

**MINUTES OF THE 40th ANNUAL GENERAL MEETING OF  
THE INVESTMENT ANALYSTS SOCIETY  
HELD ON TUESDAY 26 MAY 2009  
AT THE JOHANNESBURG COUNTRY CLUB**

<b>Members present</b>	K Bright (Chairman) A D Thompson A M Wood P R du Toit M Hodgson S Meintjes R Rosenberg C Goemans I Cruickshanks P Coningsby
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**APOLOGIES & PROXIES**

A list of apologies and proxies was noted.

The Chairman welcomed those present. Due notice having been given and as a minimum of 10 members or proxies required for a quorum was present and the meeting was duly constituted.

**1. MINUTES**

The minutes of the previous AGM held on 20 May 2008 had been placed on IAS website. The meeting confirmed the minutes.

Proposed by: R ROSENBERG

Seconded by: A D THOMPSON

**2. CHAIRMAN'S REPORT**

**INTRODUCTION**

**CORPORATE PRESENTATIONS**

During calendar 2007 the Society hosted the following presentations:

		<b>2007</b>	<b>2005</b>	<b>2006</b>
Johannesburg:	114	100	82	90
Cape Town:	78	56	63	
Durban:	4	4	5	
Port Elizabeth	-	-	1	

## CHAIRMAN'S REPORT

### INTRODUCTION

This is the 40<sup>th</sup> Annual General Meeting of your Society and we are reporting on the activities of the Society for the year ended December 2008.

The IAS is an association that represents investment professionals in Southern Africa. Its affairs are managed by an Executive Committee, which meets formally at least once a month and Executive Committee members serve on a voluntary basis and give freely of their time and energy in representing the Society.

The Society is extremely fortunate to be able to call on an office run by our Executive Officer, Ann Marie Wood, who is responsible for the day to day functioning of the Society (this is a role we share her in with CFA South Africa).

During 2008, the Society hosted 200 corporate presentations to members, versus 197 in 2007, a pleasing increase mainly reporting on annual or interim results, but the Society does encourage companies to do trading updates or general briefings to the investment community, when suitable. The breakdown of presentations is as follows:

### CORPORATE PRESENTATIONS

During calendar 2008, the Society hosted the following presentations:

	2008	2007	2006	2005
Johannesburg	120	114	100	82
Cape Town	75	78	56	63
Durban	4	4	4	5
Port Elizabeth	1	1	-	-

We have also actively encouraged publically listed companies to do presentations to the Society as soon as possible after release of their financial results and are pleased to say that this practice is becoming increasingly common and is looked at as a best practice by a number of companies that pride themselves in their corporate governance standards.

### EDUCATION

Investor education remains one of the pillars of the Society and thus we support the efforts of third party suppliers of quality educational material. We maintain a very good working relationship with the Johannesburg School of Finance (JSF).

During 2007, the Executive Committee embarked on a new venture for the Society, by providing an educational course for investment students and professionals, developed and operated entirely by the IAS. The IAS "Certificate in Securities Investment Analysis" was launched in January 2007, and we conducted two course intakes during the year.

In brief, the IAS Certificate covers nearly a year of study, involving four interactive 4 day workshops, written assignments and an end of year exam. Successful candidates are awarded the IAS Certificate only if they attend all the workshops and obtain passing grades in all written assignments and the exam. The IAS course covers investment markets and regulations, financial modelling, investment analysis techniques and formulas, financial accounting and investment reporting. The Society has outsourced the holding of the course to the Johannesburg School of Finance.

Our first IAS Certificate course completed their examinations in November 2008 and a total of 45 students attended the two intakes (23 students in each). Nine certificates were awarded for the initial examination and the pass rate was 39%.

For the 2008 course there was a total of 16 attendees – 10 of whom passed thus raising the pass rate to 63%.

## **BEST COMMUNICATIONS AND REPORTING AWARDS**

We place a premium on the quality of company reporting to the investment community in general, and specifically, on communication with our members. Our annual “Best Communications and Reporting Awards” honours those companies that, in the considered opinion of our members, are most effective at this. The survey for the 2009 Awards (covering the year to December 2008) have been emailed to members.

