf of our Clients. We may invest in any security and any sector of the market to carry out the overall objectives of our Clients. We have flexibility to create or organize (alone or in conjunction with others), or otherwise utilize special purpose subsidiaries or other special purpose investment vehicles, swaps or other derivatives or structured products. The foregoing is subject to the provisions of any relevant investment management agreement or similar agreement (“*IMA*”), offering memorandum, or organizational documents (together with the IMA and the offering memorandum, the “*Offering Documents*”).

*This Brochure generally includes information about JANA and its relationships with its Clients and affiliates. While much of this Brochure applies to all such Clients and affiliates, certain information included herein applies to specific Clients or affiliates only.*

*This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of certain Clients are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended, and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. Investors in our Clients must meet the qualifications set forth in the applicable Offering Documents. Persons reviewing this Brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Clients described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

**C. Tailored Advisory Services for Client Accounts**

JANA's Offering Documents provide detailed descriptions of each Client's investment objectives and may contain investment guidelines, policies or restrictions specific to such Client Account. The JSI Funds and the JSI Benchmark Funds hold investments that have or are reasonably expected to have an "activist" element. JANA intends for the JSI Funds and the JSI Benchmark Funds to hold similar investments, to the extent practicable, subject to investment guidelines, tax, regulatory, and other considerations which may cause investments to differ. The JSI Funds consist of dedicated, non-commingled drawdown investment vehicles and managed accounts. The JSI Benchmark Funds offer series A ("Series A") and series B ("Series B"), pursuant to the applicable Offering Documents. While the investment program for Series A and Series B are generally the same (other than with respect to net cash holdings, as described in Item 8, *"Methods of Analysis, Investment Strategies, and Risk of Loss"* below, each series shall be treated as separate and distinct Clients or Client Accounts for allocation, investment and accounting purposes.

**D. Wrap Fee Programs**

We do not participate in any wrap fee programs.

**E. Assets Under Management**

As of December 31, 2018, we had approximately \$3,564,725,000 in discretionary regulatory assets under management. We do not manage any Client assets on a non-discretionary basis.

## ITEM 5 FEES AND COMPENSATION

### A. Advisory Services and Fees

JANA, either directly or indirectly through an affiliated entity, receives management and performance-based incentive fees and allocations (each, a “*Fee*” and collectively, “*Fees*”) for the Investment Advisory Services we provide to our Clients. The fee structure varies between Client Accounts. Applicable fees for Client Accounts are set forth in detail in the Offering Documents, as amended from time to time, for each Client Account. A brief summary of such fees is provided below.

#### Asset-Based Fees

Investors in Client Accounts pay a fee based on a percentage of its assets that JANA manages.

- JSI Funds: The standard management fee is equal to an annual rate of 1% of an investor’s capital commitment;
- JSI Benchmark Funds: The standard management fee is equal to an annual rate of 1% of the net asset value of each investor’s investment; and
- JANA Partners Funds and JANA Nirvana Funds: As of February 1, 2019, investors are no longer charged the standard management fee, previously equal to an annual rate of 1.75% of the net asset value of each investor’s investment.

#### Performance-Based Compensation

Investors in Client Accounts also are subject to the following incentive allocation or fee, based on investment performance:

- JSI Funds: The standard incentive fee or allocation is equal to 15% of net investment proceeds above an 8% preferred return;
- JSI Benchmark Funds:
  - Series A: The standard incentive fee or allocation is equal to 25% of realized and unrealized capital appreciation above the benchmark of the S&P 500 Total Return Index, realized at the end of the investment term as specified in the Clients' Offering Documents.
  - Series B: The standard incentive fee or allocation is equal to 17.5% of an investor's net realized and unrealized capital appreciation for the year above a 4% hurdle rate; and
- JANA Partners Funds and JANA Nirvana Funds: The standard annual incentive fee or allocation is equal to a range of 17.5% - 20% of an investor's net realized and unrealized capital appreciation for the year subject to a traditional “high watermark.”

The fee structures of other Client Accounts may vary. In addition, JANA occasionally enters into side letters arrangements with certain investors in its Client Accounts which provide for, different or additional terms than those described above including, without limitation, the fees charged, minimum subscription amounts, redemption rights and other rights. The terms of such side letters will be determined by JANA.

We structure any Fee arrangement in accordance with Section 205(a)(1) of the Advisers Act and the rules and regulations thereunder, including the exemption set forth in Rule 205-3 permitting performance fee or allocation arrangements with “*qualified clients*.”

## **B. Payment of Fees**

The applicable Offering Documents govern the terms of compensation and the manner in which we are compensated by each Client. Subject to the terms of such documents, Clients may elect to be billed directly for Fees or may arrange to have such Fees debited directly from the Client's account. Our management fees are paid quarterly, in advance or arrears, based on net assets at the beginning or end of the applicable period, each depending on the Client, and are prorated for partial periods. With respect to the JANA Partners Funds and the JANA Nirvana Funds, incentive fees or allocations are paid annually in arrears. With respect to the JSI Funds, incentive fees are generally paid at the time proceeds are distributed or upon the complete liquidation of an investment. With respect to the JSI Benchmark Funds, the incentive fee or allocation relating to Series A is paid at the end of the 3-year initial term and every 2-years thereafter and the incentive fee or allocation relating to Series B are paid annually in arrears.

## **C. Additional Expenses**

Our Fees are exclusive of other expenses associated with the provision of Investment Advisory Services that are paid by Clients. Each Client of JANA generally bears all of its own expenses, including but not limited to expenses related to its operations and the investments of its assets. Such expenses are listed in our Offering Documents and vary depending on the particular Client Account. Please refer to the relevant Offering Document for a more detailed description of such applicable charges, fees and expenses.

Each Client Account (or each series of a Client Account) shall bear those expenses as set forth in the applicable Offering Documents, as amended from time to time, including but not limited to some or all of the following expenses: (i) expenses related to the research, due diligence and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including commissions, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, expenses relating to short sales, clearing and settlement charges and interest expenses; expenses relating to maintaining investments; corporate licensing fees; custodial fees; bank service fees; research-related fees and expenses; expenses related to valuations; fees and expenses of third-party risk management products, models and services; and the costs of any litigation or investigation involving activities of the Client (e.g., expenses related to the use of a third party class action recovery firm); (ii) operational expenses, including fees and expenses relating to information technology software or other technology (including costs of software licensing, implementation, data management and recovery services and custom development) related to risk-monitoring, cash management,



execution of trades, settlement of trades, the broker vote process, portfolio management systems, and order management systems; (iii) costs and expenses related to facilitating compliance with the rules and regulations applicable to the Client (including expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Clients, including any governmental, regulatory, licensing, filing or registration fees or taxes (e.g., fees and expenses incurred in connection with Section 13 filings, Section 16 filings and other similar regulatory filings)); (iv) fees and expenses of third-party professionals and service providers, including consultants, valuation service providers, attorneys and accountants; third-party audit and tax preparation expenses; expenses relating to the Clients' obligations under tax information exchange regulations; and fees to the administrator; (v) insurance expenses, including fees or expenses associated with insuring the Clients' assets; premiums for cybersecurity insurance and liability insurance covering Client Accounts and JANA, its partners, officers, employees and agents; fidelity bonds or insurance fees; (vi) costs of preparing and distributing reports and notices; (vii) extraordinary expenses, including the following: indemnification expenses; taxes; fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including any related administrative settlement and judicial review; (viii) fees and expenses incurred in connection with the organization, reorganization, dissolution, winding-up or termination of Client Accounts; (ix) expenses incurred in connection with the offering and sale of the shares or interests in the Client and other similar expenses related to the Client; (x) fees and expenses of related to any applicable advisory committee and (xi) any other reasonable expenses related to the purchase, sale or transmittal of the Clients' assets as will be determined by JANA in its sole discretion.

In addition, research related fees and expenses that the Clients may incur include fees and expenses relating to obtaining research and market data, third party research providers, any compensation paid to individuals considered for nomination, nominated and/or appointed, to the board of a company in which the Client is or was invested (including any compensation paid in relation to serving in such capacity) and any related expenses (including costs incurred in connection with recruiting such persons), proxy related expenses (including proxy solicitors, investment bankers, public relations experts, and costs associated with providing and distributing analysis and other materials), other experts or consultants (including any contingency or success fees associated therewith) that have been reasonably employed by JANA to assist with an investment or prospective investment, and investment and research-related travel expenses (which are travel expenses incurred by JANA related to the purchase or sale of, or due diligence regarding, the Clients' investments (including but not limited to travel related to the engagement with companies, shareholders, proxy advisors, and related parties), whether or not such investments are consummated, including lodging and meals).

The JSI Funds bear expenses relating to their operations and a pro rata share of investment expenses. These expenses may include, as applicable, among other items, brokerage commissions, transfer fees, custodial fees, taxes, banking fees, consulting fees, administrative fees, audit fees, legal fees, costs relating to proxy solicitation services, investment-related travel expenses, and other costs arising out of the execution of transactions.

The expenses identified above are detailed but do not contemplate every possible expense a Client may incur. We do not receive any portion of these expenses and shall not receive a brokerage commission or other compensation attributable to the sale of a security or other

investment product. When expenses are incurred on behalf of multiple Client Accounts, we will use reasonable best efforts to allocate the expenses among the applicable Client Accounts in a fair and reasonable manner; However, it is not always possible or reasonable to allocate expenses related to certain investments to a Client Account because of circumstances surrounding the applicable investment, and, as a result, there may be occasions where Client Accounts do not bear a proportionate share of such expenses.

