THE UKSA NEWSLETTER

UKSA
UK Shareholders' Association

Issue 29 –July 2026

Contents

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1 Chairman's message: Charles Henderson

Charles Henderson - Chairman

Dear Members

Recent UK Shareholders Social and AGM 2026

On 29 June, we held our 2026 Annual General Meeting (AGM) at the RAF Club, thanks to Malcolm Hurlston, who is a member.

Just before the AGM, we had the usual social. This was successful because it was well attended. We heard from John Lee (Lord Lee of Trafford) and his talk prompted a lot of discussion, not just at the social but also at the AGM. His main themes were what he has learned over 70 years of investing in shares, mainly of UK companies; what characteristics he looks for in optimising dividend income; the importance of shareholders behaving like owners; and what he thought the UK could do more of to make shareholding more interesting and accessible to people. He said the most important factors for investing success were common sense and patience.

The main topics from the AGM that have stayed with me include:

- Recruiting younger people to our membership
- A member mentioned reconsidering the possibility of merging with ShareSoc. Part of this would be finding ways to overcome our so far insurmountable differences, the most important of which is our publicly-emphasised resolute independence from the financial sector, which means we are not constrained in our representation of the interests of users of financial services.
- The enthusiasm expressed by some members present at the idea of engaging with various experts on the broad topic of 'what is really going on in the economy (and the stock market)'
- The UKSA regions (Western, Northern and London & South East) becoming less formal branches
- How positive it is, in UKSA and outside, to be able to achieve friendly acceptance of differences of opinion, remembering times, especially pre-BREXIT, when you could be friends with someone even if you violently disagreed with them

All the formal AGM agenda items were passed unanimously (all votes were in favour for except a few abstentions by the directors, when voting on their own reappointments) resulting in the Directors' Report and Financial Statements 2025 being received and Dean Buckner, Sue Milton and Thomas Saltiel being re-elected directors.

I mentioned that I would be happy to continue being your chairman for another year and would step down as such at the 2027 AGM.

What do we do about political instability?

The recent election of Andy Burnham as member of parliament (MP) for Makerfield and the 250th anniversary of the USA Declaration of Independence have made me revisit political instability. We hoped two years ago, when we elected Labour to govern us, that they would bring some stability. However, that hasn't happened, mainly because (in my view) Labour did not follow through on what they told us they wanted to achieve (namely a growing UK economy).

My gut feeling is that Andy Burnham may be similar, in that his priorities may not lead to quite the emphasis that is needed on the wealth creation process and on our need to pay our way in the world. But things may develop differently and we wish him well.

A worrying recent read (from a UK Shareholders' point of view) was about Mathew Lawrence of the Burnham-founded group Mainstream and one of Burnham's advisers, calling for a re-imagining of the economy and ownership – the state and workers should take over private firms because shareholder rights are 'unjustifiable relics secured by power'. Obviously, he hasn't spoken to any individual shareholders – when did we feel we had any power?!

I am reminded that the Founding Fathers of the USA had some self-evident truths as their starting principles – that all men are created equal; they are endowed with certain unalienable rights (life, liberty and the pursuit of happiness); and that governments derive their just powers from the consent of the governed.

We need to make sure that those we elect have told us exactly what they want to achieve and how; and when they change course, they need to make sure they have the support of a clear majority. Without the full (as opposed to marginal) consent of the governed (us), their good intentions will fail.

With this in mind, I also despair of the way politicians, once in power, are so quick to tinker with things without regard to the impact on the overall system (or whether they have the consent of the clear majority of the electorate). Always well-intended, of course, but so often there are unintended consequences. They seem to forget the good (not always perfect) society infrastructure we live under that has come from a long history of problem solving generally with the consent of the governed. For me, a lot of our current problems come from people misapplying, misimplementing and/or misinterpreting what we have in place.

This would suggest we should ensure what we have is implemented better and as intended. Regulation of the water industry is an obvious example, where what had been put in place failed to achieve what was intended. The regulator probably could have ensured what was intended, but didn't. Why they didn't needs to be fixed; but not by creating a new regulatory system that also may result in unintended consequences. The place to start is understanding how the system really works

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(or fails to work), which we suggest needs a genuine cross-party, knowledgeable, approach. As mentioned above, some enthusiasm was expressed at the AGM for UKSA to be more active in some "what is really going on" discussions with a range of different experts.

In a way, we, the electorate, have only ourselves to blame when we succumb to politicians' siren calls of mostly wishful thinking. If we want to stop this instability, we need to make sure that those we elect know exactly what they want to achieve and how. In this national debate, we also need to remember that we belong to the same team, even when we disagree with each other.

UK Shareholders Membership Growth Project

Your board is progressing over the coming year a membership growth project. This has three principal workstreams and some others. The principal workstreams are:

- Social Media Recruitment Message. This is aiming to come up with a message we can all use, mainly on social media, to persuade others to join us
- Journalists Messaging. This is aiming to promote us in journalists' articles with a view to attracting new members
- University Stream. This is aiming to persuade university finance and investment clubs to invite UKSA members to speak to their members and thereby attract them to UKSA.

As mentioned at our AGM, the first and last of these should attract some younger people.

Events to look out for

Please note the following full member events for your diaries:

- Saturday 5 September 2026 10.30 Northern Branch zoom
- Tuesday 8 September 2026 11.00am L&SE Branch zoom
- Tuesday 22 September 2026, from 10:30am BHP company meeting in person.
- Tuesday, 6 October 2026, from 11:30am Caledonia Investments company meeting in person.

Full members will already have received an email from me on 26th July, with full details of the BHP event, together with a link you can use to book one of the limited places available. If you cannot find this, please email the UKSA office at admin@uksa.org.uk. It is vital that if you do book that you actually attend; let the UKSA office know if you find you cannot, so that your place is not wasted.

We will send out an email in due course regarding the Caledonia Investments meeting. As yet, we do not know whether there will be a virtual option as well.

2 Editor’s introductory notes: what’s in this issue? Martin White

Once again, we wish to draw attention to an important caveat within the main body of this newsletter, as well as in a special box at the end.

