

2025 Annual Review

THE INVESTOR FORUM

22nd January 2026

www.investorforum.org.uk

Who ARE WE?

We are a not-for-profit community interest company set up by institutional investors in UK equities.

What DO WE DO?

We sit at the heart of the UK equity markets and leverage our experience and networks to tackle challenges, employ our convening power to foster dialogue and deliver solutions-focused engagement outcomes through our collective engagement framework.

Why WE DO THIS?

We help to bridge the gaps that arise within the market, uniting companies and investors, to build and restore trust, with an unwavering commitment to creating value for all stakeholders.

How DO WE DO IT?

We understand the evolving dynamics of the market and its various players and listen to investor concerns and present these to boards in a comprehensive and consistent manner, fostering nuanced and informed dialogue.

What ARE THE OUTCOMES?

The outcomes of our activity are better informed boards and a stronger level of trust and understanding between issuers and investors – ultimately leading to sustainable long-term returns for savers.

The Investor Forum CIC
183 Euston Road, London NW1 2BE
www.investorforum.org.uk
22nd January 2026

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Our Members

AVIVA INVESTORS
BAILLIE GIFFORD
CAPITAL GROUP
COLUMBIA THREADNEEDLE INVESTMENTS
Invesco
Legal & General INVESTMENT MANAGEMENT
Schroders
abrdn
AEGON Asset Management
AKO Capital
Allianz Global Investors
ARTEMIS The Profit Hunter
Brickwood ASSET MANAGEMENT
UNIVERSITY OF CAMBRIDGE Cambridge University Endowment Fund
Cevian
evelyn PARTNERS
EVENLODE GLOBAL INCOME FUND
Federated Hermes
Fidelity WORLDWIDE INVESTMENT
generation
INDEPENDENT FRANCHISE PARTNERS
Janus Henderson INVESTORS
J.P.Morgan Asset Management
JUPITER
KENNOX TRUE VALUE INVESTORS
M&G INVESTMENTS
Man
McInroy & Wood PERSONAL INVESTMENT MANAGERS
NFU Mutual INSURANCE | PENSIONS | INVESTMENTS
Ninety One
OU endowment management
OWNERSHIP CAPITAL Long-Horizon Investing
PIC
Phoenix
PREMIER MITON INVESTORS
Pyrford
Quilter
RAILPEN
RATHBONES Incorporating Investec Wealth & Investment (UK)
RBC Brewin Dolphin
redwheel
Rothschild & Co Wealth Management
T.RowePrice INVEST WITH CONFIDENCE
The Health Foundation
TRIUM CAPITAL
TROY ASSET MANAGEMENT
USS
wellcome
WESLEYAN we are all about you

Key Messages

WE PROVIDE AN ESSENTIAL STEWARDSHIP CAPABILITY

We do this through tailored company engagement and a commitment to constructive dialogue. Our long-term track record, across an evolving stewardship landscape, demonstrates the value and adaptability of our approach. Our reputation with investors, companies and wider stakeholders as a trusted facilitator and bridge builder provides a unique platform to work collectively to identify solutions to the most complex of challenges.

Read more:

→ *CEO's Review – the progress we have made over the year*
→ *Collective Engagement Report – why engagement and stewardship matter*

WE DELIVER SOLUTIONS FOCUSED OUTCOMES

We bring investors together, forming expert working groups to address thematic issues or to tackle market challenges through our Stewardship 360 projects. We provide a forum for investors and corporates to resolve complex issues, fostering thoughtful dialogue to openly address challenges, identify priorities, propose solutions, and showcase best practices.

Read more:

→ *Key Activities Review – how we deliver value to Members*

WE WILL HARNESS THE POWER OF MARKET PRACTITIONERS TO ENHANCE THE EFFECTIVENESS OF UK MARKETS

As Secretariat to the Investor & Issuer Forum, we deliver initiatives focused on sustainable value creation. Our goal is to build strong, productive relationships that reduce friction across the investment chain and enhance the effectiveness of UK markets.

Read more:

→ *Investor & Issuer Forum update*

WE ARE A NOT-FOR-PROFIT CATALYST FOR POSITIVE CHANGE

We are supported by 50 institutional investors, and staffed by experienced practitioners. We are focussed on long-term sustainable value creation as being the ultimate purpose of stewardship and the one goal that can unite the investment chain.

Read more:

→ *Governance and Operations Review*

Chair's Introduction



Michael McLintock
Chair
22nd January 2026

2025 was the first full year of Chris Kinder's tenure as CEO and it has been a really encouraging one, with a good increase in engagements with UK listed companies and a variety of other promising initiatives also taking place.

I would highlight in particular the launch of the Board Dialogue Service, which enables corporates, in exchange for a fee, to use the IF's convening power to obtain an investor view of strategy and performance, and the development of the Investor Showcases, which give quoted companies the opportunity to better understand how different groups of market participants (for example active investors or proxy advisory firms) go about their business. The year also saw the successful launch of the Investor & Issuer Forum, which was anchored and driven forward by an IF secretariat. In addition the IF performed an important role as a thought leader on topics such as share buybacks and the attributes of the UK marketplace.

These initiatives, alongside the range of the IF's traditional activities such as Four O'clock Forums and the Stewardship 360 Programme, have resulted in the IF connecting on multiple occasions with all the key institutions across the UK financial services industry. The IF's is a respected voice that people want to hear.

It was gratifying that an overwhelming majority of Members chose to renew their membership during the summer. As always, I would like to thank the IF executive team for their hard work and dedication. They deliver excellent value on a very limited budget.

During the year we were delighted to welcome Jonathan Baird onto the Board. Jonathan chaired the IF's Legal Panel since its inception, and brings valuable legal expertise and a regulatory perspective. Ruth Beechey stepped down from the Board in February and departs with our thanks for her contribution, especially to the Operating Oversight Committee.

In September I informed the Board that I wished to step down as Chair during 2026. I am delighted to have secured Chris as CEO and to have spent the past year helping him to get established. I am now in my fifth year in post and I believe it is time for someone else, preferably from within the fund management industry, to bring a fresh perspective to bear and help take the IF forward under Chris's able leadership.

Purpose, Objectives and Key Activities

PURPOSE
Position stewardship at the heart of investment decision-making by facilitating dialogue, creating long-term solutions and enhancing value.

OBJECTIVES
- Make the case for long-term investment approaches
- Facilitate collective engagement with listed companies

KEY ACTIVITIES

1 Company Specific Collective Engagements

Engaging for Outcomes

Operating the Forum's Collective Engagement Framework to escalate material issues with the boards of UK companies.

Engaging for Insight

Convening meetings to increase shareholder insight and understanding of company issues.

2 Supporting well-functioning markets

Facilitating Dialogue

- Bringing together parties from across the investment chain.
- Creating opportunities for Members to gain practical insights from experts on key issues.

Stewardship 360

- Delivering projects to enhance understanding and address the wider issues that impact companies, industries and the environment in which they operate.
- Leading expert Working Groups to address thematic issues or to tackle market failings.

Investor & Issuer Forum

- Enhancing the effectiveness of the UK equity markets by enabling constructive cross-industry dialogue and providing clear insights and recommendations that lead to market improvements.

Forum Snapshot

MEMBERSHIP

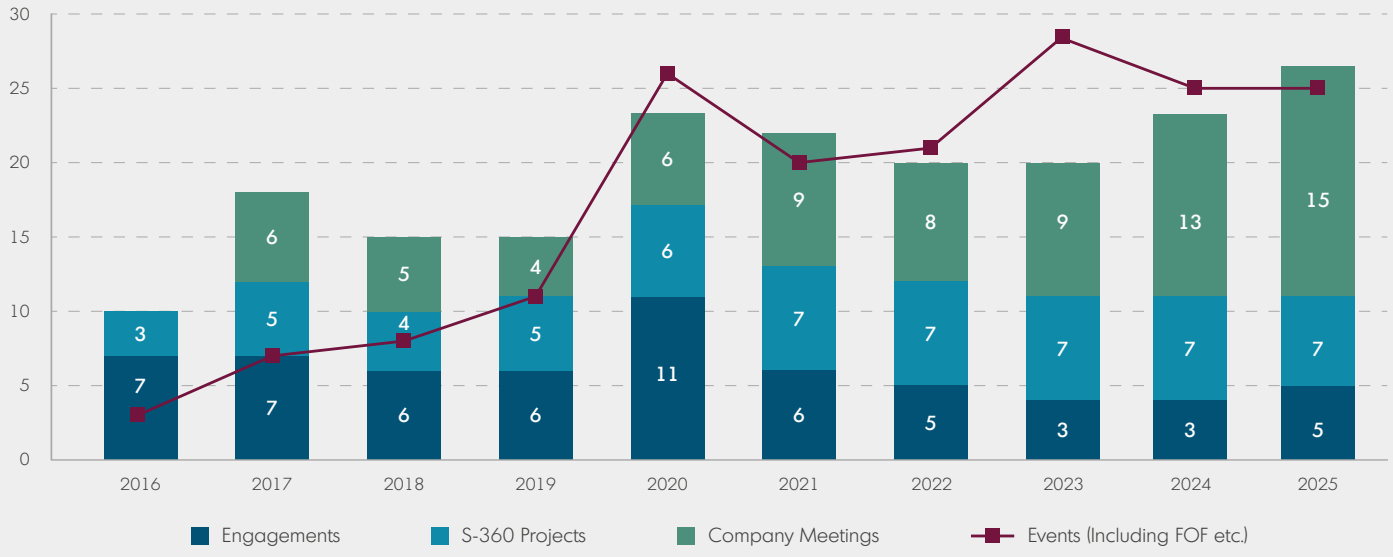


~£18trn
In Global AUM

~£629bn
Invested In
UK Equities

~23%
FTSE All-Share
Market Cap

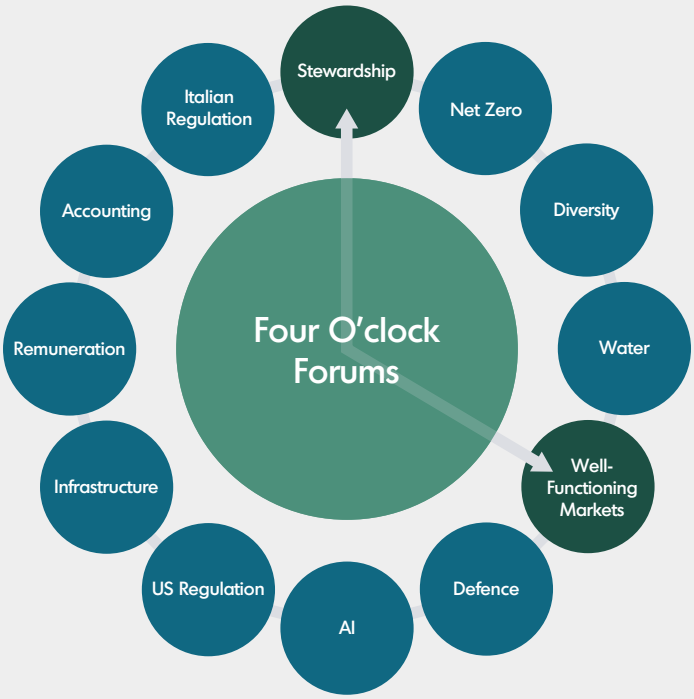
ACTIVITY SINCE INCEPTION



2025 COLLECTIVE ENGAGEMENT DASHBOARD

	Oversight (by the Board)						Execution (by the Management team)		
	Material Issue Focus	Strategy	Leadership & Succession	Capital Allocation	Corporate Governance	Corporate Action	Operational Performance	Management Information	Reporting & Communication
Assura	Transaction Oversight					✓			
AstraZeneca	Corporate Structure	✓							
Auction Technology	Capital Allocation			✓	✓				
BP	Chair Succession		✓						
Dowlais	Transaction Oversight					✓			

FOUR O'CLOCK FORUMS



S360 PROJECTS

- STEWARDSHIP OF BUYBACKS
- STRENGTHENING THE PATHWAY FROM AIM TO THE MAIN MARKET
- INVESTMENT TRUSTS
- WATER USAGE AND WASTE MANAGEMENT
- VOTING IN PRACTICE
- ENGAGING WITH PROXY ADVISORS

A SUCCESSFUL FIRST YEAR AS SECRETARIAT

INVESTOR & ISSUER FORUM

CEO Review



Chris Kinder
CEO
22nd January 2026

As I reflect on the progress made during the last 12 months – the first full year of my tenure as CEO – I am encouraged by the achievements the Forum has made against its key objectives.

In terms of membership and engagement, I am pleased to report that the total membership number has remained stable over the course of the year, and critically, the volume of engagement activity is higher year on year. I would like to thank our Members for their continuing support and the trust they show in the Investor Forum, and, of course, I would like to recognise the hard work and dedication of my colleagues who deliver this service with enthusiasm and great skill.

We have moved forward with our plans to develop the business model with the successful pilot of our 'Board Dialogue Service' and have introduced sponsorship opportunities for specific events to allow other parts of the investment ecosystem to contribute to the financial resilience of the Investor Forum.

We have continued to connect with key stakeholders across the financial services industry, ensuring that the perspectives of our Members are heard and understood by key regulators and government.

2025 saw the successful launch of the Investor & Issuer Forum – the progress we have made here is impressive and we look forward to growing and developing this important franchise as we move into 2026.

So whilst there is much to be enthused by after a year of solid progress, the team and I are conscious of the need to deliver ever greater value for our Members, to expand the scale of our network and to continue to innovate to bring new sources of revenue into our business.

THE WORK OF THE INVESTOR FORUM

I am strongly of the view that in order for the Forum to thrive, we must have excellent relationships with and be trusted by our Members and that our work must make a real difference to investment outcomes.

It is with that perspective that I am genuinely pleased with our output during 2025. We have delivered five 'Engagements for Outcome' encompassing important themes such as Chair succession, evolution of listing venue, capital allocation, communication and underlying corporate performance. We have been instrumental in helping our Members keep two companies listed on the UK market thereby enabling shareholders to participate in the future growth and recovery of these two companies when otherwise they could have been forced to divest.

We have delivered 15 'Engagements for Insight'. I believe that the insights we are able to help our Members get through company meetings are extremely useful in building conviction in their investment decisions, increasing overall understanding of the risks and rewards of a particular company and informing and enhancing their stewardship of the company. Our meetings have covered many topics including fundamental corporate performance, capital allocation and

management succession, and corporate responses to shareholder resolutions. As a member-led organisation, I am pleased with the way we have responded proactively to Member requests and have been greatly encouraged by the positive feedback we have received.

Our project work has also been impressive this year. Our two major pieces – on the AIM to Main transition and the Stewardship of Share Buybacks have been detailed, thoughtful pieces of work drawing on the insights of our Members and the corporate community. Where appropriate, we have engaged with regulatory bodies to share our insights and to improve outcomes.

We have written thought leadership pieces on the role of the Proxy Agents and responding to the Activist Threat in the Investment Trust sector. In each case we have used our convening power to facilitate dialogue within our membership and the wider investment community to build understanding and allow relevant parties to make decisions from positions of improved knowledge.

AN EVOLVING BUSINESS MODEL

I noted last year that the Forum had to evolve its business model in order to be able to continue to deliver the high-quality service which our Members require of us. Critical to that was to understand the fantastic convening power which we have and how that can serve to facilitate even greater dialogue between companies and their shareholders, primarily outside of formal 'engagements'.

We therefore developed our 'Board Dialogue Service' where we convene and facilitate meetings for corporate Chairs with our Members to build mutual understanding and address important issues around the company investment case. We delivered three such meetings this year with FTSE 100 companies and the feedback from the companies and our Members has encouraged us to pursue more opportunities of this type into 2026.

The second diversifier to the model was the introduction of sponsored events where we can facilitate conversations between our Members and other interesting market participants. We remain open to exploring further opportunities for collaboration in 2026.

The evolving theme of the business model is to grow and diversify the funding sources thereby making the Forum more resilient and provide more relevant content and insight for our Members to help them navigate these complex markets.

A FANTASTIC FIRST YEAR FOR THE INVESTOR & ISSUER FORUM (I&IF)

I am delighted with the progress of the I&IF this year. The first few months of my tenure were very much about confirming the positioning and philosophy of this initiative and how it would work alongside, and indeed complement, the Investor Forum.

From day one, we highlighted the inclusivity of the I&IF and how it would attempt to reflect and co-ordinate views across the Investment Chain – including corporates, asset managers and asset owners. We appointed a steering committee to reflect this breadth, and I am hugely grateful for the leadership and insights they have shared throughout the year.

> "I am delighted with the progress of the I&IF this year."

There is more detail in a separate section in this document, but the key deliverables of the Compass, the Ecosystem map, the Showcase series, the Cross-Industry Group meetings and the work on Pass-Through Voting (in conjunction with Tom Gosling and his team at the London School of Economics) represent a fantastic return on the first year of work. None of this could have been possible without the much-appreciated support from the London Stock Exchange, the contribution of the Steering Committee working group and, of course, the tireless work and enthusiasm of our outstanding colleague, Sallie Pilot.

Huge thanks to all those who have contributed and I look forward to 2026 which will be the year in which this initiative moves to the next level.

Continued overleaf »

WHAT OF 'PEAK STEWARDSHIP'?

2025 has been a year of evolution for the broader stewardship industry. The most notable development was the launch of the 2026 Stewardship Code after a period of intense consultation. I am proud of the role the IF played in that consultation period – facilitating dialogue between our Members and the FRC and submitting our own thoughts, most notably around the role of collective engagement. Read more on this in the guest article from the FRC on page 16.

The key components of the new Code have broadly landed well – many have welcomed the reduced reporting burden, the increased focus on Stewardship 'quality over quantity' and a drive to target financial materiality and to call out and eliminate the more 'performative' elements. The creation of a 'market for stewardship' should encourage asset managers to be clearer as to how they conduct stewardship and to win and manage mandates on that basis.

> " The volume of engagement activity is higher year on year."

There has also been a renewed commitment to 'Comply or Explain' within the Corporate Governance Code which we see as an encouraging development as it should lead to richer dialogue between companies and their shareholders and thereby a greater understanding of corporate motivations.

Despite the changes noted above, we see the UK stewardship community as broadly holding firm against changing priorities towards ESG in other jurisdictions and asset owners increasingly rewarding managers for retaining their commitment to high quality stewardship as others potentially succumb to political pressure.

A COMPLEX MARKET BACKGROUND

In my Review last year I commented that many within the membership were notably optimistic about the prospective returns from UK equities.

At the heart of this positive view was the fact that - in a highly uncertain world – the UK market offered a very attractive blend of deep value, high quality, relatively economically insensitive and ultimately uncorrelated exposures in a world that was crying out for diversification from US tech.

Some in the market also noted the market friendly regulatory reform underway in the UK and the Government's stated commitment to supporting growth. The final component of the positive case was the massive volume and breadth of inbound capital over the preceding few years which was acquiring listed companies at material premia to the prevailing market prices, and which was showing absolutely no signs of slowing down.

Encouragingly, this optimism was largely well founded – the UK All-Share index has delivered a very healthy total return of c.24%, ahead of MSCI ACWI and with much lower levels of volatility – most notably around the 'Trump Tariff' events in Spring.

So, at the headline level, with the FTSE sitting at, or close to, all-time highs one could be forgiven for thinking the market is in rude health. But there is much nuance to discuss.

