FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington,	D.C.	20549
vvasiliigton,	D.C.	20070

Washington,	D.C.	20549	

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPRO	OVAL
OMB Number:	3235-0287
Estimated average burd	en
hours per response:	0.5

See Footnotes(4)(5)

11. Nature of Indirect Beneficial Ownership

(Instr. 4)

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See

BUILDING D, 4TH FLOOR

94129

SAN FRANCISCO CA

(Street)

Instruc	ction 1(b).			F							urities Exchang Company Act o		1934			L				
	nd Address of <u>Gregory I</u>	f Reporting Person	*		2.	Issuer	Name a	and Tic	ker or 7	Fradin	g Symbol ldings Inc		N]		k all applic Directo	cable) or	oorting Pers	(10	0% Owr	ner
					3. Date of Earliest Transaction (Month/Day/Year) 05/12/2016							Officer (give title X Other (specify below) See Remarks						ecify		
(Street) SAN FRANCE		A State)	94129 (Zip)		4.	If Ame	ndment	t, Date	of Origi	nal Fil	ed (Month/Da	y/Year)		6. Indiv Line)	Form fi	iled by iled by	Group Filing One Repo More than	orting	Person	
(=:5)				lon-Der	ivativ	re Se	curiti	es Ac	auire	d D	isposed o	f or Be	enefic	ially (Owned					
1. Title of	Security (Ins			2. Transa Date (Month/D	ction	2A. Exe	Deemed	d Date,	3. Transa Code (ction	4. Securities Disposed Of 5)	Acquired	(A) or	5. A Sec Ber Ow	Amount of curities neficially ned Follow	•		rect lirect	7. Natu Indired Benefic	ct cial
							-		Code	v	Amount	(A) or (D) Price (Instr. 3 and 4) (D) or Indi (I) (Instr. 4			(Instr. 4)					
Common	Stock ⁽¹⁾			05/12/	/2016				M		3,228(2)	A	\$0		3,228		D(3)(4	4)		
Common	Stock													1	19,125,2	04	I	See Footnotes		notes ⁽
			Table I								posed of, , convertik				wned					
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Dee Execution if any (Month/I		4. Transa Code 8)		Deriva Secur Acqui	ities red (A) posed (Instr.	Expir	ation I	rcisable and Date /Year)	7. Title and Amount of Securities Underlying Derivative Secur (Instr. 3 and 4)		8. Price of Derivativ Security (Instr. 5)		deriv Secu Bene Own Follo Repo	owing orted	Form Direct or Inc	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	
					Code	v	(A)	(D)	Date Exerc	cisable	Expiration Date	Title	Amo or Num of Shar	nber		Tran: (Inst	saction(s) r. 4)			
Restricted Stock Units	(6)	05/12/2016			M			3,162	((7)	(7)	Commo Stock		.62	\$0		0	Г	O ⁽³⁾	
Dividend Equivalent Rights	(8)	05/12/2016			M			66	,	(9)	(9)	Commo Stock	I b	6	\$0		0	Г) ⁽³⁾	
Restricted Stock Units ⁽¹⁰⁾	(6)	05/13/2016			A		3,628		(11)	(11)	Commo Stock		528	\$0 ⁽¹²⁾		3,628	Г) ⁽³⁾	
I	nd Address of <u>Gregory I</u>	f Reporting Person [*]	*																	
	TTERMAN		(M	iddle)																
(Street) SAN FR	ANCISCO	CA	94	129																
(City)		(State)	(Zi	p)																
	nd Address of Act Holdin	Reporting Person [*]	*																	
(Last) ONE LE	TTERMAN	(First) N DRIVE	(M	iddle)		_														

