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Gwin Myerberg: 00:00:06 Hello and welcome to The Price-to-Value Podcast with Southeastern Asset Management, where our Global Investment Team discusses the topics that are most top of mind for our clients from a Business, People, Price point of view. We at Southeastern are long-term, concentrated, engaged value investors, and we seek to own high-quality businesses, run by capable people at a discounted price-to-intrinsic value (or P/V). I'm Gwin Myerberg, Global Head of Client Relations and Communications, and I'm joined today by Southeastern's London-based Senior Analyst John Woodman and Junior Analyst Alicia Cardale, in conversation with Margaret Casely-Hayford, a British lawyer by trade and an expert on corporate governance with varied, unique experience and insight in her roles as corporate board executive, charitable trust board trustee, entrepreneur and a leader within the arts and education world in the UK.

Gwin Myerberg: 00:00:57 In our last several podcasts, we've spoken directly with CEOs and/or board members of our investment companies, but today we'll hear more from the other side of the table on how both corporations and investors can navigate the growing importance of ESG and diversity and inclusion considerations when evaluating corporate governance. We hope you will enjoy the conversation and learn as much as we did. I'll turn it over now to Alicia to introduce Margaret.

Alicia Cardale: 00:01:22 Thanks, Gwin. I'm honored to introduce Margaret Casely-Hayford, whom I have known and looked up to the whole of my life. Over the years, Margaret has taught me the importance of having the confidence to go ahead and try, even if the obstacles seem insurmountable. I'll share a few highlights of Margaret's impressive career, but we would encourage you to visit her [website](#), which we'll include in the episode notes, to learn more. Margaret is Chair of Shakespeare's Globe Theatre in London, a board member of the Co-op and Chancellor of Coventry University.

Alicia Cardale: 00:01:48 She is also Chair of the Advisory Board of Ultra Education and a Trustee of the board of The Radcliffe Trust. Margaret worked for 20 years with City law firm Dentons, where she was the first black woman to be named partner at any City law firm. Margaret also served for nine years as Director of Legal Services for the John Lewis Partnership. Margaret has received numerous awards over the years in recognition of her accomplishments, including being awarded a Commander of the Order of the British Empire (CBE) in the Queen's Honours List and a Lifetime Achievement Award by the Black Solicitors Network.

Alicia Cardale: 00:02:16 She was also named one of Cranfield University's FTSE 100 Women to Watch, Black British Person of the Year and one of the most influential black people in Britain by the Power List. Margaret advises organizations and young entrepreneurs on governance and diversity and inclusion. Given her extensive experience and unique insights from her various roles, we thought she would be the perfect person to discuss the importance of corporate governance and shareholder engagement, as well as diversity and inclusion in more detail.

Gwin Myerberg: 00:02:44 Thank you, Alicia, and thank you again, Margaret, for taking the time. It is really great to speak with you today. We thought we would start with a little bit of your personal background. You come from a long line of activists. Your grandfather, Joseph, was a politician on the Gold Coast, and his writings really helped influence twentieth century civil rights activists. Your uncle Archie helped write Ghana's constitution after independence from Britain in 1957. It seems like it's almost in your blood. How is this family

background and example that you have seen influenced your path?

M. Casely-Hayford: 00:03:19 Funny enough, a few months ago, actually a year ago, I would have challenged that they had so much of an influence. I wanted to think I'd done it all on my own. But the more I learn about my forebears, the more it's very apparent to me that they've had a vast influence on my brothers and myself, the whole of that generation, and my cousin, Michael, as well. More immediately, my mother and father always talked about politics around the dining room table and the way that my grandfather thought would obviously come through. When we were children, we were encouraged to engage.

M. Casely-Hayford: 00:04:02 Also, my father coming from a line of lawyers, my grandfather, my uncle Archie, my brothers were all lawyers. My grandfather set up chambers in Accra. The tradition was that one came over here and qualified and then went back to Ghana to practice. I think the political activism came from being that type of lawyer because, of course, you have lawyers who apply for the law and want to preserve the status quo. You have those who want to change everything. I think that my family is very much the latter.

M. Casely-Hayford: 00:04:41 We talked about everything around that dining table together as a family even when we were very young – art, fashion, language, politics. There was this sort of understanding about the societal infrastructure from a very early age. A point I alluded to earlier that it sort of got handed down almost osmotically is because I didn't know about my step-grandmother because in fact she was my grandfather's second wife, Adelaide Casely-Hayford, until relatively recently. I found out she was an educator of girls in the early 20th century. Being in women's education must have been such an unusual and pioneering thing to do at that stage.

M. Casely-Hayford: 00:05:30 I only learned about her fairly recently, and that was at a point where I had been for some time a champion for women and girl's education. My mother was a feminist in the way she lived, even if she didn't have time to be philosophically militant about it. But she made me see that

it was really important to try to push barriers out of the way and to recognize that it was possible to do that. My paternal grandfather influenced, changed on a more macro scale and was one the writers who influenced the thinking that led to independence.

