

# Rolling Stocks

## Investment Club

(ProShare reference number 12707)

### MEETING MINUTES

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Meeting: **Monthly Meeting - April 15th 1999**

Held at: **The Barrel** Date: **15 April 1999**  
Time: **17:15 – 18:45**

Prepared by: **Dave G**

Chairperson: **Dave G**

Present: **Chris B**  
**Dave G**  
**Kit P**  
**Richard W**

Apologies : **Adrian B**  
**Geoff O'F**

Distribution: Those above

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#### Chairman's Acceptance of Minutes

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*Signature* *Date*

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#### 1. MINUTES OF PREVIOUS MEETING

The minutes from the monthly meeting of 15 March 99 were agreed.

#### 2. NEXT MEETING

The next meeting will be the March monthly meeting of the club and will take place at 17:00 on Thursday 20<sup>th</sup> May in Clancy's (or thereabouts). The meeting in June will be the AGM.



## MEETING MINUTES

### 3. ACTIONS FROM PREVIOUS MEETING

#### 3.1 Actions Closed since last meeting

| Ref.        | Description & Progress                                                                                                                                                                                                                  | Target Date |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| DG/0211/01  | Obtain the next free copy of The Analyst (which is available by contacting 0181 2897966). Wait till mid March before ordering as ordering too soon may mean we get another September issue<br><i>0415: November issue was received.</i> | CLOSED      |
| DG/0315/01  | Ensure that a review of the Investment Strategy gets put onto the next agenda                                                                                                                                                           | CLOSED      |
| CB/0315/04  | Arrange for 1 year renewal of our ProShare membership                                                                                                                                                                                   | CLOSED      |
| CB/0315/05  | Complete the Charles Schwab form to allow us to trade in Warrants should we desire to                                                                                                                                                   | CLOSED      |
| DG/0315/06  | Purchase a copy of The Mirror on Wednesday 17th March to allow us to enter the competition for March.<br><i>0415: See item 8 in minutes</i>                                                                                             | CLOSED      |
| DG/0315/07  | Purchase a copy of The Mail on Sunday on 28th March to allow us to enter the competition by start of April<br><i>0415: Wasn't in 28<sup>th</sup> March edition and missed the next one.</i>                                             | DROPPED     |
| ALL/0315/08 | Consider whether the subscription should be increased from the current £25 per month<br><i>0415: See AOB in minutes</i>                                                                                                                 | CLOSED      |

#### 3.2 Actions Carried forward to Next Meeting

See end of these minutes

### 4. TREASURER'S REPORT

CB supplied his report.

The report showed net total assets of £2808.43 (profit of £708.43 (or 57.25% APR)), unit value of 142.393p and units held as 328.718 per member (which equates to £444.66 per member if realised; a profit of £94.66 (or 45.90% APR)).

The current net value if realised on the Science Systems shares was calculated as £1040 (a profit of £298.86 (or 84.59% APR) so far on the deal).

The current net value if realised on the ARM Holdings shares was calculated as £952.50 (a profit of £443.01 (or 382.38% APR) so far on the deal).

CB stated that we were sitting on £820 cash at present.



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### 5. LUCKY LLAMA COMPETITION

RW supplied an updated copy of the portfolio spreadsheet showing the latest positions in the Lucky Llama competition.

Summary of positions :-

| <u>Who</u>     | <u>Change last 4 weeks</u> | <u>Total</u> | <u>Change overall</u> |
|----------------|----------------------------|--------------|-----------------------|
| DG             | 13.82% (£830.46)           | £6840.06     | 36.8%                 |
| CB             | 5.39% (£223.18)            | £4365.55     | -12.89%               |
| RW             | 3.17% (£217.44)            | £7081.75     | 41.64%                |
| AB             | 1% (£44.30)                | £4484.12     | -10.32%               |
| KP             | 0.81% (£41.18)             | £5129.07     | 2.58%                 |
| GOF            | -4.41% (-£272.46)          | £5907.95     | 18.16%                |
| Average        | 3.31% (£180.68)            | £5634.75     | 12.70%                |
| FTSE 100       | 3.03%                      |              | 23.31%                |
| FTSE All Share | 1.90%                      |              | 21.42%                |
| RSIC Portfolio | 6.73%                      |              | 63.28%                |

The pot llama was awarded to DG .

All have till end of Friday 16<sup>th</sup> April to send in buy/sell requests to be processed at the weekend.

### 6. INVESTMENT STRATEGY REVIEW

The Investment Strategy and the Buy Proposal Form were reviewed. It was agreed that both were still applicable and did not require modification.

KP took the buy proposal away to see whether the Market Analysis criteria could be expanded.

It was suggested that we should keep a file on each of the companies we investigate – in particular the two that we have already bought into. CB agreed to keep a file on ARM Holdings and RW agreed to keep a file on Science Systems. All to send any reports/items/etc that they have picked up on these companies to CB or RW as appropriate.

### 7. PORTFOLIO MANAGEMENT

#### 7.1 Stop Loss Triggers

Science Systems had risen further since the last meeting and was standing at a new high since purchase of 213.5p. No stop-loss has therefore been triggered. With a 20% stop-loss, a price drop to 171.25p would trigger a sell proposal.



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ARM had risen further since the last meeting and was standing at 2930p. Since the last meeting, a new high since purchase of 3185p had been reached. With a 20% stop-loss, a price drop to 2548p would trigger a sell proposal.

### 7.2 New Buy Proposals

A short discussion took place over the fact that we did not seem to be generating (m)any serious new buy proposals. It was agreed that we should try to research some companies before the next meeting. Using the shortlist identified at the last meeting, RW undertook to investigate Rentokil, CB undertook to investigate Workplace Technologies and DG undertook to investigate Marks & Spencer.

