

# THE UKSA NEWSLETTER

**UKSA**  
UK Shareholders'  
Association

## ISSUE 7

Welcome to the seventh issue of your **UKSA Newsletter**, which goes to all full and associate members.

**Chairman's comment** – I asked for members' help on a couple of things in the last newsletter: passing on UKSA to friends, family and the next generations to try and get them interested in becoming associate or full members and whether you would like more in-person socials covering UKSA related topics.

It has now struck me that I do not really know all the different reasons why people have joined in the past. I know why I joined – I was persuaded by Peter Parry and I could see it enabled me to keep an interest going in equity investments, corporate reporting, financial statements, auditing and governance.

I know that you were surveyed around five years ago and I will use the results of that survey to see if they can help me and the rest of your board understand what is valued within UKSA and what would attract new members. I am thinking of doing another member survey to help with this. However, in the meantime, please let me know at [charles.henderson@uksa.org.uk](mailto:charles.henderson@uksa.org.uk) what attracted you to become a member or remain a member and what you value about UKSA.

Wishing you all a happy Christmas and a better new year next year than the one we've just experienced.



**UKSA's policy work** – UKSA's policy team continues to provide high-level input into consultations by UK government and international bodies. The table of current and recent work can be found [here](#).

## News from the regions

### North-East/North-West

We continue to hold joint UKSA & SIGnet Northern Investors Group meetings on Saturday mornings 10:30 – 12:30. The next one is scheduled for 22 January 2022. The topics are likely to be a 'review of 2021' and 'ESG', but of course, a lot can happen in the meantime and we will confirm topics closer to the date. These meetings are open to all UKSA members, so please save the date.

## South-East and London

The 'Company Meetings' team has organised the next meeting for 14 December with BHP's chairman, Ken MacKenzie. It will be a 'follow on' from the meeting held in August 2021. Ken will provide an overview of BHP's recent performance and will also discuss unification and its rationale, as well as answering questions on it and its implications. This meeting is open only to full UKSA members and is a virtual meeting run by BHP via Teamlinks. If you are an Associate Member, please consider becoming a full member to gain access to this amazing benefit.

The region also continues to hold virtual meetings covering the latest 'hot topics' and allows members to view and discuss the performance of companies they are interested in.

## South-West and Midlands

A milestone for ShareTalk

For our Region's AGM on 17 November, the South West and Midlands group of UKSA ('ShareTalk') returned to the King's Arms in Didmarton, near Badminton.

We were delighted to be back together after Covid lockdowns. For the first time, the 11 present were joined virtually through Zoom by six other members. It worked. David Riches' technical mastery made the best of the limited bandwidth. Now we now know that better microphones and longer cables could improve the experience in future!

The occasion marked the retirement of our long-serving Chairman, Peter Wilson, and three other committee members: Catherine and Ted Moss, and Jeff Carrick. We thank them all for their service. For some time, Peter's first priority has been to ensure smooth succession. Following a consultation with our members earlier this year, volunteers came forward to carry on the work that he has led with such energy and enthusiasm. John Mulligan was elected unopposed as our new Chairman, likewise Alan Cane as Vice-Chairman and Secretary, David Riches as lead Meetings Organiser and Roger Stephenson as Treasurer.



During 2021 we have held 10 meetings, all but this one by Zoom. Despite (or is it because of?) the pandemic, we ran the same number in 2020. We are pleased to have delivered for members in difficult circumstances.

We look forward to another successful year in 2022. The early programme – for the time being by Zoom on the first Friday of most months – is planned to include sessions with City Minister John Glen MP, and a presentation / Q&A with Bluefield Solar Investment Trust. M&SW Region members will be notified of details as soon as they are clear, and the wider membership will be invited if places are available.

**Trading Tribulation** – A recent BBC podcast reports on the way apps providing access to stock markets are revolutionising the world of trading, but they are also creating problems. A new generation of traders are emerging, fuelled by social media and with dreams of earning a fortune. The new generation of share traders looks very different. Well worth a listen [here](#).