> ‘Views expressed by contributors are not necessarily those of the editor or of UKSA. Nothing in this newsletter is intended to be or should be interpreted as investment advice, which can only be obtained from persons authorised in accordance with the Financial Services Act 1986 and subsequent legislation. Contributors and members may be invested in any of the companies mentioned.’

RAF Club, Piccadilly, venue for UKSA Social event

Lord John Lee, and his approach to investment

John Lee is featured in Charles Henderson’s message and report on the AGM and the Social event we held before the AGM on 29 June.

The article in Section 3, **An investing lifetime**, was partly prompted by Lord Lee’s talk. It ends with some concerns about today’s limited interest amongst Britons in the stock market.

The forthcoming meeting to be held with **BHP** came to my attention at around the same time a letter turned up from **Australian fund manager Chris Leithner** suggesting that BHP might be seriously overvalued. So I could not resist the temptation to alert members to the Leithner Letters and articles in Section 4.

On our work on **Financial Learning**, our Honestmoney piece in Section 5 mentions a meeting we had with the Money and Pension Service, MaPS, and encourages our members to have a quick look at our two sites honestmoneynow and plainhonestmoney. But there is also mention of a discussion of a book called *Fixed: Why Personal Finance is Broken and How to Make it Work for Everyone.* This book was published in October 2025 and a number of presentations by and discussions with the authors can be found on YouTube. But I particularly liked a recent discussion chaired by the Editor of the FT, and have included a link to that event. The authors’ conclusions are very profound, in terms of the consumer interest and the financial sector, and they find the fundamental issues occur in almost all countries.

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Sue Milton has a mass of issues and developments to share with us in Section 6. These include a scam warning from one of our members, some further thoughts on the use of AI in corporate reporting, and an update on disappointing audit and governance reform that we now expect following the cancellation of the Audit Reform and Corporate Governance Bill.

Sue ends with a story about bp (I used to use BP in capitals, but understand they spent many millions some years ago to go lower case.) and how bp met with a great deal of shareholder resistance in relation to various shareholder resolutions. One of those special cases where shareholders in aggregate sent some strong messages to the company.

In Section 7, Ian Brindley's **policy team** update shows that they have been busy with multiple consultations from the Financial Conduct Authority (FCA) and the Financial Reporting Council (FCA).

One of the policy team's recent initiatives, as opposed to simply responding to a consultation, is to produce and publish an UKSA policy statement on fiduciary duty. I wrote an article in Section 8, which I have given the title **What's all the fuss about fiduciary duty?** It was prompted by the Pension Schemes Act, which gives the government certain powers to direct certain pension fund money to mostly illiquid investments such as private equity, venture capital, and infrastructure. We are concerned about this development. The story is far from over, as it relates to some of the most important challenges facing the UK. It will develop in the future; watch this space.

Article 9 touches more broadly on the reasons that have driven campaigners to lobby so hard for pension fund money to help out with certain perceived problems in financing investments. However, the discussion I have detected so far seems to have focused on how to help small and promising companies, but with no steps at all being taken to face up to the stream of companies leaving the UK stock market altogether, many of them being bought by overseas investors. This is far from a simple picture, and the situation has been developing for years. Horses and stable doors come to mind, but it is at least a good start to face up to the problem. There are really challenging problems for the UK here. Article 9 was prompted in large part by discussions initiated by UKSA members about the **deep problems facing the UK**. It comes to no simple conclusions, apart from the importance of our engaging properly in the national debate.

In the final part, Section 10, there follow a couple of news stories, a list of some of the issues touched on in our submission at the end of last year to the Business and Trade Committee, and perhaps of most significance, a brief discussion of how we, as the UK Shareholders Association might engage much more actively than we have done to date in the national debate. More on this in future.

As ever, my thanks to the many contributors whose work is represented here.

3 An investing lifetime – and the joys (and frustrations) of investing in individual shares Martin White

I was prompted to write this piece firstly by the discussion with Lord Lee mentioned and nicely summarised in Charles' Chairman's message above, and secondly by some member comments at a recent online meeting.

Right at the beginning, Lord Lee said that the two most important factors for investing success were common sense and patience. And that he had 70 years of investment experience to call on. His aim was to identify good companies and stick with them. He tends to focus on UK shares, and is well known as the first person to have £1m in ISAs.

In what he described as a golfing parallel, avoiding the big losers was vital. Just as in golf you can manage by having a good routine that you stick to, in the same way you need a structured approach that you apply routinely to selecting shares.

His aim is to spread his investments amongst established companies that are on realistic valuations, are profitable, and that pay dividends. He avoids biotech, exploration, construction, startups and mining on the basis that he does not have the expertise to judge them. He also looks for companies without too much debt, and for there to be management skin in the game. He is definitely not a 'momentum investor', nor does he search out 'recovery stocks'. He advises us to each work out our own personal approach, and then stick to it.

Many of us will recognise John Lee as the author of a regular investment column in the Weekend FT. I for one used to read it regularly, and have to thank John for mentioning Delcam, which was particularly successful, although I still resent being forced out by a takeover. John said it was the FT editor's decision to stop his column, which I suspect most of us will agree was not the best ever decision!

The joys: Now one of the themes that I remember coming through clearly in the FT column was that John Lee very much enjoyed the process of engaging with the companies he invested in and would try to attend meetings with them whenever possible. And this issue also came up in a member discussion a couple of weeks after the AGM. These days, not many people actually turn up in person at a company AGM. But when you do, especially with the smaller companies, it can be worthwhile. Typically, you find the directors very happy to talk with you, they appreciate intelligent questions, and it's all valuable investment research.

The frustrations: But contrast that with the appalling attitude of some of the larger companies to shareholder meetings; as you will have read before, we are really unhappy with online-only AGMs. You completely lose the opportunity to challenge and judge the managers, difficult questions are generally edited out, and it sends a bad signal about the board's attitude. One recent AGM that received a lot of adverse member feedback was Tesco - there may be some follow-up to share with you, we will have to see.

