

## Yearly general members meeting of the Robin Hood Asset Management Cooperative.

Meeting time:

Thursday 17. December 12:00 (12PM) Helsinki (GMT+2)

Saturday 19. December 24:00 (12AM) Helsinki (GMT+2)

Place: <https://www.loomio.org/g/5HI9icaX/gm-2015-robin-hood-coop-members-meeting>

This is the third annual general member meeting of the Robin Hood cooperative. The purpose of this meeting is to confirm the financial statement, grant discharge of liability to the managing directors and the members of the board, decide upon the usage of the profit, and the members of the board. In addition the board has proposals on nexts steps for the coop. The general member meeting is the deciding body of the cooperative. This meeting is for members only.

Concerning the fiscal year 1.7.2014-30.6.2015.

**Present:** Ana Fradique, Akseli Virtanen, Tere Vadén, Maija Koski, Alex Payne, Alison Gerber, A S Turner, Andre Rezos, Andrej Sykora, Andy Crichton, Antti Järvinen, Antti Virolainen, Babs Lake, Ben Delves, Brett Scott, Bronwen Morgan, Caroline Woolard, Catarina Saraiva, Catherine Bounsaythip, Colin Morgan, Cory-Ann Joseph, Cosima Opartan, Dan Hassan, David McKenzie, Edgar González Cervantes, Elisa Band, Geert Lovink, Georgios Papadopoulos, Graham Wright, Ion Dumitrescu, Jaana Aalto, James Bridle, Janne Pihlajaniemi, Jari Satka, Jarkko Tapani Kuosmanen, Jouko Salonen, Jukka Luoto, Kathleen Lauderdale, Katie Bretsch, Kristiina Ullgrén, Laura Lotti, Lennart Mogren, Li Low, Magnus Kelstrup, Alastair Aitken, Marc Herbst, Mario Chejab, Matthew Slater, Maximilian Simon, Mette Reitzel, Michael Skolnik, Mika Impola, Mike Williams, Nicholas Hage, Ohto Kanninen, Oliver Ginsberg, Peter Johnson, Pedro Aibeo, Peteris Martinsons, Pirjo Mäenpää, Rauno Ots, Alejandro Aguilera Vega, Ruth Catlow, Sarah Gold, Sean Hosie, Simon Lewin, Sinisa Bilic, Srdjan Bakovic, Stephan Dorfmeister, Steven Hermans, Stuart Bramhall, Tanu Kaskinen, Tarja Prüss, Tarkan Arsan, Tatu Manninen, Teija Syrjäkorpi, Alex Fradera, Thimma Reddi, Tiziana Terranova, Tom Weckström, Tommi Elo, Tuomo Alhojärvi, Uwe Bruegel, Harvey Ray, Janne Kaarlehto, Paul Bryant, Sari Stenfors, Stef Meul.

# Minutes

## **Item 1: Opening the meeting & establishing quorum**

Harri Homi proposes Akseli Virtanen as the chairman, Tere Vaden as the secretary of the meeting, Pekko Koskinen and Daniel Hassan to count votes and act as scrutineers of the minutes.

The meeting has been called together in the proper manner (invitation to members sent via e-mail Thu, Dec 10, 2015 9:57 pm) and has quorum (see list of participants above).

The Chairman opens the meeting.

Current votes

30 Agree 0 Abstain 0 Disagree 0 Block

Accepted.

## **Item 2: Accepting the Agenda**

Agenda

1. Opening the meeting
2. Accepting the agenda for the meeting
3. What happened 2014-2015
4. Annual accounts 2014-2015
5. Next steps of the cooperative
6. Selection of the board
7. Closing the meeting

### ATTACHMENTS

- a. Robin Hood Balance Book 1.7.2014-30.6.2015 in Finnish
- b. Ernst&Young auditing report in English
- c. Ernst&Young auditing report in Finnish
- d. Interactive Brokers Robin Hood Portfolio analysis 1.7.2014-30.6.2015 in English

Current votes

28 Agree 0 Abstain 0 Disagree 0 Block

Accepted.

### **Item 3: What happened 2014-2015**

315 new members!

The cooperative grew in terms of members by 315 new pioneers of finance (+121%) and in terms of money by 198K euros assets under management (+45%) - welcome on board!

The assets under management (AUM) were in the end of third year 0.639 MEUR (second year 0.441MEUR) and the number of members 575 (end of second year 260). The growth was rapid throughout the year, again, despite the fact that there was no budget for marketing and only very limited sums to be used for networking and PR. As detailed in the next section (#4 Annual accounts), our operating costs were only around 30K€.

#### *Third year cumulative results*

The third year cumulative result is 1.99%. If we break it into quarters, we can see that the first two quarters were the most difficult we have had so far. They had to do with our conservativeness with volatility and Parasite's over-emphasis in the small and medium sized companies, which were hit the hardest by the crisis in Ukraine and oil price drop.

