

# Rolling Stocks

## Investment Club

(ProShare reference number 12707)

### MEETING MINUTES

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Meeting: **Monthly Meeting - January 2000**

Held at: **The Bank, Crewe** Date: **11<sup>th</sup> January 2000**  
Time: **17:15 – 18:50**

Prepared by: **Dave G**

Chairperson: **Richard W**

Present: **Dave G**  
**Geoff O’F**  
**Richard W**  
**Chris B**  
**Adrian B**

Present: **Kit P**

Distribution: As above

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#### Chairman’s Acceptance of Minutes

\_\_\_\_\_  
*Signature*

\_\_\_\_ / \_\_\_\_ / \_\_\_\_  
*Date*

#### 1. MINUTES OF PREVIOUS MEETING

The minutes from the monthly meeting of 21<sup>st</sup> December 1999 were accepted<sup>1</sup>.

#### 2. NEXT MEETING

17:00 – 19:30 10<sup>th</sup> February 2000 – Venue: The Crewe Arms. The beer may be a bit more expensive but RW will buy if necessary!!!

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<sup>1</sup> Post Meeting Note: Date of the last meeting was shown in the minutes as 31<sup>st</sup> December 1999. This should have been 21<sup>st</sup> December 1999.



## MEETING MINUTES

### 3. ACTIONS FROM PREVIOUS MEETING

#### 3.1 Actions Closed since last meeting

Ref.	Description & Progress	Target Date
CB/1221/01	Change format of Treasurer's report to show Cash-In-Hand and also show the share prices of our holdings.	CLOSED
CB/1221/02	Claim £5.35 expenses	CLOSED
DG/1221/03	Update Buy Proposal Form template to show what sparked initial interest and to show dividend yields.	CLOSED
CB/1221/04	Arrange purchase of 1000 shares in TOTAL SYSTEMS	CLOSED
CB/1221/05	Arrange purchase of approx £1000 of PARITY shares	CLOSED
CB/1221/06	Arrange purchase of approx £400 of ATLANTIC CASPIAN shares	CLOSED

#### 3.2 Actions Carried forward to Next Meeting

See end of these minutes

### 4. TREASURER'S REPORT

#### 4.1 REPORT SUMMARY

CB supplied his report.

The report showed net total assets of £10596.46 and unit value of 383.094p.

The current net value if realised on the Science Systems shares was calculated as £1864.96 (a profit of £1123.82 (or 125% APR) so far on the deal).

The current net value if realised on the ARM Holdings shares was calculated as £4978.84 (a profit of £4469.35 (or 910% APR) so far on the deal).

Three purchases had been made since the last meeting.

The current net value if realised on the Total Systems shares was calculated as £1058 (a profit of £247.02 (or 695% APR) so far on the deal).

The current net value if realised on the Parity shares was calculated as £938.70 (a loss of -£60.18 (or -244% APR) so far on the deal).

The current net value if realised on the Atlantic Caspian shares was calculated as £299.32 (a loss of -£100.68 (or -1021% APR) so far on the deal).

Our £1000 prize money from the November Mirror competition has now been deposited.



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### 4.2 MATTERS ARISING FROM REPORT

CB noted that there was a £10.81 discrepancy in the accounts but this could be due to a dividend and interest having been paid since the last statement CB had received. RW stated that he now had a Charles Schwab internet password and could get a statement to check whether the discrepancy of £10.81 was accounted for by dividends and interest (it was known that Science Systems had paid a dividend since the last meeting).

### 5. PROPOSED RULE CHANGE

CB proposed a change to rule 9(a) in the Rules of the Club to clarify how the club's asset valuation was calculated. After discussion, the proposed new wording was as follows:-

"The club's assets shall be valued monthly by the treasurer, normally within 2 business days of the club meeting, and a report shall be presented at the meeting. The value of investments shall be based on 'middle' closing prices in the Financial Times or other reliable source of stockmarket information and will be adjusted to be a reasonable estimate of net realisable value (i.e. reductions will be made for spread and selling expenses)."