For an in-depth discussion of the factors that we consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of commissions and compensation for such broker-dealers, please see Item 12, “*Brokerage Practices -- Selection of Broker-Dealers and Reasonableness of Compensation*,” below.

**D. Prepayment of Fees**

In certain cases, Clients pre-pay management fees in advance. If such Client pre-pays a management fee and then terminates its Offering Document before the end of the billing period, such Client may obtain a refund of the unearned portion of the management fee (prorated for the partial period) by contacting us, or the refund will automatically be credited as specified in the relevant Offering Document.

**E. Additional Compensation and Conflicts of Interest**

We do not receive a brokerage commission or any other compensation attributable to the sale of securities or investment products and our personnel do not receive such compensation.

JANA and its affiliates may, from time to time, receive directors' fees or similar fees, payments or compensation (whether in the form of cash, options, warrants, stock or otherwise) in connection with investments made by Client Accounts. These fees, payments, or compensation shall be credited to Client Accounts (upon their reduction to cash, if applicable), on a pro-rata basis if other Client Accounts have invested in the investment generating such payment, in the form of a management fee offset or as may be otherwise agreed by Client Accounts and JANA.

## **ITEM 6**

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

While the specific terms may vary by Client, we typically receive Fees from our Clients in consideration of our provision of Investment Advisory Services. We do not charge Clients any other type of fee, such as an hourly or flat fee. For a more detailed discussion of our performance-based incentive fees and allocations, please see Item 5, “*Fees and Compensation*,” above. As noted in Item 5 above, beginning February 1, 2019, investors in the JANA Partners Funds and JANA Nirvana Funds are no longer charged a management fee following JANA's decision to wind down such Client Accounts.

The performance-based incentive fee or allocation paid to us or our affiliates may create an incentive for us to make investments that are riskier or more speculative than we would otherwise make. In addition, because the incentive fee or allocation is calculated based on unrealized appreciation of a Client's net assets (except as it relates to certain JSI Funds), it may be greater than if such compensation were based solely on realized gains. These conflicts are disclosed in our Offering Documents and are believed to be understood by our Clients.

These conflicts are addressed through rigorous attention given to the management of our Client Accounts and a strict adherence to our policies and procedures relating to trade allocation and the determination of the fair value of Client assets.

**Conflicts of Interest.** We are subject to a number of actual and potential conflicts of interest. We serve as the investment manager to several Client Accounts, described in Item 4, “*Advisory Business*.” Each Client Account may be subject to Fees, liquidity terms and other terms which differ from those of another Client Account. Such differing terms may be more favorable and may include, but are not limited to, terms relating to the ability to redeem capital, access to information (including but not limited to portfolio composition and investment analysis), management and performance fees, and special rights to make future investments in Clients or other investment vehicles or managed accounts managed or advised by JANA. We or our affiliates may also give advice and recommend securities to one or more Client Accounts which may differ from advice given to, or securities recommended or bought for, another Client Account, even though their investment programs may be the same or similar.

While the advice and recommended securities, including the timing of investment decisions, may differ among Client Accounts, in the normal course we do not intend to take opposing positions, other than perhaps for hedging or cash management purposes, in different Client Accounts (e.g., one Client Account holds a long position in an issuer while another Client Account holds a short position).

Each Client Account's portfolio managers are responsible for making investment decisions with respect to such Client Account. In limited circumstances, the co-portfolio managers may delegate certain investment discretion to other personnel of the Firm. Trade orders are implemented by one or more traders, who review the participating Client Accounts and generate orders in accordance with their respective investment restrictions, guidelines and strategies. Generally, orders are generated based on predetermined groupings and target weightings.

Trades are allocated to each Client Account in accordance with JANA's policies and procedures, including JANA's Trading policy. Client Accounts will invest in many of the same securities subject to each Client's investment objectives, policies and restrictions as set forth in its Offering Document, or legal or regulatory considerations. For instance, certain Client Accounts may have investment restrictions or counterparty restrictions which may prevent them from investing in parallel with other Client Accounts or require them to invest through a different type of security.

In determining the allocation amounts, consideration may be given to each participating Client Account's size, diversification, cash availability, investment objectives, and any other relevant factors. If there are insufficient securities to satisfy an order, the partial amount executed normally will be allocated among participating Client Accounts in accordance with the principles set forth above. Please see Item 12, "*Brokerage Practices -- Aggregating Orders for Various Client Accounts*," below.

We may, from time to time and in our sole discretion, offer investors in certain Client Accounts and/or other third-party investors the opportunity to invest in certain other investment vehicles (including co-investment vehicles). We have the sole discretion as to the investment amount that we will accept from investors in these other investment vehicles. In addition, these other investment vehicles may be subject to fees, liquidity terms and other terms that differ from those of our Client Accounts.

Included in the Other Accounts are certain proprietary investment accounts managed by JANA EG, LLC that pursue a different strategy. Other Accounts may have investment objectives, programs, strategies and positions that are similar to, overlap with, are different from or may conflict with those of other Client Accounts, or may compete with or have interests adverse to such other Client Accounts. Such conflicts could affect the prices and availability of securities in which a Client invests. Even if the Other Accounts have investment objectives, programs or strategies that are similar to those of other Client Accounts, JANA may give advice or take action with respect to the investments held by, and transactions of, the Other Accounts that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, the other Client Accounts for a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment of the Other Accounts and the other Client Accounts. For example, JANA may buy an investment for the Other Accounts but not for the other Client Accounts. In addition, JANA may buy or sell the same investments for Client Accounts and the Other Accounts at different times. As a result, Client Accounts and Other Accounts may have substantially different portfolios and investment returns. Conflicts of interest may also arise when JANA makes decisions on behalf of a Client with respect to matters where the interests of one or more Other Accounts differs from the interests of the Client.

From time to time, we may execute cross transactions, typically for portfolio rebalance purposes, between two or more Clients. The use of cross transactions often increases the probability of completing a transaction at a better price by possibly avoiding an unfavorable price movement that may be created through entrance into the market with a purchase or sell order. We may have a potentially conflicting division of responsibilities to both parties of a cross transaction.

We and our officers and employees will devote as much of our time to the Client Accounts as we deem necessary and appropriate. Except as may be provided in an Offering Document, we and our affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities including, but not limited to, subletting or providing office space or services, even though such activities may be in competition with the Client Accounts and/or may involve substantial time and resources. These activities could be viewed as creating a conflict of interest in that the time and effort of us and our officers and employees may not be devoted exclusively to the business of any particular Client Account but may be allocated between the business of the Client Accounts, the management of money for other advisees, and other business activities.

Our officers and employees may acquire or sell securities for their personal accounts (including, but not limited to, investments in private funds or third-party advisers), or the accounts of other individuals including other officers and employees. Such securities may be the same or different as those traded or held by the Client Accounts. We have established policies and procedures governing such trading. Our officers and employees invest, directly or indirectly, in Client Accounts on a no-fee basis. In addition, our officers and employees may gain exposure to the investment strategy followed by the JSI Funds through dedicated investment vehicles that follow the same strategy.

While we select our prime brokers, counterparties and service providers in accordance with our fiduciary obligations to our Clients, from time to time, such parties may also invest in a Client Account managed by us.

Placement agents that may solicit investors for a Client Account are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. All payments made to placement agents for Client or investor referrals will be made in accordance with the provisions of Rule 206(4)-3 under the Advisers Act and any other applicable laws.

For a further discussion of how we address actual and potential conflicts of interest, please see Item 11, “*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*,” below.

## ITEM 7 TYPES OF CLIENTS

JANA currently provides Investment Advisory Services to private investment vehicles and managed accounts, as described in Item 4, “*Advisory Business*” above. Investors in our Clients include high net worth and financially sophisticated individuals, institutional investors, trusts, estates, charitable organizations, banking or thrift institutions, corporations, private and public pension plans, foundations and endowments, fund of funds and government plans.

The JSI Benchmark Funds typically require a minimum investment of \$10,000,000, subject to the discretion of JANA to accept a lower amount. The JSI Funds may require a greater initial minimum investment. Depending upon which exclusion from the definition of “*Investment Company*” under the Investment Company Act that the Client Account relies, investors in the our Clients generally must be “*Accredited Investors*,” and may also need to be “*Qualified Clients*” or may need to be both an “*Accredited Investor*” and a “*Qualified Purchaser*” (as those terms are defined under Federal securities laws). Depending on individual circumstances (including the size, strategy, and level of portfolio servicing), we may impose a different minimum, in our discretion.

The minimum initial investment of other Client Accounts may vary.

**ITEM 8**  
**METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

**A. Methods of Analysis and Investment Strategies**

The JSI Funds and JSI Benchmark Funds pursue a strategy focused primarily on active shareholder engagement. We refer to this strategy as the JANA Strategic Investment (or "JSI") strategy. JSI seeks to capitalize on the value-maximizing strategy of JANA by making significant investments in undervalued public companies and seeking value-creating change to generate enhanced returns across concentrated portfolios. As part of the JSI strategy, we seek to bring about change at companies in which we have invested by either working with management to effect change or, where management is unwilling to do so, pursuing a shareholder activist strategy. We may take actions including but not limited to initiating dialogue with management and potentially shareholders and taking other steps as may be reasonably needed (including, taking a role in management or otherwise influencing control), through an investment in the voting securities or other securities of public companies.

