**Cincinnati Model Investment Club Mid-Month Minutes**

Bravo Restaurant West Chester – October 1, 2016

**Call to Order:** Presiding Partner Craig Jacobson called the meeting to order at 10:09 AM. ***Guests on webinar:*** none, ***Guests in person:*** Glenna Baumbaugh

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| **Name** | **Here** | **Proxy** | **Name** | **Here** | **Proxy** |
| Jackie Koski |  |  | Harrison Baumbaugh | X |  |
| Ian Barnes | web |  | Mary Thomas | X |  |
| Betsy Eller, Financial Partner |  |  | Cliff Turrell | X |  |
| Craig Jacobsen, Presiding Partner | X |  | Larry Averbeck  |  |  |
| Marty Eckerle | web |  | Mike Griffin |  |  |
| Gerry Geverdt  |  |  | Frank Bicknell  |  |  |
| Dene Alden | X |  | Michele Grinoch  | web |  |
| Latisha Douglas | X |  | Kate Lester |  |  |
| Richard Alden | X |  | Rochelle Bankhead | X |  |
| Gregg Hopkins |  |  |  |  |  |

**Discussion Topic:** Craig proposed in pre-meeting emails that we explore our heavy position in Pharmaceuticals and determine whether we should reduce our holdings. Points presented:

* Craig discussed the section of Pat Dorsey’s book “The Five Rules for Successful Stock Investing”, noting that drug companies were recognized for wide moats, high gross margins, political pressure, long development/approval cycles, and little incentives for consumers to shop for alternatives.
* New drugs can take years to navigate the FDA testing phases and cost billions before reaching market
* Patent protection is 20 years from initial filing, shortening the effective exclusivity period after market introduction.
* 10-K reports show the drug development and patent protection pipeline. Craig had prepared a spreadsheet for GILD but we agreed the details were beyond the club members’ ability to discern the subtleties.
* Opinions vary as to how to classify Healthcare companies but members singled out our holdings in GILD, BIIB, and NVO for comparison.
* Marty presented a Stock Comparison Guide on the three companies and members selected the most relevant parameters to include.
* Based on the SCG, we proposed that a sell of BIIB be considered at the next meeting.
* Alternatives in the Healthcare sector (not pharmaceuticals) should be considered. Dene suggested Neogen (NEOG), Craig suggested Anika Therapeutics (ANIK).

**Next Meeting:** Not planned at this time due to the all-day October Educational Event on October 29

**Adjourned:** by Craig at 11:58p

Submitted for review by Rich Alden, recording partner.