Firstly, the returns have not been broadly based – with a relatively small cohort of momentum stocks (in banking, defence and mining) delivering most of the gains. It is interesting to note that whilst the headline FTSE 100 index has delivered a return of 25.8%, the equally weighted return has been 21.4% and the small & mid-caps have been notable laggards with returns of 12.9%. The median active manager delivered a return of 13.2%.

Continued overleaf »

> "The market now needs to recalibrate and reconsider the need to invest to grow."

This mid cap weakness can be explained by the weakness of the domestic economy in the UK which has been blighted by political uncertainty, sticky 'cost-push' inflation and elevated borrowing costs. There has been precious little sign of the much-vaunted pivot back into UK equities by UK institutions and retail savers who remain notably under invested despite much market commentary urging them to step up.

The other slightly dysfunctional part of the market strength is that the de-equitisation has in fact intensified over the year. The number of companies that have been or are in the process of being taken over is way in excess of new listings, share buybacks have accelerated further and new issuance remains limited – although the pipeline there is apparently encouraging.

A PENDULUM THAT HAS SWUNG TOO FAR

To my mind, the best analogy for the current market is a pendulum that has swung too far.

In many cases, it is entirely appropriate for companies to buy back shares – when they are cheap, when the company is well capitalised and when there are insufficient opportunities for value accretive organic or inorganic growth. However, the scale on which the current buybacks are happening suggest that some of that discipline might have been lost and the market now needs to recalibrate and reconsider the need to invest to grow. There are legitimate questions being asked as to whether there might be better uses of corporate cash flow and – if the equity market is to fulfil its growth potential – whether there should be a pivot back to business development, capex and M&A.

There is a similar debate about inbound M&A. In a well-functioning market it is very normal for companies to be taken over and move to different types of ownership – but the current numbers feel disproportionately high and I have been so pleased to be supporting our Members in their attempts to retain businesses on the market over the last year.

My final comment on this theme is on IPOs. It is very rare in my career that I have heard such a broad based acceptance of the need to bring new companies to market amongst the asset management community. This is very encouraging as there is apparently a large pipeline of companies that are considering a listing, many of whom could thrive on our markets. It is so important to note however, that this can only work if the companies are prepared to list at valuations that leave an acceptable risk reward profile for the new investors and that the companies are of sufficient quality and credibility to be listed.

MAKING THE CASE FOR THE UK

I would like to close by introducing the final piece of work of the Forum for 2025 which is inextricably linked to the de-equitisation narrative.

In conjunction with our Members, we have written a clear and compelling narrative describing how UK asset managers and asset owners can provide support to companies in their growth ambitions – we feel that the long duration of ownership, the engagement quality and the diversity of investor type within the UK offer a compelling vision of equity ownership to underpin the next phase of UK equity market revitalisation. We hope that these insights encourage companies already listed here to remain on the market for longer and to attract companies considering their future ownership to the UK stock market.

CONCLUSION

There has been much to be encouraged by at the Investor Forum in 2025, but there remains much to do.

I would like to close by thanking all Members for their support in my first year and the IF colleagues for their excellent work and good company.

I am very much looking forward to working with you all and making further progress on all fronts in 2026.

The Stewardship Landscape

EVOLVING STEWARDSHIP

The past year has been marked by a noticeable recalibration of the stewardship environment. Investors have adjusted to a policy backdrop increasingly designed to align with the UK's growth agenda, while also navigating a growing fragmentation in international stewardship expectations and divergence in regulatory initiatives. Structural challenges persist: UK listings continued to decline in 2025, M&A activity again outpaced IPOs, and valuations lag behind global peers.

Yet many of our Members view this as a great opportunity and see the potential for stewardship teams to demonstrate the positive power of engagement when done well. As 'tick-box' and the more performative elements of stewardship and corporate governance are discouraged, the material benefit thoughtful engagement can provide, both towards UK competitiveness and in helping enhance corporate resilience, can come to the fore.

Rather than a single turning point, 2025 has been characterised by a series of interconnected developments reinforcing stewardship as a core component of the UK financial system. Key themes include divergence in global stewardship norms, governance and engagement trends, and outcomes-focused regulatory reform (2026 Stewardship Code).

DIVERGENCE ACROSS GLOBAL STEWARDSHIP NORMS

While the UK and EU continue to integrate sustainability and stewardship into regulatory frameworks, alignment at a global level has become more challenging. In the United States, political and legal pressures have created a more hostile environment for engagement and the exercise of shareholder rights. Some institutions have reduced public commitments or withdrawn from collaborative commitments, leading to more cautious messaging, even when long-term value considerations remain clear.

By contrast, the EU has strengthened its regulatory approach through SFDR enforcement and fund reclassification. Despite the increased scrutiny and administrative demands, investor appetites for credible sustainability strategies have remained robust, particularly for Article 8 funds, suggesting that long-term fundamentals continue to drive investment, not short-term political cycles.

In the UK, the government is moving forward with statutory guidance framework to clarify trustees' ability to consider broader factors, such as systemic risks, living standards, and member perspectives, in investment decisions. These developments could mark a significant shift toward empowering UK pension trustees to act on long-term, sustainability-sensitive investment considerations while remaining accountable and within their fiduciary duties.

For investors, this divergence presents both strategic and operational opportunities. Stewardship expectations now vary considerably across jurisdictions, raising questions around the extent to which it can be harmonised across global portfolios.

GOVERNANCE AND ENGAGEMENT TRENDS

In 2025, UK investors continued to emphasise board effectiveness as a key lever for managing systemic risks. Beyond traditional governance matters, investors report that their engagement priorities focus on climate adaptation, geopolitical exposure, artificial intelligence and digital transformation. There is also an interest in governance models that extend across asset classes, particularly in private markets and infrastructure, where conventional levers are limited.

In October 2025, at the government's request, the Investment Association announced it would discontinue its Public Register of significant shareholder dissent, noting that transparency objectives are now largely met through existing disclosures and stewardship reporting. Investors' views on the change are mixed: some regard it as a natural progression, reflecting wider access to vote-related information and a maturing governance environment; others note that while the Register was not essential, it offered a convenient

reference point for identifying potential concerns. Many see the shift as reinforcing the importance of direct engagement and issuer-specific monitoring, consistent with the broader move toward context-driven, outcomes-focused stewardship.

2026 UK STEWARDSHIP CODE AND AN OUTCOMES-FOCUSED FRAMEWORK

During 2024 and 2025, the Investor Forum engaged constructively with the Financial Reporting Council (FRC) on behalf of our Members, sharing investor perspectives on how the Code could best support effective stewardship. The Forum facilitated a series of roundtables and bilateral meetings with the FRC, providing a platform for Members to share their perspectives and priorities, and helping to articulate the diversity of stewardship approaches across asset owners, managers, and service providers.

The revised UK Stewardship Code, published in June 2025, with additional implementation guidance published in October, represents a shift in regulatory expectations. Greater emphasis is now placed on linking stewardship outcomes to long-term value creation, moving beyond process-driven reporting. The Code's streamlined structure reduces reporting burdens and allows signatories to focus on the substance of their engagement.

FRC guidance encourages signatories to tailor reporting to their strategy, scale, and structure rather than following a single template. Signatories are now expected to demonstrate how their engagement contributes to long-term value, capital discipline, and stakeholder confidence, rather than merely describing activity. Principle 3 states that engagement may take many forms, including collaboration with other investors and the guidance acknowledges that "collaborative engagement is an important tool that enables investors to share resources and leverage their collective influence".

These changes take effect from 2026, and the Investor Forum will continue to support Members in interpreting and implementing the new Code.

SHAPING CORPORATE RESILIENCE

The IFRS Foundation, through the International Sustainability Standards Board, has embedded sustainability-related disclosures into financial reporting via IFRS S1 and S2, creating a more prescriptive and globally consistent framework covering governance, strategy, risk management, and climate metrics. In the UK, many investors are encouraging adoption of the UK Sustainability Reporting Standards, based on S1 and S2, though this is not yet mandatory. While these requirements increase reporting demands, they also enhance the comparability and auditability of information that underpins stewardship and informs engagement.

CONCLUSION

The changes observed over the past year – including adjustments to regulatory expectations, varying international approaches, and a greater focus on outcomes - are influencing how investors conduct and report their stewardship activities.

These developments reinforce the need for stewardship approaches that are proportionate, outcomes-focused and grounded in financial materiality - characteristics that collective engagement can support when individual action is constrained.

The revised UK Stewardship Code and the emerging sustainability reporting standards provide clearer structures within which this can take place.

The Investor Forum will continue to support Members in responding to these shifts, facilitating dialogue and sharing relevant insights. Our focus remains on helping investors undertake stewardship that is effective, practical, and suited to the needs of the UK market over the long term.

> " Rather than a single turning point, 2025 has been characterised by a series of interconnected developments..."

Stewardship & Growth
Guest Article



RICHARD MORIATY
CEO of the **Financial Reporting Council**

STEWARDSHIP AND GROWTH: A PARTNERSHIP, NOT A TRADE-OFF

There are questions in some quarters about how robust stewardship and economic growth can exist together. As the FRC enters 2026 with a continued focus on supporting growth while maintaining high standards, I want to put forward our view.

Stewardship and sustainable growth are not competing priorities. Rather, good stewardship is integral to sustainable growth. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries.

Effective stewardship provides the transparency that enables investors to make informed decisions. It underpins the confidence in UK markets that attracts both domestic and international investment. The question is not whether we need stewardship standards, but how those standards can work as well as possible.

LISTENING BEFORE ACTING

When we began our fundamental review of the UK Stewardship Code in 2024, we didn't start with proposals, but with questions. How can the principles of the Code provide flexibility and greater transparency while being underpinned by high standards?

Through a listening phase and formal consultation, more than 1,500 investors, corporates and other interested parties engaged with us.

WHAT WE HEARD WAS CLEAR: THE CODE WAS VALUED, AND IT COULD BE IMPROVED.

Signatories told us that reporting didn't always serve investors or beneficiaries. Some felt they were demonstrating process rather than outcomes—ticking boxes rather than evidencing impact. Asset owners wanted clearer sight of how managers were exercising stewardship on their behalf. And across the board, there was appetite for greater flexibility to report in ways that reflected different investment approaches.

Some worried that reducing reporting requirements would signal a lowering of standards. Others questioned whether flexibility might lead to inconsistency. These were legitimate challenges, and addressing them shaped the Code we published in June 2025.

> "The UK Stewardship Code 2026 is an evolution, not a revolution."

WHAT THE 2026 CODE CHANGES

The UK Stewardship Code 2026 is an evolution, not a revolution. It retains the high bar for transparency and effectiveness that has made the Code respected globally, while making targeted changes to reduce unnecessary burden and sharpen the focus on outcomes.

The issue that probably sparked the most conversation was the definition of stewardship itself. We clarified this to support growth and avoid misunderstanding. We are clear that stewardship means responsible allocation, management and oversight of capital to create long-term value. Where asset owners consider particular factors—including aspects of ESG—to be material to value creation, they should reflect that in their approach. But that is their judgment to make, it is not the role of the regulator to prescribe which factors matter, nor should it be. Our role is to ensure transparency so clients and beneficiaries can see how their capital is being managed.

The most significant structural change is the introduction of a two-part reporting model. Signatories now submit a Policy and Context Disclosure every fourth year, setting out their governance, resources and stewardship policies. Alongside this, an annual Activities and Outcomes Report demonstrates how those policies have been applied in practice. This means signatories no longer need to repeat foundational information each year—they can focus on what they have actually achieved.

For the first time, the 2026 Code also introduces dedicated requirements for proxy advisory services. This recognises their influential role in the investment chain and the importance of transparency about how their research and recommendations are developed. The new Service Provider Code sets out tailored Principles covering client relationships, quality assurance, and the management of conflicts of interest—a significant development given ongoing debate about the role of proxy advisors.

Early evidence suggests signatories may be able to reduce their reporting volume by 20 to 30 per cent while maintaining quality—a meaningful reduction in burden without compromising the information that clients, beneficiaries and the wider market need.

A MARKET FOR STEWARDSHIP

The UK Stewardship Code remains voluntary, yet is widely adopted by both UK and global organisations. That voluntary uptake is testament to its value. Signatories choose to meet these standards because doing so serves their interests and those of their clients.

This voluntary approach also serves a broader purpose. Other regulators, including the Financial Conduct Authority and The Pensions Regulator, can draw on the information continued in signatory reporting when assessing how their regulated firms meet stewardship-related requirements. Without a well-supported voluntary code, there would be greater pressure for prescriptive regulation—likely less flexible and more burdensome for the investment community.

This creates a genuine market for stewardship. Asset owners can use signatory status as a meaningful factor when selecting managers. Managers can differentiate themselves through the quality of their stewardship. And beneficiaries—the savers and pension holders on whose behalf this capital is managed—can have greater confidence that their interests are being actively represented.

SUPPORTING SIGNATORIES THROUGH TRANSITION

We recognise that change requires adjustment. That is why 2026 is a transition year. All existing signatories will maintain their status provided they submit their first report to the updated Code in their usual application window.

We have published non-prescriptive reporting guidance with practical suggestions and examples. We will continue engaging with signatories throughout the year and update our guidance as we learn from the first reports submitted under the new Code.

LOOKING AHEAD

As I reflect on our priorities for 2026, three things stand out.

First, we must demonstrate that proportionality works in practice. The changes we have made to both the Corporate Governance Code and the Stewardship Code are built on the principle that well-designed standards can maintain high quality while reducing unnecessary burden.

Second, we must continue listening. We will continue to engage with stakeholders as we implement the Codes.

Third, we must keep the ultimate purpose in view. The FRC exists to serve the public interest and support growth by setting high standards of corporate governance, reporting and audit. Everything we do must connect back to that purpose: building confidence in UK markets that enables companies to attract capital and grow.

The UK's position as a centre for excellence in investment management rests on the integrity of standards like the Stewardship Code. By ensuring those standards remain relevant, proportionate and focused on outcomes, we can support both effective stewardship and sustainable economic growth. These are not competing ambitions—they are two sides of the same coin.

BY RICHARD MORIATY
CEO of the **Financial Reporting Council**

Reframing the narrative on the UK market



"The UK has all the necessary elements for a thriving capital market, but it needs support. Declining availability of capital and falling valuations in the last two decades has made it less attractive for companies to be listed in the UK. Through promoting the benefits and hence directing savings into UK companies, the public market can provide more investment for growth in new and existing businesses which in turn create jobs and wealth for the economy. I also believe it would be positive for savers too."

Emma Mogford
Fund Manager - UK equity income, Premier Miton

"One of the UK market's enduring strengths lies in the depth and openness of board-level relationships. We find consistent willingness among company directors to engage meaningfully with long-term shareholders. UK boards are not only accessible — they are receptive to challenge and dialogue. This creates a uniquely fertile environment for constructive influence, and we find that many UK companies are particularly open to engaging with us on strategic matters."

Iain McCombie
Head of UK Equity Team, Baillie Gifford

"When we look at a company, we are interested in its characteristics, its value chain and its cash flow on a 3 year, a 5 year and beyond perspective. This is an increasing contrast to those investors who focus on what can go wrong in the market over the next 6 days, 6 weeks, 6 months, whereas we try and use our imagination to figure out what is going right and how good it could be."

Adrian Frost
Fund Manager, UK Equities, Artemis

In 2025 we produced a paper, in conjunction with the Investor Forum membership, to contribute the institutional investor voice to the improving sentiment currently building towards the UK equity market and act as a constructive counter-narrative to some of the negativity that has emerged over recent years.

Our goal was to highlight and amplify the market's positive attributes - across investors, companies, and policymakers - to strengthen public markets as a foundation for productivity, innovation, and the creation of long-term value.

Throughout the paper, we provide quotes from investors and stewardship professionals, sharing their perspectives on the strengths they see in the UK market.

> "The UK equity market stands as a central pillar of the nation's economic infrastructure..."

Based on detailed discussion with Investor Forum Members, the paper set out five key pillars that underpin the argument that the UK remains an attractive place to list and offers a constructive investment environment. In summary, these pillars are:

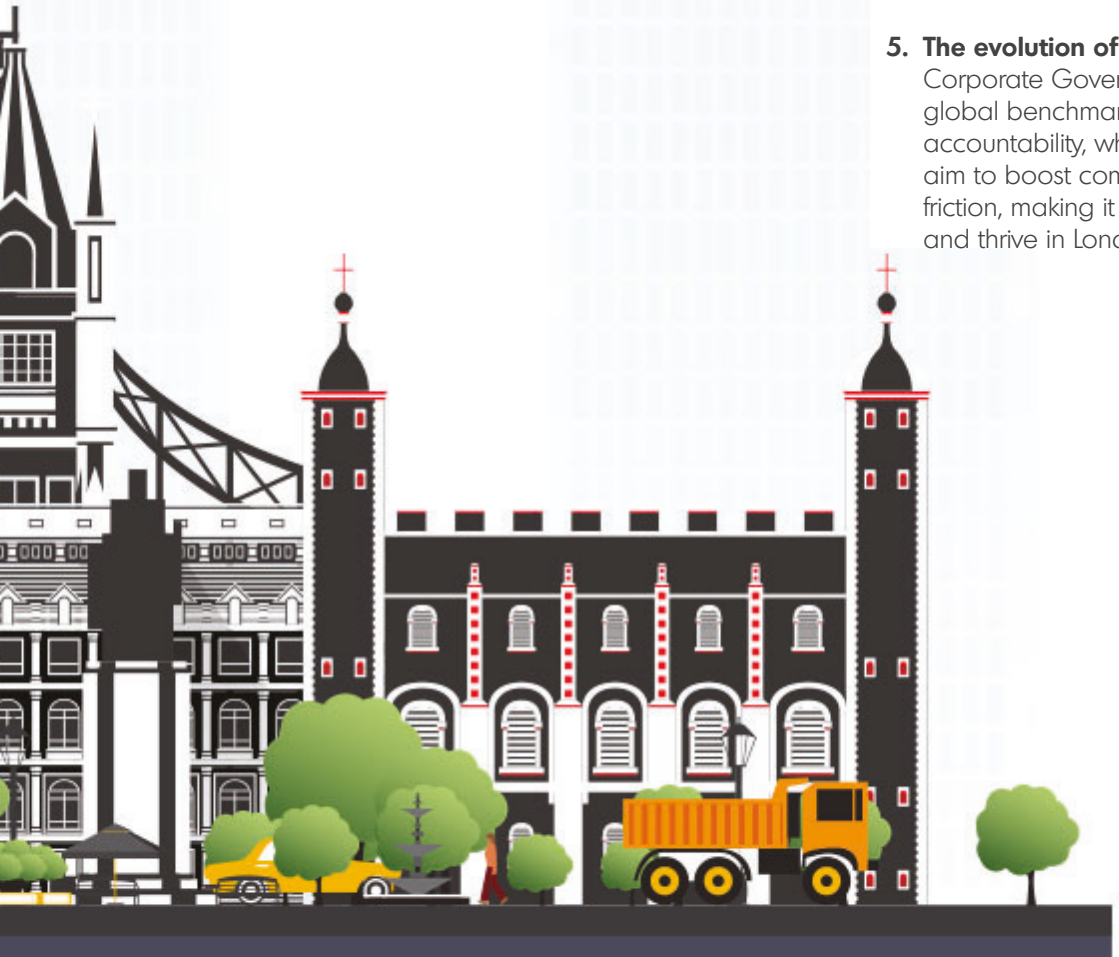
1. **The stability of long-term ownership** - A strong domestic capital base, held in long-duration institutional structures such as pension funds, insurance companies, and endowments, provides resilience through cycles and enables management to focus on sustainable, strategic delivery.

