

Rolling Stocks

Investment Club

(ProShare reference number 12707)

MEETING MINUTES

Meeting: **Monthly Meeting - June 2000**

Held at: **Crewe Arms, Crewe**

Date: **27th June 2000**

Time: **17:15 – 18:45**

Prepared by **Dave G**

Chairperson: **Richard W**

Present: **Chris B
Dave G
Geoff O'F
Kit P
Richard W**

Apologies: **Adrian B**

Distribution: **As above**

Chairman's Acceptance of Minutes

Signature

_____/_____/_____
Date

1. **MINUTES OF PREVIOUS MEETING**

The minutes from the monthly meeting of 25th May were accepted.

2. **NEXT MEETING**

The next meeting is the AGM.

17:00 – 19:00 Wednesday 28th July. Venue Chris's house (possibly).



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3. ACTIONS FROM PREVIOUS MEETING

3.1 Actions Closed since last 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> <p><i>0216: No progress</i></p> <p><i>0322: No progress</i></p> <p><i>0419: No progress</i></p> <p><i>0525: No progress. It was remarked upon that it wasn't big or clever to have actions lasting longer than a year!</i></p> <p><i>0627: Action dropped in favour of an approach to be implemented at the next meeting whereby each club member reports back progress/news on a holding. See action ALL/0627/01</i></p>	DROPPED
ALL/0111/06	<p>Consider a suitable speculative investment for the remaining £400 of Mirror competition prize money.</p> <p><i>0216: No progress</i></p> <p><i>0322: No progress</i></p> <p><i>0419: No progress</i></p> <p><i>0525: RW email had suggested looking at Warrants and Templeton in particular. Agreed to discuss as part of item 6.2 in the minutes.</i></p> <p><i>0627: Decision taken to purchase Templeton Emerging warrants (see Portfolio Management section in minutes)</i></p>	CLOSED



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Ref.	Description & Progress	Target Date
CB&RW/0525/04	Sell Total Systems if price rises to >90p with no discernible reason to account for it. <i>0627: Sold at 90p</i>	CLOSED
DG/0525/06	Find and distribute the Motley Fool article about the "selling when the price doubles" strategy	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 that the net total assets at £13,665.08 and unit value of 457.696p.

The current net value if realised on the Science Systems shares was calculated as £3188.40 (a profit of £2,161.06 (or 125% APR) so far on the deal).

The current net value if realised on the ARM Holdings shares was calculated as £5434.00 (a profit of £4,924.51 (or 675% APR) so far on the deal).

The current net value if realised on the Parity shares was calculated as £447.40 (a loss of £551.48 (or -112% APR) so far on the deal).

The current net value if realised on the Atlantic Caspian shares was calculated as £289.50 (a loss of -£110.50 (or -56% APR) so far on the deal).

The current net value if realised on the Cable & Wireless shares was calculated as £912.00 (a profit of £136.00 (or 39% APR) so far on the deal).

The current net value if realised on the Tibbett & Britten shares was calculated as £1180.00 (a profit of £182.30 (or 111% APR) so far on the deal).

4.2 MATTERS ARISING FROM REPORT

None.

5. LUCKY LLAMA COMPETITION

RW issued his report.

RW takes the Llama with a gain of 17.25% during the period.

RW suggested that it may be a good time to rejig the competition as we've been running it for 2 years, it's approaching our financial year end, and there's a possibility that apathy has set in as there haven't been many trades recently. It was suggested that we could put aside a small pot of money to begin with and give (say) £500 in Lucky Llama funds to any club member coming to a meeting with a real (i.e. non-fantasy) buy proposal.

We could also consider introducing a real monetary prize onto the competition.



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RW to consider rule changes for the AGM.

All have until end of Friday 27th June to send in buy/sell requests to be processed at the weekend.

6. PORTFOLIO MANAGEMENT

6.1 Stop Loss Triggers

All holdings (other than the just purchased Tibbett & Britten) had invoked the 20% stop-loss trigger so discussion on each was necessary. It was again agreed generally that whilst market would continue to be volatile, it was still worth hanging on. Same principles as discussed as part of the 22nd March meeting were again raised (see those minutes for commentary). However, taking each stock in turn.....

Parity	Whilst fall has been pretty significant (down over 50% since purchase) current realisable value is less than £500 so isn't necessarily worth selling – might as well hold on for recovery knowing that most we could further lose would be less than £500. HOLD
Atlantic Caspian	Is only worth less than £300 to us if we sell now so, again, worth holding to see if the upturn eventually happens. Not worth selling out just for £300. HOLD
ARM Holdings	Nothing negative in the news about ARM. Interim results expected on 17 th July. HOLD.
Science Systems	Still has potential to be very big. No change in fundamentals. HOLD.
Cable & Wireless	No particular reason to sell - still sticking to its strategy of focussing on business users. HOLD

6.2 New Buy Proposals

No formal buy proposals submitted.

KP had been considering Storehouse as they are expecting a cash distribution of 20p per share in August, they are due to be rebranding to Mothercare and are setting up a Mothercare internet service.