M. Casely-Hayford: 00:06:07

But on my maternal grandfather's side, he was a successful businessman, so there were different types of influences there, educational, political influence but also understanding the commercial imperative. I think that is one of the things that led me to thinking about the fact that even governance changes within organizations don't have to be immutable. We should follow the way in which society is moving. And then also there is the impetus for hard work because of what those guys really achieved, we were always really nervous about letting them down.

M. Casely-Hayford: 00:06:43

It's interesting because I heard my nephew talking to my daughter about two or three years ago, and she was congratulating him on his business and his success. And, he said, "Well, those guys are a really hard act to follow." It was funny because I realized he was talking about us in the way we would have talked about the previous generation, so it is sort of a Casely-Hayford nervousness about making sure that you keep things going. Yes, art, law, writing, they all gave us educational opportunity that we want to create for others and to establish a stronger voice for the black diaspora is something that all of my brothers and myself see as really important and is a key ambition for all of us.

Gwin Myerberg: 00:07:33

Well, I definitely think it's safe to say that you won't have let anyone down, and that you are a hard act to follow! In speaking with you and reading about you, I'd say you've definitely followed in your step-grandmother's footsteps, even if you only learned about her recently, in terms of being a trailblazer and breaking down barriers. You have really been a leader in your field and are such an inspiration. Alicia referred to some of this in the introduction, but you've achieved so many firsts as the first black woman to be made a partner at a London City law firm, the first female Chancellor of Coventry University, among many other firsts, I'm sure. And you've won so many awards and recognition for your leadership. How are

you able to create unique opportunities to help drive that success?

M. Casely-Hayford: 00:08:21 Well, first of all, thank you very much for what you just said. It's very kind. Creating unique opportunities is quite a way to describe what has just been actually living my life to the best of my ability. You don't really realize what doors you're opening until afterwards when you look back. I suppose that essentially, the very first point was just when I went out into professional life, I'm very aware that I was one of very few black lawyers in the City, and I just wanted to build client trust at that stage. I worked really hard, and I wanted to make sure that those clients who trusted me weren't going to feel that they had built their trust on sand, that I wasn't going to let them down.

M. Casely-Hayford: 00:09:24 Then I realized how important it was to create a brand, not just for myself but also for my team. That came out of mostly learning from the 1990s recession. I can remember it was really tough to get work, and we pitched for a job as a team. We were down to a shortlist of two, and we didn't get the job. I asked for feedback, and they said, "Well, in the end there was nothing between you and the other firm, you were both amazing. But we'd heard of them." I thought, "Oh my goodness, this is ridiculous. This will never happen to us ever again."

M. Casely-Hayford: 00:10:09 I realized that it is not just a question of working really hard and somebody will notice because they just won't. This is really important for women in particular. Women often think "if I work really hard, someone will notice." Whereas a man will just walk into the room and tell you how fabulous he is. I just realized for my team and for myself I needed to build a brand, and so we wrote articles. We gave talks. We had a huge number of extracurricular things that just go into marketing yourself, and in fact even marketing our subject because in those days planning and development really wasn't a thing.

M. Casely-Hayford: 00:10:52 In fact, I went from the bar to a law firm, and when I was at the bar, my set of chambers actually had within it when I first arrived, the first planning barrister ever in this country, Sir Bernard Marder, which shows you how new it was as a subject. Mind you, I am very old now, but still, that will give

you a picture of just the novelty of it. We were actually creating a subject that we had to make look sexy and really interesting and to explain how it added value, so there was merit in investing in it. To grow the depth of the team as well because the other thing I learned in the recession, which my law firm learned the hard way through getting rid of an awful lot of people, and then when coming out of the recession realizing that there was nobody there.

M. Casely-Hayford: 00:11:55

The clients were still asking for the same quality of product. They had to go out quickly and get people in that you have to make sure that there's strength in depth. It was a really important lesson, not just building the brand but also making sure that those who were there were trusted, no matter how young and new they were, so that you were developing the team to be able to carry the torch on, whoever was there. Then the importance of building a network, which in a way I almost did inadvertently because I wanted to be more than just a lawyer. I became a trustee on a few charities, the Great Ormond Street Children's Hospital Charity and the Geffrye Museum when I was a young associate lawyer.

M. Casely-Hayford: 00:12:52

I didn't realise at that stage I had already begun to build my network because it is through people who are on boards with you that you learn about opportunities that are coming up. Also, they learn about you, they learn about how you perform, and they will tell other people about your skills or take a punt on you in another operation, another enterprise. I realized that I was gradually becoming part of an old boy network because it was almost predominately males at that stage, and I was one of the only females there. The importance of building a brand and building a network were key, and it was so important for opening new doors for me.

M. Casely-Hayford: 00:13:38

I have to say that I think often about the two chairs who were both white males who took a punt on me on their trustee board because at that stage I was as green as a cabbage. And, although I had my legal powers of analysis and my development skills, I can't say that I had much in the way of the strategic oversight that you gain as a senior practitioner on boards, but they really helped me enormously. From that, I began to understand the

importance of systems because being on a board really teaches you that. And then being a lawyer makes you realize that you can obtain structural change, and that also really helps you to look at things totally differently.