Back to Lord Lee, he noted with sadness the way we are, as a nation, losing a number of good businesses. The question came up of why the UK market looks so cheap compared with the USA. I'm not sure we came to a clear consensus on this, but he did express the view that there is nothing like as much interest amongst the public in investing in the UK as there should be. His biggest criticism is the failure of television to cover the stock market and business in any meaningful way. One thought was that TV producers' fear of regulatory risks could be the reason behind this. Something for us to follow up, perhaps?

4 Is BHP overvalued? And other 'big picture' reflections (as ever, note this is not investment advice!) Martin White

For many years, I have been a subscriber (there is no charge, and you don't have to sign up to cookies, which is such a nice change) to the Leithner Letter. Leithner & Co is an unlisted Australian investment company that definitely does not come in the 'widows and orphans' category, but you don't have to be an investor to get the Letter, or to read about the investment philosophy they adopt. This philosophy is clearly inspired by Ben Graham and Warren Buffett, and is admitted as such, and to read about it, you need the company's web site, which is Leithner & Co - Leithner & Co.

For the Letter, you need to access the separate web site where the letters and articles sit, and where you can subscribe to get the letters sent to you – that site is Chris Leithner, or in long form www.chrisleithner.com. You can see past articles here, without needing to actually subscribe to the Letter. The Letter's function is mainly to alert you to newly posted articles.

The company is run by its managing director Chris Leithner, who is the author of the Letters and the articles it alerts its readers to.

In spite of Chris Leithner's Australian base, he does not just concentrate his discussion on Australia.

As with any financial writer, you read this work to improve your awareness, your understanding and your insights. They are always expressing a personal view and you must never take anything as gospel. Chris Leithner does not always agree with the consensus view. In fact, I suspect he likes to write pieces on matters where he is definitely not with the consensus. But as a source of different ideas, I find him interesting. And one nice thing - the Leithner Letters are definitely not what Andrew Smithers calls 'stockbroker economics' – where no matter where stock markets are, the stockbrokers will always come up with arguments for buying.

Here are the recent posts that are shown at the top of www.chrisleither.com at the time I am writing this article, and you will see why I have used the title I have for this article:-

- BHP's greatly overvalued because copper's been hugely overhyped July 13, 2026
- High valuations – not rising bond yields – threaten American stocks June 29, 2026
- Why 'value' ETFs underperform – and most ETFs are poison June 9, 2026
- Why Santos and Woodside are among our biggest holdings May 18, 2026
- Why value investing usually outperforms April 29, 2026

This is timely because, as Charles mentions at the end of his letter above, there is a special meeting in London scheduled with BHP on Tuesday 22 Sept. Chris Leithner's view is that BHP is an excellent company whose future is bright. Unfortunately, he suggests, bulls are massively exaggerating – and thus considerably overvaluing – that future. We must be careful not to blame the management for that, if this view later turns out to be correct.

In the meantime, do have a look at this material if you have the time and inclination to do so; it may lead to some lively member discussions.

5 HonestMoney News: Martin White

John Hunter and Martin White are Co-Heads, Financial Learning

In early June we had our first and very encouraging discussion with the new team at the Money and Pensions Service (MaPS). Our understanding is that MaPS have been appointed by Law to be the Single Financial Guidance Body under the Financial Guidance and Claims Act 2018.

We agreed to have short update meetings with them from time to time. We believe that the people we spoke to do have a vision of what they want to achieve and the determination to achieve it. We did not hold back in expressing our keenness to see an emphasis on the importance of expenses, including illustrating how expenses can cumulate over time to take a significant chunk of your savings.

They understand that we believe we are completely unique in our complete independence from the financial sector, and that a public interest motivation drives our financial learning work.

As you will be aware, we have two web sites free to the public; these are

https://www.plainhonestmoney.org.uk

https://honestmoneynow.co.uk

- and we would be delighted if they could be persuaded to refer to these in the MaPS web site.

The idea behind MaPS is clearly praiseworthy. They aim to be a useful free resource for the general public around areas of personal finance.

Our talking to MaPS does not mean that we will limit what material we put out ourselves, but in an ideal world, we would like to hope that MaPS are prepared to publicly recognise what we do as a useful resource. But we are not setting our hearts on that happening soon, if at all. The reason for this caution is that we recognise that we will be one of the very few voices emphasising the impact of expenses, and all those well-resourced financial organisations as well as, we slightly suspect, the Treasury, will be totally opposed to our doing this.

Some links, repeated from last newsletter:

https://www.uksa.org.uk/sites/default/files/2026-03/Response_to_DP_25-3_Expanding_consumer_access_to_investments.pdf

https://www.fca.org.uk/publication/discussion/dp25-3.pdf

https://www.moneyhelper.org.uk/en

https://maps.org.uk/en

https://www.uksa.org.uk/news/2026/03/03/uk-shareholders-calls-honesty-future-regulation

https://www.fca.org.uk/investsmart

Whilst I am also Co-Head, Financial Learning, I must emphasise how at least 99% of the credit for our two free web sites above must go to John Hunter. The newer site, plainhonestmoney, assuming no prior knowledge at all, has a **brilliant design** – do please have a look! Try scrolling across the top, pointing your cursor in turn to Basics – Easy Money – Simple Money – Hard Money – Players – Warnings – Subjects – Techniques – Insights. You will be impressed at the well-structured list of topics that will appear as a drop-down list under each. Being able to glance across the concepts covered in the whole site is so valuable. Personally, I think this example should be a useful inspiration for MaPS as they continue with their own project.

I recently came across a rather good YouTube presentation and discussion that was held at the NIESR (National Institute for Economic and Social Research). The title of the event was the book the authors were promoting: *Fixed: Why Personal Finance is Broken and How to Make it Work for Everyone.* The authors are John Y Campbell (based in the USA) and Tarun Ramadorai (based in the UK), and chairing the discussion was the editor of the FT, Patrick Jenkins. It can be found here. The authors bring an international perspective and their thesis is that the problem with personal finance is similar across the world, namely that it is complexity that enables financial services to be so profitable and that providers should be forced to offer, alongside other products, products that meet standards of simplicity and transparency that enable customers to compare prices. Education will only achieve so much, they say, and cannot work for everyone. As readers may be aware, we like to talk more about financial learning than financial education; it implies more emphasis on both activity by, and outcomes achieved by, the learner. But these authors are saying more than that – faced with massive complexity and a really deep and frankly unsolved ‘who to trust’ problem, even wonderful financial learning cannot be a complete solution for society.