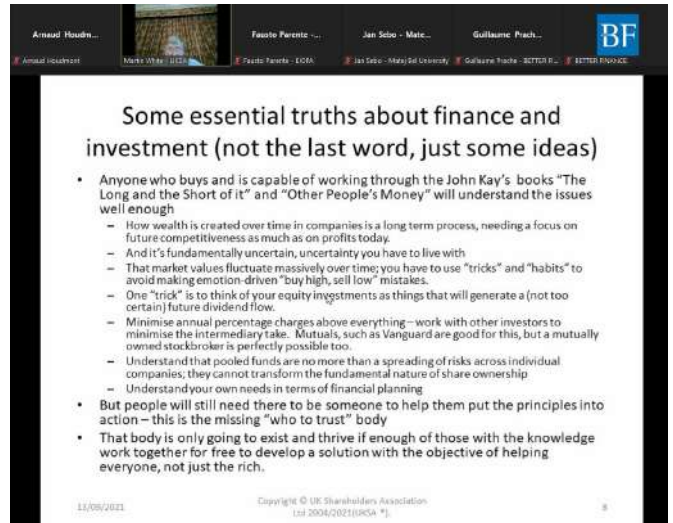
## UKSA communication

We are changing the way we communicate with members. From 2022 we will send out more frequent newsletters straight to your inbox. Our website will be enhanced with new content and a wider range of articles, including sections devoted to leading writers. The Private Investor magazine will no longer be produced. This will enable us to make greater use of interactive and video content alongside written content.

## Savers Take Control

On 30 November UKSA director Martin White chaired a [Brussels-based panel](#) of leading finance experts in retirement funding, including representatives from the European Commission and the European Insurance and Occupational Pensions Authority (EIOPA). The theme was "How do I get Value for Money".

Martin discussed essential truths in finance, too often obliterated through financial sector marketing. "If people were better educated about these, it would change the world," he said.



Some essential truths about finance and investment (not the last word, just some ideas)

- Anyone who buys and is capable of working through the John Kay's books "The Long and the Short of it" and "Other People's Money" will understand the issues well enough
  - How wealth is created over time in companies is a long term process, needing a focus on future competitiveness as much as on profits today.
  - And it's fundamentally uncertain, uncertainty you have to live with
  - That market values fluctuate massively over time; you have to use "tricks" and "habits" to avoid making emotion-driven "buy high, sell low" mistakes.
  - One "trick" is to think of your equity investments as things that will generate a (not too certain) future dividend flow.
  - Minimise annual percentage charges above everything – work with other investors to minimise the intermediary take. Mutuals, such as Vanguard are good for this, but a mutually owned stockbroker is perfectly possible too.
  - Understand that pooled funds are no more than a spreading of risks across individual companies; they cannot transform the fundamental nature of share ownership.
  - Understand your own needs in terms of financial planning
- But people will still need there to be someone to help them put the principles into action – this is the missing "who to trust" body
- That body is only going to exist and thrive if enough of those with the knowledge work together for free to develop a solution with the objective of helping everyone, not just the rich.

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## Northern Rock

Bill Brown continues to write for us about what led up to and followed Northern Rock's demise. We have established that Northern Rock revealed that capital and liquidity are two different things. Our first defence against bank failure continues to rely on banks being properly capitalised to withstand losses. But Northern Rock was a liquidity, not a capitalisation, issue: Northern Rock proved that a bank can be solvent yet completely illiquid. There never should have been a run on Northern Rock and there wouldn't have been if the Bank of England had provided it with funds at the outset.

UKSA remains very keen to support NRSAG members in receiving a fair hearing about the evaluation that assessed the shares as worthless, when, in fact, Northern Rock was solvent. We welcome the views from NRSAG members.

**We need more volunteers to make progress. Can you help? If so please contact [nrssag@uksa.org.uk](mailto:nrssag@uksa.org.uk) or write to United Kingdom Shareholders' Association (UKSA) Chislehurst Business Centre, 1 Bromley Lane Chislehurst, Kent, BR7 6LH.**

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

10 December 2021