M. Casely-Hayford: 00:14:30 You don't have to accept it this way. We can change it and let's go for it, and that is a brilliant way of creating not just novelty but also making people take notice.

Gwin Myerberg: 00:14:43 That's probably a good point to jump into one of your key platforms, which is seeking to create stronger diversity on corporate boards and among leadership. What do you feel is the biggest challenge today that is obstructing diversity in board composition and in the workplace?

M. Casely-Hayford: 00:15:02 There are two things that are really huge challenges. One is a sort of macro and the other is, I wouldn't say it is micro, but it is not on the same scale of challenge. The first challenge, the one I would describe as a macro challenge, is the failure to recognize the historic legacy that has contributed to creating what we all consider to be limiters today. By that, I mean that in societal terms, we see certain people as having an innate superiority, and we imbue them with a good degree of trust. By that, obviously, I mean white people and white males in particular.

M. Casely-Hayford: 00:15:49 If you're thinking about it from prospective searches, recruitment interviews, when we assess a promotion, even the way in which we castigate people for errors, there is no real equity until we face into the fact that we see people differently. The difficulty of this, and really it is such a hard aspect to deal with because it goes back 400 years. If you think about the fact that the slave trade was underpinned by the subordination of black and brown people and that even up until the early 20th century it was up to the male to be the breadwinner, you could begin to see how there were certain aspects that are just really baked into our thinking.

M. Casely-Hayford: 00:16:49 If you think back to the fact that when the abolitionist movement began to grow, those who opposed it relied on pseudo-science to help sustain the belief that whites are superior. There is a lot of writing, 19th century writing for example, that tried to justify that sort of perpetuation of

the insubordination to the extent that if black people rebel, they were quashed for insubordination. That legacy has led us to think about a specific normative that sees the white males, and it is the male in particular, at the top of the tree and inherently trustworthy and what they do is appropriate.

M. Casely-Hayford: 00:17:34

It manifests itself in so many different ways and, if you think about it, even in trivial things. Let's just say for example, if I, as a black woman, am going to an interview, I would tend not to go with my natural hair because it's considered to be untidy. Even just a black person struggles to look acceptable unless, because it is a white-dominated environment, unless they capitulate, so I will have my hair straightened. It is so ingrained in us that if you have blind audition orchestras, black musicians do well, but they become less successful at the point where they become visible.

M. Casely-Hayford: 00:18:19

It is considered appropriate to train operatives but not management from within the BAME (Black, Asian, and Minority Ethnic) community. Yet no one comes out of the womb being a manager. We have some really big lessons to learn about trusting people more widely to demonstrate their ability and their capability. It is assuming a certain level of experience because of their look, is a really, really difficult thing for us to get around, but that's the first step. On the lower level, where you take different organizations, very often I will talk with boards, and they will say, "Well, we've got a diverse board. The chair's been really rigorous in making sure that we bring women on, we bring ethnic minorities on."

M. Casely-Hayford: 00:19:12

I would say that having an enlightened chair to instigate diversity is not a solution because that disappears with the departure of the individual. What is important here is for the business entity to recognize the need for governance structure that underpins the proposed move towards change so it becomes part of the enterprise's move towards its own success. In order to make sure of that, you've then got to say yourself, "How is this relevant to us? How is it relevant to our customers? How is it relevant to our employees and our suppliers and other stakeholders?"

It is not just a "nice to have." If it's just a nice to have at the first sign of an economic downturn, it will disappear.

M. Casely-Hayford: 00:20:00

You've got to think to yourself, what is the risk for not addressing this? How will it impact, what additional value does it give to us if we do address this? Then we begin to think about certain structures, when your approach begins to change in the way in which you deal with the issues. If you think, by way of example, the advent of the pandemic has, in the same way as the George Floyd murder, shown that the public wants transparent policy responses. I found it fascinating how unforgiving the internet has been when it's been revealed that certain companies have furloughed their employees whether they needed to or not. Or they abuse the government supporting benefits.

M. Casely-Hayford: 00:20:49

The reputational damage that does can be translated into the diminishing of asset values. That is really something we've got to guard against. Failure to make a positive statement about being anti-racist is, I think, going to be a really important thing that the internet will continue to look at. It's fascinating, when I used to talk to boards, I use to say to them, "Imagine you've got an invisible shareholder sitting around the table, and that it could well be the Daily Mail." Because the Daily Mail's got this really horrible way of pointing at you and shouting and screaming in a completely unbridled fashion.

M. Casely-Hayford: 00:21:33

Now I would say, "Imagine that your invisible board director is the internet." If you have not made an anti-racist statement, rather than a non-racist position statement, that's going to be scrutinized as a weakness because what it will say is, "We don't have an action plan." If you do not have an action plan that means you're not thinking about how you're going to manage your risk in the future, and it could blow up for you later. That's why I hesitate to call it a micro level because it's still big, it's just that it's not on the global scale of challenge. Does that make sense?