Our approach to active shareholder engagement is based on a disciplined strategy we call "V-cubed": we seek out activist targets that have valuation support irrespective of activist success; where the votes of other shareholders can be obtained if necessary; and which offer various ways for us to be successful.

JSI is a long-only investment strategy and investments span a broad spectrum of industries, typically located in North America or Western Europe and typically with market capitalizations in excess of \$500 million.

While the investment program for Series A and Series B of the JSI Benchmark Funds are generally the same (other than with respect to net cash holdings, as described below) each series shall be treated as separate and distinct Clients or Client Accounts for allocation, investment and accounting purposes. The JSI Benchmark Funds seek to minimize its net cash holdings relating to Series A by investing in instruments tracking the S&P 500 Total Return Index (including, without limitation, S&P 500 futures, exchange traded fund shares, swaps and options), and may take other positions in order to hedge currency risk. The net cash holdings relating to Series B are held in cash or cash equivalents.

Our investment team conducts fundamental market research and draws on diverse sources of information such as company reports, research from third parties, press releases, prospectuses, SEC filings, financial and trade newspapers and magazines, government and trade association data, scholarly journals, market data, on-line quotation services and databases compiled by government agencies and others, and meetings with management, suppliers, competitors and industry consultants.

As noted above in Item 2, JANA is in the process of winding down the JANA Partners Funds and the JANA Nirvana Funds.

## **B. Risk of Loss**

Investing with us involves significant risks and is suitable only for those investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. There can be no assurance that Clients will achieve their investment objective. An investment with us carries with it the inherent risks associated with investments in equity securities, corporate debt, and other instruments.

### **Risk Factors**

Subject to the applicable Offering Documents, prospective investors should carefully consider the risks involved in an investment with us, including, but not limited to, those discussed below. Prospective investors should consult their own legal, tax, and financial advisers as to all of these risks and as to an investment with us generally.

**Highly Concentrated.** Certain Client portfolios are expected to have higher position concentrations than many investment funds, including other funds and accounts managed by JANA. Certain Clients' overall return may depend in part on the success of certain concentrated positions from time to time. Certain Client's assets are expected to become highly concentrated within a particular company, industry, asset category, trading style or financial or economic market. In that event, a Client's portfolio will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular company, industry, asset category, trading style or economic market, than a less concentrated portfolio would be. As a result, such Client's aggregate return may be volatile and may be affected substantially by the performance of only one or a few holdings. JANA generally will not hedge its positions.

**Long-Only, Not Market-Neutral.** Our Clients' largest positions will tend to be long positions. The success of our Clients' investments depends upon JANA's ability to identify and purchase securities that are undervalued and its ability to effect value-creating change. The identification of investment opportunities in the implementation of a Client's long-only investment strategy is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying a Client's positions were to fail to converge toward, or were to diverge further from values expected by JANA, a Client may incur a loss. In addition, the correlation of a Client's portfolio to the overall market and exposure to adverse markets may be higher than for other alternative strategies.

**Idle Funds.** From time to time, a significant portion of certain Clients' assets may be held in cash and cash equivalents. The investment returns on such "idle funds" may not meet the overall return objective JANA seeks through a Client's investment program. To the extent a Client holds a significant portion of its assets in cash and cash equivalents, the investment returns of such Client may be adversely impacted.

**Operating History.** The past investment performance of JANA, its partners, principals or employees or other entities with which we may have been affiliated is not an indication of the future results of any Client Account. A Client's investment program should be evaluated on the



basis that there can be no assurance that our assessments of the short-term or long-term prospects of investments will prove accurate or that a Client's investment program will prove successful.

**Activist Investing.** Activist investing may prove ineffective for a variety of reasons, including, among other things: (i) opposition of management or shareholders of the subject company, which may result in the inability of JANA to successfully execute its investment strategy; (ii) efforts by the subject company to pursue a defensive strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; and (iii) market conditions resulting in material changes in securities prices. Successful execution of activist investing may depend on the active cooperation of shareholders and others with an interest in the subject company. Securities which JANA believes are fundamentally undervalued or incorrectly valued may not ultimately be valued at the price and/or within the time frame that JANA anticipates even if activist investing is successfully implemented.

**Non-U.S. Investments.** Investing in securities of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Client's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, a Client may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce a Client's rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC, the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to a Client under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

**Competition.** The markets in which Client Accounts invest is competitive and some of the opportunities that JANA may explore may be pursued by better known investors including other investment funds. There can be no assurance that JANA will be able to identify or successfully pursue such opportunities in this environment. Our Clients compete with many firms that have substantially greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to JANA.

**Short-Swing Liability and Other Limitations.** From time to time, a Client, acting alone or as part of a group, may acquire beneficial ownership of more than 10% of a certain class of securities of a public company, or may place a director on the board of directors of such a

company. As a result, under Section 16 of the Securities Exchange Act of 1934, as amended, a Client may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. In addition, in such circumstances the Client will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Other jurisdictions in which a Client trades may have similar laws that may be triggered at different levels of holdings.

**Inside Information.** From time to time, we or our affiliates, or members of a group of investors or managers with which we are acting, may work with the management team of a company in which a Client has invested or proposes to invest in order to design an alternate strategic plan and assist them in its execution, and may secure the appointment of persons selected by us or other members of the group to the company's management team or board of directors. In the course of such activities, we may come into possession of material, non-public information concerning such company, and the possession of such information may limit our ability to cause a Client to buy or sell the securities issued by such company. Therefore, a Client may be required to refrain from buying or selling such securities at times when we might otherwise wish to cause the Client to buy or sell such securities.

**Leverage.** A Client may leverage its securities positions by borrowing funds from securities broker-dealers, banks or others. This leverage increases both the possibilities for profit and the risk of loss on any securities position so leveraged. The amount of borrowings which a Client may have outstanding at any time may be large in relation to its capital. The amount of a Client's borrowings and the interest rates on those borrowings, which may fluctuate from time to time, will have a marked effect on the Client's results of operations.

**"Master-Feeder" Structure.** Certain Client Accounts are structured as "feeder funds." A feeder fund ("*Feeder Fund*") generally will invest substantially all of its capital in the corresponding master fund ("*Master Fund*"). The "master-feeder" fund structure, in particular the existence of multiple Feeder Funds investing in a Master Fund, presents certain risks. Smaller Feeder Funds may be materially affected by the actions of larger Feeder Funds.

While we generally will not consider tax issues applicable to any particular investors, we generally will take into account the tax positions of a Feeder Fund that invests in a Master Fund. However, the use of a "master-feeder" structure may create a conflict of interest in that different tax considerations for other Feeder Funds may cause or result in the corresponding Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one Feeder Fund or its investors.

**Effect of Withdrawal or Redemption of Investment in a Client Account.** Investors may have a sizeable investment in a Client Account. A withdrawal or redemption by an investor of a significant portion of their investment, at any time when their investment represents a substantial portion of the total assets of a Client Account, could have a material adverse impact on such Client Account. Significant redemptions from Client Accounts may have a similar impact. For example, actions taken to meet substantial redemption requests from a Client Account could decrease the prices of securities held by that Client Account while increasing the Client Account's expenses (e.g., transaction costs). Client Accounts may also participate in investment

opportunities where JANA must commit to an investment in advance of closing on or acquiring such investment (e.g., investments that are contingent upon the occurrence of certain events, such as the consummation of a merger). JANA may allocate such contingent investments among the Client Accounts in accordance with their respective net asset values (subject to applicable guidelines and allocation policies) at the time of closing or acquisition. Capital inflows and outflows with respect to Client Accounts prior to the closing or acquisition of such investments will impact JANA's allocations among Client Accounts, and may result in Client Accounts being allocated a larger or smaller proportion of such investments than it would have been allocated at the time a Client Account committed to participate in such investment.

**Illiquidity.** Because of the limitations on withdrawal or redemption rights and the fact that shares or interests are not tradable, an investment in a Client Account is a relatively illiquid investment and involves a high degree of risk. A subscription for shares or interests in a Client Account should be considered only by persons financially able to maintain their investment and who can afford the loss of all or a substantial part of such investment. Furthermore, a Client Account may hold investments of an illiquid nature which may be difficult to sell except at substantially discounted prices in the event the Client Account has need to monetize such investments to meet investor withdrawals or redemptions.

**Different Rights.** Certain investors may invest on terms that differ from the terms generally applicable to other investors and, in addition to the other classes and series of interests that exist with differing fee and liquidity terms, other classes or series of interest may be established with terms that differ. JANA and its affiliates manage (and may in the future manage) Client Accounts with the same (or a similar or overlapping) investment program as another Client Account under terms that differ. Such waivers, modifications or grants of special or more favorable rights of interest may be effected by a Client, or in some cases by us, through agreements without notice to, or consent of, other investors. Such differing terms may be more favorable and may include, but are not limited to, terms relating to the ability to withdraw capital, access to information (including but not limited to portfolio composition and investment analysis), management and performance-based incentive fees, and special rights to make future investments in a Client Account. Such modifications may in some cases be based upon, among other things, the size of an investor's investment, an agreement by an investor to maintain such investment for a specified period of time, a transfer from a Client Account, or other commitments by an investor. Although certain investors may invest with different material terms, we generally will only offer terms if we believe other investors will not be materially disadvantaged. Partners and employees of JANA also invest on terms that differ from those of investors.

**Equity Securities Generally.** The value of equity securities of public, listed companies generally varies with the performance of the issuer and movements in the equity markets. As a result, a Client Account may suffer losses if it invests in equity instruments of issuers whose performance diverges from JANA's expectations or if equity markets generally move in a single direction and a Client Account has not hedged against such a general move.