The proposal was carried unanimously. DG to revise and re-issue Rules document.

All calculations of club assets to date are regarded as correct subject to audit.

### 6. LUCKY LLAMA COMPETITION

RW supplied his report.

Summary of positions :-

<u>Who</u>	<u>Change last 3 weeks</u>	<u>Total</u>	<u>Change overall</u>
Adrian	0.17%	£4863.35	-2.73%
Chris	2.13%	£6894.39	37.89%
Dave	4.76%	£7479.47	49.59%
Geoff	-3.64%	£4233.11	-15.34%
Kit	0.55%	£6170.39	23.41%
Richard	-4.9%	£8699.34	73.99%
Average	-0.21%		27.8%
FTSE 100	-3.27%		23.92%
FTSE All Share	-2.1%		26.35%

DG was awarded the llama (though not physically due to it having just been passed to RW for last month's award).

RW noted that our collective average was beating the FTSE 100 and FTSE All Share which was a very creditable performance.

All have until end of Friday 14<sup>th</sup> January to send in buy/sell requests to be processed at the weekend.



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RW stated that he would probably sell his AEA, Rentokil and London Clubs holdings and buy into Tibbett and Britten, Exchange and one other. CB stated that he would possibly sell out half his Atlantic Telecom holding and buy into C&W. DG stated that he would sell out of Aukett Associated due to it having fallen below 17.5% stop-loss and buy Brown & Jackson as tipped by his spreadsheet.

### 7. PORTFOLIO MANAGEMENT

#### 7.1 Stop Loss Triggers

Both ARM and Total Systems had dropped below 20% stop-loss since last meeting (though ARM had never actually closed below its stop-loss value). Each trigger had provoked a discussion but had resulted in a "hold" decision.

#### 7.2 New Buy Proposals

CB presented a buy proposal for Cable and Wireless. After discussion, a purchase was agreed in principle but the amount to invest deferred until completion of item 10 on the agenda (see below).

No other buy proposals were presented though RW had been considering TIBBETT & BRITTEN and DG had intentions to investigate three investment trusts (BAILIE GIFFORD SHIN NIPPON, FLEMING JAPAN, INVESCO CONTINENTAL SMALL COMPANIES).

#### 7.3 Sell Proposals

No sell proposals.

### 8. WHEN TO SELL

A discussion took place on what could/would cause us to sell a holding. It was agreed that the current stop-loss trigger for a mandatory sell proposal should continue as it was an excellent means of ensuring that a discussion took place rather than allowing a price to drift downwards unchecked. It was also agreed that if ever a stock was below its stop loss value at the time of a club meeting (not the case this time) then we should have a further discussion on that stock at the meeting.

Whilst it was accepted that selling on a change in fundamentals was sensible, it was likely that any significant change in fundamentals would send the share price below our stop loss trigger so a discussion would be provoked in any case

Other than that, it was agreed that a good reason to sell is if there is a better proposal to place the money elsewhere.

### 9. COMPETITIONS

DG had entered the Mail on Sunday competition with STANELCO as our tip for the highest climbing stock during January.

DG expected the Mirror competition to be in either January 12<sup>th</sup> or January 19<sup>th</sup> Mirror so would look out for it. As we won the competition last time it is important that we try to defend our title!



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Other competitions that might be of interest to club members (as opposed to being open to entries as a club) were the on-line competition in [www.investmentchallenge.com/ukinvest](http://www.investmentchallenge.com/ukinvest) as mentioned in RW's recent Chairman's Statement email. This is free to enter, runs till March 3<sup>rd</sup> and has a £30000 first prize. Object is to invest a fantasy £500k and get best return before 3<sup>rd</sup> March.

Another competition is available for entry via January's edition of Money Observer and each of the January issues of the Observer newspaper. Multiple entries are permitted with each costing £1. Prize is £25000. Object is to pick the best performing 5 stocks over year 2000 out of a list of 30. Entries must be in by 2<sup>nd</sup> February.