Gwin Myerberg: 00:22:15

It absolutely does, and you've just started to touch on this a little bit, but you talked earlier about how your legal training taught you that you can make structural change. Regarding the visibility of racial injustice, of the Black Lives Matter movement, how do you think that that will

structurally change on the macro level the dialog around board diversity? Or how can we *make* that happen?

M. Casely-Hayford: 00:22:40

The first thing is to understand what the definition of anti-racism really means and then to face into it. That is actually tough. That's very difficult. If an organization starts off by saying, "We recognize that we have not been anti-racist and that, by virtue of accepting the status quo, we've been oppressive," you see people bristle. An awful lot of people think that if you're in essence calling them oppressive or racist, you're basically saying that's tantamount to being a member of the Klu Klux Klan. It is not. It couldn't be further from the truth. It is the fact that once you define anti-racism and recognize it's not the same as non-racism.

M. Casely-Hayford: 00:23:38

Non-racism is basically a tacit understanding that we are not going to rock the boat, we're not going to do anything overtly racist, but we just accept things the way they are. Accepting things the way they are means essentially that you are perpetuating the oppression that people already feel, and receive, and are damaged by. Once organizations face into that and they realize that their recruitment processes, their promotion assessment processes, have not been challenged through that lens, then they can begin the journey. You cannot start to fix something if the diagnostic is incorrect.

M. Casely-Hayford: 00:24:34

I've spoken with people and said the best thing to do is to imagine yourself as consultants because around the board room table you are the most qualified people. You've got the C-suite and the board, who are the most qualified people in the organization, so you are the equivalent of consultants in a hospital. It would be completely lunatic for consultants to say, "Let's patch up this individual," without their having properly diagnosed what was wrong. Because the patching up could be something relatively superficial, when in fact there is a broken limb or an infection or a disease underlying the superficial ailment.

M. Casely-Hayford: 00:25:17

Unless you recognize what is really wrong, you cannot deal with it appropriately. The first point is to understand what's really wrong. The second point is to think about the action to put it right. Your policy has got to recognize that that is what we want to do, and then you create an

implementation plan aligned to that policy. Then, it is essentially a question of delegating the responsibility throughout the organization, so that *everybody* is accountable in their way. Whether they are involved in recruitment, whether they are involved with assessment for promotion, whether they are involved with grievance processes because grievance processes are very often involving judgment from individuals who don't understand the legacy that they've inherited.

M. Casely-Hayford: 00:26:02 It is old-fashioned governance really, isn't it? It's a question of having an insurance process that says, "We understand the delegation, we will try to implement it, and we will give you assurance that it's working as it should."

John Woodman: 00:26:14 Well Margaret, that seems like a great segue into more of a focus on the governance aspect. As you know, we often summarize our global, bottom-up investment approach as one based around Business, People and Price. In our 45-years plus of experience we found quite often that the people are the hardest part to get right. We would love to get your views on how you assess those qualities in an interview environment. What are the qualities you look for, and how do you evaluate candidates you meet for board roles in particular?

M. Casely-Hayford: 00:27:11 Well, obviously, there's different criteria for board from executive, but both need a good strategic brain. Both need to be able to listen in order to hear. I put a lot of weight on that. I'll explain a bit more about that in a moment. The board, I would say an enterprise supervisory capability, as distinct, obviously, from the operational drive and ability to motivate and lead colleagues. But the listening to hear, for me, is absolutely critical because I think that that helps diversity to thrive. It helps to bring out the sort of individual who might be quiet but powerful, and one of the fascinating things for me has been to find the quieter members of my board in one of the organizations that I'm involved with, in the crisis, has been almost invaluable.

M. Casely-Hayford: 00:27:49 These are the people who ordinarily do not speak out very much. It has been really helpful to be able to call to the quieter people and say to them, "What's your view?" and then suddenly find that they are really innovative,

thoughtful in areas, where others might panic because we've never been there before, because the current crisis is something that is throwing forward all sorts of new difficulties. So, that ability to listen to hear is important. It's important because what it does is it gives strength to women, it gives strength to ethnic minorities, it gives strength to those people, whether male or female, or whatever background who think, "Is it just me?"

M. Casely-Hayford: 00:28:39

Very often when you are sitting around a boardroom table, the uniform voices gain strength in their uniformity. You can see the conversation going on as sort of on a crest of a wave because everybody is reinforcing the thinking of the person who has spoken before them. What I've found to be really valuable is the person who sits very quietly and then at the end says, "Well, I don't believe it's just me but..." Suddenly there's this little insightful and incisive thought that suddenly makes everyone think, "Oh crikey, yes. We have totally missed that, and it's really important."

M. Casely-Hayford: 00:29:18

The ability to listen in that way helps horizon scanning because it is going to allow people to be braver, talk about the things that might not otherwise be so obvious because they're not in immediate eye view. Which, therefore, means that they help you to risk manage, which of course helps protect the value, as well as supporting values because you're listening to a wider cohort of people. For that reason, I do like to ask people how they handled the recent crisis. And that often tells you a great deal about how they listened because, as I said, in a crisis you very often have to listen to stakeholders who normally wouldn't have a voice, or have a smaller voice.