Basically, in the fall of 2014, the Parasite showed a weakness. The drastic fall of the oil price caused changes in the markets, which were unforeseen to Parasite. Before the change, our best performing shares had been in the small cap category. However, after the fall of the oil price, the large cap shares began to perform stronger. The algorithm was still looking for the most competitive actors in the small cap category, and we fell behind the SPX performance. Sakari worked hard on training the parasite for the new situation, and 2015 started well. Parasite's market outperformance reflected the situation: correlations between the price changes among stocks started breaking. During up-markets there is a high correlation between the price changes which means that also "shit flies" i.e. also bad stocks go up. In this kind of situation outperformance is difficult. When stocks get fully priced, the correlation gets lower and market direction goes flat (bad stocks drift lower, good stocks higher). That is when the Parasite works the best.

Table 1. Quarterly returns

Chart 1. Third year cumulative return

### *Results after three years*

After three years of operation, so from the beginning in August 2012, Robin Hood portfolio is up 41,1%.

It means that we have made over €100,000.00 to our members and projects. This is a remarkable result considering how little assets under management we have had. Remember that during the first year our AUM was under €70K. Fund managers say that a small hedge fund is under 500M in AUM. Ours was after three years 0.64M. We are very small, but yet already can see the power of it! It feels extra special also now that we have invested in the first Robin Hood Projects. We are super proud of the accomplishment we have been able to make together. Just think what we already could have done, had we had more AUM :).

Table 2: Three years in numbers

Chart 2: Cumulative Return and Net Asset Value 2012-2015

### *Meaning to the value of your shares*

What does this all mean to the value of your shares? As you know, we begin every month a new series where all monies our members have invested in RH shares is collected. Basically series are just simply a way in which the different entrance points of members are organized. In three years we have started 32 of these investment series. Many of you have money in different series, which is a wise way to reduce the risk of timing. At the end of the third fiscal year, the value of the shares in 29 out of the 32 series was positive – from 41% up (Series 2, September 2012) to 2% increase (Series 28, February 2015). This value, which you see also on your personal page on our website, is the value you get if you sold your shares in the cooperative. It already has our operating costs reduced from the value of the shares. Please note that regular hedge funds do not report figures after costs.

During the third year our operating costs were approximately 30000€. The more members and AUM we can have, the more efficiently we can share the operation costs. The industry average minimum breakeven for efficient asset management is \$50M AUM. We have been able to keep our costs very low because much of the work is volunteer based. To get to desired results, it would be very important to grow the AUM we have at the moment.

### *Changes in the organization*

The organization of the office saw some changes during the year as the team Teppo Vesikukka, Ana Fradique and Harri Homi took over the management tasks from Jan Ritsema and Stephanie Barbier. Sari Stenfors acted as a counselor for new the

management team.

A new board, chosen in the general meeting on December 2014, was chaired by Akseli Virtanen and had as its other members Liisa Välikangas, Tiziana Terranova, Tere Vadén and Jan Ritsema. Jan however resigned from the board already before its first meeting.

### *Robin Hood Offices*

Robin Hood opened offices in 2014 in Berlin and Dublin, and in 2015 in Milan. (After June, the pace picked up, with offices in London, Helsinki, Athens and Amsterdam. But that is stuff for next years meeting. ;). Descriptions and materials from all the offices can be found at <http://events.robinhoodcoop.org/>

### *Robin Hood projects*

The fiscal year 2014-2015 was the first where we could fulfil a part of our mission, supporting commons-building projects. The board allocated 15 000 euros for the projects (with the reasoning that some of the profit created needs to be kept in the bank in case of unforeseen outlays). Members could propose projects until the end of March, and a special website (<http://projects.robinhoodcoop.org>) was opened for this. Members proposed altogether 49 projects. Members also volunteered for being included in the three-member committee choosing the projects to be funded. There were 12 volunteers, and three – Catarina Saraiva, Brian Massumi and Jukka Luoto – were chosen by lottery. The committee worked for a couple of months, first individually evaluating the project proposals, then meeting over internet voice-calls for several meetings. Eventually, they came to a consensus, proposing three projects to be funded, and a special general meeting approved that proposal.

The three projects are:

Casa Nuvem, in Rio de Janeiro, Brazil

The Commons Transition project by P2P Foundation and the Catalan Integral Cooperative in Catalonia, Spain Radio Schizoanalytique and Steki in Halkidiki, Greece.

More on the projects can be found at: <http://projects.robinhoodcoop.org/>

### **Item 4: Annual accounts**

The fiscal year of the cooperative was 1.7. 2014 -30.6. 2015

According to the balance statement:

We have a very wealthy coop with about 1M assets. The turnover of the fiscal year

was 2.8M€, with 90K € profit (before taxes), and 70K€ after taxes.

In comparison:

The turnover was 2.8 million euros (2.5 in the previous fiscal year). The operating costs were 31 000 euros (previous year 25 000). The profit was 88 672 euros before tax (previous year 5 390), and after taxes 70 869 euros (previous year 4 769).

The assets of the cooperative at the end of the fiscal year 919 278 euros (previous year 502 800).

Balance book/Tasekirja in Finnish

Ernst & Young Auditor's report

Proposal:

The member meeting confirms the financial statement (1.7.2014-30.6.2015).