**Call and Put Options.** A Client Account may incur risks associated with the sale and purchase of call options and put options. Under a conventional cash-settled option, the purchaser of the option pays a premium in exchange for the right to receive upon exercise of the option (i) in the

case of a call option, the excess, if any, of the reference price or value of the underlier (as determined pursuant to the terms of the option) above the option's strike price or (ii) in the case of a put option, the excess, if any, of the option's strike price above the reference price or value of the underlier (as so determined). Under a conventional physically-settled option structure, the purchaser of a call option has the right to purchase a specified quantity of the underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the underlier at the strike price.

A purchaser of an option may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option's time value (i.e., the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser's ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of the transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the "style" of the option.

Uncovered option writing (i.e., selling an option when the seller does not own a like quantity of an offsetting position in the underlier) exposes the seller to potentially significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call may incur large losses if the reference price or value of the underlier increases above the exercise price by more than the amount of any premiums earned. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier.

**Index or Index Options.** The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether a Client Account will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

**Exchange-Traded Funds.** Exchange-traded funds ("ETFs") are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their

proportionate share of a Client's expenses (e.g., Management Fees and operating expenses), investors may also indirectly bear similar expenses of an ETF.

**Access to Information and Effect on Withdrawals.** JANA will offer certain investors in Client Accounts additional information and reporting that other investors will not receive. Investors may be able to act on such additional information and withdraw or redeem (as applicable) their capital potentially at higher values than other investors. Any such withdrawals or redemptions may result in reduced liquidity for other investors and those withdrawals or redemptions may reduce the overall performance of Client Accounts. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the information provided by JANA is sufficient for its needs and must accept the foregoing risks.

**Importance of the Adviser.** The authority to make decisions and to exercise business discretion on behalf of a Client is delegated to us. The success of a Client Account is therefore expected to significantly depend on the expertise of Barry Rosenstein and certain other of our key personnel. Therefore, the death, incapacity or withdrawal of Mr. Rosenstein or such other personnel could materially adversely affect a Client Account, including by triggering a material number of investor withdrawals or redemptions. In such event, we may in our sole discretion take certain actions to ensure the orderly administration of such withdrawal or redemption requests, which may include, if we determine following such event that it has become unreasonable or impracticable to dispose of investments sufficient to meet such withdrawal or redemption requests, suspending all withdrawals or redemptions for a reasonable period, which we expect would not exceed two quarters from the next withdrawal or redemption date following such event, and in no event shall exceed four quarters from the next withdrawal or redemption date except upon the occurrence of an unrelated event under which we may otherwise suspend withdrawals or redemptions.

**No Limitations on Investments.** JANA may employ such trading methods as it, in its sole discretion, determines and may alter a Client Account's portfolio at any time and from time to time, without the approval of, or notice to, any investor. Except as set forth in the applicable Offering Documents, a Client Account will not be restricted with respect to the size of or types of positions that may be taken or the percentage of a Client Account's assets that may be employed for different types of investment or trading activities.

**Transaction Costs.** The conduct of a Client's investment activities may involve a high level of trading, and the turnover of its securities portfolio in the aggregate may generate substantial transaction costs. These costs must be borne by the Client regardless of the profitability of the Client's investment activities.

**Performance-Based Incentive Fee or Allocation.** The performance-based incentive fee or allocation made to us or our affiliates may create an incentive for us to make investments that are riskier or more speculative than we would otherwise make. In addition, because the performance-based incentive fee or allocation is calculated on a basis which includes unrealized appreciation of a Client's net assets (except as it relates to certain JSI Funds), it may be greater than if such compensation were based solely on realized gains.

**Absence of Regulatory Oversight.** Typically, our Client Accounts are not registered under the Investment Company Act (in reliance upon an exemption available to privately offered investment companies and other applicable exemptions), and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be applicable. We are currently registered as an investment adviser under the Advisers Act.

**Significant Percentage of Less-Liquid Securities.** Client Accounts may hold less-liquid securities, which are securities that do not allow ease of exit under normal trading conditions. Although we expect that the enhanced return potential of such positions will justify the sacrifice of liquidity, such positions may be difficult to accumulate and to liquidate at prevailing market prices.

**Hedging Transactions.** A Client Account may, but is not obligated to, utilize financial instruments such as forward contracts, options, interest rate swaps, caps and floors to seek to hedge against changes in currency exchange rates. Hedging against such a change does not eliminate fluctuations in the values of portfolio positions or prevent losses due to changes in currency exchange rates. Such hedging transactions also limit the opportunity for gain if the value of the hedged rate of currency exchange moves favorably.

**Possibility of Taxation of Income without Corresponding Distribution.** A Client Account may derive income from its investments that is not matched by corresponding distributions of cash. As a result, a Client Account's income tax liabilities with respect to its income in a particular tax year could exceed the cash distributions to such Client Account for such year.

**Counterparty Default.** The stability and liquidity of repurchase agreements, swap transactions, forward transactions, and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. We monitor the creditworthiness of firms with which we enter into over-the-counter derivatives. If there is a default by the counterparty to such a transaction, we will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of a Client being less than if the Client had not entered into the transaction. If one or more of a Client's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code) or elsewhere, there exists the risk that the Client may not recover its securities and other assets from such prime broker or broker-dealer or that such recovery will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, a Client may use counterparties located in jurisdictions outside the United States. Such local counterparties are subject to the laws and regulations in foreign jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a Client's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the

range of possible factual scenarios involving the insolvency of any counterparty, it is impossible to generalize about the effect of their insolvency on a Client and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to the investor, which could be material.

**Business and Regulatory Risks of Hedge Funds.** The legal, tax and regulatory environment worldwide for private investment funds and their managers is evolving, and changes in the regulation of private investment funds, their managers and their trading and investing activities may have a material adverse effect on our ability to pursue our investment program and the value of investments held by us. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict our ability to pursue our investment program or employ brokers and other counterparties could have a material adverse impact on a Client's portfolio. In addition, subject to restrictions set forth under any applicable Offering Documents, we may, in our sole discretion, cause a Client to be subject to certain laws and regulations if we believe that an investment or business activity is in the Client's interest, even if such laws and regulations may have a detrimental effect on one or more Clients.

**Regulation in the Derivatives Industry.** There are many rules related to derivatives that may negatively impact a Client Account, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter ("OTC") instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional "know your counterparty" obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of JANA and a Client Account, and increase the amount of time that JANA spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to a Client Account.

Many of these requirements were implemented pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") has had a significant impact on the derivatives industry. The Dodd-Frank Act divides the regulatory responsibility for derivatives in the United States between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The CFTC has regulatory authority over "swaps" and the SEC has regulatory authority over "security-based swaps." As a result of this bifurcation and the different pace at which the agencies have promulgated necessary regulations, different transactions are subject to different levels of regulation in the United States. Though many rules and regulations have been finalized, there are others that are still in the proposal stage and more that will be introduced. In addition, there has been and will be extensive rulemaking related to derivative products by non-U.S. regulatory authorities. Differences between regulatory regimes may make it more difficult or costly for dealers, prime brokers, futures commission merchants ("FCMs"), custodians, exchanges, clearinghouses and other entities, such as a Client Account, to comply with and follow various regulatory regimes. There are significant legal, operational, technological and trading implications that result from the Dodd-Frank Act and related rules and regulations that may make it difficult or impossible for a Client Account to enter into otherwise beneficial transactions.

**The EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories.**

In parallel with the Dodd-Frank Act and other initiatives in the U.S., steps are also being taken to regulate derivatives contracts in the European Union (the “EU”). European Union Regulation No. 648/2012 on over-the-counter derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or “EMIR”) introduces uniform requirements with respect to derivative contracts. EMIR’s requirements include (i) mandatory clearing of over-the-counter derivatives contracts by regulated central clearing counterparties, (ii) the reporting of over-the-counter derivatives contracts and the reporting of exchange traded derivatives contracts to regulated trade repositories and (iii) requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational counterparty credit risk with respect to over-the-counter derivatives contracts which are not subject to mandatory clearing. These requirements include the posting and segregation of collateral.

Since EMIR is being implemented in phases by the adoption of delegated acts by the European Commission, not all of which have been proposed or finalized to date, it is difficult to predict the precise impact of EMIR on our Clients.

The EU regulatory framework relating to derivatives is set not only by EMIR but also by the “recast” of the Markets in Financial Instruments Directive (known as “MiFID II”). MiFID II, which takes effect from January 3, 2018, is expected to have a significant impact on the European capital markets. MiFID II increases regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II has brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets, and may result in significant increases in transaction costs. Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of JANA to execute the investment program.

The changes in the regulation of derivatives in Europe may in due course require our Clients to revise their operational procedures, employ third party service providers to effect the new requirements and make it difficult for JANA to execute the investment strategy of its Clients.

**Increased Regulatory Oversight.** The financial services industry generally, and the activities of hedge funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase our exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on us, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert our time, attention and resources from portfolio management activities.



In addition, it is anticipated that, in the normal course of business, our officers and employees will have contact with governmental authorities, and/or be subjected to responding to questionnaires or examinations. A Client may also be subject to regulatory inquiries concerning its positions and trading.