M. Casely-Hayford: 00:30:09

Examples of integrity are the elements that I would seek because trust is very difficult to engender, critical to be retained, and impossible when lost and almost impossible to regain. It takes an awful long time. Integrity is key, and reputation is such an important part of asset value. So those are the key things that I would look for.

John Woodman: 00:30:40

When we talk about governance, clearly it encapsulates a very broad range of subjects and rules, policies, behaviors and interests. Some of the key ones we look at, things like executive pay, board composition, interaction with

regulators and regulatory oversight, ESG policies, which is clearly becoming increasingly important for a range of stakeholders, and, naturally, fiduciary duties. In your experience, could you give us a sense of which governance aspects are the most important in terms of benefiting shareholders? On the flip side, does that get reflected in the amount of time spent discussing those around the boardroom table?

M. Casely-Hayford: 00:31:25

I think that this has changed over time, and it's basically tracks more or less with society because years ago, maybe we could have, I suppose more focused on almost unbridled capitalism. In the 80s and 90s, when it was sort of all systems go. The primary is not only stakeholders, the shareholders, and it's obviously critical to ensure the financial health of the organization. We spent an enormous amount of time talking about the elements that were critical to that. The audit committee and remuneration committee were the key committees. That's a critical aspect is that you're bottom-line driven.

M. Casely-Hayford: 00:32:52

In 2006, when the companies that brought in and reworked Section 172 and said let's have regard to a much wider range of topics. Are we treading lightly on the environment? Do we know what is at the end of our supply chain? Are we fostering better employee well-being and employee relations and so on? Governance matters then had to, they became board interests in, ensuring accountability throughout the enterprise for all of those areas. We do spend longer and longer on a wider range of subjects, which is entirely appropriate, and it assures the framework has to be real in this regard.

M. Casely-Hayford: 00:33:34

It is really fascinating because we went through a period of thinking about just sustainability, and that became very tick-boxy and didn't really help us understand the true health of the structure. What has been healthy is reading more ESG and having a more structured approach to delegation of the issues, the E and the S and the G with a top down interest requesting bottom-up assurance. We now spend longer on all of these elements, and the reporting now is better on all of the subjects.

M. Casely-Hayford: 00:34:22 It's interesting because I remember how the reports got longer and longer and longer, but those elements were always side issues and the sustainability report was a side issue, and now these are much more central to reporting. The board takes responsibility. The board delegates that successfully to directors to help understand their personal responsibility for those areas. Essentially the transparency around all of those areas is now increasingly important, and so the statements have got to be easier to read. The statements have got to allow proper analysis of what's being said. They are not being swept under the table.

M. Casely-Hayford: 00:34:47 Now investors are looking at the strength of the organization much more globally. It's almost salutary to think about examples like Deepwater Horizon and how differently BP might have looked to its responsibilities and avoided that whole debacle if ESG had been critically important and the environmental aspect, which had been criticized in fairness quite considerably for a few years before the gulf was flooded. I think that the social imperative now has become as important, and improving governance on diversity, which is a part of the S, is now being translated into almost having an economic benefit to the organization.

M. Casely-Hayford: 00:35:55 There are now methods of tracking and assessing how that can be sensibly valued. It is easier to raise those topics for attention and to seek metrics. I think that we in Britain are slightly behind perhaps the Scandinavian countries, but we are getting there. I'm a member of the new body that's just recently been launched by the Institute of Directors (IoD), which, I don't know how much you know about it, the Centre for Corporate Governance. That's essentially been set up to ensure that we continue to reform to future-proof our standards. They are looking at governance in the wider sense and not just for companies. We decided that we ought to be looking at governance for the third sector, governance for government as well because the subject that I talked about earlier has now become such an integral part of what the wider stakeholder community expects to be held to scrutiny and looked at closely.

M. Casely-Hayford: 00:37:44 We're looking at stakeholder governance and we are looking at sustainable practice and also the implications of

AI as a preliminary subject. I think that it will be a standing body for some time even after we've reported on those three subjects and determined the standard. It is exciting and daunting at the same time, but I just feel so privileged to be part of it. Also to see the way in which Section 172 requirements have become normative. They're part of the way we think now. It isn't just "what's the financial performance?"

M. Casely-Hayford: 00:38:11

I suppose in a way it is a financial performance because in the end it's all, I guess, a symptom of the enterprise because if the public is worried about where you're going, or if the analysts are worried about what underpins the enterprise and any of those elements, it will have an adverse impact on value. Values impact value, which is great as far as I'm concerned.

John Woodman: 00:38:49

Yes, it's very interesting. You mentioned as part of your answer there, avoiding any of these issues at the board level turning into box ticking exercises, which obviously we fully agree with. And, hopefully for the majority of boards, they now embrace the benefits that come from a closer focus on diversity, on ESG and across the range of governance issues. But there are some companies which clearly still have work to do in these. One of the aspects that we always look at is our ability to use our network to engage more closely with the companies in which we invest. Does that investor engagement work, particularly in your experience with European companies, particularly on these issues? Do you think boards today are more mindful of their responsibilities to listen to shareholders, or do you think there is still an aspect of paying lip service to investor feedback?