### 10. AOB

#### 10.1 How to Spend the £1000 Prize Money

We have already spent £400 on the speculative investment in Atlantic Caspian. There is therefore £600 still available out of the total of £1400 cash currently held.

It was agreed that we should spend approximately £200 on improving our education in investing. We could split this money by purchasing a subscription to a share tipping magazine such as TechInvest (which is a technology stocks tip sheet) and purchasing a data feed (such as is provided by Investor Ease product). RW will send off for the January 2000 edition of TechInvest to see what it is like.

RW is currently in a 28 day trial of Investor Ease and is generally impressed. He has compiled a list of faults and will pass these to DG who has just sent off for the trial (as suggested by RW). DG will raise these faults with the suppliers as part of his trial period to see if they can be resolved. Any decision to purchase this product (which would be approx £140 for the year) should be delayed until at least the completion of DG's trial period.

It was agreed that the £400 of the prize money left over after this should be put into another speculative investment such as another penny stock or warrant. All to consider.

At the end of this discussion, it was accepted that the £600 remaining prize money out of the £1400 cash-in-hand should be spent separately from the other £800. This therefore left £800 available for the Cable and Wireless purchase (see section 7.2 above). It was agreed that CB should purchase £800 of Cable and Wireless shares.



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**ACTIONS CARRIED FORWARD TO NEXT MEETING**

Ref.	Description & Progress	Target Date
RW/0415/05	<p>As part of improving the records we keep on companies, set up and maintain a file on Science Systems</p> <p><i>0510: No progress</i></p> <p><i>0628: No progress</i></p> <p><i>0726: No progress</i></p> <p><i>0827: No progress</i></p> <p><i>0916: No progress</i></p> <p><i>1019: No progress</i></p> <p><i>1124: No progress</i></p> <p><i>1221: No progress</i></p> <p><i>0111: No progress</i></p>	10/02/2000
KP/0827/02	<p>Add Annual Reports to list and email to KP</p> <p><i>0916: No progress</i></p> <p><i>1019: No progress – DG has also obtained some annual reports since last meeting so needs to inform KP also</i></p> <p><i>1124: KP to chase</i></p> <p><i>1221: KP to chase all for details of new annual reports</i></p> <p><i>0111: No progress</i></p>	10/02/2000
CB/0916/02	<p>Increase Market Master direct debit to reflect recent increases in subscriptions</p> <p><i>1019: Awaited any late requests for changes to subscriptions before increasing direct debit.</i></p> <p><i>1124: No progress</i></p> <p><i>1221: No progress</i></p> <p><i>0111: No progress</i></p>	10/02/2000
ALL/1221/07	<p>Consider what we could spend some of the Mirror prize money on to improve our education (e.g. books, subscriptions, data, etc.)</p> <p><i>0111: Agreed it would be sensible to spend approx £200 on furthering our education. All to consider what it could be useful to buy.</i></p>	10/02/2000
ALL/1221/08	<p>Send details of useful URLs to club members with brief description of each</p> <p><i>0111: No progress</i></p>	10/02/2000



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Ref.	Description & Progress	Target Date
KP/1221/09	Compile and maintain a list of useful URLs <i>0111: Requires some action on ALL/1221/08 first!</i>	10/02/2000
CB/1221/10	Submit entry to Proshare's Successful Club of 1999 awards <i>0111: Entry form drafted (&gt;255% return during 1999) and will be posted imminently</i>	28/01/2000
DG/0111/01	Revise Club Rules as agreed to have reworded rule 9(a) to clarify how asset valuation is calculated.	10/02/2000
RW/0111/02	Send off for January 2000 edition of TechInvest to see what it is like	10/02/2000
RW/0111/03	Send DG the list of faults found in Investor Ease	31/01/2000
DG/0111/04	Notify Investor Ease suppliers of the faults in the product as part of DG's trial period (which should commence mid-Jan)	10/02/2000
CB/0111/05	Purchase £800 of Cable and Wireless shares	14/01/2000
ALL/0111/06	Consider a suitable speculative investment for the remaining £400 of Mirror competition prize money.	10/02/2000