**Current Political and Economic Conditions in European Countries.** Certain European countries are currently experiencing varying degrees of financial and/or political distress. Risks from the debt crisis in Europe could result in a disruption of the financial markets, which could have a detrimental impact on global economic conditions. Recently, contagion fears have expanded in certain European countries, and credit spreads widened further in European peripheral countries and European banks. There remains considerable uncertainty as to future developments in the European debt crisis and the impact on global financial markets. A significant deterioration of the European debt crisis or of the political and social stability in the region could result in material reductions in the value of sovereign debt and other asset classes, disruptions in capital markets, widening of credit spreads, loss of investor confidence in the financial services industry, a slowdown in global economic activity, and other adverse developments that could negatively affect the performance of Client Accounts.

**Brexit.** The United Kingdom has notified the European Council of its intention to withdraw from the European Union. The ongoing withdrawal process could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the European Union, the European Economic Area and globally. It is not possible to ascertain the precise impact these events may have on Client Accounts from an economic, financial or regulatory perspective, but any such impact could have material consequences for our Clients.

**Alternative Investment Fund Managers Directive.** The Alternative Investment Fund Managers Directive (the “*AIFM Directive*”) took effect across the European Union (“*EU*”) on July 22, 2013. The AIFM Directive regulates (i) alternative investment fund managers (“*AIFM*”) based in the EU, (ii) the management of any alternative investment fund (“*AIF*”) established in the EU (irrespective of where an AIF's AIFM is based), and (iii) the marketing in the EU of the securities of any AIF, such as our Client Accounts, whether conducted by an EU AIFM, a non-EU AIFM or a third party. Shares will only be issued to those EU investors who subscribe to JANA at their own initiative pursuant to a bona fide “reverse solicitation” request made to JANA. “Reverse solicitation” is outside the scope of the AIFM Directive and remains permissible in EU jurisdictions subject to jurisdiction-specific rules and/or guidance.

**Systemic Risk.** Credit risk may arise through a default by or because of one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by or because of one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a “*systemic risk*” and may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which we interact. A systemic failure could have material adverse consequences on us and on the markets for the securities in which we seek to invest.

**Systems and Operational Risks.** We develop and implement appropriate systems for our Clients’ activities. We rely heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets

and to evaluate certain securities, to monitor our portfolios and capital, and to generate risk management and other reports that are critical to oversight of our activities. Certain of our activities will be dependent upon systems operated by third parties, including prime brokers, administrators, market counterparties and other service providers, and we may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by us, prime brokers, administrators, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in our operations may cause a Client to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on our Clients.

**Cybersecurity Risk.** As part of its business, JANA processes, stores and transmits large amounts of electronic information, including information relating to the transactions of its Client Accounts and personally identifiable information of its investors. Similarly, our service providers, especially the Administrator, may process, store and transmit such information. JANA has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to JANA may be susceptible to compromise, leading to a breach of our network. JANA's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services we provide to investors may also be susceptible to compromise. Breach of JANA's information systems may cause information relating to transactions and personally identifiable information of our investors to be lost or improperly accessed, used or disclosed.

Our service providers are subject to the same electronic information security threats as we are. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to transactions and personally identifiable information of our investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of our proprietary information may cause JANA to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on any or all of the Client Accounts and their investments.

**Dependence on Service Providers.** Our Client Accounts are dependent on certain counterparties and third-party service providers described in the applicable Offering Documents. Errors are inherent in the business and operations of any business, and although we have adopted measures to prevent and detect errors by, and misconduct of, counterparties and third-party service providers, and transact with counterparties and third-party service providers we believe

to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the effected Client Accounts.

**Fair Value Measurements and Disclosures.** Our Clients' assets and liabilities are valued in accordance with our valuation policies and procedures, as may be amended from time to time (the "*Valuation Policy*"). Specifically, for purposes of GAAP-compliant financial reporting, we are required to follow a specific framework for measuring the fair value of our Clients' assets and liabilities, and are required to provide certain additional disclosures regarding the use of fair value measurements in our audited financial statements. Financial Accounting Standards Board ("*FASB*") Accounting Standards Codification ("*ASC*") 820, formerly known as FAS 157 ("*ASC 820*"), defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Other valuation-related requirements are contained in other provisions of GAAP, and sections of the codification. Additional FASB ASCs and updates and additional provisions of GAAP that may be adopted in the future may also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting. Generally, accounting rules (including ASC 820) applicable to investment funds and various assets in which they invest are evolving. Such changes may adversely affect the Clients. For example, the evolution of rules governing the determination of the fair market value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of fair market value.

**Accounting Changes; Effect on Net Asset Value.** Pursuant to FASB ASC 740, formerly known as FIN 48 ("*ASC 740*"), which provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements, we are required to determine whether a tax position, based on its technical merits, meets a more-likely-than-not recognition threshold that the position will be sustained upon examination. As a result of such a determination, we may be required to recognize a contingent tax liability in our net asset value calculation if the related tax position meets the recognition criterion in ASC 740 and, conversely, may be required to unrecognize a contingent tax liability in its net asset value calculation if the related tax position does not meet the recognition criterion in ASC 740. In addition, the net asset value may be adjusted if an uncertain tax position is settled. Since the adoption of ASC 740, we may be required to recognize in our financial statements contingent liabilities that under prior custom and practice in the industry would not have been recognized. Such contingent liabilities may also relate to time periods that predate a Client's investment with us. Recognition and measurement of each tax position, including any tax position for which there is a lack of authority and audit experience, should be based on the facts and circumstances known at the time. There can be no assurance that any such determination will not change over time. Adjustments made to the net asset value in connection with the recognition or unrecognition of contingent tax liabilities may have a material positive or negative effect on certain Clients, depending on the circumstances.

**De Minimis Commodity Interest Trading.** Certain Client Accounts will operate subject to U.S. Commodity Futures Trading Commission ("*CFTC*") Rule 4.13(a)(3), which, among other things, generally requires certain Client Accounts to have de minimis commodity interest trading. Accordingly, certain Client Accounts will operate with significant restrictions upon its

trading of the instruments that are restricted under CFTC Rule 4.13(a)(3), such as commodity futures, security futures options thereon and certain swaps. As a substitute for such instruments, certain Client Accounts may trade other instruments that are not restricted under CFTC Rule 4.13(a)(3). Certain Client Accounts may incur higher transaction costs or effect a less optimal hedge than it would otherwise be able to if it were not operated subject to CFTC Rule 4.13(a)(3). In the event that the exemption under CFTC Rule 4.13(a)(3) is modified or rescinded, absent an applicable exemption, JANA, with respect to certain of its Client Accounts, may elect or be required to register with the CFTC as a commodity pool operator.

**Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments.** In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, certain of our Client Accounts have registered with the U.S. Internal Revenue Service (the “*Service*”) and generally will be required to identify and report information with respect to certain direct and indirect U.S. account holders (including debtholders and equityholders). The Cayman Islands has signed a Model 1B (non-reciprocal) inter-governmental agreement with the United States (the “*US IGA*”) to give effect to the foregoing withholding and reporting rules. So long as JANA and its Client Accounts comply with the US IGA and enabling legislation, they will not be subject to the related U.S. withholding tax.

A non-U.S. investor in a Client Account will generally be required to provide information which identifies its direct and indirect U.S. ownership. Under the US IGA, any such information provided will be shared with the Cayman Islands Tax Information Authority or its delegate (the “*Cayman TIA*”). The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-U.S. investor that is a “foreign financial institution” within the meaning of Section 1471(d)(4) of the IRC will generally be required to timely register with the Service and agree to identify and report information with respect to certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information, or timely register and agree to identify or report information with respect to such account holders (as applicable), may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments, and certain action may be taken to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Investors should consult their own tax advisors regarding the possible implications of these rules on their investments.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Client Account. Please refer to the respective Offering Documents for a more detailed description of such risks.

### **C. Recommendation of a Particular Type of Security**

We do not recommend any particular type of security. There are no material limitations on the types of securities in which we may invest on behalf of our Clients (subject to any limitations or restrictions set forth in the relevant Offering Documents).

**ITEM 9**  
**DISCIPLINARY INFORMATION**

To the best of our knowledge, there are no legal or disciplinary events that are material to our Clients' evaluation of our advisory business or the integrity of our management.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. Broker-Dealer Registration**

Neither we nor our management personnel (i) are registered as broker-dealers or (ii) have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

**B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration**

Neither we nor our management personnel (i) are registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing; or (ii) have any application pending to register with respect to any of the foregoing.

**C. Material Relationships and Conflicts of Interests with Industry Participants**

Our relationships and arrangements with our various Clients and other industry participants are material to our advisory business and may raise actual or potential conflicts of interest. Please see Item 6, “*Performance-Based Fees and Allocations and Side-By-Side Management – Conflicts of Interest*,” above. Prospective investors should carefully consider the risks involved in an investment with us, including, but not limited to, those discussed below. Prospective investors should consult their own legal, tax and financial advisers as to all of these risks and as to an investment with us generally.

**Multiple Client Accounts and Fund Governance.** As mentioned previously, we and our affiliates provide Investment Advisory Services, directly or through our affiliates, to multiple Client Accounts. Certain affiliates of JANA, including JANA Capital LLC, JANA Nirvana Capital LLC and JANA Special Situations Capital, LLC, act as general partner to certain of the Client Accounts. Certain investment professionals of JANA may serve on the board of directors of private or public corporations in connection with investments made by Client Accounts. In certain circumstances, such services may restrict our ability to make investment decisions that otherwise would be in one or more Clients’ interests.