M. Casely-Hayford: 00:39:49

I think it works better than it has done probably ever. There's a ways to go, but investors are more active, and, if you want to avoid tons of "activism" so to speak, you should be listening. The vulnerabilities are much more apparent now because the public is interested in these matters much more so. It was all a sort of a science for a smaller group of people in the past, and I think that there is *much* greater interest now. And that gives the shareholders more weight. I think that there are more of us now who are interested in whether or not our pensions are

being invested in the right places and thinking about the ability of the institutions, the investors to influence what is the right place, where are we going to go next.

M. Casely-Hayford: 00:41:35 It is interesting because I'm on the board of Radcliffe Trust, which is one of the oldest charities in the country. We celebrated our third centenary recently. When we sit around the table and think about where we are going to invest, these are the sorts of issues where we will be concentrating. Yes, I do think that there's greater ability now for shareholders to wield influence than there has been probably ever.

Gwin Myerberg: 00:41:59 Margaret, we could not have a conversation with you without asking about your passion for championing education. It really resonates well with Southeastern and our employees' passion and the commitment that we have had to improving education and providing mentorship within our local communities, particularly within Memphis, Tennessee where our firm is, somewhat uniquely, headquartered. I know you are involved with Ultra Education, ActionAid and The Radcliffe Trust, which you mentioned earlier. It would be great to hear a little about some of the work that these organizations are doing and, going back to what we talked about in the current environment, how you see education evolving over a long term, in light of the global pandemic?

M. Casely-Hayford: 00:43:00 I will talk about ActionAid first because ActionAid is a passion of mine. I met the CEO and founder in 2014, and he is a relatively young chap. He's a tech entrepreneur. He decided he wanted to start a social enterprise that basically taught entrepreneurial skills to young people. I was talking to him about this, and I realized that the young people he meant were school children. I was so astonished by this, it was fascinating. And I said, "Why are you teaching entrepreneurial skills to people who they can't work for another 15, 20 years or won't be in the work environment?" He said, "Because they're actually skills for life."

M. Casely-Hayford: 00:43:53 And he started to explain to me that if you get children to look at the ordinary academic subjects through the lens of how they could develop their passions, they look at learning in a completely different way. It isn't just a

question of learning entrepreneurial skills, it's a question of looking at your subject, all the subjects from an entrepreneurial basis, and thinking "how does this help my future?", which is a totally, radically different way of thinking.

M. Casely-Hayford: 00:44:23

He does teach them business planning, marketing, teamwork, leadership and so on, but he also teaches them to look at the traditional subjects in a different way. These are people from the ages of seven upwards, and it is the most exciting thing. He holds a fair at the end of the year for his young entrepreneurs, and they show you the skills, the services that they have produced or their goods that they've produced. It is exhilarating. It is just so exciting. The very first one that I went to, I spoke to this little chap who's nine-years old, and he is telling me about this product, and I'm standing there thinking, "Hmm, okay." He said to me, "You don't look at all convinced."

M. Casely-Hayford: 00:45:10

I smiled and tried to look a bit more enthusiastic, and he said to me, "Let me tell you my USP [Unique Selling Proposition]." There is this little guy, he's nine and he tells me his USP, and I just thought, "Oh my goodness, yes!" Suddenly, I was with him and bought his product, and it was terrific because he understood how to market. He had understood what would make his product unique. I realized that education taught him the right things. If you teach children the right way, you give them an opportunity.

M. Casely-Hayford: 00:45:43

What was even more astonishing was, at one point, we went into an area in which we talked to the young people. They didn't seem to have any enthusiasm for anything at all, and that's absolutely terrifying. That was because they had come from such a situation of deprivation that their parents and grandparents, they didn't know anybody who'd worked. They did not know anybody who had hobbies. They basically just watched television. They did not do anything.

M. Casely-Hayford: 00:46:17

It was really interesting, we weren't even at the same starting point as we were with other children. You take them back a step and have to get them interested in something, and then you tell them how they can turn that into a commodity themselves to help themselves.

- M. Casely-Hayford: 00:46:21 What was so fantastic about that was the *parents* got engaged. The parents come along to the end-of-the-year fair, and they said to me, "How can we take this further? What can we do?" What we did then was to help them to set up weekend clubs for the young people because many of the young people wanted to be able to go further with their subject, with their passion outside of the school curriculum. We then had to teach the parents how to support the children with learning more about their skills and growing their skills.
- M. Casely-Hayford: 00:47:07 That's become another part of the enterprise is teaching the parents and teaching the teachers to teach the parents. The amazing thing about that model is, if you roll forward to a pandemic, and suddenly it becomes the model that gets unlocked behind those doors because you've got all of these people, they're home with children, many of them in situations which are quite difficult because they're not like you and I with gardens and libraries and so on of our own. They are the sort of people who live in really small accommodations and don't necessarily have much in the way of facilities.
- M. Casely-Hayford: 00:47:55 What he was able to do was to create online packages for them. He was able to get them to be supported in their online communities by teachers and essentially championed an online course that has been complementary to the course that he previously ran. Allied to that of course, there is a problem that not all of them have the equipment, and I have been very keen to support a woman who runs an amazing enterprise called Good Things, which basically tries to get electronic equipment to people who wouldn't have them otherwise. There are 11 million people in the UK who have no access to the internet and so on. She basically is really trying hard to expand their ability to get online and to get them that sort of support.
- M. Casely-Hayford: 00:49:09 That's essentially a great part of my excitement is just trying to get to people who would not otherwise have that link and those opportunities. In fact, his model is for everybody, so he's actually Resident Advisor to what was the Girls Public Day School Trust is now Girls Day School Trust being slightly more egalitarian. That's just they're

