WIC

THE WHITMAN INVESTMENT COMPANY

Date: 2/7/18

Meeting opened: Call to Order at 12:02 by Mikaela Slade

    Motion to approve last week's minutes. Approved

    Summary of today's agenda by Mikaela Slade.

    Motion made to approve agenda by Mikaela Slade. Approved.

Discussion Points

Update on General Electric (GE) by Mikaela Slade

    - SEC investigating

    - over producing turbines

    - net loss of $9.8 billion last quarter

    - healthcare subsidiary growing

CFA team presentation on Red Lion (RLH)

    - recommend sell order

    - recent growth from acquisition

    - Porters five forces: highly competitive industry, lots of competition

    - industry demand effected by oil prices (affects travel), consumer spending flat in industry

    - highly inefficient; low margins and ROE and ROA compared to industry

    - franchise growth volatile

    - DCF shows company to be over valued

    - labor costs are increasing in hospitality industry

    - Airbnb growth taking from Red Lion's business

    - Questions?

Kyle Fix, Nick Collard, Matt Hill, and Steven Cockey present on WIC Portfolio

    -Boeing

      -investment thesis: low PE, high market cap, high dividend

      - high ROE and ROIC relative to industry

      - goal: to par down holding from 11.5% to 6% of portfolio

    -motion to sell 161 shares of Boeing

      -10 in favor, 3 against, 1 abstaining

      - motion passes

-Anheuser-Busch

   - high dividend, diversified beer portfolio, beta = 0.98

   - PE = 57.61, ROA=1.1%

   - Sell thesis: having troubles with global expansion, completion is growing

   - Motion to sell entire stake in o Anheuser-Busch

   -6 in favor, 7 apposed, 3 abstaining,

   -motion fails

-Kroger

   -ROE, ROA slowly decreasing

   - recently sold 800 stores for $2.15 billion

-Deere and Co

   -original thesis: cheap, sell at $120 (now at $160)

   - investments in growth slowly declining

   - PE up significantly, ROE and ROA slightly down

   -sell thesis: investment was successful

   -motion to sell entire stake

   -18 in favor, 0 apposed, 1 abstaining

   -motion passes

Adjournment: Mikaela Slade: motion of adjournment at 12:49.

   Motion passed. Meeting adjourned.