We expect to act as the investment manager to other investment vehicles and accounts in the future. There is no limit on the number of vehicles or accounts that we may manage or advise. Further, we and our personnel may have investments in certain of our Client Accounts. As a result of the foregoing, we may have conflicts of interest in (i) allocating the time and resources of our personnel between and among Client Accounts, (ii) allocating investment opportunities between and among Clients Accounts, and (iii) effecting transactions between Client Accounts, including Clients in which we or our personnel may have different financial interests.

Please see Item 6, “*Performance-Based Fees and Side-By-Side Management*,” above.

**Affiliation with Relying Advisers**

*JANA Special Situations Management, LP*

JANA Special Situations Management, LP, a relying adviser, is an investment manager and provides Investment Advisory Services to the JSI Funds and the JSI Benchmark Funds. As compensation for these services, these Clients pay JANA Special Situations Management, LP a management fee. An affiliate of JANA serves as the general partner of JANA Special Situations Management, LP.

#### *JANA EG, LLC*

JANA EG, LLC, a relying adviser, provides Investment Advisory Services to certain proprietary investment accounts that pursue other strategies than JANA Partners Funds, JANA Nirvana Funds, the JSI Funds, and the JSI Benchmark Funds. The managing member of JANA EG, LLC is JANA Impact Capital, LLC, which is controlled by JANA Partners LLC.

JANA Partners LLC and each of our relying adviser operate under a single code of ethics adopted in accordance with rule 204A-1 under the Advisers Act and a single set of written policies and procedures adopted and implemented in accordance with rule 206(4)-(7) under the Advisers Act that are administered by a single Chief Compliance Officer.

**Broker-Dealers and Other Service Providers.** While we select our prime brokers, counterparties and service providers in accordance with our fiduciary obligations to our Clients, from time to time, such parties may invest in Client Accounts managed by us.

**Placement Agents.** Placement agents that we may engage to solicit investors for a Client Account are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. For a more detailed discussion of our engagement of placement agents, please see Item 14, “*Client Referrals and Other Compensation*,” below.

**Other Investment Activities.** Our officers and employees may also passively invest in other private funds managed by third party advisers and in some cases may obtain economic interests in such third-party advisers.

**How We Address Potential Conflicts of Interest.** To address potential conflicts of interests in our material relationships, we have adopted certain policies and procedures, including a Code of Ethics. For a more detailed discussion of our Code of Ethics, please see Item 11, “*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*,” below.

Each officer’s or employee’s obligation to conduct our business in an honest and ethical manner includes the ethical handling of actual, apparent, and potential conflicts of interest between personal and business relationships. This includes full disclosure of any actual, apparent or potential conflicts of interest.

As a fiduciary, we have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interest of our Clients. Compliance with this duty can be achieved by avoiding conflicts of interest or, when impracticable to do so, by fully disclosing all material facts concerning any conflict that does arise with respect to any Client and following appropriate procedures designed to minimize any such conflict. Our officers and employees must try to avoid situations that have even the appearance of conflict or impropriety.

Our officers and employees are prohibited from trading, either personally or on behalf of others, while in possession of material, nonpublic information where it would be unlawful to do so. Our officers and employees are required to comply with the provisions of our Insider Trading Policy.

As a fiduciary, we have an obligation to execute and allocate Client trade orders in a timely and efficient manner, including but not limited to: (i) seek best execution for all trades; (ii) trade securities in a manner that is fair and equitable to all Clients; and (iii) exercise diligence and care throughout the trading process. For an in-depth discussion of the factors that we consider in selecting or recommending broker-dealers for Client transactions, please see Item 12, *“Brokerage Practices - “Selection of Broker-Dealers and Reasonableness of Compensation,”* below.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

Except as disclosed in Item 10, *“Other Financial Industry Activities and Affiliations,”* we do not recommend or select other investment advisers for our Clients.



**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**  
**AND PERSONAL TRADING**

Our goal is not just to comply with the laws and regulations that apply to our business; we also strive to abide by the highest standards of business conduct. In recognition of this, we have adopted a written Code of Ethics (the “*Code of Ethics*”), pursuant to Rule 204A-1 under the Advisers Act, designed to reinforce and enhance our ethical way of doing business and, in particular, to ensure compliance with the Advisers Act.

The Code of Ethics sets forth the standards of business conduct that reflect our fiduciary obligations to our Clients. The Code of Ethics requires that our officers and employees act with honesty and integrity, adhere to the highest ethical standards and comply with applicable laws and regulations. The Code of Ethics is based on the principle that we and our officers and employees owe a fiduciary duty to Clients to ensure that officers and employees conduct their personal securities transactions in a manner that does not interfere with Client transactions or otherwise take unfair advantage of our relationship with our Clients.

Officers and employees are required to report any violations of the Code of Ethics or of applicable Federal securities laws to the Chief Compliance Officer, and they are encouraged to consult the Chief Compliance Officer with respect to any transaction that may violate the Code of Ethics. A copy of our Code of Ethics is available to Clients and prospective Clients by (i) writing to JANA Partners LLC, 767 Fifth Avenue, 8th Floor, New York, New York 10153, Attention: Legal and Compliance, or (ii) contacting our Chief Legal Officer and Chief Compliance Officer, Jennifer Fanjiang, at (212) 455-0900 or [compliance@janapartners.com](mailto:compliance@janapartners.com).

Conflicts of interest may occur when we, our affiliates, officers or employees (or their immediate family members), invest in the same securities, trade in the same securities at or about the same time, or have a material financial interest in the same securities that we recommend to our Clients. For example, we or our officers or employees invest in the Clients or may gain exposure to the investment strategy followed by various Clients through dedicated investment vehicles that follow the same strategy. As a result, such persons will hold an indirect interest in the same securities as other investors in the Clients. These investments could pose a conflict of interest with other Client Accounts because officers or employees may be motivated to allocate time, attention, and/or investment opportunities to a particular Client Account at the expense of other Client Accounts. In addition, certain of our officers or employees may own securities in their personal accounts that we also have recommended to our Clients. Our Code of Ethics has been designed to limit conflicts of interest in cases where we or any of our officers or employees, buy, sell or otherwise have an interest in, securities we have recommended to our Clients.

We or our affiliates may give advice and recommend securities to certain Client Accounts which may differ from advice given to, or securities recommended or bought for, other Client Accounts, even though their investment programs may be the same or similar.

As discussed in Item 6, “*Performance-Based Fees and Side-By-Side Management – Conflicts of Interest*,” above, we may cross securities and/or cash between Client Accounts for purposes of rebalancing Client Accounts' investments or any other purpose when such transactions would be

appropriate taking into account each Client Accounts' investment/risk parameters, assets under management, liquidity, intended strategy, or overall portfolio composition and portfolio exposure. We also may engage in principal transactions, where we or an affiliate purchases a security from or sells a security to a Client. In such cases, we would obtain the Client's separate consent to each principal transaction (*i.e.*, on a transaction-by-transaction basis). We have adopted policies and procedures to ensure that cross trades are done in a manner that is equitable to the Client Accounts involved.

We have adopted an Insider Trading Policy which states that no person to whom the policy applies may trade, either personally or on behalf of others (including our Clients), while in possession of material nonpublic information where it would be unlawful to do so, nor may any of our personnel communicate material nonpublic information to others in violation of the law.

Our personal trading policies are part of our Code of Ethics. For a description of our Code of Ethics, please see the foregoing discussion in this Item 11. The fiduciary principles that govern our personal investment activities reflect, at a minimum, the following: (1) the duty at all times to place the interests of the Clients first; (2) the requirement that all personal securities transactions be conducted consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; (3) the fundamental standard that investment personnel should not take inappropriate advantage of their positions; and (4) the requirement that investment personnel comply with applicable Federal securities laws. Generally, the Code of Ethics requires that our officers, employees and other applicable persons receive written approval prior to effecting any personal securities transactions (other than transactions in open-end mutual funds, exchange-traded funds and other excluded securities as set forth in the Code of Ethics).

We maintain a “*Restricted List*” of companies about which a determination has been made that it is prudent to restrict trading activity. Generally, trades will not be allowed for our Clients, or for the personal accounts of our officers or employees, in the securities of a company appearing on the Restricted List, except with prior approval.

In addition, our officers or employees and other applicable persons must provide our Chief Compliance Officer with (i) their personal securities holdings at the commencement of employment and annually thereafter, (ii) monthly or quarterly personal brokerage statements, and (iii) quarterly reports of any reportable personal securities transactions.

We also have policies in place to monitor political contributions and certain political activities of our employees. In addition, our compliance policies contain detailed rules concerning rumors, supervision, gifts and entertainment, outside business activities, employee screening, and the use of computers.

## ITEM 12 BROKERAGE PRACTICES

Pursuant to the relevant Offering Documents, we are generally authorized to select the broker or dealer to effect transactions on behalf of our Clients; however, our selection of the broker or dealer may be tailored to a particular Client's investment guidelines or restrictions, where appropriate. Accordingly, portfolio transactions will be allocated to brokers based on best execution and in consideration of such broker's provision or payment of the costs of research and other services.

### **A. Selection of Broker-Dealers and Reasonableness of Compensation**

Consistent with our fiduciary duty to Clients, we have an obligation to seek the best price and execution of Client securities transactions when we are in a position to direct brokerage transactions. While not defined by statute or regulation, "*best execution*" generally means the execution of Client trades at the best net price considering all relevant circumstances.