non-state schools, but they see the benefits also of teaching women entrepreneurial skills, so he's Resident Advisor to them, and we're trying to roll out programs to them as well. It is not limited in any way.

M. Casely-Hayford: 00:50:08

I'm Chancellor of Coventry University. Coventry sees itself as an added-value university. It tries to make sure that people who would be disadvantaged in their ability to get to university are properly supported. One example is that we run courses that lead to a traditional university course and then there are university apprenticeships. We create greater employability through having the links to employers, like Jaguar Land Rover. There is a coterie of employers with whom we partner, who are very supportive of creating modules that have a huge employment element attached to them to make sure that these young people are far more employable. That they specifically build networks because they are not the sort of young people that would have fathers and mothers who have a network of professionals and individuals who could help them to get on their way.

M. Casely-Hayford: 00:51:21

I'm so passionate about education from that perspective. What ActionAid does, ActionAid is, as I said, hell bent on trying to eradicate world poverty albeit that it obviously has resources that are nowhere near even denting that massive task, but it continues to try to do so. And it does so through a network that started out in the UK but since evolved in part to the countries in which it works. It is very much bottom-up.

M. Casely-Hayford: 00:52:36

I know that you understand through your amazing network, the importance of that sort of bottom-up engagement. You get far more for your money basically if people are locally involved, that sort of determinative democracy where it's very local and making your decisions yourself. If you say to people, "Where do you want the money to go, and how do you want it applied?" they are more likely to take ownership of the outcome and to give you greater accountability for the delivery. Involving power through the network is something that ActionAid decided to do in the early 2000s, and that has been incredibly empowering and has allowed them to do far more for their money.

M. Casely-Hayford: 00:53:09 It's meant having to make sure their proper education plans underpin the enterprise activities that come up and grow up out of that because there's no point setting up a system that's skewed to save your own. Unless you underpin it with the necessary infrastructure, you are not really helping very much. That is sort of galloping through. I hope that was helpful to give you a range of my activities, but they are very wide.

Gwin Myerberg: 00:53:25 Absolutely. I think all of those seem to be a way to support and create - whether it's mentorship, leadership, education or helping to create the network for those that don't necessarily have that Casely-Hayford instilled fear of needing to impress. The hard act to follow that preceded you, you mentioned before of creating that and allowing them to have that success. What you said, too, really resonated when you talked about that understanding of the bottom-up need to have the local ownership and buy-in to really have an effective understanding. We have seen that in all of the charitable efforts of our employees and the foundations that we've established. But also really in our research.

Gwin Myerberg: 00:54:20 Circling back to earlier when you said values create value. we find within our global research team that enabling every one and having that truly global perspective, being on the ground, enabling those local teams to make decisions and to execute, that was definitely really important. I think it ties back to how the perspective that you learn from the corporate boardroom is equally as important to education and how we bring society forward.

M. Casely-Hayford: 00:54:42 Absolutely, could not agree more.

Gwin Myerberg: 00:54:47 We've put you through the wringer with questions, but we thought that we'd end with just a few more personal questions. And with Alicia knowing you best, we will have Alicia take you through a few of those if you have a bit more time.

M. Casely-Hayford: 00:55:13 Yes, absolutely, I'm happy with that. Fire away, Alicia.

- Alicia Cardale: 00:55:17 Thanks, Gwin. Margaret, as chair of Shakespeare's Globe Theatre in London, which would you say is your favorite Shakespearean play?
- M. Casely-Hayford: 00:55:25 That changes because there are so many elements to Shakespeare that is just so admirable. What I'm thinking about is the legacy of Shakespeare and thinking about Prospero saying to Ariel, "I will release you once you've done X, Y or Z." Being true to his word and releasing Ariel and I thought, "Yeah, that is a really good message for all of us" because essentially we need to recognize that what we do that keeps others in poverty is a form of bondage and is inappropriate. So, I have a lot of admiration for the play, the way that he gets that message over. The anxiety of youth is railing against the establishment in the way that Hamlet expresses his situation is that I also love the *Tempest* and *Hamlet*. I love them passionately.
- M. Casely-Hayford: 00:57:11 I cannot get over the fact that this white, middle-class male from the Midlands completely got into the head of a black man who felt the aggressive unbridled prejudice in *Othello*. That is something that I find really impressive. I love the really not very well known play *The Life of Thomas Moore*, which he wrote with Fletcher and in which he gives Thomas Moore some amazingly powerful words, when there are notes of some refugees living in London and doing quite well as merchants, and Thomas Moore is basically trying to quell a mob who are trying to burn their shops down.
- M. Casely-Hayford: 00:57:32 He says to the baying mob, "Have you thought about what it's like to be in their shoes?" Just imagine this, the Monarch says to you, "You have to leave here." That would mean that you couldn't go to any country that was actually an ally of this, so you'd be going elsewhere. And imagine if the people who lived in wherever it was you landed treated you the way you're treating these people. And then he said it would be "mountainish inhumanity." That just sets the hairs on the back of my neck on end. It is completely brilliant. He was a magician in his ability to understand people and human nature.
- Alicia Cardale: 00:58:18 What would you say is your favorite book that you have read recently?