6 External Relations – some observations from Sue Milton

Sue Milton is Director, External relations

Yet another (possible) scam – update from Issue 28

In issue 28, I mentioned that one of our members had a phone call from a woman who said she wanted to make an offer for her Johnson Matthey (JM) shares as part of a potential takeover for JM.

Rather than being a new scam, it is an old one, going around for years. One of our other board members has experienced the same scam.

The scammer obtains a very old share register. S/he then goes through the list. The way this JM one works is that, if you hold JM shares, you are offered a price equal to market price + 50%.

Then comes the trap: 'You don't have to trust me. I will send you the money before you have to send the share certificate back to me. What are your bank details?' Those are the details the scammer is after.

As with both our potential victims, just disconnect.

AI is here to stay – what does this mean for corporate reporting?

Artificial Intelligence (AI) is now a fact of life. Claire Bodanis, of reporting advisory firm Falcon Windsor, believes generative AI could be used to help us in navigating the huge amount of information in corporate reports, making it easier for us to access, interrogate and understand. But AI must be used responsibly in report preparation. Preparers must ensure that it does not detract from the essence of reporting, summarised by Claire as:

1. '**Accurate data and disclosures** in accordance with reporting requirements
2. **A truthful story; namely, the opinion of management and the Board** as to the meaning of those disclosures for the company and its future prospects.'

AI can help us to make sense of the reports so long as preparers have checked and signed off all outputs produced by their organisations' use of generative AI in putting the reports together – **and have not used it in writing opinions**. See https://www.falconwindsor.com/blog/are-the-stars-aligning-rethinking-reporting-for-the-age-of-ai. More information can be found here https://www.falconwindsor.com/aicampaign

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Audit and governance reform: UKSA continues to talk with the Centre for Public Interest Audit (CPIA).

In our latest meeting, we continued to look at the fallout from the cancellation of the Audit Reform and Corporate Governance Bill. The CPIA has carried out a useful exercise to see what has gone ahead, despite the cancellation, and what still might happen.

About 20% of 2022 UK audit reform proposals have been delivered but, without any appetite to legislate, around 69% of the proposed reforms are unlikely to be progressed.

What has been implemented by the Financial Reporting Council (FRC):

- *'operational separation' of audit arms within large businesses, and*
- *tighter supervisory approaches with additional reporting by directors on internal controls.*

Still to come?

- *place the audit regulator on a statutory footing (date unspecified)*
- *consultation on modernising corporate reporting (2026)*
- *company-law changes to permit virtual AGMs and streamline reporting obligations. Whilst not part of the original proposed reforms, they do impact on how shareholders interact with companies and company information, and link to a key issue that UKSA is bitterly against, the permitting of 'virtual-only' AGMs.*

Will not happen:

- *Public Interest Entity (PIE) expansion to include large private companies and LLPs*
- *strengthening director accountability when it comes to directors' duties linked to reporting and audit*
- *audit-market interventions that could encourage increasing assurance capability across a wider range of firms, giving companies wider choice*

The positive message is that something is better than nothing. The downside is that the integrated approach to the reforms has been lost, leaving us with gaps in the regulatory landscape.

More detail can be found here https://www.cpia.org.uk/news/audit-reform-after-the-shelved-bill-what-remains-what-doesnt-and-what-happens-next/

Industrial deception – the rise of banking fraud

Banks may be saving themselves money by closing their branches but losing physical contact with, and knowledge of, their customers means less personal advice and less nuanced knowledge about the way customers manage money.

These open the door to ever increasing digital fraud. Frictionless financial systems are operationally efficient but have lost a key control. Friction hinders crime. https://thefinanser.com/2026/05/if-people-do-not-trust-the-system-they-will-not-use-it?utm_source=rss&utm_medium=rss&utm_campaign=if-people-do-not-trust-the-system-they-will-not-use-it

'Relying on digital banking does optimise banking transactions so long as things go well.'

https://thefinanser.com/2026/05/lets-be-honest-retail-banking-is-broken?utm_source=rss&utm_medium=rss&utm_campaign=lets-be-honest-retail-banking-is-broken

Fraud is a high price to pay when it goes wrong.

Better audit opinions coming up?

We all hate it when corporate fraud appears out of the blue. Companies and auditors have signed off the accounts, confirming that this is a 'going concern'.

The Financial Reporting Council has recently updated fraud (ISA (UK) 240) and 'going concern (ISA (UK) 570) standards. They place greater emphasis on how auditors identify and respond to risk and how to assess a company's ability to continue operating.

More detail can be found here https://www.grcreport.com/post/uk-audit-rules-tightened-as-frc-updates-fraud-and-going-concern-standards.

Board accountability and Auditor accountability

When companies cause problems for their stakeholders through misrepresentation, is it boards who should take the blame?

If external auditors, representing shareholders' interests, miss red flags should they take blame?

Both should.

But circumstances and self-interests come into play. Audit committees may pick auditors they perceive as being 'company friendly'. This view underpins First Brand's creditors 'suing BDO for negligence, claiming the audit firm should have spotted red flags in the car parts maker's accounts long before it collapsed last year.' (behind the paywall: https://www.ft.com/content/87c0873a-cf48-4801-98f0-24cb8b53013a?syn-25a6b1a6=1)

In the ideal world, auditors would not be necessary. We do not live in an ideal world. As shareholders, we should both demand our boards accept full accountability for the performance of, and reporting on, their companies; and demand that auditors remember they are working on behalf

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of us, the owners, not on behalf of the company managers. That would be consultancy, not auditing.

The bp story; Keep shareholders stumm? UKSA asked to comment by Reuters/Wall Street Journal

bp hit the headlines ahead of the 2026 AGM for what seemed to be very poor judgement in exercising corporate governance relating to shareholder concerns on the company's future viability and communication with shareholders, including potential loss of in-person AGMs. How did this happen in a company that has traditionally respected all its retail shareholders? My view: it became personal for bp and that turned the AGM into an 'own goal'.

