



THE INVESTOR FORUM

INVESTOR FORUM LAUNCHES COLLECTIVE ENGAGEMENT FRAMEWORK (London, 18th October 2016)

The Investor Forum today announces the launch of its Collective Engagement Framework. This is a step by step guide for investors which details how they can participate collectively with other investors through the Investor Forum, and within the confines of the law and regulatory regime, in order to address corporate governance and strategic concerns directly with company boards.

This is a significant step in delivering one of the Investor Forum's key objectives to create an effective model for collective engagement and should enhance the UK's reputation as a global leader in governance and engagement practices.

One of the key challenges in fostering collective engagement by institutional investors has been a concern to prevent inadvertent violation of legal or regulatory requirements. This has been complicated by the increasingly global nature of share ownership and management, with the possibility of multiple jurisdictions being involved in cross-border investment decisions. The framework developed by the Forum addresses those concerns and complications and should therefore encourage greater participation in collective engagements among both UK and international investors in the future.

This framework has been refined through a series of collective engagements led by the Forum. Since the beginning of 2015, the Forum has:

- Evaluated 14 proposed collective engagements;
- Conducted over 130 bilateral conversations with investors (more than 40% of which were with international investors);
- Carried out 9 engagements, across a range of industries, covering issues from succession and governance to the direction and execution of strategy;
- Seen the participation of 41 investors (including 8 non-members), with the average engagement involving 11 investors.

Andy Griffiths, Executive Director of the Investor Forum, commented:

"This is a pivotal moment for the Investor Forum. The framework we are launching today provides investors in the UK and internationally with a step by step guide as to how to engage collectively through the Investor Forum on matters of long-term strategic importance."

"Our collective engagement experiences over the last two years, as well as significant support from leading law firms, international investors, government departments, regulators and the Investment Association, have enabled us to develop this detailed framework and we hope it will become the principal mechanism for collective engagement by investors in UK PLC in the future."

NOTES TO EDITORS

- The Investor Forum is an independent, not for profit organisation which is funded by a membership comprising leading asset managers and owners of the UK equity market.
- Its purpose is to position stewardship at the heart of investment decision making by facilitating dialogue, creating long term solutions and enhancing value.
- The combined global assets under management of its Members is ~£14trn, of which ~£850bn are invested in UK equities currently. The 40 initial members together own ~42% of the FTSE All Share index.
- The Forum's first Annual Review will be published in January 2017. For information: www.investorforum.org.uk

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