2. **The strength of engaged and active shareholders** – A robust stewardship culture ensures boards receive valuable feedback and strategic input, helping refine long-term plans and anticipate stakeholder concerns.

3. **The preparedness to provide incremental capital** – The UK market has demonstrated a considered willingness to support companies in building financial resilience and funding growth opportunities through fresh equity issuance.

4. **The diversity of the investor base** – A plurality of investors, operating across a range of styles and strategies, creates an ecosystem that enhances liquidity, price discovery, and ensures all companies - from recovery stocks to established blue chips to high-growth start-ups - can find support throughout the cycle.

5. **The evolution of regulation** – The UK's Corporate Governance Code sets a global benchmark for transparency and accountability, while recent regulatory reforms aim to boost competitiveness and reduce friction, making it easier for companies to list and thrive in London.



The UK equity market stands as a central pillar of the nation's economic infrastructure, supporting investment, innovation, employment and long-term value creation. One of the world's most mature and internationally connected capital markets, it has helped companies scale and has enabled pension funds, charities and individual savers to share in the prosperity generated by business growth.

In recent years a combination of evolving global competition, regulatory complexity and changes in investor behaviour have contributed to a decline in the number of UK-listed companies, lower levels of domestic equity ownership and a fall in new issuance. Data from the London Stock Exchange indicates that UK investors hold a significantly smaller share of domestic equities than in previous decades, while analysis by other research bodies has documented a sustained reduction in market breadth over the last 10 to 15 years. Although these trends have raised concerns about the health of the UK market, they do not diminish its fundamental strengths.

A market does not decline because of a single structural flaw, nor does it revive through a single reform. The future health of UK public markets depends on coordinated action and, to a large extent the confidence of investors and companies.

Our paper, based on detailed discussions with the Investor Forum membership, aims to contribute a constructive institutional investor voice to that process. We set out five pillars that, taken together, demonstrate why the UK remains an attractive place to list, invest and grow — and why public markets continue to offer long-term benefits to the economy and society.

1. Long-Term Ownership: A foundation of stability and strategic discipline

One of the enduring strengths of the UK market remains the presence of investors that operate with long-term objectives and investment horizons. While the proportion of domestic institutional ownership has changed significantly over the past three decades, long-duration capital is still an important feature of the UK ecosystem, particularly within pension schemes, insurance companies and certain specialist asset managers.

The value of this long-term approach is well recognised. Independent academic research has shown that firms with a higher proportion of long-term institutional ownership tend to demonstrate stronger governance characteristics and improved capital discipline. This does not imply that every institutional investor behaves as a patient shareholder, but that it is clear that companies with a supportive long-term shareholder base are often better equipped to invest through cycles, align management incentives with strategy and deliver sustainable value creation.

The UK has a long tradition of encouraging this type of ownership, and companies regularly attest to the benefits of investors who take the time to understand their business models, maintain continuity of engagement and offer constructive challenge through different phases of development. In a global environment marked by economic volatility and sector transitions, this form of ownership remains a competitive strength for companies that choose to list in London.

2. Engaged and Active Shareholders: Stewardship that enhances market quality

The UK's stewardship culture is internationally recognised and supported by the UK Stewardship Code, which sets a global benchmark for investor engagement, transparency and accountability. The most recent updates to the Code emphasise outcomes over process, encouraging asset managers and asset owners to demonstrate how their stewardship activity contributes to long-term value creation. This renewed focus on value creation, combined with meaningful dialogue and effective oversight, plays an essential role in strengthening trust between companies and investors.

Boards and executive teams benefit from investors who provide constructive insight, challenge capital allocation decisions appropriately and help anticipate emerging risks. While the impact of stewardship varies across companies and sectors, there is evidence that active ownership contributes to more resilient and better-governed businesses.

For investors, strong stewardship fosters confidence in the quality of UK-listed assets. For companies, it provides an informed and reliable channel through which to communicate long-term strategy. For the market as a whole, it helps anchor high standards of governance and mitigates the risk of short-term pressures undermining sustainable performance.

Continued overleaf »

3. Access to Incremental Capital: Supporting growth, resilience and innovation

Among the defining advantages of public markets is the ability of companies to raise further capital once listed, whether to fund organic expansion, support acquisitions or strengthen balance sheets during periods of stress. This feature is particularly evident in the UK, where history shows that follow-on issuance has remained resilient even when IPO activity has slowed.

During the COVID-19 pandemic, for example, UK-listed companies raised substantial amounts of equity to stabilise operations and reinforce financial resilience at a time of acute uncertainty. Although aggregated figures vary by source, industry analysis consistently identifies London as one of Europe's most active markets for secondary fundraising through 2020, with existing issuers raising significant amounts of capital during the first half of the year. These transactions enabled companies across sectors to continue investing in their operations, protect employment and position themselves for recovery.

In more normal markets, UK companies have also benefited from the availability of incremental capital to support long-term strategies. A number of firms have used public equity to fund expansion, invest in technology and enter new markets, demonstrating that the UK equity market can play a central role in enabling domestic companies to grow into global leaders.

This ability to raise capital at critical moments, supported by investors who understand their businesses, is an often under-appreciated strength of the UK public markets.

4. A Plurality of Investors: Breadth, liquidity and global connectivity

A defining characteristic of the UK equity market is the breadth and diversity of its investor base. Active managers, index funds, long-only institutions, sovereign wealth funds, specialist sector investors, private wealth managers and retail participants all contribute to the depth and liquidity of the market. This range of investment styles and risk tolerances helps create an ecosystem that supports companies across the full spectrum of maturity, from established industry leaders to innovative smaller firms.

Research has shown that broader and more diverse share ownership is associated with stronger trading volumes and more efficient price discovery. In the UK, the presence of international investors contributes further depth, bringing additional capital, specialist expertise and perspectives shaped by global competitive contexts.

For listed companies, this diversity translates into the opportunity to access different forms of capital at different stages of growth. For investors, it enhances the resilience and dynamism of the market. For the UK economy, it reinforces London's position as an international financial centre that can attract and deploy capital at scale.

5. Regulatory Evolution: Aligning the framework with competitiveness

The UK's governance and regulatory framework has long been regarded as one of the most transparent and credible globally. Yet in recognition of shifting global dynamics, policymakers have sought in recent years to modernise the rules governing public markets, with the aim of ensuring that the UK remains an attractive and competitive destination for new listings.

Reforms to the listing regime, changes to prospectus and capital-raising rules, and efforts to simplify regulatory processes are all intended to reduce friction for companies and to offer greater flexibility without compromising investor protection. These reforms remain at an early stage, and it is therefore too soon to judge their long-term impact. However, they signal a clear commitment to revitalising public markets and improving the UK's competitive position.

The success of these changes will rely on continued engagement between companies, investors and policymakers. While regulatory reform alone cannot reverse long-term trends in capital flows or investor allocation decisions, it can create the conditions in which a healthier pipeline of prospective issuers is able to emerge and in which existing listed companies can operate with confidence.

Conclusion: From drift to renewal

The UK retains a deep pool of investment expertise, a strong governance culture, a globally connected marketplace and a resilient community of engaged long-term investors. These qualities provide a solid foundation on which to rebuild confidence and relevance.

What is required now is a coordinated effort to restore ambition in public markets: to celebrate the advantages of listing in the UK, to reinforce the value of public ownership, and to continue reducing the frictions that discourage companies from accessing equity capital. Without vibrant public markets, the UK cannot scale innovation effectively, pension savings cannot compound at their full potential and the economy risks ceding competitive ground to other financial centres. The foundations for renewal are in place.

The Investor & Issuer Forum

A PIVOTAL YEAR

This has been a foundational year for the Investor & Issuer Forum (I&IF). There has been a willingness across the investment chain to step back, be honest about what is not working as well as it should and explore how the system might function more effectively together.

The I&IF is supported by a highly engaged Steering Committee comprising Chairs of FTSE100 companies and senior leaders from asset owners and asset managers, alongside a Working Group made up of representatives from those organisations. Over the year, the Steering Committee has met quarterly, with discussions characterised by openness, rigour and candour. These sessions have provided a valuable forum for debate, listening and shared learning across perspectives that rarely come together in this way.

SHARED OBJECTIVE

Alongside these formal discussions, the I&IF has engaged extensively with market practitioners across the investment chain. Over the past year, conversations have taken place with hundreds of individuals, including asset owners, asset managers, listed companies, intermediaries, advisers, regulators and the organisations that represent them.

These discussions have spanned the full breadth of the market: FTSE 100 Chairs and small-cap executives; long-only and index managers; proxy advisers; and the bodies shaping stewardship and governance. Across this diversity of voices, there has been remarkable consistency around the ultimate objective: supporting long-term sustainable value creation.

Where tensions emerge is not around the destination, but around how effectively the system supports that goal. The UK equity market is deep, sophisticated and highly intermediated. Over time, layers of regulation, reporting requirements, stewardship frameworks and advisory roles have been added, largely with good intent. What has become clear is that much of the frustration expressed by market participants is rooted in the system itself, rather than in the behaviours or motivations of individuals operating within it.

THE SYSTEM REALITY

Across these conversations, four recurring tensions consistently emerged, regardless of where participants sat within the system:

- Strong intent, but difficulty translating that intent into practical action.
- Rising expectations, without a corresponding increase in time, resource or clarity.
- Increasing transparency and data, but diminishing decision useful insight.
- Accountability often resting with those who have the least control over outcomes.

These are not behavioural failings. They are symptoms of deeper structural and systemic frictions. Left unaddressed, the risk is that the market continues to ask more of participants while achieving less of the outcomes that matter most.

MOVING FORWARDS

What the I&IF is building is both a shared space and a shared discipline for navigating a complex system more coherently.

If this work is successful, it won't be because of any single document or event. It will be because conversations become clearer, expectations more proportionate, and engagement more constructive – particularly when things are challenging.

Alignment is not something one part of the market can demand of another. It is built through how expectations are framed, how engagement is handled when tensions arise and how honestly participants acknowledge what sits within their control.

The work is still at an early stage, but the direction is right, and the willingness to engage in is real. The opportunity now is to carry that intent into everyday decisions, so the system starts to work more effectively for all participants.

Ecosystem Report: Making the System Visible

One important insight emerged clearly from this work: not all misalignment is the same, and treating it as such is part of the problem. Participants were often talking past one another, not because they disagreed, but because they were describing different challenges from different vantage points. Distinguishing between different types of disconnects has been instrumental in shaping the I&IF's approach.

What became clear is that no single actor can resolve these frictions alone. However, everyone benefits from a shared reference point for behaviour and expectations – something that guides interactions without adding another layer of rules.

As common patterns continued to emerge, it became clear that many frustrations were not about individual behaviour at all, but about the system itself.

In response, the I&IF stepped back and mapped the UK equity investment ecosystem.

Figure 1 on the following page demonstrates the complexity of the regulatory oversight of the investment chain in the UK market.

THE ECOSYSTEM REPORT SERVES THREE PURPOSES:

01 It sets out the system as it exists: the key actors, how it is organised, and the regulatory and advisory structures that shape behaviour.

02 It reflects what practitioners told us about where the model works well and where disconnects make collaboration more difficult.

03 It creates the conditions for a shared response.

UNDERSTANDING DIFFERENT TYPES OF DISCONNECTS ACROSS THE INVESTMENT CHAIN

Type of disconnect	What it reflects	Why it matters
Systemic	Constraints driven by the wider market environment and largely outside the control of any single actor, including regulation, policy frameworks and market structure.	These issues need to be surfaced and discussed openly across the system, even where no single group can resolve them alone.
Structural	Misalignment created by how roles, incentives and responsibilities are distributed across the investment chain.	Progress depends on greater visibility of each other's perspectives and a shared understanding of how decisions are shaped.
Operational	Day-to-day frictions around timing, information flows, engagement processes and resourcing.	These disconnects benefit most from transparency, practical explanation and improved coordination.

Showcases Series: Reducing Misunderstanding

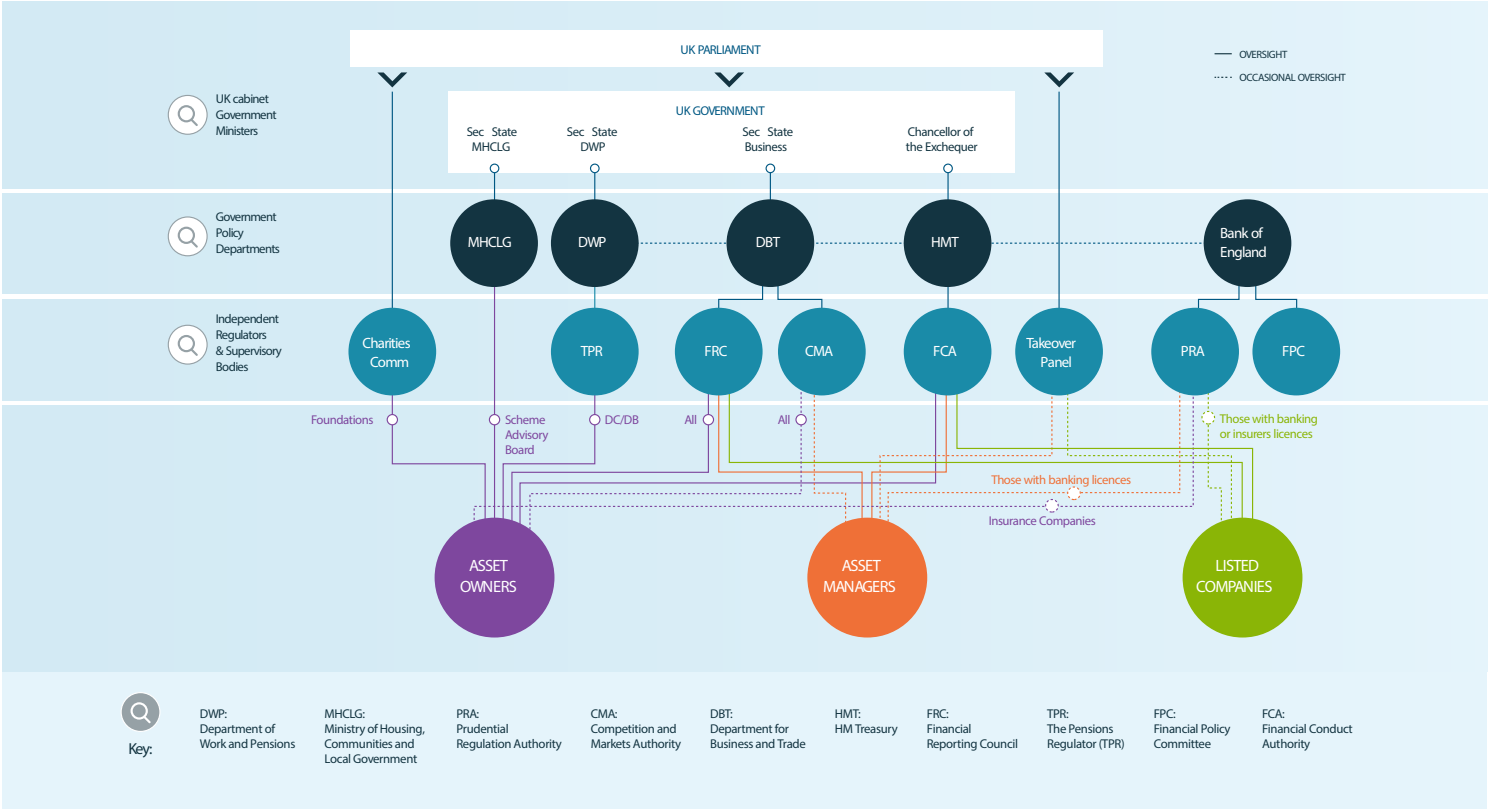
The Showcase Series was developed to fill the gap between shared intent and lived experience. The idea was simple: to create space for different parts of the investment chain to explain, in their own words, how they operate in practice, how decisions are made, and where genuine constraints exist. The aim was not to prescribe behaviour or promote best practice, but to improve understanding and, through that, the quality of dialogue between companies and investors.

Over the year, the Showcase series has brought together asset managers, asset owners and proxy advisers to discuss priorities, constraints and decision-making processes in a practical, non-confrontational setting. In total, 16 asset managers, three asset owners and the six principal proxy advisers active in the UK market have participated.

The Showcases have proved to be one of the most effective mechanisms for surfacing operational and in some cases structural disconnects across the investment chain, and for improving understanding among companies and their advisers. More than 1,000 participants registered across the series, with over 550 individuals attending multiple sessions, collectively reaching over 50% of FTSE 100 companies.

A consistent theme across these discussions has been the importance of context, judgement and relationships. When these are better understood, engagement becomes more constructive and outcomes more meaningful. Looking ahead, the I&IF plans to extend the Showcase programme to other, less well-understood parts of the investment chain and to broaden engagement with additional stakeholder audiences.

FIGURE 1: UK REGULATORY OVERSIGHT OF THE INVESTMENT CHAIN



Pass-through voting: Connecting or Dividing?

In December, the I&IF published its first research report: Connecting or Dividing: The Stewardship Implications of pass-through voting. This topic was chosen very deliberately as one that sits right at the intersection of the investment chain attracting growing interest, strong views but limited understanding of how it is experienced in practice.

The purpose of this work was not to endorse pass-through voting, or to reach definitive recommendations. Instead, it aimed to surface perspectives, implications and questions in an objective, evidence-led and practitioner-grounded way.

The research was conducted collaboratively with Professor Tom Gosling and Dr Suren Gomtsian from the Responsible Investment Initiative within the Financial Markets Group at the London School of Economics and Political Science (LSE), who led the analysis and funded the work.

The backbone of the research was a series of in-depth interviews with executives from 33 market participants across the investment chain. Contributors reflected openly on stewardship, market structure, operational feasibility and the role of technology. The response from the market has been highly positive, reflecting the value of combining academic rigour with practical insight.



→ *Read the Full Report Here*

KEY FINDINGS

The research found no single shared view on whether pass-through voting strengthens or fragments stewardship. For some, it enhances the connection between end investors and the companies they own. For others, it risks adding complexity and diluting established stewardship channels.

What was consistent across all stakeholders was a desire for clarity: clarity on models, on implications for stewardship quality, and on the practical realities for all parties involved.

- Asset owners are seeking alignment between their investment beliefs and stewardship activities, while recognising the expertise, and judgement required to vote effectively
- Asset managers are responding to client demand while seeking to safeguard stewardship quality.
- Companies are open to deeper engagement but concerned about increased complexity and transparency challenges.

LOOKING FORWARD

The I&IF's aim is that this research supports market participants in navigating an evolving area with greater clarity and shared understanding, enabling more informed and constructive dialogue as practices develop.

Importantly, the work reflects the I&IF's broader approach: not advocating solutions, but helping the market think more clearly about implications for stewardship, accountability and engagement. It also represents a starting point. As pass-through voting evolves, further exploration and evidence will be required.

The full report examines in greater detail the drivers behind pass-through voting, models and mechanisms, motivations across the investment chain, practical implementation considerations and possible future developments.

The Investor & Issuer Compass: A practical step towards more effective UK capital markets

Through sustained engagement with asset owners, asset managers, companies and intermediaries, a consistent message has emerged. The UK market has strong foundations: professionalism, openness and a focus on long term value. At the same time, there is a growing need for greater alignment and understanding in how participants work together to achieve that objective.

The Investor & Issuer Compass responds directly to this need.