We will place trades for execution only with approved brokers or dealers. When selecting a broker for execution, JANA's trading desk considers the full range and quality of a broker-dealer's services, including price offered, execution capability, commission rate, the value of research provided, financial responsibility and responsiveness to our inquiries. The factors we consider in selecting and approving brokers-dealers that may be used to execute trades include, but are not limited to:

- Quality of execution - accurate and timely execution, clearance and error/dispute resolution
- Reputation, financial strength, and stability
- Block trading and block positioning capabilities
- Willingness to execute difficult transactions
- Willingness and ability to commit capital
- Access to underwritten offerings and secondary markets
- Ongoing reliability
- Overall costs of a trade (*i.e.*, net price paid or received) including commissions, mark-ups, mark-downs or spreads in the context of our knowledge of negotiated commission rates currently available and other current transaction costs
- Nature of the security and the available market makers
- Desired timing of the transaction and size of trade
- Confidentiality of trading activity
- Market intelligence regarding trading activity
- The receipt of brokerage or research services, whether received directly from a broker-dealer or indirectly through a soft dollar or commission sharing arrangement

Before we begin trading with a broker-dealer for the first time, our Head Trader, the Chief Financial Officer, the Chief Compliance Officer and, as appropriate, the Chief Operating Officer, will review, as applicable, the broker-dealer's operational, financial, compliance and regulatory

status. They also will perform periodic reviews of broker-dealers, which will vary in frequency and scope based on the perceived counterparty exposure.

As part of their usual and customary job responsibilities, our Trading Desk will consider the execution quality of each trade. Any unexpected deviations in price, commission rate, market impact, execution speed, or other aspects of execution quality will promptly be reported to the Head Trader, who in turn will notify the Chief Compliance Officer.

We maintain a Best Execution Committee which meets regularly to consider various trading matters.

## **1. Research and Other Soft Dollar Arrangements**

We use “*soft*” or commission dollars when we make a good faith determination that the commissions are reasonable in relation to the value of brokerage and research services provided, viewed in terms of either a particular transaction or our overall responsibilities to all Client Accounts. We will use “soft” dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended (“*Section 28(e)*”). Section 28(e) provides a “*safe harbor*” to investment managers that use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in performing investment decision-making responsibilities. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and Federal law.

Research products or services provided to us may include research reports on particular industries and companies, economic surveys and analyses, discussions with research analysts, meetings with corporate executives and industry experts, recommendations as to specific securities, market data and other products and services providing lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. This research may include both proprietary research or research created or developed by a third party. Brokerage products or services provided to us may include communication services related to the execution, clearing, and settlement of securities transactions such trading lines between a broker-dealer and JANA's order management system.

We are not obligated to seek the lowest transaction charge, except to the extent that it contributes to the overall goal of obtaining the best execution for Clients. The commission rates (or dealer markups and markdowns) charged to the Client Accounts by broker or dealers who provide us with research products and services may be higher than those charged by other brokers or dealers who may not offer such services. Consequently, a higher transaction charge on exchange and over-the-counter trades may be determined reasonable in light of the value of the brokerage execution and research products and services provided to us for the benefit of our Clients.

Consistent with the requirements of best execution, we may from time to time enter into formal or informal arrangements with certain brokers (“*Soft Dollar Brokers*”) whereby the provision of research or brokerage execution services is explicitly dependent on the level of commissions and underwriting concessions generated by the Client Accounts. In selecting Soft Dollar Brokers to initiate soft dollar transactions, we will consider the capabilities of the Soft Dollar Broker to

provide best execution. To the extent we use “full service brokers” which provide research and other services to JANA and the commission associated with such services is greater than would otherwise be obtained using available floor brokers, electronic brokers, ECNs or ATSS, such commission could be deemed to comprise soft dollar arrangements.

Research services received from Soft Dollar Brokers will be used to supplement and augment our own research capabilities, and will directly assist us in our investment decision-making process. Soft Dollar Brokers also may provide execution-related products and services, including trade execution and electronic access to broker networks, in exchange for commission business.

We may also engage in “commission sharing arrangements” (“CSAs”), which is a practice where JANA pays a broker-dealer for trade execution and requests that the broker-dealer allocate a portion of the commissions to third-party providers of research or brokerage products and services. While JANA could execute the transactions with these broker-dealers directly, consistent with its duty to seek best execution, we may decide to pay them through CSAs.

All products and services that are paid for with Client transaction charges will be of the type described in Section 28(e). All products and services that are paid for with soft dollars are reviewed and approved to ensure that the product or service provides lawful and appropriate assistance in the performance of our investment decision-making activities. In addition, a determination is made as to whether the amount of the commissions paid is reasonable in light of the value of the products or services provided. Such products and services may be used for any or all of our Client Accounts. Certain brokerage and research products and services utilized by JANA are categorized as mixed-use items that are partially paid for with soft dollar credits. In these instances, where we receive administrative, non-research, or non-brokerage benefits and research and brokerage services provided by brokers-dealers and third parties, we make a good faith allocation between the administrative benefits, non-research benefits, or non-brokerage benefits and the research and brokerage services and JANA or Clients pay for the administrative, non-research, or non-brokerage benefits in hard dollars.

Also, consistent with Section 28(e), research or brokerage products and/or services obtained with “*soft dollars*” generated by one or more Client Accounts may be used by us to service one or more other Client Accounts. We do not seek (and are not required) to allocate soft dollar benefits to Client Accounts proportionately to the soft dollar credits such Client Accounts generate. Accordingly, the Client Accounts that provide the brokerage transaction charges for which such products and services are provided or that engage in the securities transactions generating such charges do not necessarily receive the direct benefit of specific services. Instead, when we use Client Account brokerage commissions to obtain research or other products or services, we may receive a benefit because we do not have to produce or pay for the research, products or services. Therefore, we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our Clients’ interest in receiving most favorable execution. Written restrictions or limitations on the use of soft dollars for particular Clients are treated in the same manner and monitored as all other Client-imposed restrictions and guidelines.

Our Best Execution Committee approves a soft dollar budget on a periodic basis, and one or more of its members negotiates, approves, and implements all soft dollar arrangements. The soft dollar budget is updated to reflect the termination of any existing soft dollar arrangement, as well as the implementation of any new soft dollar arrangement after the approval process for that new arrangement has been completed.

We will require that Soft Dollar Brokers provide us with monthly statements of all activity and balances. We review and reconcile these statements on a monthly basis. At the end of each calendar quarter, our Chief Operating Officer, in conjunction with the Head Trader, will review the status of any outstanding balances to Soft Dollar Brokers. If as a result of his review, the Chief Operating Officer believes that commission credits during the next 90 days will be insufficient to cover expenses, he will consult with our Best Execution Committee to decide whether to undertake to make cash payments for services purchased to the extent necessary to become current.

## **2. Brokerage for Client Referrals**

In selecting or recommending broker-dealers, we do not consider whether we, or any of our affiliates, receive client or investor referrals from a broker-dealer or other third party.

## **3. Directed Brokerage**

We have a duty to seek best execution with respect to all Client Accounts. Generally, subject to certain arrangements we have in place, we have complete discretionary authority to select the broker-dealers used to execute trades. However, a Client may direct us to effect all or a specified percentage of securities transactions in the Client's Account through a specific broker-dealer. With respect to such directed brokerage arrangements, the Client is responsible for negotiating terms for their account directly with the broker-dealer. We will only direct brokerage pursuant to specific written instructions from the Client.

We may place trades on behalf of Client Accounts that are subject to directed brokerage arrangements separately from those on behalf of other Client Accounts, or we may aggregate such trades with those of other Client Accounts, to the extent practicable. For example, certain Client Accounts have opted not to enter into all of the same counterparty arrangements as those of our Funds. In these cases, investments will occur through different counterparties and as a result the price, liquidity and timing of investments may differ.

Before accepting such directed brokerage arrangements, the Client Advisory Group will inform such Client Account that we may not obtain best execution for such Client Account; such Clients may pay materially disparate commissions, greater spreads, or other transaction costs, or receive less favorable net prices on transactions than would otherwise be the case.

Before initiating management of a Client Account that is subject to a directed brokerage arrangement, we will review the financial solvency and execution capabilities of the designated broker-dealer. All directed brokerage arrangements are reviewed by the Head Trader. Upon completion of the review, we will either approve the arrangement or ask the Client to reconsider the direction.

In order to meet directed brokerage mandates and trade in an efficient manner, we may ask Clients that direct brokerage to permit the use of “*step out*” trades. A step-out trade occurs when we aggregate Client-directed orders with non-directed orders and request that the executing broker allocate a portion of the transaction to the Client's directed broker. Our traders document any step-out trades on the relevant trade ticket and in our order management system.

## **B. Aggregating Orders for Various Client Accounts**

Consistent with our duty to seek the best possible execution for Clients, and to the extent practicable, our Trading Desk may seek to aggregate (or “*bunch*” or “*block*”) orders that are placed or received concurrently for more than one Client Account. Aggregated orders include: (i) one order placed on behalf of more than one Client Account; and (ii) multiple orders placed on behalf of one or more Client Accounts. Typically, all trades in the same security for more than one Client Account following the same (or substantially similar) strategy are aggregated and sent to the market simultaneously, except where Client-specific issues require trades to be sent to the market at a different time. All Client Accounts participating in a bunched trade will receive the same execution price, with all transaction costs (for example, commissions) being shared on a pro rata basis.