The 'battle' was over:

1. a shareholder-proposed resolution requested clarity over the use of capital expenditure to generate acceptable returns on capital. More detail is here: https://www.accr.org.au/posts/shareholder-resolution-to-BP-plc-on-upstream-capital-expenditure-disclosures/

2. bp's decision to disallow a motion by Follow This (https://en.wikipedia.org/wiki/Follow_This_(organisation)) that requested bp to clarify how it planned to protect and grow shareholder value should oil and gas demand reduce. More detail is here: https://www.ipe.com/news/BP-accused-of-breaching-shareholder-rights-over-rejected-climate-resolution/10135664.article

3. bp's wish to retire two previously passed climate-related resolutions

4. The board to have the flexibility to replace in-person general meetings, including AGMs, with online-only

Placing these in context, bp's proposals were to help 'simplify and strengthen bp', and 'provide standardized disclosures that make comparisons easier with other companies'. The chairman shares bp's view here: https://www.bp.com/en/global/corporate/investors/shareholder-and-dividend-information/annual-general-meeting/q-and-a-with-albert-manifold.html and the 2026 AGM resolutions are here: https://www.BP.com/content/dam/BP/business-sites/en/global/corporate/pdfs/investors/BP-agm-notice-of-meeting-2026.pdf).

UKSA were asked to comment on whether good corporate governance was at risk with the way bp was communicating with shareholders. Our view: we were surprised that bp was disregarding owners' fears for the future viability of the company, and choosing to avoid direct contact with shareholders.

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At the AGM, more than 50% of shareholders voted against bp's plans to scrap its existing climate reporting. Resolution 24 had 25.85% for and 74.15% against but, when placed in context with voting to not changing existing climate reporting, bp must take account of both. https://www.theguardian.com/uk-news/2026/apr/23/BP-board-suffers-triple-climate-rebellion-from-shareholders

bp's resolution to replace in-person annual shareholder meetings with online-only events was also defeated.

Shareholders' voices can and do count.

7 Update from the UKSA policy team: Ian Brindley

Ian Brindley is Head of Policy

Latest news from the UKSA policy team – July 2026

The UKSA policy team continues to respond to consultations issued by a range of parliamentary, government and statutory bodies.

Since the start of the year the team has responded to an FCA consultation on **expanding consumer access to investments**. Our response emphasised the importance of financial education and financial learning in protecting consumers from the risk of being directed towards inappropriate investments.

We also responded to a further FCA consultation on **simplifying the pensions and investment advice rules,** CP26/10 https://www.fca.org.uk/publication/consultation/cp26-10.pdfCP26/10: Simplifying the Pensions and Investment Advice Rules**.**

In our response, The UK Shareholders' Association responds to the FCA's arguments for simplifying the rules on the type, quality and quantity of advice given to customers (consumers in FCA-speak) about pension and investment choices. | UKSA, we offered qualified support to the proposals, pointing out that simplification only works if the Consumer Duty remains the overriding framework. We also highlighted that the consultation appeared to treat Consumer Duty as an adjunct rather than its core foundation, weakening its intended role.

We've responded to 3 consultations from the FRC covering the following areas:

- proposed revisions to the Audit Enforcement Procedure and routes to resolution

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- on the FRC's draft plan and budget for 2026-27 which sets out their priorities and resources for the year ahead
- technical changes to certain audit and reporting requirements

The policy team meets virtually every 4-6 weeks and any member wishing to become involved should contact the UKSA office.

8 What is all the fuss about fiduciary duty? Martin White

The policy team has developed a (just one page!) position statement on 'Fiduciary Duty and the Responsibilities of Pension Trustees', which is on our web site and can most easily be found via our policy statements page here: Policy Statements | UKSA However, because it is so short we have reproduced it in full a few paragraphs below, to save you the bother of looking on the web site.

This has been triggered by much discussion over the last couple of years about 'encouraging' pension funds to invest more in the UK, an initiative sponsored by recent governments. It started in 2023 with the 'Mansion House Compact', and a brief google summary says this:-

> The Mansion House Compact is a voluntary, industry-led agreement launched in 2023 that commits major UK pension providers to invest at least 5% of their Defined Contribution (DC) default funds into unlisted equities (such as venture capital and growth equity) by 2030.

Following that, we had a 'Mansion House Accord' in 2024 and 2025, and we have ended up with the Pension Schemes Act 2026 in which there is an 'Investment Mandation Power' which grants the government reserve powers to require default funds in large DC arrangements to invest up to 10% in 'qualifying assets' (such as private equity, venture capital, and infrastructure), with up to 5% targeting UK assets. This can only be exercised from 2028 onwards and includes sunset clauses.

Are we concerned about default funds in large DC arrangements?

Well yes, we are a bit concerned. This is likely to affect a large proportion of the working population who are members of DC funds, each with their own defined share of the fund, since most people will opt for the default that they are offered by the pension scheme trustees. It does not affect SIPPs.

What worries us is that direction of investments by governments is an action that overrides the fiduciary duty of trustees. So, in our statement referred to above and shown below, we have set out our position on what that duty means, and why. Our document consists of five paragraphs, each consisting of a principle, followed by either two or three explanatory sentences. I was tempted just to show the five principles here, but I think it makes sense to include the full document.