- M. Casely-Hayford: 00:58:23 Oh, this one is unusually easy. Coventry University has a network called Rising, which holds an annual festival that focuses on human rights, and they asked me to do a broadcast on a book that I have reread during lockdown. I had actually just reread my grandfather's book *Ethiopia Unbound*, and I couldn't believe how apposite it was. The reason he calls it *Ethiopia Unbound* is because at that stage, he wrote it in the early 1900s, it was published in 1911, and Ethiopia was the only African country that was not colonized. He is talking about emancipation from the colonies.
- M. Casely-Hayford: 00:59:19 It is so apposite for now, and particularly after the murder of George Floyd that we are coming out from under. He talks about the oppression of the people whose culture is subjugated, and I just read it with such pride. The incredible bit was he talks about how hard it is to counter colonialism. He's actually doing that, he's talking about that from almost the perspective of the Chinese trying to counter imperialism and being called "the yellow peril." The hero is explaining it to his son, and I'm thinking how in a way he was talking about his own bravery, I suppose, in trying to talk about the colonization when colonialism was a really important aspect of growing the British Empire.
- M. Casely-Hayford: 01:00:21 I don't know if you saw John Boyega talking about the impact of George Floyd's murder on the black community. He made this impassioned speech, and then at the end of it he said, "I don't know if I'll ever work again as a result of this speech." I thought, "Oh my goodness me. That is the fear that so many of us feel. You can't speak out." It made me feel even prouder of my grandfather for writing the book, particularly because as a lawyer, you are working in an environment in which your relationship with the white community is really important. I felt really proud rereading it. So, at the moment, that is definitely my favorite book.
- Alicia Cardale: 01:01:09 Finally, what is the best piece of advice you have ever been given?
- M. Casely-Hayford: 01:01:15 I do get despondent from time to time, and particularly in the workplace. But of course, now I work for myself, and I would get so totally despondent, let detractors get me down. I have a PA, who is completely wonderful, and she is

really supportive. She would recognize it from time to time. I'd get these knock backs, and she'd say to me, "Look, you're so much better than this, and you don't need to worry to the extent that you do." She gave me this card, and it had printed on it, "I can, I will, watch me." She said to me, "Just look at that whenever anybody tries to get you down." It has really been such a fantastic spur to me.

M. Casely-Hayford: 01:02:00

I do not know whether you know, but at one point fairly recently I was a co-manager of a rap artist. A really bright young man, who was at university with Charlotte, my daughter. We were asked by Saatchi & Saatchi if he could produce a song for an advertisement that was going to form the backing to an advertisement for the football World Cup. We were sitting around my dining table, the producer and he and I. And they were discussing what they could possibly have to spur him on into writing this tune. I said to him, "Well, what gets me out of the door on days when I'm not feeling really up to much, if they really want to find some aspiration, there's this card which says 'I can, I will, just watch me.'"

M. Casely-Hayford: 01:03:41

I gave it to him, and I said, "You could use that." He said, "Oh my goodness, yes, I've got it. I've got it." Then he just wrote these amazing words, and Saatchi & Saatchi used it. And it's so funny because the actual product is Head and Shoulders, and you see Antoine Griezmann shine up his bootlaces, and then he walks out of the dressing room with good hair, and then walks out into the stadium. Then he hears the words in the background, and then at the end it just goes, #justwatchme. It's so powerful, it really is great, and I thought, "Yeah, that's incredible."

M. Casely-Hayford: 01:03:45


It is used for anything that is going to be a detraction or that might otherwise get you down as a spur rather than letting it get you down. "I can, I will, just watch me."

Gwin Myerberg: 01:04:02

That's a really great place to end, and you have given us all so much to think about - both within Southeastern as our own company and also as we interact with other companies and assess corporate governance on the board. We will all be keeping in mind "I can, I will, just watch me". Thank you so much, this has been fascinating, and we really appreciate your taking the time.

M. Casely-Hayford: 01:04:26 It is my pleasure. Thank you so much for asking. It's been a real pleasure speaking with you, thank you.

Gwin Myerberg: 01:04:35 Thank you as always to all of our listeners for tuning into the Price-to-Value Podcast with Southeastern Asset Management. If you have any questions or would like to share topics you'd like to see us cover in future episodes, please feel free to send us an email at podcast@SEasset.com. We hope you are all keeping safe and healthy.



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