



THE INVESTOR FORUM

Simon Fraser  
Chairman  
Investor Forum

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By email only

Dear Chair, Dear Company Director,

In recent days you will have received letters from many of the largest investors in UK companies outlining their priorities and suggesting practical responses to the unfolding crisis. In tandem, regulators, supervisors and industry groups have all moved in a number of important respects to provide increased flexibility at a time of urgent need.

We have already seen significant changes to the dividend landscape, important use of new flexibility on issuance to re-capitalise over 20 companies and corporate leaders make some important commitments with regard to compensation.

These early actions will help to preserve the operating capabilities of a number of UK companies, who will be better placed to recover once a more stable environment begins to emerge. The nature of the response provides a glimpse of how the model of shareholder primacy can adapt and meet the needs of all stakeholders. Public markets are the deepest and most liquid sources of capital in the world, and this is never more evident than at times of extreme stress when institutional investors step up to become a powerful source of long-term capital which can be used to restore and ensure prosperity.

In the challenging times ahead, there will be much work to do. No two companies are alike and no two investment institutions will agree on every step of a proposed recovery plan; bespoke strategies will be needed to help each company respond effectively. There has never been a more important time to ensure the communication between investors and companies is clear and effective.

The Investor Forum was established at the request of the investment industry in response to the Kay Review of UK Equity Markets. It is a not-for-profit organisation with 51 members who collectively own more than a third of the UK equity market. The Forum is funded by investors, but the model is also available to companies at no cost given the shared objective to sustain valuable UK listed companies.

The Forum was set up to facilitate dialogue between investors and UK listed companies and our prime objective is to facilitate collective engagement. Our approach has been developed with pro-bono support from a panel of leading law firms, which ensures that engagements are conducted in a safe and secure environment. We have conducted extensive, engagements with 32 Boards since 2015.<sup>1</sup>

In light of the exceptional circumstances which we are currently facing, I am writing to you, as Chair and senior director of premium listed companies, to offer our support. We would be happy to discuss practical ways in which we might be able to provide assistance as you seek to understand and address the needs of your shareholders. Our convening power with investors gives us the ability to work at pace to fully understand company specific or systemic issues, subject of course to avoiding receipt of non-public information or acting in concert. Our approach can save time when it is most precious.

We generate tailored solutions in response to specific needs and our record over the last five years provides clear evidence of the effectiveness of collective engagement in addressing material challenges. A vital element has been our discreet approach which puts the direct relationship between the company and investor first.

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<sup>1</sup> For more information see our Annual Review 2019 on our website ([www.investorforum.org.uk](http://www.investorforum.org.uk)).



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We have a team of eight professionals with an average of over 25 years of experience as fund managers, analysts, governance specialists and equity sales and research providers in both UK and international markets. Team members have worked at the largest asset managers, asset owners and investment banks. Several team members are also company Directors.

At this time of unprecedented uncertainty, we are working closely with our Members as well as offering our assistance to BEIS, the UK Government Investment team, the FRC and The Investment Association, but we also wanted to write to you directly to remind you of our role, our capabilities and our track record in case we can be of assistance.

Please do feel free to share this letter with your Board colleagues and do not hesitate to reach out to Andy Griffiths or me directly if you would like to discuss any specific issue.

Yours sincerely,

Simon Fraser  
Chairman