The member meeting accepts board's proposition to retain and carry forward the profit 70 869 € of the financial year.

The member meeting grants a discharge to the members of the board, the managing director and vice-managing director.

Current votes

33 Agree 0 Abstain

Accepted.

### **Item 5: Next steps – 5.1 Robin Hood projects**

The process for projects functioned more or less smoothly. There was frustration over the fact that a special general meeting was needed for approving the committee's proposal. At the moment there is no way around that need, unless the general meeting decides to grant the board the special power to accept and execute the committee's proposal without a general members meeting.

So let's discuss: do we want to have a special members meeting for approving the committee's proposal or do we want to get rid of it, and grant the board the power to approve the committee's proposal?

No proposal, no decision.

### **Item 5: Next steps – 5.2 Development of the payment, registration and register**

## **keeping processes**

### *Payment options*

A limitation of the current process of joining the coop is the limited payment options (European SEPA payments, Bitcoin and Transferwise wires). Both a smoother process and more payment options (US AHC payments, credit cards) would probably bring more members. At the moment, there is a distressing amount of prospective members who register, but never pay the membership fee or book shares. Likewise, a better automation of the process would make the task of the office team considerably easier. With the current set-up, it takes about 5-15 minutes of time from the office team to onboard a new member to the system – if there are no irregularities like missing payment references, wrong payment amounts and so on. So with tens of new members arriving at a given week, the office team is all tied up. This also puts a hard human-resource limit on how many members can onboard in a given amount of time.

### *Member market – aftermarket for shares*

One aspect of regulation that has hindered the smooth operations of the coop has been the rule that the coop can buy back the shares of a member who wants to quit the coop only after 6 months have elapsed since the fiscal year has been closed. A workaround has been that members have sold shares to other members willing to buy, and the team has helped to find buyers, if possible. The obvious next step is to automate this process, with a “members market”, a market place where shares can be sold and bought directly. This not only if one is quitting the coop, but also just to diminish the amount of shares one is holding. This would make exiting the coop easier, and would provide liquidity for the shares, making the coop much more attractive.

With these bottlenecks and possibilities in mind, the current member and share system has been developed by volunteers during the past year (notably by Daniel Hassan, who with others also worked on the members market idea, and discovered that it is too big to finalise as a volunteer project), and the board and the office team have collectively researched blockchain technologies. As a part of this work, the board has negotiated with different partners who can offer to implement either a better payment system or an improved members/shares register, or both. More particularly, talks have been held with innovative partners that use blockchain technology for the register, as it not only makes the member market possible, but can also, in the future, lead to the development of new organisational and financial instruments. Already moving the member and share register on a blockchain, and the liquidity, security and transparency that provides, would make the coop a cutting-

edge leader in the world of finance.

### Proposal

The board proposes that the general meeting grants the board the right to use maximum 50 000 euros for implementing a better payment system with more payment options and a member/share register on a blockchain, facilitating a member market for shares

Current votes

27 Agree 2 Abstain 4 Disagree 0 Block

Accepted.

### **Item 6: Selection of the board**

The board selected last year was: Liisa Välikangas, Tiziana Terranova, Tere Vadén, Jan Ritsema, Akseli Virtanen. Jan Ritsema resigned from the board which continued with Akseli Virtanen as the chair, and Liisa Välikangas, Tiziana Terranova and Tere Vadén as members.

The board has held 5 official meetings and also frequently met unofficially through e-mail and voice-calls.

Liisa Välikangas and Tiziana Terranova will step down as board members, but they have promised to continue to work closely with us in advisory roles. Robin Hood thanks both Liisa and Tiziana for their work in the board!

The board proposes that it be augmented with a new member; Daniel Hassan.

Daniel Hassan is a London and Melbourne based community organiser and computer engineer, passionate about Robin Hood as a new mode of organization enabled by P2P finance and ubiquitous computing. Has been active in autonomous co-operatives for over a decade, specifically in areas of economics (Rootstock, Robin Hood), housing (Radical Routes), food (Food not Bombs), migration (No Borders), labour (Footprint Workers Coop) and social centres around the UK and Australia. Robin Hood's innovations in P2P finance resonate strongly with Dan's research into new modes of organisation enabled by the emergence of network platforms, blockchain technologies and ubiquitous computing. His MSc thesis: 'Assembling data: An application for understanding and analysing the block chain beyond cryptocurrency' forms a key research component of Decentralized Citizen Engagement Technologies (D-CENT), an EU funded Europe-wide project creating privacy-aware tools and



applications for economic empowerment. See also here: <http://danielsan.dyne.org/>

## Proposal

Akseli Virtanen and Tere Vadén to continue as members of the board, and Daniel Hassan to be nominated as a new member.

## Current votes

28 Agree

Accepted.

## **Item 7: Closing of the meeting**

The chairman closed the meeting at 24 pm December 19., 2015 (GMT+2) Edit

Signed:

Akseli Virtanen, chairman

Tere Vadén, secretary

Pekko Koskinen, examiner of minutes

Dan Hassan, examiner of minutes