For the past number of years, the IAS has held an annual awards dinner for the “Excellence in Financial Reporting and Investor Communications”. On June 26<sup>th</sup>, 2008, we held the 23<sup>rd</sup> dinner and, it was a great success, attended by 250 business leaders and awards were handed out to over 17 companies, Goldfields was the overall winner. Post event feedback we received was excellent and the next gala dinner is scheduled for June 11<sup>th</sup>, 2009.

The winners of the previous awards are posted on our website ([www.iassa.co.za](http://www.iassa.co.za)) and this year’s results will also be available within a few days of the dinner.

## **TOPICAL PRESENTATIONS**

We strive to bring to our members presentations that cover topical and educational subjects, and during 2008 in conjunction with CFA South Africa, made available the following to our members in Johannesburg and Cape Town.

Presentation guest speakers – 18 Johannesburg and Cape Town (9 in each city).

Webcasts – 8 Johannesburg and Cape Town (4 in each city).

In addition, we are able to provide our members with electronic access to an article from each bi-monthly issue of the CFA Magazine.

Electronic access to the Journal of Investment Management (JOIM), a presentation similar to our Investment Analysts Journal, is also made available to our members, IAS members may additionally access a printed subscription at preferential rates

## **INVESTMENT ANALYSTS JOURNAL**

Our journal remains the premier financial publication in South Africa for academic and practitioner papers. A significant portion of the credit for this must go to our hard working editor, Professor Colin Firer of the University of Cape Town and Eon van der Merwe Smit of the University of Stellenbosch. They maintain a rigorous process and a high standard for which we are grateful.

Two issues, Numbers 67 and 68, of the Journal were published during 2008. In keeping with our policy of encouraging the wide dissemination of information and supporting financial education, all Journals from inception are available on our website.

To promote rigorous academic research within South Africa we offer an award, presented at our Gala Dinner for the best article published in the Journal in the past year. The previous sponsor, Sanlam Capital Markets, has not renewed its sponsorship of the award for 2008. Your society will now assume full sponsorship of the award in line with encouraging financial research and the Society will provide a R25,000.00 financial incentive to encourage this research.

Last year, the best paper was produced by: R Mutooni and C Muller for “Equity Style and Timing”.

## **BURSARIES**

For many years the Society allocated bursaries to deserving students already having completed at least one year of study in a financial discipline at a recognised tertiary educational establishment. Although fulfilling a specific and needed function it was decided during 2007 by the committee that the courses of study being sponsored were somewhat restrictive and much of a financial as opposed to investment nature and the bursaries would be phased out. It was further decided that future bursary funds will be exclusively utilised to assist deserving students to attend the IAS Securities Investment Course.

I am happy to report that the last remaining bursary student, Theo Ngobeni completed his studies at the University of Pretoria during the course of 2008 and has found employment with a major company, RMB.

## **ASSOCIATIONS**

The Investment Analysts Society maintains and initiates associations with organisations which have common interests and from which our members are anticipated to derive value. The more important of these are:

- **CFA Institute**

CFA South Africa (formerly named the Financial Analysts Society of South Africa) was established in November 2001 as a fully independent society. Our Society and CFA South Africa cooperate in matters that mutually benefit their memberships and the investment professional community in South Africa.

- **International Investment Societies**

Notwithstanding our association with CFA South Africa, we maintain our direct relationship with the CFA Institute. The IAS is also a member of the International Council of Investment Associations (ICIA). Our previous Chairman, Gareth Elston, attended the ICIA meeting held in Vancouver last May. A report on this meeting is posted on our website.