If there is insufficient liquidity with respect to a particular security, partially filled orders typically will be allocated among participating Client Accounts on a pro rata or other predetermined basis. Partial fills initially will be allocated pro rata based on the number of strategies included in the aggregated order and then pro rata within each strategy according to predetermined groupings and target weightings in the pre-allocation statement. In certain limited situations it may be fair and equitable to give designated Client Accounts with special investment objectives and policies some degree of priority over other types of Client Accounts. In the event that there is a partially filled order and the predetermined allocation of a specified number of shares to a particular Client Account is deemed to be insufficient, the Client Account's allocation may be re-allocated to the other Client Accounts participating in the bunched trade, on a pro rata or other predetermined basis. Regulatory thresholds may also limit Client holdings in certain securities. Regulatory reporting thresholds or similar constraints may also result in additional trading activity and fees incurred in the management of a Client Account.

Instances in which Client orders may not be aggregated include, but are not limited to, the following: (i) JANA determines that aggregated orders are not in the best interest of a Client given its cash availability or cash requirements; (ii) where it is impracticable to bunch trades for a particular type of Client with those of other Clients; (iii) a determination is made by JANA not to aggregate orders because of tax, legal, regulatory or administrative reasons; (iv) where Client Accounts that pursue certain investment strategies that require separate orders for hedging and cash management purposes; and (v) other Client-specific guidelines.

JANA may participate in initial public offerings (“*IPOs*”). Shares offered in an IPO frequently are in great demand and available only in limited quantities. Moreover, shares of an IPO can trade at a premium shortly after issuance. JANA will seek to allocate IPOs in a manner that is fair to all Clients and generally in the same manner as other publicly traded securities, subject to applicable Client guidelines. The intent is to allocate IPOs in light of each eligible Client

Account's size, diversification, cash availability, eligibility to participate (per FINRA Rules 5130 and 5131 and Client specific guidelines or investment restrictions), investment objectives, and any other relevant factors. De minimis deviations from the pre-allocation are permitted in the interest of placing round lots in Client Accounts.

IPOs may be sold by JANA on the same day JANA receives an allocation.



## **ITEM 13**

### **REVIEW OF ACCOUNTS**

#### **A. Periodic Review of Client Accounts**

Our portfolio managers, with the assistance of other investment staff as appropriate, regularly review the current investment strategy and holdings in each Client Account to ensure that such holdings are consistent with each Client Account's investment objectives set forth in the Offering Documents. Issues such as diversification, security types, and market capitalization are all reviewed to ensure compliance with the Clients' investment guidelines.

#### **B. Additional Review of Client Accounts**

Relevant personnel assist in risk assessment and review of Client Accounts by monitoring risks arising from factors including: (i) Client or investor-imposed investment restrictions; (ii) leverage; (iii) counterparty risk; and (iv) risks related to operations and systems.

#### **C. Contents and Frequency of Account Reports to Clients**

Investors in our Client Accounts typically receive: (i) annually, an audited financial report and tax information necessary for completion of their tax returns and (ii) unaudited monthly reports regarding Client performance and net asset value. Investors in our Client Accounts may also receive certain other periodic reports as set forth in the applicable Offering Documents.

Certain investors may have access to additional information and reporting (written or verbal) not generally available to other investors and such information may affect an investor's decision to request a withdrawal or redemption from its capital account. Such reports and information may include, among other things, documentation associated with the calculation of net asset value, performance tracking and/or portfolio holdings reconciliation. A prospective investor in our Client Accounts is responsible for asking questions or requesting information it believes is necessary to make its own investment decisions and must decide for itself whether the limited information typically provided by JANA to investors in our Client Accounts is adequate for its investment evaluation.

## **ITEM 14**

### **CLIENT REFERRALS AND OTHER COMPENSATION**

We may directly or indirectly compensate persons who are not supervised persons, including placement agents, for Client referrals. Our Chief Compliance Officer will determine whether such arrangements: (i) are subject to Rule 206(4)-3 under the Advisers Act (the “*Cash Solicitation Rule*”) and, if so, whether the arrangements comply with that rule; and (ii) comply with other applicable laws, rules and regulations, including laws and regulations requiring the registration of broker-dealers. Such compensation to third parties for referrals may be based, among other things, on a percentage of the assets initially invested with us or remaining invested with us over time.

Placement agents that may solicit or refer potential Clients or investors on our behalf are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. Constellar Capital Partners Hong Kong Limited has been retained as a placement agent for introducing potential investors to JANA Strategic Investments Benchmark Offshore Fund, Ltd.. Constellar Capital Partners Hong Kong Limited receives a portion of the management fees otherwise paid to us in connection with investors they introduced to JANA Strategic Investments Benchmark Offshore Fund, Ltd.. We may enter into arrangements with other placement agents for introducing potential investors to our Client Accounts.

The use of capital introduction services provided by executing or prime brokers may create a conflict of interest in that it may create an incentive for JANA to direct additional brokerage to such executing brokers or prime brokers. As mentioned in Item 12 above, JANA does not consider Client or investor referrals from broker-dealers when making brokerage allocation decisions. JANA also has policies and procedures designed to seek best execution and periodically monitor and evaluate service providers.

## **ITEM 15**

### **CUSTODY**

Pursuant to Rule 206(4)-2 under the Advisers Act, JANA is deemed to have custody of the assets held by certain Client Accounts structured as private funds (“*Private Fund Clients*”). To comply with this Rule, the assets of each Private Fund Client must be held by a qualified custodian, with the exception of certain privately offered securities. In addition, we meet our custody reporting requirements through the audit method by having the financial statements of each Private Fund Client audited annually by an independent, PCAOB-registered accounting firm. JANA subsequently distributes the results of the audited financials to the underlying investors in each of the Private Fund Clients within 120 days after the end of the fiscal year. Certain Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains Client assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide you.

## **ITEM 16**

### **INVESTMENT DISCRETION**

In general, our Clients have provided us with discretion to trade their account without obtaining their consent to each particular transaction. We exercise this discretion subject to the investment policies, limitations, and restrictions, if any, imposed by a Client in the relevant Offering Documents. In these agreements, our Clients may place limitations on our investment authority, including, without limitation, designating types of permitted investments, percentage of permitted investments, or prohibiting certain types of investments.

Our Clients must specify our authority, discretionary or non-discretionary (for example, through a power of attorney), and provide us with any investment guidelines and restrictions in writing, typically as part of the relevant Offering Documents. For a complete discussion of our advisory business and the services we provide to our clients, please see Item 4, “*Advisory Business*,” above.

## ITEM 17

### VOTING CLIENT SECURITIES

We have, and in the future will continue to accept, the authority to vote our Clients' securities. In light of this, we have adopted policies and corresponding procedures to comply with Rule 206(4)-6 under the Advisers Act and with our fiduciary obligations (the "*Proxy Voting Policies*"). The Proxy Voting Policies are designed to ensure that in cases where we vote proxies with respect to Client securities or other instruments, such proxies are voted in the best interests of our Clients.

Our proxy voting process is the same for all of our Client Accounts where the Client has given us proxy voting authority. Our general policy is to vote proxy proposals, amendments, consents, resolutions or corporate actions relating to securities, including interests in private investment funds, if any (collectively, "*proxies*"), in a manner that serves the best interests of our Clients, as determined by us in our discretion, taking into account relevant factors, including, but not limited to:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

In evaluating proxy issues, we have engaged an outside vendor (*the "Proxy Adviser"*) to identify and flag factual issues of relevance and importance. We also will use information gathered as a result of the in-depth research and ongoing company analyses performed by our investment team in making buy, sell and hold decisions for our Client portfolios. This process includes periodic meetings with senior management of portfolio companies. We may also consider information from other sources, including the management of a company presenting a proposal, shareholder groups, and other independent proxy research services. Unless a particular proposal or the particular circumstances of a company suggests otherwise, proposals regarding routine matters (such as the election or re-election of board members, changes in capitalization, and the approval of auditors) generally shall be voted in accordance with written voting guidelines that have been formulated by the Proxy Adviser. Non-routine matters may be reviewed and voted by us on a case-by-case basis. In addition, certain Clients have retained the right to direct votes with respect to particular securities held by them.

We subscribe to a proxy monitoring and voting agent service offered by the Proxy Adviser. In accordance with this service, the Proxy Adviser provides proxy analysis with research and a vote recommendation for each shareholder meeting of the companies in our Client portfolios. They also transmit votes, record them, and generate a voting activity report for our Clients. We retain responsibility for instructing the Proxy Adviser how to vote, and we will apply our own proxy voting guidelines when we deem it appropriate to do so. Proxies for securities on loan through securities lending programs will generally not be voted, unless we can obtain these securities in advance of the relevant record date.

In cases where a conflict of interest has been determined to exist, we generally will have no discretion to vote any portion of the proxy but will defer to the recommendations of the Proxy Adviser in connection therewith and will vote strictly according to those recommendations.

Clients may obtain a copy of our current written Proxy Voting Policies and/or a copy of the voting activity report generated by the Proxy Adviser for their Client Account, by (i) writing to JANA Partners LLC, 767 Fifth Avenue, 8th Floor, New York, New York 10153, Attention: Legal and Compliance, or (ii) contacting our Chief Legal Officer and Chief Compliance Officer, Jennifer Fanjiang, at (212) 455-0900 or [compliance@janapartners.com](mailto:compliance@janapartners.com).

**ITEM 18**  
**FINANCIAL INFORMATION**

**A. Balance Sheet**

We are not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance.

**B. Contractual Commitments to Our Clients**

We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our clients.

**C. Bankruptcy Petitions**

We have never been the subject of a bankruptcy petition.