UK Shareholders' Association (UKSA) position on Fiduciary Duty and the Responsibilities of Pension Trustees (June 2026)

UKSA believes that pension trustees have a singular and overriding responsibility: to act solely in the best interests of their beneficiaries. *This duty sits at the heart of trust law and underpins every investment, governance and stewardship decision that the trustees make on behalf of beneficiaries. It requires trustees to exercise care, skill and diligence, to act impartially across generations of beneficiaries, and to use their powers only for proper purposes.*

UKSA believes that trustees should prioritise financial outcomes for their beneficiaries above other considerations. *While trustees may consider a wide range of factors, including long-term risks, market developments and sustainability issues, these should be assessed through the lens of financial materiality for their beneficiaries. Trustees cannot allow personal, political or ethical preferences — their own or others' — to compromise expected returns or increase risk to beneficiaries.*

UKSA believes that trustees should listen to the views of members, employers, policymakers and wider stakeholders, but must not be directed by them. *Member preferences can inform decision-making where they do not risk financial detriment. Employer or government policy objectives may be relevant where they align with beneficiaries' interests, but the funds for which trustees are responsible cannot be used as instruments of corporate strategy or public policy. The trustee's duty is to the beneficiaries, not to follow external agendas.*

UKSA believes that trustees must consider financially material Environmental, Societal and Governance (ESG) factors as part of prudent investment practice. *Climate risk, governance quality, social impacts, and other long-term drivers of value are legitimate and often essential components of risk management. Ignoring them might risk harming financial outcomes for the beneficiaries. However, non-financial ESG goals may only be pursued where they advance beneficiaries' financial interests or are demonstrably neutral in their impact unless such views are demonstrably aligned with the views of beneficiaries.*

UKSA believes that fiduciary duty is a safeguard, not a constraint. *It protects members from undue risk, ensures disciplined decision-making, and provides trustees with a clear, principled framework for navigating competing pressures. In a changing policy and investment landscape, this duty remains the anchor that ensures pension schemes are managed with integrity, independence and unwavering focus on the people whose savings they steward.*

So that's the policy statement. And it's worth noting the distinction between an UKSA policy statement, which is an agreed, formal position, and everything else you read here, which reflects the opinions of the various authors.

The real question, as we need to ask almost all the time, is 'What is really going on here?'. Is there a real problem driving the wish to direct more pension investment into the UK? And into illiquid investments?

The answer to that in my opinion is yes, a massive problem. But whether or not government policy behind it has been fully thought through is another question altogether. Which brings us to the next section.

But before that, it's worth emphasising that, in spite of the fact that we do not believe it is right for governments to dictate where people should invest, we do not want to give the impression that we do not care about the success of the UK. That would completely misrepresent the situation.

9 What's going on with UK stock market listings, and where is the flow of new companies?   Martin White

Editor's note: this is a rather long piece, and I have put it towards the end of the newsletter for that reason. But this discussion is important for our future, and member feedback from the AGM and elsewhere is that you are keen to take it forward.

The sad fact is that there is a process of migration going on away from the UK stock market, with quoted companies being taken over, frequently by overseas buyers, and the investors forced out. We are not sure that anyone has a sufficiently deep and broad understanding of all the drivers of this process, and this is worrying, as there is a concern that government policy is not as informed as it needs to be.

From an individual investor point of view, we may be getting to the point where interesting companies that we would want to hold for many years, just won't be there in the UK market. And for the individual owning individual shares, overseas shares involve an additional layer of hassle with tax, and not all ISA and SIPP managers are prepared to help (another story that came up in a recent UKSA discussion meeting). In practice people who hold individual UK company shares may make more use of vehicles like investment trusts to achieve overseas exposure.

There is no shortage of lobbying, much of it originating within the financial sector, for the government to enable and encourage more forms of financing to support new companies. But much of this seems to focus on a 'private equity' type of business model, through which companies are helped to grow to a certain size, and where the big rewards go to the financial intermediaries involved. But what happens after that? I am not aware of any plans at all. In years past, the 'end stage' of the incubation of a new company was typically an IPO on the London Stock Market. Not any more – there is a very disappointing pattern whereby so many companies become controlled by overseas investors. Traditionally, and this has been the case for many years, the UK has also been the country in which taking over a company has been relatively easy.

An aside on illiquid investments. This is about who are the natural holders of illiquid (which includes unquoted) investments and who are not. Open ended funds, which category includes defined contribution pension funds, and which permit members to put money in and out on a transparent mark-to-market basis seem to me to be clearly in the 'not' category. To pretend there is a transparent mark-to-market process when some of the assets have to be valued using the fund managers' 'judgement' would seem to be extremely naïve. This would seem to be challenging from the fiduciary duty perspective of pension fund trustees, as per the UKSA published statement set out above. There is of course in the UK the EIS scheme, which permits individual investors that are in a position to accept the very serious risks involved to support certain types of small companies. There are material tax incentives given to EIS investment, but it cannot be overstated how risky it is.

The most natural holders of illiquid investments would be the remaining defined benefit pension schemes, which in the UK now basically means the local authority pension funds, and investment trusts. Many UKSA members are heavily invested in investment trusts. But there is currently little scope for new money to be subscribed to investment trusts, since they generally stand at a discount to the managers' assessment of the net asset value. Sharing a new personal thought that I'm sure not everyone will agree with, if the government were sufficiently keen to tackle the lack of UK investment funds ready to fund new and developing UK businesses, they might consider defining a new category of investment trust that was only able to invest in UK businesses, and working out what sort of advantageous tax treatment they could be given that was generous enough to encourage individual UK investors to subscribe new money to them, but not so generous that it cost the exchequer too much. And something would be needed to ensure that these investment trusts were really run in the interests of the shareholders rather than the managers(!) as well as a cross-party commitment to keeping the advantageous tax treatment in place for decades.

Policy options – the danger of jumping to conclusions

I think the current situation has taken many years to evolve, during which I'm not sure there was a lot of awareness of what was happening, let alone policy thought being given to it. We can't go back to where we were; we have to face up to where we are today, and to understand the moving parts in order to have a sensible approach for the future.

Once upon a time, there was exchange control, which meant that it was very hard for UK investors to invest overseas. There is no way we would argue for that to come back! In the 1970s I think we can say that UK pension funds were major owners of UK companies; and the coverage of defined benefit pension schemes was still growing. The nature of these pension schemes was that they were able to have heavily-equity portfolios.