KP also interested in Marconi which has almost entirely divested itself of its defence contracts.

A discussion took place on warrants with a view to purchasing some as a speculative punt. As such, emerging market is suitably volatile and warrants are risky too so Templeton Emerging fits the bill. It satisfies the "number crunching" criteria too such as having more than 3 years to run, capitalisation of >£5m and gearing >2. It has 4 years to run so we can afford to sit it out for a while if it doesn't make short term gains.

CB proposed buying £400 worth of Templeton Emerging warrants. RW seconded. No need for a buy proposal as it was a speculative punt from the spare Mirror competition money. Unanimous decision taken to make purchase.



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6.3 **Sell Proposals**

None.

7. **COMPETITIONS**

Our Mail on Sunday tip for June had been Surgical Innovations but it's lack of spectacular (indeed any) price movement makes it unlikely to be the winner.

Our B/Bear entry for the Independent competition from the construction sector performed poorly with the B making a small rise but the bear making a large rise!!

We hadn't entered the Express competition as the person in the Express that runs the competition has left!

Mirror competition was entered last week.

8. **AOB**

CB to prepare accounts for audit prior to AGM

AB and GO'F to audit the accounts for the AGM.



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ACTIONS CARRIED FORWARD TO NEXT MEETING

Ref.	Description & Progress	Target Date
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> <p><i>0216: No progress</i></p> <p><i>0322: No progress</i></p> <p><i>0419: No progress</i></p> <p><i>0525: No progress but agreed that this action would be progressed as soon as bankers had been changed.</i></p> <p><i>0627: Change of banker is in progress – direct debits to be adjusted thereafter</i></p>	26/07/00



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Ref.	Description & Progress	Target Date
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> <p><i>0216: RW looked at TechInvest newsletter and it is OK but unlikely that we will act on its tips straight away. Consideration of purchase of InvestorEase is a possibility though ShareScope is worthy of a look into also. Agreed to carry forward action to next meeting</i></p> <p><i>0322: Financial Freebies website has some potential ideas. DG said that he was considering whether to attend one of the recently advertised Proshare seminars. The Leeds one is 16th April. All agreed that the club should cover the cost of this (£19.50) if DG wished to attend, as long as he wrote a report to summarise the seminar.</i></p> <p><i>0419: RW would like to wait for an update to ShareScope in order to re-evaluate packages.</i></p> <p><i>0525: RW email had stated that ShareScope was not worth pursuing but proposed that we purchase InvestorEase. Proposal was that RW pays half the cost and the club pays the other half. This was unanimously agreed. RW to arrange purchase (see action RW/0525/02). KP had noticed that Motley Fool had advertised an investment information manual which the club may wish to purchase. KP to investigate further.</i></p> <p><i>0626: KP sent out the link to the Motley Fool page. Action kept open to keep us thinking about what we could spend the money on</i></p>	26/07/00
DG/1221/08	<p>Send details of useful URLs to club members with brief description of each</p> <p><i>0111: No progress</i></p> <p><i>0216: CB and RW have suggested some useful URLs. RW added that if you register (free) with www.fool.co.uk, the "MyFool" page presents some useful links.</i></p> <p><i>0322: DG supplied a handout from SHARES magazine with some reviewed websites but action is still outstanding</i></p> <p><i>0419: DG to put links on RSIC Website</i></p> <p><i>0525: No progress since last meeting</i></p> <p><i>0627: No progress – Website still needs updating</i></p>	26/07/00



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Ref.	Description & Progress	Target Date
DG/0525/01	Put annual reports list onto website <i>0627: No progress</i>	26/07/00
RW/0525/02	Arrange purchase of InvestorEase, half of cost being covered by the club. <i>0627: In progress – likely to be approx £11.75 per month</i>	26/07/00
CB/0525/03	Complete tax form 1A5 for the club <i>0627: No progress</i>	30/09/00
DG/0525/05	Add a new box to the Buy Proposal form to allow the Target Price level to be recorded. <i>0627: No progress</i>	26/07/00
ALL/0627/01	As part of the Portfolio Management item on each of the future club meetings, each member to have previously submitted (by the Monday of the week of each meeting) a brief report summarising any news/analysis on one of our holdings. In order that all the portfolio was covered, the following allocation of responsibilities was agreed:- Chris B to look after ARM Richard W to look after Science Systems Geoff O'F to look after Atlantic Caspian Dave G to look after Tibbet & Britten Kit P to look after Cable & Wireless Adrian B to look after Parity All to produce their first summary reports by Monday before next meeting.	24/07/00
RW/0627/02	Consider rule changes for the Lucky Llama competition (possibly including incentives for real buy proposals and real cash prizes)	26/07/00
CB/0627/03	Purchase £400 of Templeton Emerging Warrants	26/07/00
CB/0627/04	Prepare accounts so that they can be audited prior to the AGM	14/07/00
AB&GOF/0627/05	Audit the accounts prior to AGM	26/07/00