A SHARED BEHAVIOURAL REFERENCE POINT

The Compass draws together the insights from the I&IF's listening and engagement into a concise set of market agreed conditions for alignment. Its purpose is to make interactions more predictable, transparent and constructive, supporting more proportionate, outcome focused dialogue across UK equities.

Developed through more than a year of intensive engagement with the I&IF Steering Committee and senior leaders representing asset owners, asset managers and companies – alongside industry bodies including Pensions UK, the Investment Association (IA), the Investor Forum, the CBI and The Investor Relations Society - the Compass provides a first-ever common foundation for collaboration across the UK listed equity investment chain.

NOT ANOTHER FRAMEWORK

Importantly, the Compass does not introduce a new framework, pledge or reporting burden. Instead, it connects and reinforces the principles that already guide our market from the FRC's Corporate Governance and Stewardship Codes to the best practice standards many of organisations already uphold and makes visible how they work in practice when relationships are effective.
At its core, the Compass is a signal of collective intent to build stronger relationships, deepen mutual understanding, and demonstrate that the UK equity market leads not through regulation alone, but through example.

HOW THE COMPASS WILL BE USED

The Compass is intended as a practical guide to help navigate the landscape and will be used to:

- Anchor engagement discussions between boards, investors, and asset owners
- Guide internal teams' approach and reporting priorities
- Create a shared frame for cross-industry dialogue
- Support education and capability-building across boards, IR teams and stewardship professionals
- Identify areas of friction where expectations diverge and coordinated action is needed

LOOKING AHEAD

Improving the effectiveness of capital markets is a long-term endeavour. There are no quick fixes, and no single tool will resolve the structural challenges facing UK equities. Progress is made when participants are willing to step back, listen across the system and focus on what genuinely supports long-term value creation.

The Investor & Issuer Compass is a modest but important step in that direction - offering clarity where there has often been noise, and connection where there has too often been fragmentation.

> ***The Compass is the result of a concerted effort by practitioners, across the investment chain, to help focus the dialogue between investors and companies on those areas which generate genuine and sustainable value. This is another important step in making the UK the best place for companies to start, scale and create value for investors and the economy.***
>
> **Dame Julia Hoggett,**
> Chief Executive of the **London Stock Exchange**

INVESTOR & ISSUER FORUM

The Investor & Issuer Compass

The UK equity investment chain brings together interdependent actors - asset owners, asset managers, companies, and intermediaries – all working to steward capital for the long term while navigating complex and evolving regulatory expectations.

Despite different mandates, all share a common interest in the long-term success of companies, the effective stewardship of capital, and the health and competitiveness of the UK capital markets that connect them.

The Compass draws together observations of best practice already present in the UK market into a shared reference point for more aligned, transparent, and trusted relationships across the investment chain.

It helps orient behaviour and expectations, providing a practical guide for navigating complexity while working towards shared long-term outcomes.

It is not a new framework or pledge, but a way to connect and reinforce the existing principles and codes that already guide our market - from the FRC's UK Corporate Governance Code and Stewardship Code to other industry standards and best practice guidance.

By recognising and reflecting these behaviours in practice, market participants can build trust, reduce friction, and support sustainable value creation and the competitiveness of the UK equity market.

Unifying Objective:

Creating Long-Term Sustainable Value

The creation of long-term sustainable value is the unifying objective that underpins effective stewardship activity. In practice this is characterised by time and resources being directed to those matters that are financially material and contribute to the enduring success of the enterprise in question.

1 Expectations are Proportionate and Practical

Expectations across the chain are clear, achievable, and grounded in practice. Asset owners set clear mandates that recognise the inevitable differences between active and index-based approaches; asset managers implement the mandates in ways consistent with the agreed strategy; and companies have clarity on what is expected of them by their shareholders.

2 Dialogue is Constructive

Constructive engagement is the starting point for addressing concerns wherever feasible, recognising the practical limitations of universal engagement. Companies seek dialogue on significant resolutions, and investors are transparent about voting rationale. Where escalation is necessary, it follows a thoughtful and transparent process that encourages dialogue at every stage and reflects the shared interest in corporate success.

3 Boards are Empowered and Accountable

Boards are the stewards of their enterprises and are empowered to make operational, financial and strategic decisions that support long-term value creation and competitiveness. Investors hold Boards to account and are consulted on significant strategic matters, where appropriate.

4 Reporting is Clear, Focused and Decision-Useful

Reporting along the investment chain reduces duplication and box-ticking. Disclosures focus on what matters – enabling meaningful conversations and informed oversight of how companies are run and how expectations are being met.

5 The Ecosystem is Aligned and Responsible

The investment chain relies on a wide ecosystem of advisors and service providers, and their contributions are transparent, pragmatic, and aligned with the unifying objective of value creation. There is trust and collaboration across all parts of the chain – and their wider ecosystem.

Key Activities

29-45 COMPANY SPECIFIC COLLECTIVE ENGAGEMENT

46-48 PROMOTING WELL-FUNCTIONING MARKETS

49-61 S360 PROJECTS

Collective Engagement Report

Collective engagement is a collaborative approach where institutional investors work together to influence companies on material issues that affect long-term value creation. Rather than acting individually, investors pool their perspectives to deliver a unified message to company boards and executives. This method amplifies the voice of shareholders, reduces duplication of effort, and often leads to more constructive dialogue with companies.

The Investor Forum was established to provide a safe and structured environment for this collaboration. By acting as a trusted facilitator, the Forum ensures that engagements comply with legal and regulatory frameworks, avoiding risks such as concert party formation or the sharing of inside information. This model strengthens stewardship practices and promotes well-functioning markets, aligning with the UK Stewardship Code's principles.

In 2025 our Legal Panel undertook the third review of the Collective Engagement framework to ensure that it remained fit for purpose. Read more on page 45.

COLLECTIVE ENGAGEMENT IN PRACTICE

The Collective Engagement Framework and the Forum's approach are recognised by investors as a valuable way to resolve complex problems. We believe it is a unique and constructive additional stewardship tool that can be used to escalate concerns and address any material issue.

We are always available to discuss developments with any UK company should Members have concerns – be they operational issues, governance shortcomings, strategic missteps or an issue that has the potential to negatively impact reputation – or where the company itself identifies the need to address a material issue.

We have also demonstrated our ability to have collective engagements with European companies, where Members have called for this and where there has been critical mass to undertake the engagement.

COLLECTIVE ENGAGEMENTS 2025*

Case Study	Material Issue	Engagement Focus	Outcome
Assura	Transaction oversight	Challenge to board re alternative options	Shareholders able to continue to hold on public markets
AstraZeneca	Corporate structure	Support for UK listing	Concerns addressed
Auction Technology Group	Capital allocation	Communication & board effectiveness	Concerns acknowledged
BP	Corporate Governance	Chair succession	Input into Board considerations
Dowlais	Transaction oversight	Structure of deal	UK listing retained

*Full case studies provide on pages 34 - 43

ENGAGING FOR OUTCOME AND ENGAGING FOR INSIGHT

Within collective engagement, the Investor Forum distinguishes between two complementary approaches: Engaging for Outcomes and Engaging for Insight.

→ *Engaging for Outcomes focuses on achieving changes at the company level. This might involve influencing strategic decisions, improving governance structures, or driving better disclosure on environmental and social risks. The goal is to enhance long-term shareholder value by addressing specific concerns through constructive dialogue. Collective engagement participants engage to maintain or enhance the value of their assets.*

→ *Engaging for Insights is about deepening understanding rather than securing immediate change. It involves structured dialogue that explores complex issues—such as capital allocation plans, board effectiveness, climate transition plans, or executive remuneration practices. By pooling expertise and sharing perspectives, investors gain richer insights that inform their own decision-making and stewardship strategies. A collective approach brings efficiencies to the system and democratises access across the shareholder base.*

Member meetings with, primarily, non-executive directors, are valuable for investors and efficient for companies. These meetings:

- increase confidence that the board is fully aware of the focus of investors and the nature of any concerns and help investors gain clarity on board priorities;
- offer a time- and resource-efficient way for non-executives to reach a wide cross section of the shareholder base which complements existing roadshow initiatives by offering an opportunity for investors to reflect on the issues of key importance to them; and
- have a bespoke agenda, curated and facilitated by the Investor Forum, and create the opportunity for a focused and constructive discussion, even if challenging issues need to be discussed.

We find these meetings to be particularly helpful in advance of Annual General Meetings to help clarify any outstanding issues which in turn equips investors to make informed voting decisions.

Both approaches are essential.

Engaging for Outcomes delivers measurable improvements at the company level, while Engaging for Insight builds the knowledge base that underpins effective stewardship across portfolios. Together, they reflect the Investor Forum's commitment to long-term solutions and its role as a catalyst for informed, impactful engagement. Participants use the information gathered from these stewardship activities to inform their investment decisions through the investment lifecycle.

On the next few pages, we provide case studies of the five formal Engagements for Outcomes which were closed during 2025.

Board Dialogue Service Company Meetings

In 2025, three company Chairs supported the Investor Forum in its ambitions to address the friction in the UK market by establishing a new platform for dialogue. The Board Dialogue Service allows companies to make a financial contribution to the cost of maintaining the Investor Forum.

In return, they get a bespoke shareholder meeting, convened in a safe and discreet manner at a time that aligns with their shareholder communications agenda, followed by granular feedback to help them understand investor perspectives on the issues facing their company.

"The Investor Forum's Board Dialogue Service provides a disciplined, high-quality platform for constructive engagement. The session they hosted for me on GSK's investment case in April 2025 had a tailored agenda to meet GSK and investors interests and a highly receptive audience. It enabled access to a broad range of engaged shareholders and was very efficient use of my time. The feedback at the end was thoughtful and actionable, and the format proved a very effective way to strengthen understanding and alignment."

Sir Jonathan Symonds CBE
Chair, GSK plc

BENEFITS FOR THE BOARD

01
Efficient & effective use of Chair/NED time to project key messages, address concerns and interact with large and small investors as part of a wider shareholder engagement programme.

02
Meeting hosted by the Investor Forum executive as a 'fireside chat', with a challenging and constructive tone, plus open questions & answers from shareholders.

03
Attendees will be from the buy-side only, and include a range of portfolio managers, sector analysts, corporate governance and stewardship analysts - breaking the silos and encouraging a rich conversation on material issues.

04
Bespoke, curated agenda, agreed in advance, focusing on strategic issues and key areas of shareholder interest.

05
Option to invite non-Investor Forum Member shareholders – including activists and non-UK based investors - at company discretion (subject to IF agreement).

06
Comprehensive feedback from attendees shared following the meeting to provide insight into shareholder views and any outstanding concerns.

Engaging for Insight
Company Meetings

AstraZeneca plc

Following the engagement with **AstraZeneca plc** (see page 36), we hosted a meeting with the Chair to inform voting decisions around the listing harmonisation. The discussions explored the technical implications of investors through the UK instrument no longer being "shareholders", but holders of Depositary Interests, and sought to clarify any changes to their associated rights.

BP plc

A meeting was held with the Chair of **BP plc** prior to their AGM, where the agenda covered the strategic reset, climate commitments and corporate governance issues. Shortly after the meeting, the Chair announced that he would be stepping down. We subsequently engaged with the company on Chair succession issues (see page 40).

Bunzl plc

Bunzl plc was proposed for formal engagement, but it was agreed that a useful first step would be to hear from the Chair. We facilitated a small group meeting to discuss the Board's thoughts on how best to revitalise organic growth potential, share buybacks, board effectiveness, as well as culture and potential activist threats. Participants came away with valuable insights, and agreed to continue to monitor the situation rather than escalate further at this stage.

Diageo plc

Members were keen to hear from the Chair of **Diageo plc** and discuss the strategic priorities for Board. We hosted a well-attended meeting which covered risk management, CEO succession and the capital allocation framework as well as how the company is navigating the evolving consumer environment.

Marks & Spencer plc

A meeting with **Marks & Spencer plc** was arranged in advance of their AGM to discuss the shareholder resolution that has been filed regarding living wages. The agenda covered the company's Human Capital Management strategy and approach to being a Real Living Wage Employer, and their Global Sourcing Principles (including pay at third party suppliers), along with the specific asks of Resolution 27.

Rio Tinto plc

The Chair of **Rio Tinto plc** joined us for the fourth consecutive year as part of his pre-AGM investor outreach programme. At the company's request, non-Investor Forum members were invited to this meeting, offering an efficient way for the company to reach a wide range of interested shareholders. The constructive discussion covered the Climate Transition Action Plan and the shareholder resolution regarding the unification of the dual-listed company structure that were being put to shareholder vote, as well as culture and the Board's strategic priorities.

HSBC Group plc

Following two constructive meetings in 2024, a further meeting was held with the Chair and SID of **HSBC Group plc**. The agenda covered the strategic implementation, remuneration, net zero commitments and corporate governance issues.

Smith & Nephew plc

Concerns had been raised regarding **Smith & Nephew plc** and so we invited the Chair to talk to a group of shareholders. The structured agenda covered strategic issues and remaining sources of contention, operational execution and the key KPIs, as well as culture and the lessons learned from the remuneration process. At a high level, we also discussed the role of the activist.

SSP Group plc

Following Member interest in an engagement with **SSP Group plc**, an 'Engaging for insight' meeting was held with the Chair. The agenda covered his reflections on post-COVID recovery, capital allocation, operational and financial challenges and succession planning and remuneration. Participants came away better informed on the various issues, and equipped to engage bilaterally.

GSK plc

We hosted a 'Board Dialogue Service' meeting with ***GSK plc,*** attended by 19 of our Member firms. The Chair came to our office in person, and reflected on the operational, cultural and financial performance of GSK over the period of his tenure. In addition, the agenda covered recent changes to the capital allocation policy, as well as talent management, incentivisation and succession. The meeting was well-received, and the attendees felt that the Chair struck an appropriate tone, balancing accountability, candour and optimism. Comprehensive feedback was shared with the company following the meeting.

Prudential plc

We hosted a 'Board Dialogue Service' meeting with the Chair of **Prudential plc.** The agenda covered the Board's long-term vision and strategy, and thoughts on future corporate structure, as well as board effectiveness and disclosures. There was a general discussion on the challenges of chairing a listed company in a period of change and the environment for UK quoted companies. A feedback note was shared following the meeting.

Reckitt Benckiser Group plc

We hosted a 'Board Dialogue Service' meeting with **Reckitt Benckiser Group plc.** The Chair discussed the strategic priorities for the Board, including the capital allocation framework, culture and leadership, restructuring and financial transparency. Shareholders were also keen to hear about litigation risk management, the wider corporate governance agenda, and stakeholder engagement. Our members appreciated the opportunity to engage directly and openly, and for the Forum to curate topical agenda. A feedback note was shared following the meeting.

Pennon plc, Severn Trent plc, and United Utilities plc

As part of the S360 Water project, a third set of meetings were held with the chairs of **Pennon plc, Severn Trent plc, and United Utilities plc.**

CASE STUDY

Assura plc



Oversight (by the Board)	Strategy	
	Leadership & Succession	
	Capital Allocation	
	Corporate Governance	
	Corporate Action	•
Execution (by the Management Team)	Operational Performance	
	Management Information	
	Reporting & Communication	

Timeframe
Apr-Aug 25

Index
FTSE 250

Number in Engagement
09

Combined Shareholding
N/A

Summary of the issues
Why did the Forum engage?

- In April 2025, Assura's Board agreed to a bid from Sana Bidco (a KKR and Stonepeak Partners consortium). Following this, a Member raised concerns related to the offer.
- In our Member Note of April 2025, we highlighted the issues that we had heard, namely that the offer price did not offer fair value for the company, that the timing of the transaction was opportunistic, and that it was not clear that the recommended outcome was in the best interests of long-term shareholders who supported and appreciated the business.

Objectives
What did the Forum engage on?

It was established that there was a critical mass of support to proceed. The objectives of the engagement were to:

- Express concerns regarding the private equity bid, and understand the Board's position on the alternative, listed-market bidder, PHP. ;
- Ensure that the Board appreciated the level of shareholder belief in the business' potential and their willingness to support it in the public market over the long term; and
- Request further clarity on how the Board established fair value for the business, given previous statements that the bid materially undervalued the company.

Engagement Methods
How did the Forum engage?

- As with other engagements during takeover bids we adopted heightened procedures, such as not collecting the percentage shareholding of Members in order to avoid creating Material Non-Public Information (MNPI). The nine participants that opted into the engagement agreed to our standard engagement policies and "No-Concert Party and No-Group Undertaking".
- The Investor Forum wrote a letter to the Chair to address the objective. We had a call with Assura's Chair and CEO. The Chair acknowledged the messages conveyed and felt the clarity that the letter provided would be beneficial in ongoing discussions. He noted that the Board felt that the number of rejected bids demonstrated their commitment to get the best possible offer for shareholders. We fed back the substantive comments to participants.
- Following the Board's recommendation of a further agreement with Sana Bidco, and our consultation with engagement participants, the Forum drafted a second letter to the Chair raising further significant concerns and seeking clarity on the governance process through which decisions were being made.
- Assura accepted the increased terms of offer from PHP which addressed some of the potential risks that had been identified.

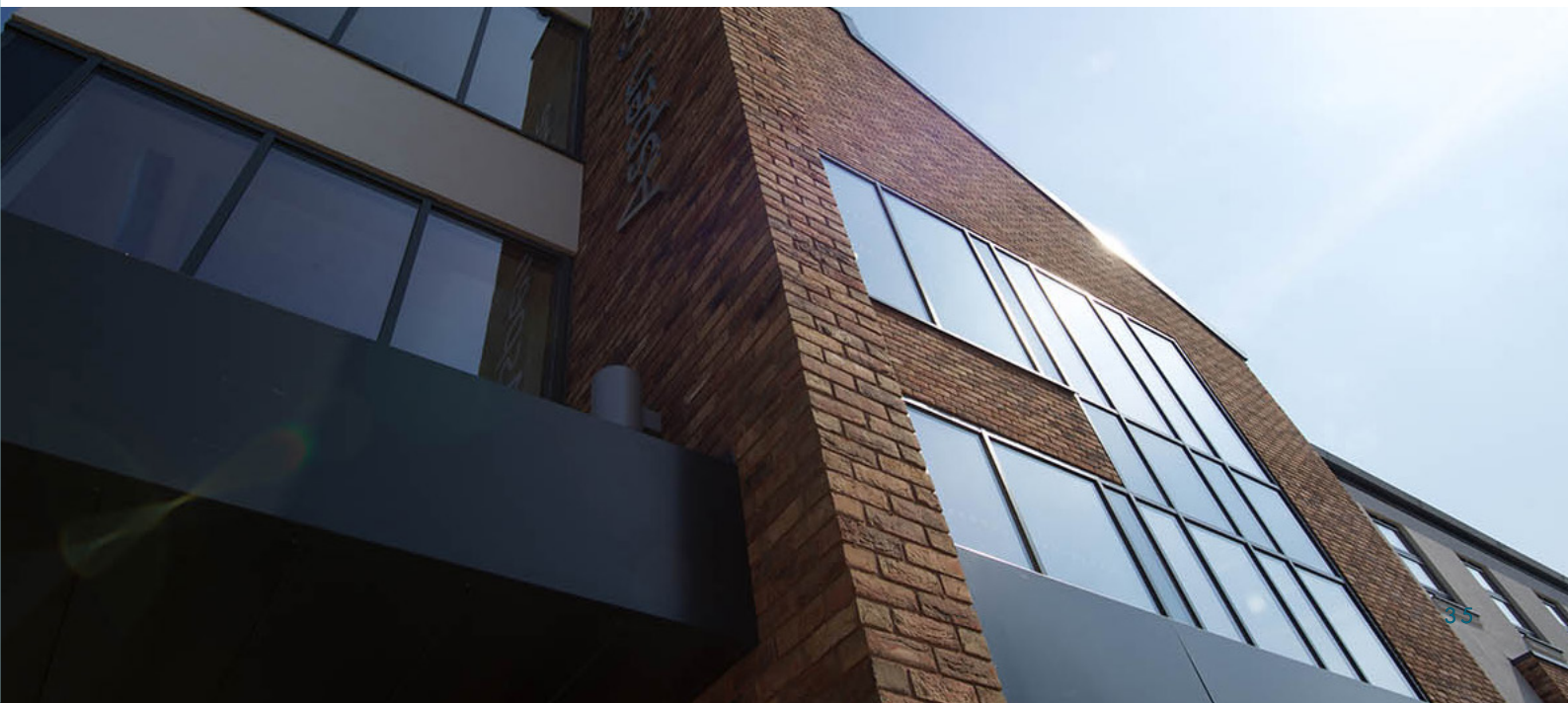
Outcomes
What did the engagement achieve?

