

Present:	Stuart Andrews (chair)	FinnCap	SA
	Martin Finnegan	Causeway Law	MF
	Andrew Collins	Speechly Bircham	AC
	Richard Everett	Lawrence Graham LLP	RE
	Michelle Holt	Capita Registrars Ltd	MH
	Amerjit Kalirai	Field Fisher Waterhouse	AK
	William Lynne	Hybridan LLP	WL
	Linda Main	KPMG LLP	LM
	Brian McDonnell	Olswang	BM
	Richard Metcalfe	Mazars LLP	RM
	Simon Rafferty	Winterflood Securities Ltd	SR
	Deepak Reddy	Hybridan LLP	DR
	Chris Searle	BDO LLP	CS
	Peter Swabey	Equiniti	PS
	Kate Jalbert	Quoted Companies Alliance	KJ
	Jacques Sultan (minutes)	Quoted Companies Alliance	JS
	In attendance:	Gervais Williams	MAM Funds plc
Mark Niznik		Artemis Investment Management Limited	MN
Paul Haddock		Plus Stock Exchange plc	PH

ACTIONS

1. Welcome to Gervais Williams, MAM Funds plc, and Mark Niznik, Artemis Investment Management Limited

SA welcomed GM and MN to the expert group.

GW began the discussion that that in the last year the market has face many different issues. The public perception had been that it was not a good time to invest. GW noted that the markets had actually improved. The best performing market had been the small-cap, which had increased in value by 20%. GW noted that there has been a move back from looking at international markets, but to look at domestic investments. There is now a warmer attitude to the bottom end investment and to invest in the small-cap companies. GW explained that the mid-cap market can be quite fluid. When the few sellers decide to sell, there will be an effort to invest and the value and liquidity will rise. GW stated that his Multicap portfolio included 70% AIM and small-cap. This gives the Multicap portfolio the feeling of diversification.

MN said that his portfolio consisted of companies between £15m and £2bn market cap. MN felt that at the moment in order to invest, there must be a big investment in the company. MN noted that his portfolio was to buy into the company and then grow with it.

SA queried whether the fund managers look at the regulatory regime before investing. MN noted that there is due diligence on the company that is taken into consideration. MN stated that it is more of an investigation into the company and their cash flows. GW noted that as a member on the AIM advisory board and a director at the QCA, has been aware of the risks. GW highlighted that the increase in perception that small companies equal big risk, has him frustrated.

SA noted that the Shareholder Spring has been in the media and queried whether this had made an impact on investment decisions. MN noted that he has meetings at least twice a year with companies. MN noted that he was not an active participant in the day to day running of the company, but would consult on share schemes and other methods to align shareholder and managers interests.

GW noted that when there is investment from his portfolio, there is a partnership between the two sides. GW noted that the financial pay levels have gone grossly out of proportion. GW noted with the credit boom over, there is a concentration on the individual equities.

RM questioned whether there were any sectors that fund managers are focussing on at present. GW noted that the manufacturing (food and industrial), insurance and miscellaneous companies are high in demand.

MN noted that there was no preference when he looks at each sector. MN looked at the stocks and if they have anything with recurring earnings, he will then investigate further.

LM queried whether the IPO situation has led to fund managers being more cautious in investing. MN noted that this was a selling party benefit. GW noted that there have been more reverse takeovers due to the saving in costs.

AK queried whether the London market had suffered on the global stage. GW noted that the LSE has a vibrant small-cap market. GW said that the LIBOR scandal will have an impact for some years to come and will have reputational damage to the market. MN noted that his investments were very UK focussed and only recently had been looking at investing internationally.

SA thanked GW and MN. GW and MN left the meeting and the meeting concluded.

2. Apologies

Apologies received from Alexandra Hockenhull and Tim Ward.

3. Approve the minutes of the previous meeting (17 April 2012)

The minutes were not discussed.

4. Discussion Items

- **FSA Consultation – CP21/21 Short Selling Regulation – Handbook changes (RD: 20 September 2012)**

This was not discussed.

- **Regulation of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories (CSDs) and amending Directive 98/26/EC**

This was not discussed and held over to the next meeting.

- **Takeover Panel consultations (RD: 28 September 2012)**

This was not discussed

- **European Commission consults on the regulation benchmarks and market indices (RD: 15 November 2012)**

This was held over to the next meeting.

5. Future Meetings

- **Guest invitations to future meetings:**

Held over to the next meeting.

6. AOB:

None.

7. Next Meeting:

17.00 21 November 2012 (Speechly Bircham, 6 New Street Square, London EC4A 3LX)