(City)	(State)	(Zip)				
1. Name and Address o	of Reporting Person*					
ValueAct Capital Master Fund, L.P.						
(Last)	(First)	(Middle)				
ONE LETTERMA	N DRIVE					
BUILDING D, 4TH	H FLOOR					
(Street)						
SAN FRANCISCO) CA	94129				
(City)	(State)	(Zip)				
1. Name and Address of VA Partners I, I						
(Last)	(First)	(Middle)				
ONE LETTERMA	N DRIVE					
BUILDING D, 4TH	H FLOOR					
(Street)		0.44.00				
SAN FRANCISCO	O CA	94129				
(City)	(State)	(Zip)				
1. Name and Address of ValueAct Capita	of Reporting Person* al Management,	<u>L.P.</u>				
(Last)	(First)	(Middle)				
ONE LETTERMA						
BUILDING D, 4TH	H FLOOR					
(Street) SAN FRANCISCO) CA	94129				
(City)	(State)	(Zip)				
1. Name and Address of ValueAct Capita	of Reporting Person* al Management,	LLC				
(Last)	(First)	(Middle)				
ONE LETTERMA	N DRIVE					
BUILDING D, 4TH	H FLOOR					
(Street) SAN FRANCISCO) CA	94129				
(City)	(State)	(Zip)				
		(८ 1)				
1. Name and Address of ValueAct Holdi						
(Last)	(First)	(Middle)				
ONE LETTERMA BUILDING D, 4TH						
(Street) SAN FRANCISCO) CA	94129				
(City)	(State)	(Zip)				
	•	**				

Explanation of Responses:

- 1. Settlement of restricted stock units ("RSUs") and related dividend equivalents.
- 2. Includes 66 dividend equivalents.

^{3.} Under an agreement with ValueAct Capital, Gregory P. Spivy is deemed to hold the common stock for the benefit of ValueAct Capital Master Fund, L.P. and indirectly for (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, L.P. as General Partner of ValueAct Holdings, L.P. as General Partner of ValueAct Holdings, L.P. as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as General Partner of ValueAct Holdings, L.P. as Capital Management, LLC as

^{4.} Each reporting person listed herein disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that such person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

^{5.} The securities reported herein are directly beneficially owned by ValueAct Capital Master Fund, L.P. and may be deemed to be indirectly beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Master Fund,

Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.

- 6. Each RSU represents a contingent right to receive one share of the Company's common stock.
- $7.\ On\ May\ 14,\ 2015,\ the\ reporting\ person\ was\ granted\ 3,162\ RSUs\ that\ vested\ on\ May\ 12,\ 2016.$
- 8. Each dividend equivalent right represents a contingent right to receive one share of the Company's common stock.
- 9. The dividend equivalent rights accrued on previously awarded RSUs and vested on May 12, 2016.
- 10. The RSUs represent the reporting person's annual equity award under the Allison Transmission Holdings, Inc. (the "Company") Second Amended and Restated Non-Employee Director Compensation Policy
- 11. The RSUs vest on the date of the next annual meeting of the stockholders of the Company. Unvested RSUs earn dividend equivalents when dividends are declared on the Company's common stock.
- 12. The number of RSUs received was calculated based on \$27.56, which was the closing price of the Company's Common Stock on the date of grant.

Explanation of Responses: - The reporting persons herein may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934, as amended. Each reporting person disclaims beneficial ownership of any securities deemed to be owned by the group that are not directly owned by such reporting person. This report shall not be deemed an admission that such reporting person is a member of a group or the beneficial owner of any securities not directly owned by such reporting person. - Gregory P. Spivy, a Partner at ValueAct Capital, serves on the board of directors of the Issuer. As a result, the other reporting persons herein may be deemed directors by deputization.

> By:/s/ Gregory P. Spivy 05/16/2016

VALUEACT HOLDINGS,

L.P., By: VALUEACT

HOLDINGS GP, LLC, its 05/16/2016 General Partner, By: /s/ Bradley

E. Singer, Chief Operating

Officer

VALUEACT CAPITAL

MASTER FUND, L.P., By: VA

PARTNERS I, LLC, its General 05/16/2016

Partner, By: /s/ Bradley E.

Singer, Chief Operating Officer

VA PARTNERS I, LLC, By: /s/

Bradley E. Singer, Chief 05/16/2016

Operating Officer

VALUEACT CAPITAL

MANAGEMENT, L.P., By:

VALUEACT CAPITAL

MANAGEMENT, LLC, its 05/16/2016

General Partner, By: /s/ Bradley

E. Singer, Chief Operating

Officer

VALUEACT CAPITAL

MANAGEMENT, LLC, By: /s/ 05/1<u>6/2016</u>

Bradley E. Singer, Chief

Operating Officer

VALUEACT HOLDINGS GP,

LLC, By: /s/ Bradley E. Singer, 05/16/2016

Chief Operating Officer

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

- * If the form is filed by more than one reporting person, see Instruction 4 (b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.