- This engagement illustrated that, where previously recommended takeover deals might be considered a "done deal", target Boards are increasing recommending bids they deem satisfactory, while keeping options to engage with further bidders.
- This collective engagement provided an effective means for several shareholders to further signal to the target Board, and ultimately the bidder, concerns with the recommendation and to provide space for a competitive auction.
- The final result was a 5% premium on the final recommended bid and the opportunity for shareholders to continue to participate via a public market outcome.

Lessons Learned

What has wider applicability?

The engagement provided an example of how the Collective Engagement Framework allows shareholders to escalate their concerns effectively and in so doing contributes towards delivering better outcomes for their clients during bid situations.





CASE STUDY

AstraZeneca plc

Oversight (by the Board)	Strategy	●
	Leadership & Succession	
	Capital Allocation	
	Corporate Governance	
	Corporate Action	
Execution (by the Management Team)	Operational Performance	
	Management Information	
	Reporting & Communication	

Timeframe
Sep 25

Index
FTSE 100

Number in Engagement
18

Combined Shareholding
N/A

Basis of Selection
Why did the Forum engage?

Following media speculation surrounding comments made by AstraZeneca's CEO regarding a potential shift of the company's primary listing from London to New York, shareholders were concerned that significant decisions might be taken by the Board without due consideration of their perspectives.

Objectives
What did the Forum engage on?

It was established that there was a critical mass of Investor Forum Members to proceed. The objective of the engagement was to:

- Clarify whether the comments noted in the press were tentative remarks or part of a more defined strategic consideration;
- Express a desire from shareholders to discuss the specific issues that would contribute to a decision by the Board to move the company's listing venue.

Given the company's significance to the UK market, the engagement was recognised as of broad importance, and seen as part of our broader initiative aimed at reinvigorating the UK equity markets.

Engagement Methods
How did the Forum engage?

- We provided the opportunity for Members who were not currently shareholders to support the sentiments, given the potential broader impact on the UK investable universe, and the ramifications for clients who allocate capital preferentially to companies listed in the UK. We received support from eighteen Members, including one non-shareholder.
- We wrote a letter to the Chair to address the objective. In addition, the letter made general points about the regulatory environment in the UK and the potential impact on valuation of re-listing.
- The Investor Forum had a meeting with AstraZeneca's Head of Investor Relations. We were informed that the letter had been read and understood by the Chair and Board, and that our feedback was appreciated. We fed back his substantive comments to participants.

Outcomes
What did the engagement achieve?

- On 29th September 2025, the company announced its intention to 'harmonise its listing structure' by way of a direct listing of AstraZeneca ordinary shares on the NYSE. This would not change AstraZeneca's current status as a UK listed, headquartered and tax resident company which would continue to be included in the FTSE 100 index and the OMX Stockholm 30 index.
- Following the announcement, we facilitated a group meeting with the Chair, to allow him share the rationale and analysis underpinning this decision in advance of the General Meeting, and to clarify the longer-term strategic implications of the changes. This separate 'engagement for insights' was opened up to all Members, irrespective of whether they had opted in to the 'engagement for outcomes' engagement, to support informed voting decisions.

Lessons Learned
What has wider applicability?

- AstraZeneca has thrived as a London-listed company, demonstrating that the market can deliver attractive valuations and support globally competitive remuneration for successful businesses. Collective engagement communicated to the Board that shareholders wish to see this continue, and opened the door to further engagement, alongside the company, to ensure the UK remains an attractive environment for the biopharma sector.
- This engagement was an example of shareholders proactively advocating for UK capital markets. It highlights the willingness of long-term investors to support UK listings — whether through flexible governance approaches aligned with business rationale or through policy advocacy.
- Whilst the outcomes of the vote indicates that shareholders supported this move in this particular case, there may be wider, potentially negative long-term implications for the market should more of the UK's flagship companies follow this precedent. This merits on going monitoring.



CASE STUDY

Auction Technology Group plc



Oversight (by the Board)	Strategy	
	Leadership & Succession	
	Capital Allocation	•
	Corporate Governance	•
	Corporate Action	
Execution (by the Management Team)	Operational Performance	
	Management Information	
	Reporting & Communication	•

Timeframe
Aug - Dec 25

Index
FTSE Small Cap

Number in Engagement
06

Combined Shareholding
16%

Basis of Selection
Why did the Forum engage?

A Member raised concerns regarding disappointing operating performance and capital allocation, culminating in a recent profit warning, and consistently poor communication from the company.

Objectives
What did the Forum engage on?

Engagement participants remained supportive of the Company's long-term potential, but had common frustrations. It was agreed that the engagement objectives should be to:

- Sensitise the Board to the range of issues that were concerning shareholders and their views on key strategic matters, to open up a dialogue;
- Express the need for a more realistic and transparent tone in communications, alongside a review of the investor relations strategy and the narrative used to articulate ATG's equity story.

Engagement Methods
How did the Forum engage?

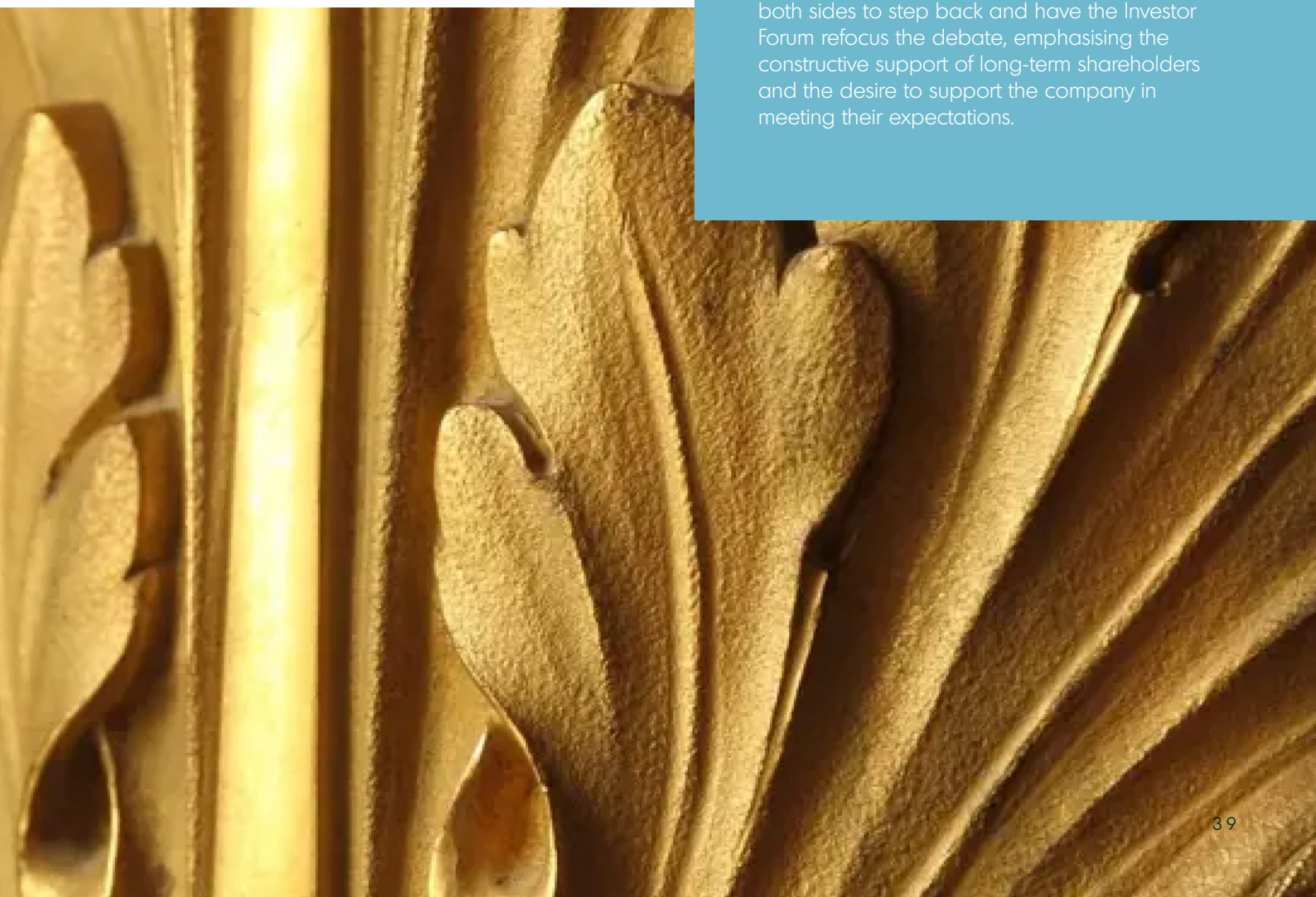
- Six IF Members agreed to join the collective engagement, together holding ~16% of the issued share capital. All participants that opted into the engagement agreed to our standard engagement policies and "No-Concert Party and No-Group Undertaking".
- On the suggestions of one of the participants, we spoke to a large ATG shareholder who is not a Member of the Investor Forum. Whilst they were generally aligned with the engagement objectives, it was agreed that they would not formally participate in the engagement.
- We then wrote a letter to the ATG Chair, who responded promptly and requested a face-to-face meeting with the Investor Forum to discuss the issues raised. We shared a summary of the meeting with participants.

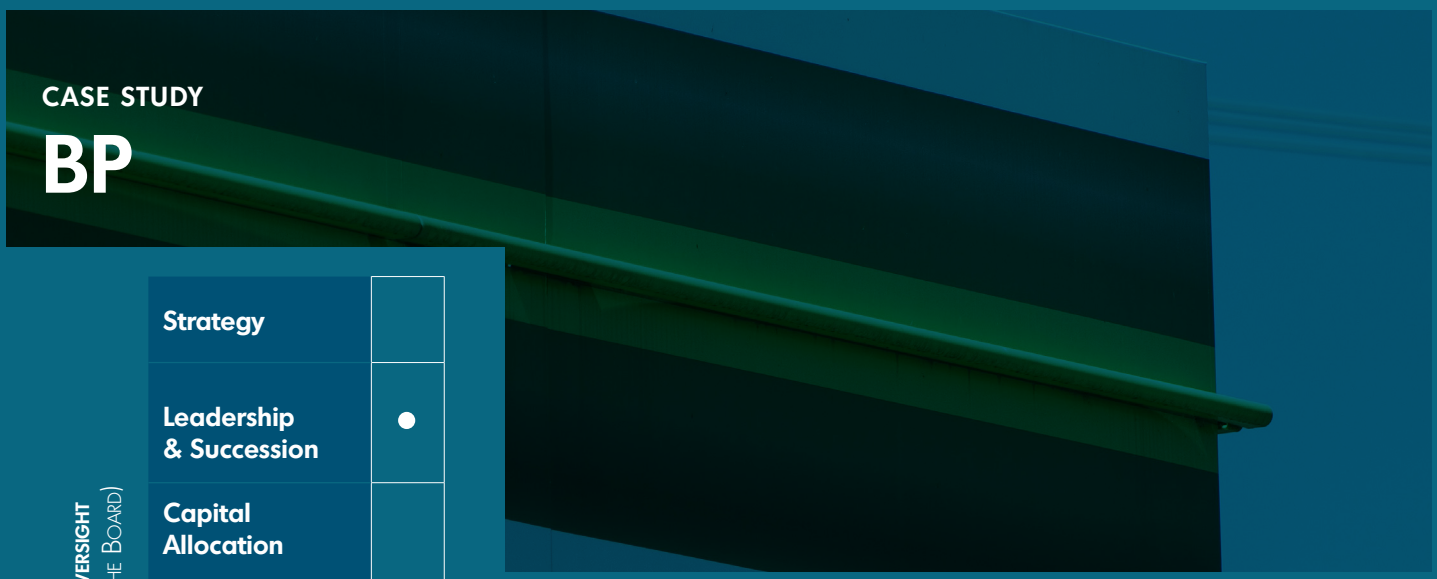
Outcomes
What did the engagement achieve?

- Overall we were left with the impression that this is a Chair that is willing to listen to shareholders, and accepts the challenges that were put to him. The company is now taking steps to address these issues.
- The objective for the engagement was to engage with the Board to ensure that shareholder sentiment is fully understood and considered. Members agreed that this objective has been achieved and therefore supported the proposal to close the engagement.

Lessons Learned
What has wider applicability?

During periods of underperformance, relationships between companies and investors can often develop into entrenched and defensive positions. It can be useful for both sides to step back and have the Investor Forum refocus the debate, emphasising the constructive support of long-term shareholders and the desire to support the company in meeting their expectations.





CASE STUDY

BP

Oversight (by the Board)	Strategy	
	Leadership & Succession	●
	Capital Allocation	
	Corporate Governance	
	Corporate Action	
Execution (by the Management Team)	Operational Performance	
	Management Information	
	Reporting & Communication	

Timeframe
Jun 25

Index
FTSE100

Number in Engagement
10

Combined Shareholding
N/A

Summary of the issues
Why did the Forum engage?

- In April 2025, the Investor Forum hosted a pre-AGM meeting with the Chair in order to inform shareholder voting decisions. This meeting was attended by representatives from 27 shareholders, including one non-Member.
- Following the meeting, the company announced that the board had initiated a succession process to select a new Chair, after Helge Lund informed the board of his intention to step down in due course. At the AGM, the Chair received a 24% vote against his reappointment.

Objectives
What did the Forum engage on?

Given the dialogue that had been established, the Company Secretary asked the Investor Forum to gather shareholder views on the desirable characteristics and attributes of the new Chair, in order to provide input into the considerations of the Nomination Committee.

Engagement Methods
How did the Forum engage?

- We wrote to the Senior Independent Director on behalf of 10 shareholders, in order to ensure that their views regarding the selection of a new Chair were taken into account. The letter set out the characteristics that shareholders felt desirable, in terms of experience, credibility, track record and commitment. Shareholders also noted that they would support the new Chair in evaluating overall board effectiveness and addressing any issue identified over time.

- We noted that the role of the Investor Forum was to amplify the views which shareholders have expressed, but not to propose candidates, or to otherwise disturb or influence the selection process. We expressed a desire to support the new Chair in their future investor dialogue.

Outcomes
What did the engagement achieve?

- Whilst, as expected, many of the points outlined in the letter resonated with the characteristics the board had developed for the new chair in conjunction with the succession committee, we were told that the views and inputs were thoughtful and valued by the company as part of the process.

- On 21st July, the company announced the appointment of Albert Manifold to succeed Helge Lund as Chair with effect from 1st October 2025. Feedback from engagement participants was generally positive on this news.

- The collective engagement allowed smaller shareholders, who might not otherwise have been heard by the company, to express a view on a critical leadership issue at an important UK company.

Lessons Learned
What has wider applicability?

This engagement illustrates the benefit of collective engagement in giving a voice to institutions and asset owners who are outside of the top 10 on the shareholder register. The long tail of smaller investors may have a different view from the larger, or more activist, investors that a company might typically consult, and a collective approach to feedback offers a number of efficiencies to the system.



CASE STUDY

Dowlais plc



Oversight (by the Board)	Strategy	
	Leadership & Succession	
	Capital Allocation	
	Corporate Governance	
Execution (by the Management Team)	Corporate Action	•
	Operational Performance	
	Management Information	
	Reporting & Communication	

Timeframe
Jan - Mar 25

Index
FTSE 250

Number in Engagement
09

Combined Shareholding
N/A

Basis of Selection
Why did the Forum engage?

- Following the announcement of a recommended bid by American Axle & Manufacturing Holdings Inc ("AAM") Group, a Member raised concerns related to the offer.
- In our Member Note of February 2025, we reflected on the concerns that we had heard from participants, namely that the offer price did not offer fair value for the company, that no alternatives appeared to have been considered, and that the structure of the transaction was suboptimal for some shareholders.

Objectives
What did the Forum engage on?

It was established that there was a critical mass of support to proceed, and the objective of the engagement should be to:

- Encourage the Company to fully explore alternative options that might realise more value for shareholders in the longer term and enable UK holders to participate in the upside; and
- Request further clarity as to the basis of the Board's recommendation of support for the offer.

Engagement Methods
How did the Forum engage?

- As with other engagements during takeover bids we adopted heightened procedures, such as not collecting the percentage shareholding of Members in order to avoid creating Material Non-Public Information (MNPI). The nine participants that opted into the engagement agreed to our standard engagement policies and "No-Concert Party and No-Group Undertaking".
- We wrote a letter to the Chair to address the objective. The Investor Forum had an in-person meeting with the Dowlais Chair who stated that he appreciated the feedback from our Members and the role of the Investor Forum in conveying investor concerns. We fed back his substantive comments to participants.
- In May 2025 Dowlais announced that, following consultation with shareholders, it intended to seek a secondary listing and admission of AAM Shares to trading on the London Stock Exchange. This would make it easier for existing UK holders to retain the shares in their funds.

Outcomes
What did the engagement achieve?

- Whilst many shareholders feel that the final takeover price failed to reflect the potential value that Dowlais shareholders could have eventually realised, the concession to have a secondary London listing provided the ability to retain 'skin in the game'.
- This collective engagement provided an effective means for a group of shareholders to signal to the bidder the level of opposition, in addition to shareholders making their own public statements about a takeover.

Lessons Learned
What has wider applicability?

There are several options available to facilitate UK shareholders retaining an economic interest in a combined entity following a takeover transaction. Whilst secondary listings are not cost free, they can provide access to increased liquidity and market access and diversify the investor base.

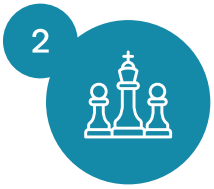


Collective Engagement Process



MEMBER PROPOSAL

Members escalate their engagement candidates to the Forum. The Forum will initiate a collective engagement if it meets the criteria set out in the Collective Engagement Framework, and if there is support from a critical mass of shareholders.



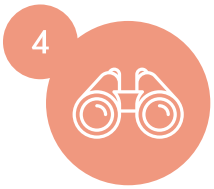
INITIATION

The Forum will invite all Members to opt in to an engagement. An engagement strategy will be developed with clear objectives and targeted outcomes, based on perspectives from portfolio managers, credit analysts and stewardship teams at Member firms.