However, all that changed in the 90s, with Maxwell's astonishing theft of some £450m from the Mirror Group pension schemes. In reaction to that, the Government changed the law to make sponsoring (employer) companies legally liable for their pension schemes, as opposed to the 'best efforts, but no guarantees' approach of the previously arms-length relationship between the pension scheme and the employer. The original purpose of setting up a separate fund under the control of trustees was to give assurance to the members that their fund would be secure and diversified, and also to the sponsoring company that the company would not be ruined by the pension fund. But once the pension fund became a legal liability of the company, and importantly once the accounting of sponsoring companies later caught up with that fact, there was a universal move by all but public sector employers to cease promising further defined benefit pension accrual for current service. Everything went into 'run-off' mode, which among other things, including the actions of the pensions regulator, led to a massive reduction in the holding of equities by these previously critically important holders of equities.

Above, I mention the danger of jumping to conclusions. The reaction to the horrific Maxwell story, to change the law with the well-meaning intent to protect pension scheme members, ultimately had a dreadful and unintended outcome for UK workers, and also arguably the UK national interest as a whole. At an event in 2023 that I covered in a previous UKSA newsletter, Sir John Kay expressed the view that 'The collapse of private sector defined benefit pensions may constitute the most serious avoidable policy disaster in Britain this century'.

Whilst it was Maxwell and the reaction to it that really killed defined benefit pensions, a process of managers of investment funds increasingly diversifying overseas has been going on for a long while. And this has not just been a UK phenomenon. You could argue that it makes good sense; just as it made sense for a company sponsored pension fund to be diversified away from the sponsoring employer, it makes sense for the pension investments held on behalf of workers in a particular small country to be diversified away from the economic fortunes of that country. But it also makes sense to have a fair bit of 'home bias', whereby UK investors hold a higher proportion of their assets in UK businesses than that suggested by using a simple measure such as how much of the world's investible economy, measured by GDP, is represented by the UK. 'Investible' carries some important concepts. In retrospect, Russia was not investible, for example. Geopolitics matters, and over long periods uncertainty is profound.

Another thing that changed in the 1990s was the final removal in 1997 of the regime whereby UK pension funds could reclaim the 'advance corporation tax' paid by UK companies on their dividends. This operated as an incentive or reward for UK pension funds (and also PEPs, the precursors of ISAs) to hold UK companies, especially high dividend-paying companies. If the Government wanted to encourage, as opposed to mandating, UK pension funds to hold a higher proportion of UK equities, some sort of tax incentive might have an impact.

Another matter that gets too little attention, although it certainly gets some, is the UK's persistent balance of payments deficit. In order to finance the deficit, we either have to accept debt, or to sell assets. I don't have any good data on this, but my suspicion is that the accumulated impact of our trade deficits over the year, in terms of assets we have sold, is massive.

And countries with major trade deficits tend to suffer higher inflation because of the continual depreciation of the currency.

Some of the real challenges: why invest in the UK; why should companies want to be HQd in the UK, and why should they wish to have a quotation in the UK? What else should we be asking? What should be the priorities for economic policy?

We would not dream of holding ourselves out as experts. But collectively, we have a wide range of knowledge and experience, and it is easy to see that we have not, for years in the UK, had the benefit of a good understanding of all the moving parts that was shared across the political spectrum. The investment decisions that matter most in aggregate across the country are made <u>within and by existing mature companies</u>. The use of language here can be highly misleading. 'I'm investing in Sainsbury's' does not mean you are giving the money to the Sainsbury's board in the way you would be if you subscribe to a new issue of shares, it just means that you are buying existing shares in Sainsbury's from someone else. As an owner in Sainsbury's, that company is stewarding the money for you, and they may indeed decide to use some free cash flow to invest further in the business on your behalf – or they may decide to use it to pay dividends or buy back shares.

So existing mature companies, including foreign owned companies, dominate the picture in terms of the real investment going on within UK business. But for the future, history tells us that mature companies tend not to last forever, and that a continuing flow of new companies is vital. And newer companies tend to need genuinely new capital subscribed by shareholders. The limited availability of such capital is causing a great deal of concern. My view is that not enough concern is being expressed about promising new companies leaving the UK.

I am convinced that there exists a set of vital questions that we should be asking. I am sure we do not know what they all are, but a really honest cross-party attempt to deeply understand what is happening in the UK economy would surely help to bring out more of these vital questions. I have a suspicion, however, that 1)** some questions are deliberately ducked, perhaps because looking into them might derail someone's political agenda. Another reason 2)** could be that raising a challenging question might cause embarrassment for a politician who lacks the courage to admit that 'this is indeed a real problem and we do not have an easy solution'.

Can we, as an organisation, contribute something useful to the national debate?

This is something that I think that we, as the UK Shareholders Association, could conceivably contribute to by holding discussions on a wide range of issues with such acknowledged experts as are prepared to talk to us. Bringing difficult questions further into public consciousness can only be good. Quite often, one comes across an interesting piece of academic research that deserves more attention than it may have received to date, and the authors may well be prepared to talk to us.

I made two numbered points above so that I could give an example for each:-

1. Perhaps the relatively low levels of corporate investment and related short-termism in the UK might have something to do with the way executives are paid?
2. Do we have enough courage amongst our political leaders to face up to the long-term disaster of our trade deficit and to put in place policies, that will take years to show their full benefits, to boost our export performance in the face of massive international competition?

A moment's thought will bring out the importance of long-term thinking and political consensus, and the ditching of the political 'imperative' to do something that makes you look good quickly enough to get re-elected.

If we look around to the many 'think tanks' that contribute to the forming of policy, and ask where their money comes from, all will tend to become clear. Everyone agrees that 'evidence driven policy' is a good thing, but what we often get is 'policy driven evidence', in which someone wants a particular policy to be introduced, and will pay people to produce arguments that support the outcome they want.

An interesting example of a paper (but it's not short…) that looks very interesting and deserves more attention than it appears to have received is this by Professor David Blake of City University, now confusingly renamed as CityStGeorges University, which is one of the constituent universities making up the University of London. His paper is titled: *'Productivity and Exports – How SMART Planning can Resolve the UK's Two Most Serious Economic Crises'*. You can google it easily using that title or follow this link. I mentioned this specific paper at the AGM, when there was great interest in engaging with academics generally.

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David Blake's style is not that of a stuffy academic. You will get a good idea of the paper if I show here a copy of the 'author's note' at the very beginning.

