



Who's barking: Newly formed activist investor Engaged Capital LLC has been acquiring shares in dronemaker AeroVironment Inc. since its founding late last year, but on July 17, that 11-month effort changed in tone, going from an investment for Newport Beach, Calif.-based Engaged to a tool enabling it to have talks with management about ways to improve shareholder value, given that AeroVironment is trading near its 52-week low.

In its first activist campaign, Engaged wants Monrovia, Calif.-based AeroVironment to revamp its capital allocation strategy and its corporate governance policies to enhance shareholder value.

Engaged's 5.1% AeroVironment stake is its largest investment since it was founded in September by Glenn W. Welling, a former principal at San Diego-based investment manager Relational Investors LLC, who founded Engaged with \$85 million in seed backing from Chicago-based Grosvenor Capital Management LP.

According to its website, Engaged wants to invest in industrials, healthcare, information technology and consumer products. Welling refused to name the company's other holdings.

Welling formed Engaged with the intention of investing \$5 million to \$30 million to enact change at undervalued small and midmarket businesses with strong growth prospects. The firm's investments will target companies with a market cap between \$500 million to \$8 billion and will last between two years and five years.

Prior to his stint at Relational Investors, Welling also served as head of Credit Suisse's Investment Banking Advisory Business. He has a B.A. in economics from the Wharton School of the University of Pennsylvania — where he now teaches — and continues to serve on the executive education board of his alma mater.

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