ENGAGEMENT

Each engagement is bespoke. In the majority of cases, the Investor Forum will write to the Chair on behalf of the shareholders who opted in and support the objective. This letter sets out the collective concerns and calls for action. Typically, the Forum would then meet with the Chair, SID or both, along with other company representatives and Board members, to provide further clarity and emphasis. Further letters may be sent, depending on the company response.



MONITORING

The Forum recognises that change cannot be delivered immediately, and that the company needs to follow due process. Therefore, engagements may involve a period of "monitoring developments" – e.g. waiting for the outcome of an appointment process, the conclusions of a review, or for the next set of results to assess the company's response. As circumstances change, the Forum maintains contact with participants and keeps in touch with the company to provide regular input.



CONCLUSION

The Forum consults Members before closing an engagement, and then shares a Closing Note, which evaluates outcomes against objectives. The Forum seeks feedback from all participants to evaluate the process and learn lessons to inform future activity.

Collective Engagement Framework Update

The Collective Engagement Framework, now in its fourth iteration, remains a cornerstone resource for the Investor Forum and its Members. Since its inception in 2016, it has shaped engagement practices and continues to be essential in enabling effective collective engagement.

For engagement to succeed, participants need clarity on objectives and boundaries, as well as confidence that they operate within a secure and compliant environment. Establishing this Framework was a critical step for the Forum, and its importance is even greater today as collective engagement faces heightened scrutiny.

The Framework is designed as a living document, evolving with legal, regulatory, and practical developments, and is formally reviewed every three years. We are pleased that, in 2025, our Legal Panel reaffirmed its status as "fit for purpose".

We will continue to review and refine the Framework to ensure on-going compliance and maintain the Forum's leadership in global collective engagement standards.

The 2025 update reflects all applicable laws and regulations as of 6 June 2025 and demonstrates the Forum's commitment to best practice by:

- Embedding rigorous assessments of key legal and regulatory risks across activities; and
- Codifying its approach into clear operating procedures.

Given the global ownership of UK-listed companies and the international nature of related securities, the update also considers developments in U.S. and EU law and practice.

It reflects:

- the adoption by the U.S. Securities and Exchange Commission ("SEC") in 2023 of certain rule amendments to modernize the Section 13 beneficial ownership reporting regime under the Exchange Act, which may bolster the confidence of market participants in undertaking collective engagement under controlled situations.
- a discussion of the SEC Staff's 2025 updated compliance and disclosure interpretation (C&DI) guidance in connection with Section 13 beneficial ownership reporting.

An update of the protocols the Forum uses to cover the wide range of activities which the Forum now undertakes.

> ***"Effective stewardship plays a vital role in supporting well-functioning markets. The Investor Forum's updated Collective Engagement Framework sets out an approach to collaborative engagement which should benefit both investors and companies. Practical initiatives like this not only reinforce market integrity but also help protect the interests of beneficial owners."***
>
> **Sacha Sadan**
> Director of Sustainable Finance at the **FCA**

> ***"The new Stewardship Code reinforces the need for investors to engage constructively with investee companies, and one method for achieving this is through collaboration with others. Frameworks such as the one developed by the Investor Forum can help investors collaborate constructively, either for insight or as a means of escalation."***
>
> **Richard Moriarty**
> CEO of the **Financial Reporting Council**

Promoting Well-Functioning Markets

As well as company-specific activity, the Investor Forum undertakes a range of activities that focus on the wider market environment, including facilitating dialogue through events and undertaking thematic projects.

The Forum continues to contribute to the political and regulatory debate through submissions to regulatory reviews, when appropriate, and maintains an open dialogue with government departments, regulators and policy makers. The Forum also has regular conversations with other organisations, both UK-focused and international, with a view to propagating best practice.

HOW THE INVESTOR FORUM PROMOTES WELL-FUNCTIONING MARKETS:

FACILITATE DIALOGUE
(Read more on page 47)

- Convenes parties from across the investment chain at our Four O'clock Forums and Roundtables
- Creates opportunities for Members to gain practical insights from experts on key issues

STEWARDSHIP 360 PROJECTS
(Read more on page 49)

- Delivers projects to enhance understanding and address the wider issues that impact companies, industries and the environment in which they operate
- Convenes expert working groups to address thematic issues or to tackle market failings

SECRETARIAT TO THE INVESTOR & ISSUER FORUM
(Read more on page 26)

PRE-EMPTION GUIDELINES CONSULTATION

The Investor Forum's Senior Adviser Guy Walker serves on the Pre-emption Group ("PEG"), to which the FRC serves as Secretariat. The PEG produces a Statement of Principles to be taken into account by companies and investors when considering the case for disapplying pre-emption rights and provides a basis for open, constructive and early communication between companies and shareholders. The Statement of Principles was updated in November 2022 to align with the recommendations made in the UK Secondary Capital Raising Review, and allows UK main-listed companies to seek shareholder approval, via a special resolution, to issue up to 20% of shares on a non-pre-emptive basis

In December, we surveyed our Members regarding their views on the current pre-emption guidelines, and 36 investors responded. The overwhelming view was that the current position is a 'fair' level. There was strong opposition from some to any further relaxation – though a few would be supportive if there was evidence that it would attract new companies. Around 20% of respondents felt that the current guidelines were too high. This feedback, along with unattributed candid comments which provided rich insight, was shared with the PEG and respondents.

Facilitating Dialogue: Events

We organise bespoke events, such as our Four O'clock Forum series and Member roundtables, based on Member interest. Recordings are available on our website for our Members to watch on demand.

ROUNDTABLE DISCUSSIONS

Whilst our prime focus is on practical solutions, we also provide opportunities through the year for Members to step back and consider the wider context in which stewardship activity occurs. Our roundtable series allows Members to get together with their peers and discuss more international issues with experts, explore issues raised in academic papers, and consider S-360-project issues in greater depth.

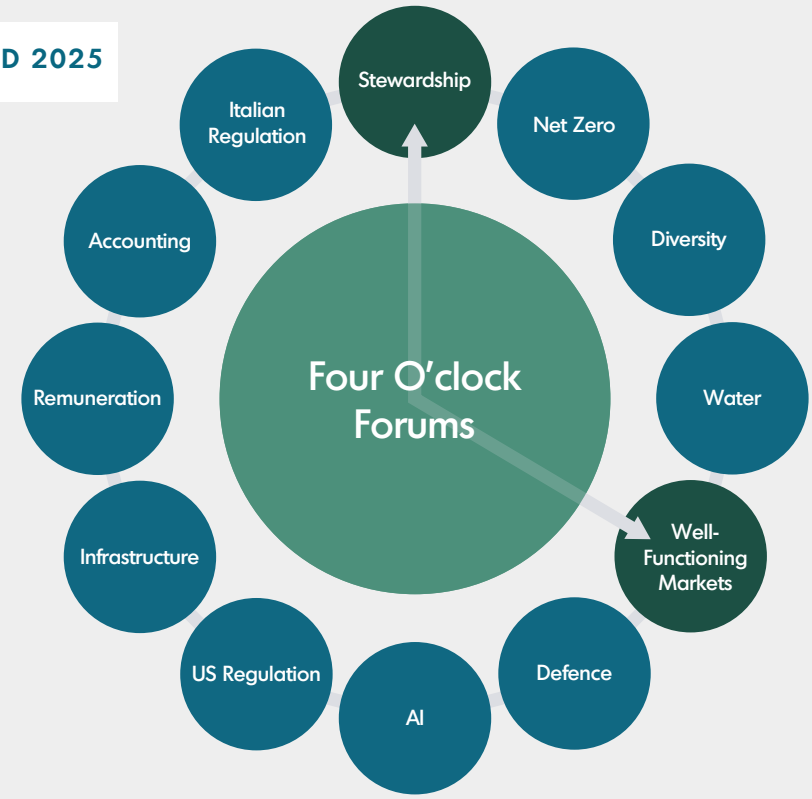
FOUR O'CLOCK FORUMS

Our Four O'clock Forum series of virtual events provides opportunities to engage with expert speakers on important issues, to expand knowledge and build expertise which can in turn inform stewardship activity. Over 2025, we arranged 11 Four O'clock Forums, with over 350 registered participants.

Discussions covered a wide range of issues, in each case stemming from an area of widespread concern or responding to Member calls for greater understanding. These included:

- **Sustainability:** net zero target setting, ESG ratings for defence companies, and the outlook for the defence industry, given geopolitical events
- **Policy & Regulation:** Italian capital market reform, SEC reporting changes, the UK Stewardship Code, the IF's Collective Engagement Framework
- **Governance:** the evolution of the reporting accountant's work, and a review of remuneration trends in the UK

TOPICS COVERED 2025



Event Highlights of the year

01

In person events Discussions on Sustainability: "Evidence from the Field" and "Cognitive Diversity in the investment industry", both with IF Board member Professor Alex Edmans.

02

A dinner with Elliott Advisors to discuss the role of shareholders in value creation at companies, in the UK equity market context, providing portfolio managers at Member firms with an opportunity to build an understanding of how an activist sees its role in supporting value creation.

03

A discussion with the Primary Markets and the Wholesale Banks / Supervision, Policy & Competition teams at the Financial Conduct Authority, pulling together insights from the Buybacks project and the AIM to Main projects and sharing general insights on effective UK market regulation.

→ See pages 50 & 54

04

A roundtable on Responding to changes in the investment trust industry with the industry body Association of Investment Companies, as part of the Investment Trust S360 project

→ See page 56

05

In person event to Review the 2025 AGM season", co-hosted with Georgeson, as part of our AGM Tracker project.

→ See page 60

06

A Member dinner with two of senior US partners from Davis Polk, to discuss the current US regulatory environment and share views on SEC guidance update, as part of our work with our Legal Panel Member.

→ See page 69

07

A roundtable with Defra to discuss the upcoming changes to the regulation of the water sector and feed in an investor perspective, following the publication of the Cunliffe Review, as part of the S360 Water Project

→ See page 58

We'd like to thank all of our expert speakers, roundtable partners and event hosts for their insightful contributions.

Across all events, we have ˜350 people from our Member firms participate - from CIOs, portfolio managers and analysts, legal counsel, stewardship team heads and fresh graduates.

Stewardship 360 (S-360) Projects

The Stewardship 360 (S-360) programme brings investors together to consider wider material issues that impact companies, industries and the environment in which they operate.

We focus our in-depth S-360 project work on areas where the Forum can make a unique contribution, rather than duplicating existing initiatives. The Forum develops insights gained from engagement activities and seeks to address broader themes which are important to Members.

In 2025 we undertook several S-360 projects to contribute to the debate on the broad range of factors that can impact long-term sustainable value and support good stewardship activity.

Below we set out the process of our S-360 projects. The approach provides flexibility to address issues in differing degrees of depth, depending on the outcome being sought, while maintaining focus and the clarity of objective.

STEWARDSHIP 360 PROCESS

EDUCATE

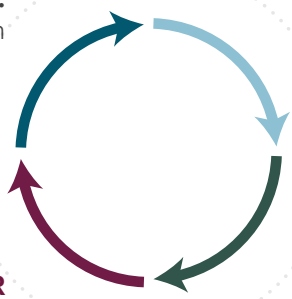
New topics regularly emerge where we believe our Four O'clock Forum platform and access to expert speakers can provide value to Members as they seek to learn more and discuss with their peers.

Projects include:
Net Zero and Nature, AI, US Regulation

INVESTIGATE

In these projects, we undertake a series of stakeholder meetings to highlight concerns, inquire into current practice and seek a solution.

Projects include:
Activism in Investment Trusts, Share buybacks



MONITOR

As the S-360 programme has matured there are several areas where the Forum's domain expertise can continue to offer value to Members and broader market. While we no longer have active objectives related to these projects, we continue to monitor the issues, inform Members and provide expert insight where appropriate.

Projects include:
Defence, Modern Slavery, Shareblocking

DEMONSTRATE

These projects have produced a tangible output this year, allowing Members to showcase to companies, clients, and regulators how investors are incorporating specific factors into investment decisions.

Projects include:
FTSE 350 AGM Tracker, Water Usage & waste, AIM to Main, Proxy Advisers

S360: Stewardship of Buybacks

This year, the Investor Forum engaged with experts from across the investment system to explore the various aspects of decision-making involved in share buybacks and published a White Paper.

We provided questions that shareholders can use in their engagement with boards to gain insight into the decision-making and oversight processes, and questions that boards can use to challenge themselves to gain confidence that they are acting in the best interests of the company in the choices they make.

To give context to these questions and help investors assess the answers received, we set out the motivations that might drive a buyback decision and the various options available within the market for execution, along with the costs and other considerations. We also outlined clear responsibilities across strategic decision-making, broker selection, execution oversight, and post-programme review, to determine where accountability should lie.

We also reviewed the UK regulatory framework within which buybacks must be executed and highlighted changes which could enhance the efficiency of a company's buyback programme. Following this, we responded to the FCA's consultation supporting the move to change the disclosures requirements.

Throughout the report, we linked to case studies of UK companies, to provide examples of the disclosure and differing approaches.

In 2024, UK-listed companies returned £135 billion to shareholders—60% through dividends and 40% via share buybacks. With over half of MSCI UK constituents engaging in buybacks, the UK now leads globally in the proportion of companies executing these programmes.

Share buybacks can be effective tools - but only when executed with clarity, discipline, and transparency. For boards, this means rigorous oversight and alignment with long-term strategy. For investors, it means asking the right questions and demanding meaningful disclosures.
As the UK market continues to lead in buyback activity, stewardship will be the differentiator between programmes that create value for shareholders and those that merely boost short-term metrics and enrich the investment banks.

THE STRATEGIC RATIONALE

Share buybacks are often framed as a tool for returning excess capital to shareholders. But the motivations are multifaceted:

- **Capital Return:** When reinvestment opportunities are limited, buybacks offer a flexible alternative to dividends—especially appealing to shareholders who prefer capital gains over income.
- **Value Investment:** Boards may see their shares trading below intrinsic value, making repurchases a compelling investment.
- **EPS Enhancement:** Reducing the share count boosts earnings per share, a metric tied to executive compensation and investor sentiment.
- **Dilution Offset:** Buybacks can neutralise the impact of scrip dividends or equity-based employee compensation.
- **Capital Structure Optimization:** Adjusting the debt-to-equity ratio via buybacks can lower the weighted average cost of capital.

Each rationale carries its own success criteria, which may be the volume of shares repurchased, the timing relative to market conditions, or the long-term impact on shareholder value.

EXECUTION MATTERS

Once the decision is made to buy back shares, the UK market offers several methods to execute the trade, each with distinct cost structures, flexibility, and risk profiles. These range from vanilla company-led open market repurchase, to bespoke contracts with brokers with performance conditions.

Boards must understand the volatility risk transfer and economic asymmetry inherent in the more complex structured products. In 2025, the FCA published a multi-firm review of share buybacks in UK Listed Equities. It found no material concerns but emphasised the need for clearer disclosures and better education around structured buybacks.

THE COST OF CAPITAL RETURN

Unlike dividends, buybacks incur "frictional costs" such as stamp duty, broker commissions, and potential performance fees, and transparency is limited. External parties often cannot see the broker contract terms, and benchmarks like VWAP can be manipulated if poorly defined. The FCA's review noted that 30% of structured buybacks involved negative fees, where companies received rebates, highlighting the variability and complexity of cost structures.

GOVERNANCE AND OVERSIGHT

A robust internal governance framework is essential. Once the board approves a buyback, execution typically falls to the CFO and Treasury team, often with external advisers. But boards must remain engaged:

- Audit Committees should benchmark costs and assess financial reporting impacts.
- Investor Relations must manage messaging and market disclosures.
- Boards should review post-execution outcomes - price effectiveness, EPS impact, and shareholder feedback. They also take the decision regarding cancelling the shares or holding them in Treasury.

Continued overleaf »

REGULATORY CONSTRAINTS: SAFE HARBOURS AND FRICTION POINTS

UK buybacks operate under a complex regulatory regime:

- Companies Act 2006: Requires shareholder approval for buybacks.
- UK MAR (Market Abuse Regulation): Provides safe harbour from manipulation claims if specific conditions are met.
- FCA Listing Rules: Mandate daily disclosures and set price and volume limits.

However, these rules introduce friction:

- Disclosure Burden: Daily reporting can be exploited by algorithmic traders.
- Trading Restrictions: Buybacks must occur on lit markets - excluding dark pools and closing auctions, which account for ~35% of daily volume.
- Volume Limits: UK rules cap daily buybacks at 25% of average volume, with no block trade exemptions like in the US.

The Investor Forum recommends reviewing these constraints. A more flexible framework could reduce costs and improve execution efficiency.

INVESTOR EXPECTATIONS: TRANSPARENCY, ALIGNMENT, AND VALUE CREATION

Institutional investors increasingly scrutinise buybacks. Shareholders want assurance that buybacks are not short-term financial engineering but part of a coherent capital allocation strategy.

They expect boards to justify buybacks over dividends or reinvestment and adjust EPS metrics in remuneration schemes to avoid perverse incentives.

STEWARDSHIP IN ACTION: QUESTIONS BOARDS AND INVESTORS SHOULD ASK

Key questions investors should ask boards include:

- If shareholders approve the authority to buy back shares at the AGM, can the board demonstrate that it has a framework in place to act within that authority in the best interest of shareholders?
- What KPIs will the board use to review the effectiveness of the buyback execution once the programme is completed (e.g. EPS accretion, ROIC uplift, share price performance vs. peers)?
- How did the board set parameters around the buyback to ensure that the buyback was done in the most cost-effective and risk-efficient way whilst meeting its objectives? Can transparency on actual costs incurred be provided?
- How will the board measure whether the buyback has created long-term shareholder value - and over what timeframe?

Key questions board should ask themselves include:

- Is the board satisfied that it has received sufficient and independent information and advice to assess the merits of the buyback?
- Are there any potential conflicts of interest (e.g. executive compensation tied to EPS or TSR, broker performance fees) that need to be disclosed or managed?
- What signal does the board intend to send to the market - and is the messaging consistent and credible?
- If entering into structured products, does the board fully understand the volatility risk transfer and the economic asymmetry of potential payoffs, and are they confident the product is fit for purpose given their objectives?

S360: Engaging with Proxy Advisors

Proxy advisory firms provide an important service within the investor stewardship ecosystem. It is vital that proxy research is accurate and of high quality, that recommendations are consistent, independent and based on transparent, objective policy positions and that the research is delivered to clients in a timely manner.

In 2025, the Investor Forum was once again asked to collate views from investors who were clients of one of the large global proxy advisory firms and provide feedback and comments on the 2025 proxy season in advance of their formal consultation process. We formed a Working Group of 12 investors, who used the proxy firm's services in a range of ways – from exclusive use of the benchmark policy, to off-the-shelf additional modules, to fully customised policies.

We were cognisant that both the role and impact of proxy advisors are under intense scrutiny in several jurisdictions, most notably in the US. Proxy advisors provide an important and valued service within the investor stewardship ecosystem, and the Working Group members were keen to express their support for their continued independent operation. We stressed the perspectives and needs of investors as the end client, so that these could be prioritised over any conflicting political or corporate pressures.

To help inform corporates and other market participants, we produced a note on 'How Investors Use Proxy Advisers', containing case studies and answers to some of the frequent questions that are asked. A summary of the key points made in the note are given in the side box.

We presented to this Note during the Proxy Adviser Showcases convened by the Investor & Issuer Forum. Our aim is to support a more transparent and effective marketplace, and we valued the opportunity to work together on this.