> *This study was prompted by the question put to me by a senior parliamentarian: 'what exactly is productivity?'. I thought it was a question worth answering, since I was vaguely aware that the UK was not particularly good at productivity. Ditto with exports. I do not claim to have any particular expertise in either subject – they are not my main focus of research. However, it soon became clear that a lot of people, including civil servants, academics, and think tanks, did have a lot of expertise and had spent a lot of time and effort investigating these issues. But it also became clear that much of this effort appears to be very recent and that very little of it has been successful in turning around the UK's productivity and export record to date. So I make no apology for adding to the contribution. I provide a broad summary of the issues that other studies have covered extensively – so there is nothing novel here. I soon came to the conclusion that the UK is facing both a productivity crisis and an export crisis. I then discuss how – building on the lessons of behavioural psychology and behavioural economics – we can begin to overcome the huge barriers and hurdles that this country faces in improving productivity and exports – which are the only ways of preventing long-term economic decline and providing for real living standard improvements in the future. If – as some might say – this is unlikely to work, then we need to conclude that we are in very deep economic trouble as a country.*

What attracted me to the paper was his uncompromising statement that we have both a productivity crisis and an export crisis.

10 Other updates, and things to watch out for: Martin White

Plumbers Arms near Victoria: favourite venue for UKSA board meetings

The range of activities that UKSA members are involved in is not small – as will be evident from the contents of this newsletter. There is no other investor voice that is completely independent, including from the financial sector and also from government. The scale of the challenges facing the UK in today's world is massive, and the true investor voice (as opposed to the voice of City interests) is little heard. Yet as individuals, we have lots to contribute to the national debate.

In this section, I report briefly on two recent events that may be of interest and which may prompt further discussion. I cover some of the ideas in our Business and Trade Committee submission made at the end of 2025, which we mentioned briefly in the Policy Team Section of Newsletter 28. Finally, I share some developing thinking about how we might in practice contribute to the national debate by holding a series of discussions and presentations which we try to publicise. This idea has been referred to in a number of places in this newsletter, and these final comments signal growing interest in the idea. Strong interest was most recently expressed in the meeting of South West members on Wednesday 22 July.

Two recent events: one upbeat, and another not so much!

Nurturing good growth – advice to our new Prime Minister

That's not a bad title, is it? You will get the full story from this link:- https://www.tomorrowscompany.com/post/nurturing-good-growth-advice-to-our-new-prime-minister. On 21 June, Mark Goyder, founder and leader of the Tomorrow's Company organisation, gave a talk at a special event at a company called Scott Barder, which is an unusual employee-owned organisation, the formal name for the governance of which is the 'Scott Bader

Commonwealth'. The title of his lecture was *Balancing Entrepreneurship and Stewardship – Lessons from Long Lived Companies.*

I have known Mark Goyder for many years, as the work that led to the creation of Tomorrow's Company was a project of the same name conducted by the Royal Society of Arts that was taking place at the same time as we were founding the UK Shareholders Association and one of our leaders, Donald Butcher, was also active in that project at the RSA.

Do have a look at the link above, and at the speech if you can. It is extremely relevant to us – more discussion in future. And Mark Goyder is a particularly outstanding writer and communicator.

Transparency Task Force (TTF) event: The Simon Andriesz Story; and the Role of the Financial Conduct Authority

This took place on 21 July. Like so many TTF events, it is exposing problem human stories, and various levels of apparent misbehaviour by those in powerful positions. The full story can be found by following this link: The Simon Andriesz Story; and the Role of the Financial Conduct Authority - Transparency Task Force. There should in due course be a video recording available on YouTube, but the link is not yet ready at the time we are going to press.

Business and Trade Committee

Our submission to the House of Commons Business and Trade Committee (BTC) – its priorities for 2026.

This was mentioned briefly in the last newsletter, with a link to the document, which is in the public domain on the Parliament web site. It covers material relevant to the discussions throughout this newsletter, and will be discussed further in the next newsletter and on our web site, but in the meantime you may find it thought provoking. It also sits on the UKSA web site at https://www.uksa.org.uk/sites/default/files/2026-07/Priorities_of_the_Business_and_Trade_Committee_for_2026.pdf

To encourage you to have a look at it, here are some of the themes in the submission, many of which should trigger your interest:-

- The scale of the challenges facing the UK, including energy
- The need for a sustained cross-party approach, first to understand what is happening as thoroughly as possible, and second to permit a cross-party consensus on the main priorities. Without both of these, long term policy making and stability in policies are not achievable.
- Suggesting that it is profit potential that really drives company investment decisions. Is the UK profitable enough to attract capital?
- Companies can/should create good human outcomes, not just spending power

- The importance of the trade deficit
- The voices and interests of individuals as users of financial products and services get virtually no attention in Parliamentary processes
- The unfairness of taxing inflationary gains
- On how changing interest rates does not have quite the impact politicians think it does
- The importance of company leadership
- The real battleground is international competition.

Contributing to the national debate: how to do this effectively

When we founded UKSA, we found it was much easier to attract the attention of the Press than it is today. On the other hand, because of the internet, it is easier to convene discussions. If we can concentrate particularly on topics which either do not get discussed enough or at all (a few of these are listed above from the Business and Trade Committee submission), or in which the voice of the individual is otherwise excluded, this could be a meaningful contribution which deserves a wider audience. And deserving a wider audience, absent a marketing budget to bribe people to give us a mention, would seem to be an essential stage in actually achieving a wider audience. I propose to make our independent, individual-focused, position clear by badging discussions and presentations using the 'Savers Take Control" brand, which we have honestly not used much to date, but which may achieve more national awareness if we make more use of it.

This is not the same thing as the membership growth project, but there should be synergies with it. The more we can conduct good discussions, the greater our capabilities should become across all our activities.

We are now working to identify topics, pull them into some sort of logical conceptual structure, and get started. If any member would like to get involved, please contact us! Thank you.

Martin White, Editor

Don't forget, Associate Members can take advantage of half-price full membership of UKSA in the first year by clicking **here**.

The UKSA Board July 2026