

Rolling Stocks

Investment Club

(ProShare reference number 12707)

MEETING MINUTES

Meeting: **Monthly Meeting - May 2000**

Held at: **Crewe Arms, Crewe**

Date: **25th May 2000**

Time: **17:35 – 19:00**

Prepared by **Dave G**

Chairperson: **Geoff O’F**

Present: **Chris B
Adrian B
Dave G
Geoff O’F
Kit P
Richard W (from item5)**

Apologies: **Richard W (to item 5)**

Distribution: **As above**

Chairman’s Acceptance of Minutes

Signature

____ / ____ / ____
Date

1. **MINUTES OF PREVIOUS MEETING**

The minutes from the monthly meeting of 19th April were accepted.

2. **NEXT MEETING**

17:00 – 19:00 Tuesday 27th June. Venue Crewe Arms



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3. ACTIONS FROM PREVIOUS MEETING

3.1 Actions Closed since last meeting

Ref.	Description & Progress	Target Date
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> <p><i>0216: No progress</i></p> <p><i>0322: No progress</i></p> <p><i>0419: to close?</i></p> <p><i>0525: Dropped this action – DG will put known list of annual reports onto RSIC website – everyone to send details to DG if they obtain new reports (see action DG/0525/01).</i></p>	DROPPED
KP/1221/09	<p>Compile and maintain a list of useful URLs</p> <p><i>0111: Requires some action on ALL/1221/08 first!</i></p> <p><i>0419: passed to DG</i></p> <p><i>0525: Action dropped – see action DG/1221/08 (previously ALL/1221/08)</i></p>	DROPPED
CB/0216/02	<p>Begin process of transferring current account to Fleming Premier Banking</p> <p><i>0322: DG noted that rules state that bankers cannot be changed unless through an extraordinary general meeting. Agreed to hold an EGM on 19th April to coincide with next club meeting. Item on agenda to be change of bankers.</i></p> <p><i>0419: Awaiting signatures</i></p> <p><i>0525: Closed as a result of EGM 25th May 2000</i></p>	CLOSED

3.2 Actions Carried forward to Next Meeting

See end of these minutes



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4. TREASURER'S REPORT

4.1 REPORT SUMMARY

CB supplied his report (subsequently corrected to reflect the additional purchase of 53 Science Systems shares as part of the rights issue).

The (corrected) report showed that the Llama is sick with net total assets having fallen to £8883.69 and unit value of 299.7p.

The current net value if realised on the Science Systems shares was calculated as £2746.00 (a profit of £1,718.66 (or 105% APR) so far on the deal).

The current net value if realised on the ARM Holdings shares was calculated as £3551.00 (a profit of £3,041.51 (or 446% APR) so far on the deal).

The current net value if realised on the Total Systems shares was calculated as £708.00 (a loss of £102.98 (or -30% APR) so far on the deal).

The current net value if realised on the Parity shares was calculated as £450.29 (a loss of £548.59 (or -137% 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 -69% APR) so far on the deal).

The current net value if realised on the Cable & Wireless shares was calculated as £748.00 (a loss of £28.00 (or -10% APR) so far on the deal).

The current net value if realised on the Tibbett & Britten shares was calculated as £996.00 (a loss of £1.70 (or -2% APR) so far on the deal).

4.2 MATTERS ARISING FROM REPORT

CB to fill in tax form 1A5 similar to last year though it will be more complicated given the Workplace sale and the receipt of some dividends.

5. LUCKY LLAMA COMPETITION

RW had emailed his report. KP takes the Llama yet again with a gain of 3.91% with only DG having also made a profit (of 1.1%) during the period.

All have until end of Friday 26th May 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

Never sold their contracting business and have also issued a



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	profits warning. 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	Some competitors to ARM are starting out but ARM has more or less captured the market at the moment and we are all confident that ARM is a winner. The recent drop in price of ARM shares therefore represents a good buying opportunity rather than a selling opportunity. HOLD.
Science Systems	Still has potential to be very big. Held AGM yesterday and things are going as planned. No change in fundamentals. HOLD.
Cable & Wireless	Is making money and still reported as being sound. Has been hit by Telecomms, Media, Technology (TMT) slump but no particular reason to think that C&W shouldn't be a success and come through any shakedown. HOLD
Total Systems	They announced a web commerce venture earlier this year and put up a web site in April. However, the contents of this web site hasn't changed which could be a sign that it isn't going anywhere. If we were to sell anything in particular (if only to break the possible psychological barrier to selling) then this could be the one to go. Agreed that it may be worth selling this share if price rises to above 90p for no discernible reason. SELL AT 90p

6.2 New Buy Proposals

No formal buy proposals submitted though RW had suggested Templeton warrants as a speculative punt. This had been arrived at largely via number crunching but it did offer exposure to emerging markets and has good gearing, reasonable liquidity and a relatively long time to run – all good qualities.

Taking the drop in ARM price as a further Buy opportunity was discussed though it was recognised that ARM already makes up more than 40% of our portfolio's value. It was also recognised that even though buying more ARM would be an ADD rather than strictly speaking a Buy, there still ought to be a formal buy proposal submitted before any purchase be made.

6.3 Sell Proposals

All covered as part of 6.1 above.

The discussion of when to sell Total Systems (see above) had identified the benefit in thinking at the Buy stage of what price we'd like to sell at and when – i.e. an investment target level. DG to add a box to the Buy Proposal form to allow this to be recorded.



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DG recalled an article on the Motley Fool site discussing the pros and cons (mainly cons) of a strategy based on selling when the price doubles. DG to find this article and distribute it.

7. **COMPETITIONS**

Express competition had been cancelled due to a printing error in some regions of UK.

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

We hadn't entered the Independent competition (B/Bear) for May as DG had missed the copy of the Independent with the entry printed.

Mirror competition was entered earlier in the week.

Next competition dates are all in early June.

8. **AOB**

None



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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> <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>	27/06/2000
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> <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>	27/06/00



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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>	27/06/00
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>	27/06/00



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Ref.	Description & Progress	Target Date
ALL/0111/06	Consider a suitable speculative investment for the remaining £400 of Mirror competition prize money. <i>0216: No progress</i> <i>0322: No progress</i> <i>0419: No progress</i> <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>	27/06/00
DG/0525/01	Put annual reports list onto website	27/06/00
RW/0525/02	Arrange purchase of InvestorEase, half of cost being covered by the club.	27/06/00
CB/0525/03	Complete tax form 1A5 for the club	30/09/00
CB&RW/0525/04	Sell Total Systems if price rises to >90p with no discernible reason to account for it.	27/06/00
DG/0525/05	Add a new box to the Buy Proposal form to allow the Target Price level to be recorded.	27/06/00
DG/0525/06	Find and distribute the Motley Fool article about the "selling when the price doubles" strategy	27/06/00