KEY POINTS

- Investors can use proxy advisors for several services - research, analysis, voting recommendation, reporting, and vote execution.
- Proxy advisor service models differ – some proxy advisors offer only research and data, others combine with vote execution.
- Voting decisions are informed by multiple inputs, including in-house policies, investment theses, prior company engagement, and internal or external research.
- Most Investors have their own voting guidelines, which proxy advisors then use to form their vote recommendations; these investor guidelines also shape the development of benchmark policies.
- Proxy advisors provide a service to investors and consult with their clients to ensure that their policies are in line with market norms and evolving views.
- Most investors employ experienced stewardship analysts who vote their shares in consultation with investment professionals, often after engaging with companies.
- Proxy advisors' research helps investors prioritise by distinguishing routine votes from those requiring closer scrutiny. It highlights risks but does not determine vote outcomes even on the most complicated issues.

S360: Strengthening the pathway from AIM to the Main Market

The AIM market continues to play a central role in the UK's equity markets, supporting hundreds of growth companies and providing early access to investors. For some companies, reaching a certain scale raises the question of whether a Main Market listing better reflects their size, governance, and ambitions. While this is not the right path for every company, a more proportionate and predictable process can broaden investor access, support liquidity, and help companies strengthen governance as they grow.

Our 2020 Governing for Growth paper highlighted characteristics that often emerge as companies scale: more complex operations, stronger financial controls, and a greater need for board oversight. These observations remain relevant and help frame the discussion on transitions from AIM to the Main Market. Recent reforms, including the single listing category introduced in 2024, the Edinburgh Reforms, and the Investment Research Review, signal an ambition to simplify UK listing rules, focus disclosure on decision-relevant information, and make the market more attractive to a wider range of companies. The LSE's 2025 discussion paper, Shaping the Future of AIM, invited views on how AIM can evolve while supporting a seamless funding continuum. In our response, we emphasised the importance of a clear, proportionate pathway for companies whose growth makes a Main Market listing appropriate.

To explore this further, we convened a Working Group in early 2025 comprising AIM companies, investors, and advisers. The aim was to identify friction points in the transition and to explore practical steps that support both companies and investors, while maintaining standards and protections.

AIM remains essential for growth companies and the investors who support them. For those companies considering a Main Market listing, the process should be proportionate, transparent, and predictable. Our Working Group highlighted opportunities to reduce cost, complexity, and liquidity frictions while retaining high governance standards. Addressing these points will help companies scale with confidence and allow investors to support them across their growth journey, reinforcing the strength and competitiveness of the UK capital markets.

OBSERVATIONS FROM COMPANIES AND INVESTORS

Several consistent themes emerged.

- Companies noted that costs remain a significant barrier. Transitioning from AIM often resembles a full IPO in scope and expense, with legal, advisory, and reporting fees commonly in the £2 - 3 million range. The time and resources required are considerable, even for companies that have already met AIM's disclosure requirements.

- The process itself is complex and lengthy. Transitions often take six months or more, requiring coordination across advisers, sponsors, and regulators. Companies highlighted the challenge of navigating multiple streams of oversight while continuing to manage day-to-day operations and growth.

- There is duplication in the reporting requirements. Companies and investors questioned the need for a prospectus, a working capital report, and a full FPPP review when three years of audited accounts were already available. Much of the additional reporting offers limited new insight, but increases both cost and administrative burden. The reforms taken in the last 12 months, particularly around prospectus requirements, have been welcomed.

- Liquidity was another recurring concern. Qualified IHT investors may need to sell shares immediately upon leaving AIM, yet index-tracking funds only purchase when the company is included in the Main Market index. This lag can create short-term arbitrage opportunities and disrupt orderly market functioning.

These insights informed the Working Group's proposals for a more proportionate transition framework.

OPPORTUNITIES TO IMPROVE THE TRANSITION

Companies moving from AIM to the Main Market accept that governance expectations will rise, but the shift is often abrupt. Introducing a structured transition period of around twelve months would allow companies to implement new governance practices gradually. This might include enhanced board independence, TCFD reporting, or more formalised financial and risk processes. Sponsors could oversee self-certification milestones to ensure accountability while easing the need for sudden changes. International comparators suggest that phased obligations can help growing companies embed compliance effectively, and a similar approach in the UK could smooth the transition without lowering standards.

Reporting requirements could also be refined. Companies with at least three years on AIM and three audited sets of accounts could see a reduced requirement for working capital reports unless specifically requested by a Sponsor.

Sponsor oversight of the FPPP would remain central, confirming governance, financial controls, and forecasting readiness. There is also a case for clarifying prospectus requirements for long-standing AIM issuers moving to a regulated market, ensuring investor protection without unnecessary duplication.

Liquidity challenges could be mitigated through two measures – by introducing a six-month grace period post-transition for qualified IHT investors would allow the market to adjust more smoothly and reduce forced selling; and through index providers relaxing Fast Entry criteria for index inclusion to align the timing of index-tracking fund purchases with the market's needs.

NEXT STEPS

With the recent FCA Listing Regime reforms now implemented, there is an opportunity to refine transitional mechanisms. We were encouraged to see a number of points addressed in the LSE's "Discussion Paper Feedback Statement" in November 2025. Any adjustments would require close collaboration among the FCA, HM Treasury, the Department for Business and Trade, the LSE, and index providers. Key areas for discussion include transitional IHT provisions, proportionate disclosure expectations for transitioning companies, and coordinated guidance on sequencing and communications.

The Forum has held meetings with the FCA and HMT and will continue to engage with policymakers and market participants to discuss proposals that maintain investor protections while making the pathway from AIM to the Main Market more predictable and efficient.

S360: Investment Trusts

The UK investment trust sector faced a significant challenge in late 2024 and early 2025, as activist investor Saba Capital launched its "Mind the Gap" campaign targeting seven listed investment trusts. The campaign sought to requisition extraordinary general meetings (EGMs) and replace entire boards, sparking intense debate among shareholders, regulators, and market participants.

The Investor Forum engaged across the industry, exploring the concerns and the potential remedies. In particular, we worked closely with our wealth manager Members - major stakeholders in the investment trust sector - who emphasised the importance of maintaining a diverse and resilient investment landscape.

The investors in our Working Group were clear that their fiduciary duty was to consider any resolutions on a case-by-case basis, and to act in the best interest of the clients who hold that individual investment company. They were keen to stress that support for companies in a specific activist situation should not be taken as 'carte blanche' indiscriminate support of the sector as a whole, and boards should not be complacent. One key message that emerged was that shareholders expect boards to focus on long-term value creation and to evidence effective, independent governance in the interest of all shareholders.

We spoke with the Takeover Panel, and corresponded with the FCA, sharing the insights with the Working Group. We also hosted a roundtable with the Association of Investment Companies (AIC) to share perspectives, and discuss learnings and next steps, and wrote to them following the meeting to confirm institutional investor views.

KEY ISSUES AND INSIGHTS

Through extensive discussions with shareholders, several themes emerged:

- **Effective, independent and well-managed boards -** As a general principle, institutional shareholders believe it is in the best interests of clients for the companies in which they invest to adopt best practice in corporate governance and risk management. For investment trusts, this means having a board of sufficient size, capacity and expertise, with a diversity of skillset and clear succession plans, such that the company can be managed in the long-term interest of its shareholders.

- **Active management of performance and discounts –** Investors felt that more action across the sector should be taken to proactively address discounts, liquidity and poor performance, and that it should not take an activist to appear for boards to take steps to address long-standing issues. The recent wave of consolidation had been positive and is to be encouraged, in order to have a smaller pool of companies of sufficient scale for investment managers to have a meaningful position size.

  There are mixed views on the merit of share buybacks, given the shrinkage of the company that then occurs and the inconclusive impact on narrowing the discount.

- **Shareholder engagement –** Investors are generally willing to meet investment trust boards and share views/offer direct feedback on matters of concern. Boards are encouraged to build relationships proactively such that contact can be most effective in times of crisis. A lack of engagement should not be misinterpreted as complacency but rather as an indicator of confidence.

- **Greater retail shareholder enfranchisement** – It was widely understood that the main driver of the success or failure of the Saba campaign would be the participation of the retail shareholder. Institutional shareholders support the exercise of shareholder rights by all shareholders and welcome greater participation at General Meetings from retail shareholders. The Investor Forum supported the AIC's campaign on 'My Share, My Vote', the objectives of which the government committed to implementing by supporting a Bill of Shareholder Rights, a recommendations of the Digitisation Taskforce. These rights would require platforms and other intermediaries to provide a baseline service enabling their customers to receive company information, vote their shares, and take part in general meetings.

- **Defensive actions –** Our Working Group members were of the view that amendments to individual company Articles of Association should not be undertaken lightly and should not be undertaken for purely defensive purposes. Shareholders would not support any 'poison pill' type changes, or actions which impact voting rights.

S360: Water usage and waste management

The UK water industry plays a vital role in providing essential services to millions, but it faces significant challenges that require urgent attention and substantial investment. Key issues include the need for infrastructure upgrades to tackle pollution, leaks, scarcity, and water quality.

Throughout the year, the Investor Forum continued proactive engagement with companies, regulators, and key stakeholders. This project provides an example of the benefits of combining company specific and thematic engagement. We believe investor engagement with the sector remains critical and 2025 marked a pivotal year for UK water sector reform and its future investability.

The group is now focused on shaping the Government's response to the Cunliffe Review and ensuring investor perspectives - particularly those of our Members - inform the design of the new regulator. This culminated with a November meeting with Defra and will continue through targeted engagement and written feedback on areas where the Investor Forum brings unique institutional insight. Alongside this, we will maintain dialogue with companies and stakeholders to monitor regulatory developments, anticipate emerging risks, and provide oversight of sector performance - supporting the creation of a stable, investable framework for long-term resilience.



Much has happened in the sector over the year. The Government has trailed a Water Reform Bill to create a single integrated regulator and is backing the multi billion investment programme agreed for the 2025-2030 asset management period, while the Water (Special Measures) Act 2025 has tightened enforcement and transparency. In parallel, the Independent Water Commission (the "Cunliffe Review") published 88 recommendations including unified regulation, regional system planners, stronger consumer protections, and a cross sector approach to cost of capital that is aimed at restoring trust and crowding in private capital. Taken together, developments this year have been broadly positive for investors pointing to more predictable returns, clearer project pipelines, and greater regulatory stability, albeit with heightened accountability and execution risk to manage.

The review represents the sector's most significant regulatory reform since privatisation and we were pleased to see many of the points the Water Working Group has discussed with, and recommended to, regulators covered in the report's recommendations. Key amongst these are the creation of a single integrated water regulator by merging Ofwat with the Drinking Water Inspectorate, specific parts of the Environment Agency, and Natural England, that would simplify oversight, reduce duplication, and close regulatory gaps.

Looking ahead, we hope that the Investor Forum can play an important role in ensuring that reform translates into a sector that is both sustainable and investable. By continuing to advocate for clarity, consistency, and accountability, we aim to help shape a regulatory environment that attracts long-term capital, supports investment and innovation, and delivers reliable services for consumers. Our focus will remain on building investor confidence while enabling the sector to meet its environmental and performance commitments in the years to come.

PROJECT SUMMARY

In 2023, the Investor Forum established a Working Group to focus on the UK water industry given the complex array of challenges facing the sector. Fixing performance, resilience and future supply is a huge task, and requires the active involvement of companies, Government and regulators.

Given this complexity, the working group set three objectives:

1. Targeted engagement with the listed water companies;

2. To work with companies to understand the competing expectations and ensure credible plans are being produced; and

3. To engage with regulators to demonstrate how investors assess company priorities as well as plans for delivery against their environmental and performance objectives.

Through discussions with industry experts and meetings with the chairs of major water companies, the Working Group identified critical needs for the sector. These included a comprehensive assessment of the scale of investment required and expected returns, a unified regulatory approach that instils investor confidence, and a robust reporting framework that provides consistent and comparable data.

We wrote to the sector's three major regulators, and the All Party Parliamentary Group.

In 2024, sector risks intensified. The Working Group escalated concerns to ministerial level, writing to the Secretary of State for Environment, Food and Rural Affairs and the Chief Secretary to the Treasury.

In 2025, the Working Group's monitoring and engagement continued, in order to address the original objective.

S360: Voting in practice

For the past three years the Investor Forum has been monitoring FTSE 350 AGMs for 'contentious votes' to identify trends and established whether there are lessons that can be learned to improve stewardship, reduce friction and increase the strategic dialogue between boards and shareholders. Despite another year where votes have indicated a shareholder base that is keen to support management, we continue to believe in the importance of monitoring these votes.

Since 2017 the Investment Association's (IA) Public Register has been a useful resource of UK corporate governance designed to track significant shareholder dissent among FTSE All-Share companies. It provided transparency on contentious votes and encouraged boards to engage meaningfully with their investors when dissent occurred.

In October 2025, the Government announced that the IA would discontinue the Public Register. The discontinuation leaves a gap in the governance landscape. While we understand the rationale, we feel that transparency risks becoming fragmented, making it harder for investors to monitor patterns of dissent and hold boards accountable.

The Investor Forum has decided that from 2026 we will be updating our AGM tracker throughout the year and maintain a 'Register' of 'contentious' votes as a resource for Investor Forum Members. By continuing to track significant dissent and offering the opportunity for companies to make responses, the Forum hopes it can ensure that investors retain visibility over governance issues and can coordinate effectively to drive change where needed. The Forum's commitment to preserving a Register safeguards a proven mechanism for accountability and engagement. It signals to boards that shareholder voices matter and that governance standards will not be diluted, even as regulatory frameworks evolve.

While the number of contested resolutions in 2025 remained broadly in line with 2024, dissent within the contested resolutions increased. This suggests that, despite a generally flexible environment and continued shareholder trust, clear red lines persist, and company-specific issues can trigger substantial opposition to management.

Two FTSE 350 companies opted for fully virtual AGMs this year, a trend that investors are keen to discourage.

KEY AREAS OF CONTENTION

01 Capital Raising:

Capital raising remained a contentious issue for the third consecutive year. Despite continued support for changes to pre-emption levels, a notable minority of investors continued to oppose these resolutions. Dissent levels were largely unchanged from 2024, suggesting entrenched concerns over potential dilution or company-specific factors.

A steadily increasing proportion of companies are taking advantage of the additional flexibility set out by the 2022 Pre-Emption Group guidelines to some extent.

02 Remuneration Votes:

The number of resolutions attracting 10% or more opposition remains broadly unchanged from last year's low. However, those crossing the 20% threshold have nearly doubled. This indicates that while shareholders appear more relaxed on pay overall, there will still be opposition in response to significant quantum increases for executives, or the proposed introduction of a hybrid incentive plan.

Spirent plc recorded the highest vote against this season, with an 85.5% vote against their Remuneration report, but with just over 30% voter turnout.

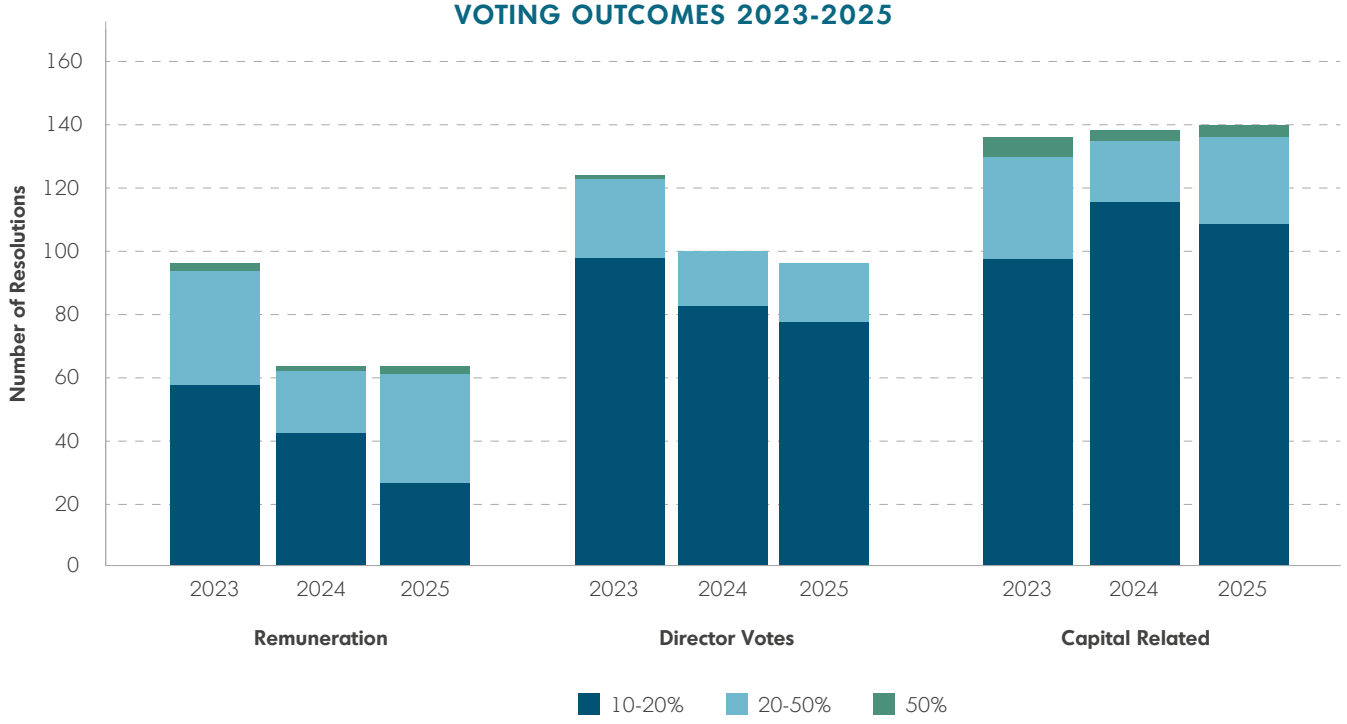
03 Director Elections:

The escalation of shareholder concerns into votes against directors persisted in 2025. These votes often reflected the complex issues. Of the 15 individual Directors who received more than 20% vote against their re-election, four were Board chairs, and 3 were chairs of the remuneration committee.

04 Shareholder Resolutions:

There were five shareholder resolutions in 2025, compared to just 2 in 2024. The Investor Forum hosted meetings with two of the companies to help investors make informed voting decisions. Three of the resolutions related to a ShareAction wage disclosure campaign.

VOTING OUTCOMES 2023-2025



Investor Forum Development Programme

The Investor Forum launched the Development Programme in September 2021 to support talent from minority backgrounds across our Member firms. The programme equips participants with practical skills, direct insight from senior industry practitioners and meaningful opportunities to expand their professional networks.

Member firms nominate high-potential individuals from their organisations, reinforcing a shared commitment to improving representation and enabling diverse leaders to thrive within the investment management industry.

Participants develop new skills and perspectives, strengthen peer networks and engage directly with senior Expert Speakers who share their professional experience. The programme concludes with participants presenting at a Four O'clock Forum session, applying what they have learned in a real-world setting.

The Investor Forum team and external speakers volunteer their time. The programme is provided at no cost to individuals from Member firms, reinforcing our shared commitment to widening access to professional development across the industry. We find it a wonderful opportunity for the people from Member firms to network informally and to work on a project together.

The sixth programme was made up of 10 individuals who worked in two teams to research their selected topics – on "Is workplace culture is a useful investor indicator" and "How should investors manage AI risk?", both timely and insightful presentations.