KP stated that The Independent newspaper had tipped Southern Electric. KP asked DG to use his 'technical analysis macro' to check what it said about the company.

RW suggested that we try to consider which companies may significantly benefit from the millennium event as they may be good buy proposals for holding for 12 months or so. Similarly, we should consider whether the millennium event could have a negative impact on a company when thinking about companies to buy into.

A short discussion on Betin boards took place. It was noted that there were informal share related message/Betin boards on the Market-Eye, Motley Fool and Hemmington Scott web sites. There is also the UK.FINANCE newsgroup that does similar.

### 7.3 Sell Proposals

No proposal was made to sell out of either of our two holdings. It was recognised that whilst Science Systems was proving to be a little boring, it had posted good annual results and, as we had no new buy proposals, we should not sell out of it at this stage.

RW reminded everyone that it was the ARM Holding's AGM next week and the 3:1 share split was almost certain to be accepted. We should therefore expect the share price to reduce to approx 25% of its current level during the next couple of weeks and not panic into invoking the stop-loss sell.

## 8. COMPETITIONS

DG reported that we had again got 7 out of 10 predictions correct in the March Mirror Competition.

The next entry form is expected in the Mirror about now (it may have been yesterday!). DG to look out for it.

Once again, we missed out on the Mail on Sunday competition entry for April. DG agreed to look out for the next entry form to allow us to submit an entry for May. RW suggested that Workplace Technologies may be a good stock to select as our entry as CB had found out about the potential for them to be paid £3-4M next month for work already completed.

CB passed DG entry forms for the competition as they are not provided by the Mail on Sunday itself.



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### 9. AOB

The question of whether we should increase our £25 monthly subscription to the club was discussed. Given that not everyone may wish to increase their subscription at present, the introduction of a 'band' was agreed upon as being a good compromise. Changing the subscription level would involve a change to the Club Rules so would require agreement from 75% of the club membership. As only 66% of the membership were present at the meeting, no Rule change could be authorised, and regardless of this, it was agreed that as this was a significant shift in policy, that it should not be authorised without all the membership being able to discuss further.

The following proposal was therefore set out to be voted on at the next meeting of the club:-

- Subscriptions to the club to continue to be monthly but to be within a band ranging from £25 to £50 per month
- Running costs to continue to be deducted from club accounts as at present
- The principle of "one member one vote" to continue regardless of the number of units any member holds

All to consider the above motion for voting on at the May meeting.



MEETING MINUTES

**ACTIONS CARRIED FORWARD TO NEXT MEETING**

| Ref.        | Description & Progress                                                                                                                                                                                                                                                                                                            | Target Date |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| ALL/1118/04 | Send a list of which annual reports you own to DG<br><i>1209: No progress</i><br><i>0113: No progress</i><br><i>0211: No progress</i><br><i>0315: Some progress by RW but nothing visible</i>                                                                                                                                     | 20/5/99     |
| DG/1118/05  | Create a consolidated index of annual reports that we collectively own (based on completion of ALL/1118/04 above)<br><i>1209: DG has listed the reports he owns but the completion of this action is dependent on everyone else completing ALL/1118/04</i>                                                                        | 27/5/99     |
| ALL/0315/02 | Track down the 'missing' copies of The Analyst and ensure that their circulation regains momentum<br><i>0415: No progress</i>                                                                                                                                                                                                     | 20/5/99     |
| DG/0315/03  | Check to see whether Nottingham Library holds copies of Hemmington Scot's REFS manual so that we can copy appropriate pages of it<br><i>0415: No progress (KP checked with Crewe library during the meeting and established that there were no copies held in any library in Cheshire as it didn't have "wide enough appeal")</i> | 20/5/99     |
| CB/0415/01  | Obtain the next free copy of The Analyst (which is available by contacting 0181 2897966). Wait after the May meeting before ordering as ordering too soon may mean we get another November issue                                                                                                                                  | 27/5/99     |
| DG/0415/02  | Amend Issue 3 of the Club Rules to include space for the Chairman to sign each page. Also remove the pathname from the filename in the footer.                                                                                                                                                                                    | 20/5/99     |
| KP/0415/03  | Sign the revised version of the Club Rules on completion of action DG/0415/02                                                                                                                                                                                                                                                     | 20/5/99     |
| CB/0415/04  | As part of improving the records we keep on companies, set up and maintain a file on ARM Holdings                                                                                                                                                                                                                                 | 20/5/99     |
| RW/0415/05  | As part of improving the records we keep on companies, set up and maintain a file on Science Systems                                                                                                                                                                                                                              | 20/5/99     |
| CB/0415/06  | Complete a buy proposal form for Workplace Technologies                                                                                                                                                                                                                                                                           | 20/5/99     |
| RW/0415/07  | Complete a buy proposal form for Rentokil                                                                                                                                                                                                                                                                                         | 20/5/99     |



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| <b>Ref.</b> | <b>Description &amp; Progress</b>                                                                | <b>Target Date</b> |
|-------------|--------------------------------------------------------------------------------------------------|--------------------|
| DG/0415/08  | Complete a buy proposal form for Marks & Spencer                                                 | 20/5/99            |
| ALL/0415/09 | Consider which companies may significantly benefit (or be impacted) by the millennium            | 20/5/99            |
| DG/0415/10  | Look out for the Mail on Sunday competition for May                                              | 1/5/99             |
| DG/0415/10  | Look out for the Mirror competition for April (if we haven't already missed it)                  | 22/4/99            |
| ALL/0415/11 | Consider the proposal on introducing banded subscriptions. Voting to take place at next meeting. | 20/5/99            |