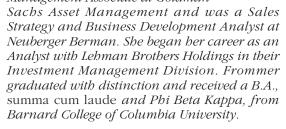
An Ownership Mentality

An Interview with Aryella Frommer, Partner and Head of Investor Relations, Trian Fund Management, L.P.

EDITORS' NOTE Aryella Frommer has served in various investor relations and business development roles since joining Trian's Investor Relations Team in August 2012. In her current role, she oversees Trian's investor relations, client service and new business development activities globally. She also serves as a member of Trian's ESG Working Group and its Risk and Compliance Oversight Committee. Previously, Frommer served as a Sales and Relationship Management Associate at Goldman



FIRM BRIEF Founded in 2005, Trian Fund Management, L.P. (trianpartners.com) is a multibillion-dollar asset management firm with approximately 50 employees. Trian is a highly-engaged shareowner that combines concentrated public equity ownership with operational expertise. Leveraging the 40+ years' operating experience of its Founding Partners, Nelson Peltz, Ed Garden and Peter May, Trian seeks to invest in high quality but undervalued and underperforming public companies and to work collaboratively with



Aryella Frommer

management teams and boards to help companies execute operational and strategic initiatives designed to drive longterm sustainable earnings growth for the benefit of all stakeholders.

Will you provide an overview of your role and areas of focus at Trian Partners?

At Trian, the investor relations function combines new business development, existing investor relationship management and client service. I lead a great team of individuals; we are on the

front line serving as liaison between our investment team and clients. We forge deep relationships with our clients. Our goal is to help them meet their investment objectives and provide ongoing access, transparency, and market insights. Our investment strategy is unique - we bring a private equity approach to public market investing. We take meaningful stakes in mid-to-large cap public companies and seek to drive lasting operational and strategic change. We work closely with boards and management teams to execute a broad array of operational and strategic initiatives that are designed to generate longterm sustainable value for stakeholders. What I love about our strategy from an investor relations perspective is that we have the opportunity to tell great stories. We detail for clients how we get involved with iconic companies, what it takes to turn them around and make a real impact. Wendy's is a great example. We've been involved

with this quick service restaurant chain for about 15 years as its largest shareholder, working with other Board members and management to facilitate a major operational turnaround within the public markets. Together with management, we helped focus the company on reinventing the menus, renovating the stores, moving to a franchisee model, and building out their strong digital presence. There is never a magic bullet but rather a series of changes that need to be implemented carefully and deliberately in order to affect a turnaround.

Will you highlight Trian's approach to client relationship management?

We work with a broad base of clients including pensions, sovereign wealth funds, endowments, foundations, and family offices. We approach each client relationship individually; we do not impose a "one size fits all strategy." For example, some clients use us within their public equity allocations to implement a "barbell approach." They complement efficient passive exposure with funds like Trian, which provide truly "active," concentrated equity exposure. Alternatively, we have other clients who put us in their Private Equity bucket as a form of "liquid PE" albeit without control premiums or the need for leverage. And, increasingly we are seeing clients include Trian within their dedicated ESG mandate. Finally, given we often invest in larger cap companies, we regularly work with our clients on individual mandates within their co-investment allocations in an effort to augment Trian's ownership stakes.

"We work with a broad base of clients including pensions, sovereign wealth funds, endowments, foundations, and family offices. We approach each client relationship individually; we don't impose a 'one size fits all strategy.'

"Our investment strategy is unique – we bring a private equity approach to public market investing. We take meaningful stakes in mid-to-large cap public companies and seek to drive lasting operational and strategic change."

Will you discuss Trian's focus on ESG?

We believe ESG is a natural fit for what Trian does since our business model is predicated on gaining influence at a company and driving change. Trian's partners often serve as board members at our portfolio companies and, in that capacity, we seek to evaluate and improve operational efficiency and strategy as well as any ESG opportunities applicable to the investment which are clearly of increasing importance across all of corporate America. We see a strong correlation between best-in-class companies and those with strong ESG profiles and, conversely, we tend to find areas for ESG improvement at companies that are underperforming. This presents us with a powerful opportunity to effect change. Our experience with Bank of New York Mellon is a great example. Our chief investment officer and co-founding partner, Ed Garden, served on that board from December 2014 to June 2019. Ed worked closely with Bank of New York Mellon's leadership team and board to help the company improve financial performance and unlock shareholder value. Under Ed's leadership as Chairman of the Human Resource and Compensation Committee, Bank of New York Mellon improved its management compensation plans, upgraded its talent in key leadership positions, and increased diversity across the organization. Today, Bank of New York Mellon is recognized for its leadership in fostering diversity and inclusion in the workplace.

How do you define the Trian culture?

Trian's culture is a meritocracy. It has a unique entrepreneurial spirit that I was drawn to during my interview for a position at Trian 8 years ago that feels just as strong today and permeates from the top. Nelson and Peter built their pre-Trian businesses from the ground up, and their drive and tenacity today is still something to be admired.

Organizationally, Trian is flat and non-bureaucratic. Everyone is expected to contribute; we believe good ideas can be sourced from anywhere. We evaluate our investments and approach our engagements with what we call "respectful confrontation." It can be messy at times, but we believe it promotes the best outcomes and importantly encourages diversity of thought and provides for checks and balances.

Another key aspect of Trian's culture is the emphasis on work ethic as well as family life which I think is pretty unusual in the financial services industry. The tone is set from the top - when you look at Nelson, a hands on parent of 10 children of his own, he is truly "all in" at work and in his personal life, and still finds time to pursue many philanthropic endeavors. The dual passion for both work and family is true of all of my partners at Trian and is how I have chosen to lead my life. I have had all three of my children during my 8 years at Trian!

Do you feel there are opportunities for women on boards and in the C-suites in the industry?

Progress has definitely been made, but there is still a way to go. I am a strong proponent of Sheryl Sandberg's advice to women not to self-select out of your career before you even get started. I know many women who, at a young age, chose not to pursue certain professions, such as finance, because they felt that at some point down the line, they might not be able to balance a demanding career with having a family. The fact that they were making those decisions as juniors in college is something that I found to be so unfair. My advice is to forge ahead and alter your course only if and when you need to. I tend to find that those women who didn't compromise before they needed to are further along in their careers, more fulfilled in their roles and for that reason, they want to keep going even when they have more demands on their time.

I also believe in the concept that seeing is believing. It is incredibly important that young women see prominent female role models in leadership positions, particularly in traditionally male-dominated industries like finance. As a political science major at Barnard, I was exposed to finance by a handful of Barnard alums in senior roles at Lehman Brothers who at the time were recruiting on campus. Seeing them successfully pursue careers in finance made it mentally possible for me. I feel strongly about giving back and importantly, pulling forward that next generation of female leaders. I have two young daughters at home – so it is personal for me! •

"We see a strong correlation between best-in-class companies and those with strong ESG profiles and, conversely, we tend to find areas for ESG improvement at companies that are underperforming."