Participants in the sixth Cohort of the IFDP



Governance and Operational Review

64-67 GOVERNANCE REVIEW

68-69 LEGAL PANEL

70 MEMBERSHIP

71 SIMON FRASER STEWARDSHIP AWARD

Governance Review

From the outset the Forum has aspired to adopt standards that are consistent with the best corporate governance practices in the UK, whilst being mindful of the characteristics of a membership led Community Interest Company (CIC). The Investor Forum was incorporated as a not-for profit CIC in September 2014, with Members granted equal voting rights and a Board of Directors drawn from across the investment chain and wider stakeholders. Full membership of the Forum is open to institutional investors in UK-listed companies, including both asset managers and asset owners and both UK-based and global organisations.

BOARD OF DIRECTORS

The Forum has an independent board of Directors that is elected each year by its Members at the Annual General Meeting. The Board oversees the work of the Forum's executive officers.

The Forum wishes to promote a Board which has:

- a broad range of industry perspectives
- an appropriate balance of views, skills, knowledge and experience and tenure; and
- diversity of gender and ethnicity.

The Board is intended to be representative of the membership of the Forum. Following a comprehensive refreshment in 2024, a majority of Directors work at a Member firm. Profiles for each director can be found on page 66 & 67

Ruth Beechey stepped down from the Board in February 2025, and Jonathan Baird, former Chair of the IF's Legal Panel, was appointed.

During the year, the Board met four times to discuss the work of the Forum and to consider its progress in meeting its objectives. The Board reviewed developments in the UK market and the stewardship landscape, and considered the implications of these changes on the work of the Investor Forum and its Members.

The Chair and Board are supported by two subcommittees:

- The Nominations and Remuneration Committee (NARC) identifies, evaluates and recommends to the Board candidates for appointment or re-appointment as Directors. The Committee keeps the mix of knowledge, skills, diversity and experience of the Board under regular review. It monitors the outside directorships and broader commitments of the Non-Executive Directors.
- The Operating Oversight Committee (OOC) oversees the legal, audit, and risk issues affecting the business, and its financial management. The Committee has oversight of key policies, reviews the financial statements, key risks and considers other topics, as directed by the Board.

The CEO and the Board of Directors have access to pro bono support from the Investor Forum Legal Panel which is formed of senior legal practitioners from three leading international law firms.

EXECUTIVE TEAM

The Investor Forum team has a deep knowledge and understanding of investment markets and stewardship based on extensive experience as portfolio managers, research analysts, asset owners and capital market practitioners. Resources are used flexibly to support engagements or projects and to remain connected with Members.

The teams aims to be both responsive to Member interests, and proactive with ideas. As a Member-led organisation, we are keen that our work has the support of a meaningful group of Members who can opt in to specific Working Groups, attend events and participate in engagements and meetings.

FINANCIAL RESOURCES

The Investor Forum CIC (company number 09242326) has a financial year-end of 30 September. A copy of the Report & Financial Statements (audited by Sayer Vincent LLP now in its tenth year of audit tenure) is posted at Companies House. As a not-for-profit company, the Forum's financial objective is to balance costs with anticipated revenue.

The financial sustainability of the Investor Forum is a high priority for the Board and the CEO. As fee pressure on all membership organisations increases, the Forum is exploring ways to diversify its income sources and ensure it can continue to offer its Members valuable insights and opportunities. During the year, it successfully launched a Board Dialogue Service which allowed companies to make a contribution to the financial sustainability of the Investor Forum, and attracted sponsorship for a specific event.

The funding approach of a CIC is unique in that any reserves generated cannot be returned to the original investors but must be used for the benefit of the community or else, in the event of the company being wound up, transferred to an "asset-locked body". The Forum's asset-locked body is the registered charity "Business in the Community", which is a UK-focused charity whose purpose is to advance responsible business for the long-term.

"The Investor Forum team has a deep knowledge and understanding of investment markets and stewardship based on extensive experience as portfolio managers, research analysts, asset owners and capital market practitioners."

MANAGEMENT OF CONFLICTS OF INTEREST

The Investor Forum manages potential conflicts of interest through a series of policies and procedures, including:

- A Conflict of Interest Policy;
- The Collective Engagement Framework;
- The Code of Conduct and Ethics for employees and associates;
- The Members Code of Conduct; and
- The letter of appointment for directors.

In designing the governance structure for the Investor & Issuer Forum, particular attention was paid to any real or perceived conflict from having company Chairs serving on the Steering Committee. The Investor Forum has been clear with all parties that participation in any way with the I&IF does not preclude engagement by the IF on behalf of its Members.

Conflicts that may arise during the collective engagement process are managed through the CEF and with recourse to pro bono support from the Legal Panel, if appropriate.

The Board

MICHAEL MCLINTOCK[1]
October 2021

Michael is Chair of Associated British Foods plc. Michael retired from M&G in 2016 having joined the company in 1992 and been appointed Chief Executive in 1997. In 1999 he oversaw the sale of M&G to Prudential plc where he served as an Executive Director from 2000 until 2016. Previously he held roles in investment management at Morgan Grenfell and in corporate finance at Morgan Grenfell and Barings. He is also a Trustee of the Grosvenor Estate, Chair of Grosvenor Group Limited, and a member of the Takeover Appeal Board

PARAS ANAND
December 2023

Paras was formerly Chief Investment Officer at Artemis Investment Management, a Member firm. Before this, Paras was CIO for all asset classes and functions across the Asia-Pacific region at Fidelity, based in Singapore, where he led the group's strategy on sustainability and was global sponsor for cultural diversity. Prior to that he held a number of senior fund management roles in London and New York including Head of European Equities at F&C Investments.

ELENA BIGNAMI
December 2025

Elena is Stewardship Manager at Man Group, a Member firm. In her role, she is responsible for developing Man Group's investment stewardship strategy through effective advocacy, stakeholder management, engagement and proxy voting. Previously, Elena worked in the Sustainable & Responsible Investment arm of Mirabaud Asset Management and held various roles in the Governance and ESG businesses of Institutional Shareholder Services (ISS).

ALEX EDMANS
May 2022

Alex is Professor of Finance at London Business School, where he focuses on corporate governance, responsible business and behavioural finance. Alex is a Director of the American Finance Association and Financial Management Association, and, amongst other advisory roles, serves on Royal London Asset Management's Responsible Investment Advisory Committee and the Morgan Stanley Institute for Sustainable Investing Advisory Board. He is the author of "Grow the Pie", "May Contain Lies", and "Principles of Corporate Finance".

CHRIS KINDER
September 2025

With over 20 years of experience as a UK-focused equity fund manager, Chris has managed a range of different fund types – including investment trusts and institutional and retail mandates. Most recently, he was a senior fund manager at Columbia Threadneedle Investments. Chris brings a wealth of experience and insight and extensive connections across the UK equity market. Chris qualified as a chartered accountant with PwC, and until recently he was an independent advisor to BBC Children in Need.

JONATHAN BAIRD
February 2025

Jonathan is a corporate lawyer who most recently was a partner with Hogan Lovells in London. He was previously a partner with Freshfields in London and before that with Altheimer & Gray in Chicago. Jonathan is an English solicitor and is admitted to the New York and Illinois bars. Jonathan helped establish the Investor Forum in 2014 and was the chair of the Forum's Legal Panel from its inception until December 2024.

MATTHEW BRAZIER
December 2025

Matt is Head of Investment Advisory at Invesco, a Member firm, where he works closely with the Henley equities teams on corporate governance, corporate engagement and company voting. He has specific responsibility for liaising with the fund managers and co-ordinating work on corporate governance, including voting and consultation over board remuneration, board and committee composition, succession, and diversity. He joined Invesco in 2013 as a senior lawyer, covering the Henley Investment Centre, and moved to the UK Equities team in 2017.

SIR PETER GERSHON[2]
January 2018

Sir Peter has held senior executive and non-executive positions in public and private companies in healthcare, technology, defence and telecommunications industries. His previous senior board level appointments include Chair of National Grid plc, Chair of Premier Farnell plc, Chair of Tate & Lyle plc and Managing Director of Marconi Electronic Systems. Sir Peter also has experience of the public sector through his appointment as Chief Executive of the Office of Government Commerce and leading 3 independent reviews for the UK Government. He was recently chair of the Dreadnought Alliance and enfinium Limited.

JOHN TEAHAN
Dec 2024

John is a portfolio manager at Redwheel, a Member firm, which he joined in 2010 as a Partner within the Value & Income team. He has a particular focus on engagement, including with carbon intensive companies and is involved in a number of ClimateAction 100+ collaborations. He currently hosts the CFA UK Climate Change Podcast Series. Prior to joining Redwheel, John worked as a Fund Manager at Schroders and started his career in 2000 at Bank of Ireland Asset Management.

KIMBERLEY LEWIS
Dec 2024

Kim is Head of Active Ownership at Schroders, a Member firm. She has over 25 years' experience in sustainability, law and public policy. Prior to joining Schroders, she served as the Director of North America Engagement for Federated Hermes EOS, International, where she led board and executive level engagements with a portfolio of companies on ESG and long-term business strategy issues. Before joining EOS, Kimberley was the Senior Director of Global Corporate Responsibility at Pfizer Inc, where she was responsible for driving Pfizer's strategy for global public health and patient impact in underserved communities. Prior to that, she was the Director of Public Policy and Issues Management at AstraZeneca. She was also a senior advisor to Cherie Blair, where she played a key role in establishing the Cherie Blair Foundation for Women.

RUPERT KREFTING
December 2025

Rupert is Head of Corporate Finance and Stewardship at M&G Investments, a Member firm. Rupert qualified as a chartered accountant (ACA) with Coopers & Lybrand (now PwC) then worked in investment banking for more than two decades, before joining M&G in 2016. Rupert is a Member of the Investment Association's Stewardship Committee and Chairs the Corporate Reporting and Audit Group. At the IIGCC, he sits on the Corporate Programme Advisory Group, and is co-lead on a number of Climate Action 100+ engagements. He is a Member of the Pre-emption Group and serves on the UK Endorsement Board's Investor Advisory Group.

ANDREW MILLINGTON[3]
Dec 2020

Andrew is Global Head of Equity Research and Investment Process at Aberdeen, a Member firm. Andrew was previously Head of UK Equities at ASI, after starting his career at Baillie Gifford. He is a Trustee of Cattanach, a Scottish grant making charity, and a member of the IA Investment Committee.

VALERIA PIANI
Dec 2024

Valeria is Head of Stewardship at Phoenix Group, a Member firm. Valeria joined in September 2021 to lead the in-house stewardship team and collaborate with Phoenix's Asset Management partners to influence ESG performance by investee companies. She has over 17 years of experience in the industry and has held a number of senior positions at different firms. She joined UBS Asset Management in 2017 as Strategic Engagement Lead. Prior to this, Valeria worked for nine years as Associate Director at the UNPRI coordinating investor collaborative engagement activities with companies on a range of ESG issues.

In addition to being Chair of the CA100+ Global Steering Committee, Valeria is also a member of the IIGCC Advisory Group of Corporate Programme, the PRI Advisory Committee of Advance and the NZAOA Engagement Track.

JUSTIN THOMSON
Dec 2024

Justin is the head of International Equity and a co-head of Global Equity at T Rowe Price, a Member firm. Justin is a member of the Management Committee, the chairman of the International Equity Steering Committee, and a member of the Asset Allocation and Environmental, Social, and Governance Committees. He also is the chief investment officer for International Equities. Justin is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price International Ltd.

From 1998 to 2020, he was the lead portfolio manager for the International Small-Cap Strategy. In 2008, he incepted the European Small-Cap Strategy and ran that until 2016. Prior to joining the firm, Justin was employed by G.T. Capital/LGT/Invesco as a portfolio manager.

Notes:
*Appointment date
(1) Chair of Nomination and Remuneration Committee
(2) Senior Independent Director
(3) Chair of the Operating Oversight Committee

Collective Engagement Framework

The Collective Engagement Framework defines the way the Forum manages collective engagements. It creates an environment where Members can feel comfortable that they will not inadvertently trigger acting-in-concert provisions or receive or generate inside information. The Framework puts in place a legal, operating and governance structure to manage the key risks, and flags key points or circumstances during engagements that might require heightened procedures.

The Framework has been specifically designed to take into account:

- The need to safeguard against dissemination and creation of inside information, inadvertently or otherwise;
- The creation of concert parties under the City Code or triggering group filing requirements under Section 13 of the U.S. Securities Exchange Act;
- The creation of concert parties or acquisition of control of, including by exercising a controlling influence over, any Company under the U.S. Bank Holding Company Act of 1956; and
- Competition law, in particular governing "competitively sensitive" information.

The Forum's internal procedures for conducting Collective Engagements and our other activities are regularly reviewed against the Framework.

KEY FEATURES OF THE COLLECTIVE ENGAGEMENT FRAMEWORK:

TRUSTED FACILITATOR, NOT AN ADVISER
Members retain full voting and other investment rights in respect of their shareholdings. No control is ceded to the Forum or other Members.

OPT IN/OPT OUT
A Member actively chooses to participate in an Engagement involving a company in which it is a shareholder. It can also choose to opt out of an Engagement at any time.

COMPLEMENTARY TO MEMBERS' DIRECT ENGAGEMENT
Members are actively encouraged to continue their direct interaction with companies outside the Forum's auspices.

BILATERAL ENGAGEMENT MODEL
A bilateral model is the usual method of communication between the Executive and Members involved in Engagements. Members have a Nominated gatekeeper to control information flow

NO INSIDE OR COMPETITIVELY SENSITIVE INFORMATION
The Forum is not intended to be a means of facilitating the exchange of inside or competitively sensitive information between companies and Members or among Members themselves. Participation in an Engagement will not exempt any person from any law or regulation governing either inside or competitively sensitive information.

NO-CONCERT PARTY AND NO-GROUP
Members must agree that they will not form a concert party or group in respect of the relevant company while participating in an Engagement under the auspices of the Forum. The Executive will engage with the Takeover Panel and seek specialist advice when required.

HEIGHTENED PROCEDURES
At various points in an Engagement, heightened procedures may be deemed necessary, including seeking specialist advice.

CONFIDENTIALITY
Members must agree to comply with confidentiality obligations during an Engagement. Disclosure of identities and public statements must be agreed by participants during an Engagement.

Legal Panel

Historically one of the key challenges in fostering collective engagement by institutional investors has been a concern regarding the inadvertent violation of legal or regulatory requirements. From its inception, the Forum has benefited from extensive pro bono support from a number of leading law firms, who have played a key role in establishing a safe and secure legal and regulatory environment in which to undertake collective engagement.

The Legal Panel is chaired by Michelle Kirschner, Partner at Gibson Dunn, and she led the 2025 review of the Collective Engagement Framework and presented the changes to Members. US policy experts from Davis Polk spoke to Members on a number of occasions throughout the year to address specific concerns and share their thoughts on the changes that would impact stewardship. We thank the members of our Legal Panel for their ongoing support.

Davis Polk

GIBSON DUNN

Skadden

I am a – now retired - dual qualified UK and US corporate lawyer who focussed on public company and asset management work.

I have been privileged to be involved with the Investor Forum since its inception. I helped create the Investor Forum, draft its membership rules and wrote the first version of the Collective Engagement Framework. I was also involved in the initial discussions with member firms, the FCA and the Takeover Panel about the role of the Forum and the scope of its work.

I was the chair of the Forum's Legal Panel for ten years, during which time I helped with legal and regulatory issues relating to collective engagements, the Forum's operational activities and coordinated with the other law firms on the Panel.

When I finished as a private practice lawyer at the end of 2024, I was delighted to be asked to join the Forum's board. I now have the opportunity to contribute to the Forum's work from a different perspective and help Members make the most of what the Forum offers. The intense focus on the future of the London equity markets and the ongoing reforms to the Listing Rules means that the Forum's focus on facilitating dialogue and acting as a bridge between institutional investors and listed companies is as important as ever.



Jonathan Baird
Investor Forum Director, February 2025

Investor Forum Membership

Full membership of the Forum is open to institutional investors in UK-listed companies, including both asset managers and asset owners, irrespective of where the investor is located.

As of 31 December 2025 there were 50 full Members and a list is given on page 2.

In 2025 we were pleased to welcome 3 new Full Member firm. 4 firms ceased to be a Members.

To become a full Member of the Investor Forum, investors are required:

TO SIGN OUR

- Membership Application Form
- No-Concert Party and No-Group Undertaking Form

TO ABIDE BY

- the Members Code of Conduct
- Rules of Membership
- our Articles of Association as a Community Interest Company

TO COMPLETE

- the Member Contact Sheet (establishing Primary Contacts, consent to use of logo and preferred communication)

TO PAY

- an annual Membership fee, based on the agreed Tier of Membership

These are set out in our Governance Framework.

WHAT MEMBERS CAN EXPECT FROM THE INVESTOR FORUM:

OUR APPROACH IS

- **Value-driven:** we engage on material issues
- **Discreet:** we avoid unnecessary public confrontation
- **Safe:** we limit the legal and regulatory risks
- **Constructive:** we identify solutions
- **Methodical:** we have a consistent and robust process
- **Best practice:** we enhance stewardship by investors and boards alike

OUR OBJECTIVE IS TO HELP OUR MEMBERS

- Realise long-term benefits for their clients and beneficiaries
- Maximise their return on engagement effort
- Be confident that collective engagements will be safe, secure and discreet
- Demonstrate a commitment to high quality stewardship to all stakeholders
- Contribute to the long-term success of UK-listed companies for the benefit of the broader economy

Simon Fraser Stewardship Award



In 2021, the Investor Forum launched the Simon Fraser Stewardship Awards, in honour of the founding Chair of the Investor Forum in recognition of his commitment to stewardship, his generosity of spirit and his ability to both recognise and bring out the best in the people around him. The Award recognises excellence in the field of investment stewardship.

The winner of the Simon Fraser Stewardship Award for 2024 was Chris Anker, Head of Stewardship and Regulatory Change at Redwheel. With 15 years of experience in a range of responsible investment roles, Chris has a clear appreciation of the role that effective stewardship can play as an input to the investment processes, the delivery of investment returns and the overall client experience. Chris actively participates in the Investor Forum's initiatives, proposing collective engagements and contributing to debates on project work.

The judging panel were pleased to also 'highly commend' Ruchi Biyani, Corporate Governance Lead at Janus Henderson Investors. As a key member of the Responsible Investment and Governance division, Ruchi leads initiatives in investment team support, corporate governance, and the development of corporate governance data capabilities.

RISING STARS

The nominations panel were also impressed with the highlighted contributions of:

- Ailsa Bridges, an Investment Analyst at the Wellcome Trust, for her efforts at the forefront of developing how Wellcome engages, embeds and reviews stewardship matters through their 'Licence to Operate' framework.

- Ramón Secades, Responsible Investment Analyst at Quilter Cheviot, for leading Quilter Cheviot's Investment Trust sector engagement.

The winner of the 2025 Award will be announced at our Annual Review event in January 2026.



Simon Fraser
Founding Chair of the Investor Forum
1959 – 2021



THE INVESTOR FORUM

2025 Annual Review

CHIEF EXECUTIVE OFFICER
Chris Kinder

MANAGING DIRECTOR, IF
Victoria Sant (Company Secretary)

MANAGING DIRECTOR, I&IF
Sallie Pilot

SENIOR ADVISERS
Tim Shanagher, Guy Walker

STEWARDSHIP DIRECTOR
Saul Chambers

CONSULTANT
Susan Sternglass Noble

CHIEF OPERATING OFFICER
Laura Devonshire

The Investor Forum CIC
183 Euston Road, London NW1 2BE
www.investorforum.org.uk
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