

Rolling Stocks

Investment Club

(ProShare reference number 12707)

MEETING MINUTES

Meeting: **Monthly Meeting - 29 September 1998**

Held at: **Clancy's, Crewe**

Date: **29 September 1998**

Time: **17:15 - 18:45**

Prepared by: **Dave G**

Chairperson: **Kit P**

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

Apologies : **Geoff O'F**

Distribution: Those above

Chairman's Acceptance of Minutes

Signature

____ / ____ / ____
Date

1. **MINUTES OF PREVIOUS MEETING**

The minutes from the monthly meeting 25 August 98 were agreed.

2. **NEXT MEETING**

The next meeting will be the October monthly meetings of the club and will take place at 17:00 on Tuesday 20th October in Clancy's.



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3. ACTIONS FROM PREVIOUS MEETING

3.1 Actions Closed since last meeting

Ref.	Description & Progress	Target Date
KP/0716/02	Distribute copies of Ian Nussbaum's club reports <i>0825: KP agreed to store a copy of the reports in the minutes folder.</i>	CLOSED
ALL/0716/03	Look out for news/information on Science Systems <i>0825: No information found - all to continue look out</i> <i>0929: RW had noticed that they had issued their interim report but that there was nothing significant in it. Agreed to close action.</i>	CLOSED
KP/0716/08	Try to get a free copy of The Analyst to help us assess whether to subscribe <i>0825: Awaiting receipt of the free issue</i>	CLOSED
ALL/0825/01	Let CB know your NI number	CLOSED
RW/0825/02	Purchase UPDATA on behalf of the club unless a significant show-stopper is found in remaining evaluation. <i>0929: Agreed not to purchase as updating data was not free and newsgroup had indicated that the product was buggy. RW also has demo of ShareScope which is OK. Provides more than just share price info but it again not free (£9 per month).</i>	CLOSED
ALL/0825/03	Email RW with buy decisions for the Lucky Llama competition	CLOSED
RW/0825/04	Process everyone's Lucky Llama buy decisions so that the competition can begin from 28/8/98.	CLOSED
ALL/0825/05	Carry out investigations and bring a buy proposal for the club to consider at the next meeting.	CLOSED

3.2 Actions Carried forward to Next Meeting

See end of these minutes

4. TREASURER'S REPORT

CB supplied his report showing assets (£1042.85), unit value (99.170p) and units held (175.262 per member).



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As DG had failed to pay appropriate attention at the last meeting, DG requested that CB explained why the numbers had become more complex. CB did so. The main complication is that we are using forward pricing. This means that each month's subscriptions buy units at the NEXT calculation of unit value rather than the last calculation¹.

It was agreed that we would obtain further free copies of The Analyst. The best approach would be to rotate who should request a free copy and alternate between a Crewe then non-Crewe member of the club. As KP had obtained the previous copy (the June issue) over a month ago, RW agreed to request the next one. The telephone number for the request is 0181 2897966.

5. LUCKY LLAMA COMPETITION

RW had sent out an email of the latest position in the competition. GO'F was showing a healthy 10%+ profit and each of his 4 selections had performed well. It was noted that had we already been in possession of a llama (see action ALL/0716/05 below) and if GO'F had been present at this meeting, we would have presented it to him. However, as we hadn't and he wasn't then we didn't.

RW noted that all of his selections had lost ground in the last month!

Summary of positions :-

GO'F	+10.89%	from £5000 to £5544.28
DG	+1.01%	from £5000 to £5050.54
AB	0%	still £5000 as no selections had been made
KP	-6.83%	from £5000 to £4658.73
CB	-13.54%	from £5000 to £4322.85
RW	-19.65%	from £5000 to £4017.53

RW reminded everyone that they had till end of Friday 2nd October to send in buy/sell requests that would get processed at the weekend.

6. INVESTMENT STRATEGY

DG supplied an embryonic version of a proposed Investment Strategy document. This contained questions that were discussed in the meeting. The questions covered the following topics :-

- Investment Objectives
- Portfolio Management Principles
- Buy Criteria
- Sell Criteria

Unfortunately, there was not enough time to complete working through the questions but DG undertook to incorporate the comments into a revised version and to include an item onto next month's agenda so that it can be discussed further.

¹ I cannot think of a simple form of words which explains this so if it still doesn't make sense then ask Chris!



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The question over whether or not buy/sell decisions could be made between meetings was raised. A potential solution that would allow this was identified whereby a proposal could be made by email to all members and all members had 3 days to give response to the treasurer. If, at the end of this three day period, at least 4 members had given positive approval then the purchase/sale could go ahead. In discussing this, it was unclear as to whether this decision was allowed within our club rules (i.e. we need to hold a properly constituted meeting to pass any resolutions - but is a buy/sell decision a resolution?). DG to draft an amendment to the rules to clarify this and this to be made available for review/approval at the next meeting.

7. INVESTMENT BUY PROPOSALS

Only RW had carried out sufficient investigation work to allow bringing a proposal for purchase. His suggestion was British Aerospace. They have a full order book for the next 3-4 years, have a PE ration of 12 which is relatively good, and share price has started recovering from a significant drop between June 98 (540p) and Sep 98 (325p). The broker BT Alex Brown recommends a buy and it was noted that BAe had recently bought BAeSema and had done a similar deal with Siemens.

Whilst it was the only proposal on the table, the meeting did not immediately carry the proposal - especially as GOF was not present and it would probably be inappropriate to make our first major decision without full consensus.

RW and DG were actioned to notify GOF of the proposal.

KP stated that he could contact Ian Nussbaum (who works for BAe) to see whether he has a view on the subject.

8. PROSHARE COMPETITION

CB stated that ProShare ran a monthly competition whereby each Investment Club can nominate a stock that they think may be the highest riser that month. The deadline for entering for October is 1/10/98 so, if we were to enter, our entry would need to be sent off by end of tomorrow (30/9/98).

KP suggested Energis on the basis that RW had stated how central it was to the recently initiated Dixons free internet service.

[Post meeting note: DG/RW/GOF/AB/CB were all at a meeting together 30/9/98 where this suggestion was put forward. After long deliberation and careful analysis² the decision was taken to nominate Coca Cola Beverages. CB sent off the entry form accordingly]

9. AOB

No other business

² Ha!



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ACTIONS CARRIED FORWARD TO NEXT MEETING

Ref.	Description & Progress	Target Date
ALL/0716/05	Look for a cheap, off-the-shelf llama to be used as a prize in the fantasy investments competition <i>0825: None found. Evelyn Godley may be able to help!</i> <i>0929: DG stated that Peter Speakman had a pot llama (don't ask) and had promised to bring it in for DG to take.</i>	20/10/98
RW/0929/01	Obtain the next free copy of The Analyst	20/10/98
DG/0929/02	Update the Investment Strategy in accordance with comments raised during the meeting.	20/10/98
DG/0929/03	Draft an amendment to the rules such that buy/sell proposals can be passed without the need for a properly constituted meeting. This to be reviewed at the next meeting.	20/10/98
KP/0929/04	Talk to Ian Nussbaum about whether it is sensible to consider buying shares of BAe at present.	30/9/98
DG&RW/0920/05	Talk to GOF re the proposal to purchase BAe shares.	30/9/98