- **SAMREC**

I represent the Society on the South African Mineral Resources Extraction Committee (SAMREC). To promote and give credibility to the evaluation of our mining companies resources, a joint SAMREC / IASSA award is presented at our Gala Dinner. I also served on the Samcode Committee, which has formulated the Samcode Group of Codes. These codes currently comprise the SAMREC Code and the SAMVAL Code, which are set up and administered by the SSC Committee. This Committee is a joint Committee of the South African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA). The Samcodes set out minimum standards for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC), and for the Public Reporting of Mineral Asset Valuation (SAMVAL).

## **ACCOUNTING PRACTICES BOARD**

Our Society is represented on the APB by members Messrs Mark Hodgson and Clem Goemans.

## **MEMBERSHIP FEES**

The annual membership fees were increased from R330 to R370 (including VAT) for the 2009 calendar year.

## PORTFOLIOS

The executive portfolios held at the end of the 2008 year are as follows:

<b>Chairman</b>	Keith Bright
<b>Deputy Chairman</b>	Nancy Chadehumbe
<b>Treasurer</b>	Mark Hodgson
<b>Accounting Practices Board</b>	Mark Hodgson and Clem Goemans
<b>Annual Awards Dinner</b>	Ann Marie Wood
<b>Bursaries</b>	Nancy Chadehumbe and Ann Marie Wood
<b>Cape Town Representative</b>	William Bowler
<b>Education</b>	Nancy Chadehumbe
<b>CFA SA Representative</b>	Arthur Thompson
<b>General</b>	Peter du Toit
<b>Information Technology</b>	Paul Coningsby
<b>Extractive Industries</b>	Keith Bright
<b>International</b>	Arthur Thompson
<b>Journal</b>	Johan Marias
<b>Marketing Sub-Committee</b>	Mike Brown, Arthur Thompson and Ann Marie Wood
<b>Mining Specific Activities</b>	Keith Bright
<b>Presentations</b>	Executive Committee
<b>SAMREC</b>	Keith Bright
<b>Executive Officer</b>	Ann Marie Wood
<b>General</b>	Peter du Toit
The following persons are acknowledged as having rendered valuable services to IAS:	
<b>Auditor</b>	Hennie Russouw
<b>Journal : Editors</b>	Prof. Colin Firer and Prof. Eon van der Merwe Smit
<b>Educational Courses</b>	Peter van Ryneveld

In conclusion, the IAS remains in a strong position and remains a vibrant, relevant and financially sound Society and I submit my Chairman's Report for adoption.

Proposed : RUBY ROSENBERG

Seconded : PAUL CONINGSBY

It is now my pleasure to ask our Treasurer, Mr Mark Hodgson to review the Financial Statements for the year ended 31 December 2008.

During the year our long-serving treasurer, Frank Reuvers, retired from the Executive Committee after several years with the Society.

Proposed: S MEINTJES  
Seconded: M BROWN

It is now my pleasure to ask our Treasurer Mr Mark Hodgson to review the Financial Statements for the year ended 31 December 2008.

Should you require a copy of the 2008 Annual Financial Statements they are available from Ann Marie Wood.

The treasurer asked if there were any questions:

Ruby Rosenberg discussed the Satrix investment as to whether this was on a market to market basis, which it was. He asked about signatories and the revaluation reserve. These queries suitably replied

Clem Goemans and Ian Cruickshanks both referred to the good value for current subscriptions. The meeting discussed future increases and all felt that 2009 subscription could be substantially increased.

Proposed: R ROSENBERG  
Seconded: M BROWN

### **3. FINANCIAL REPORT AND APPROVAL OF THE FINANCIAL STATEMENTS FINANCIAL REPORT 31 December 2008 (Audited)**

#### **AUDITED INCOME STATEMENTS**

The Surplus for the year ended 31 December 2008 amounted to R189 (R153 436 Surplus in 2007) representing a R153 247 negative variance.

Highlights are:

#### **INCOME:**

Total Income (after netting off some direct expenses) for the year to 31 December 2008 was R969 066 (R925 001 in 2007), representing a R44 065 increase.

Main Positive Variances were:

Presentations	R 38 000
Dividends	R 14 555
Courses net surplus	R 14 114

Main Negative Variance

Subscriptions and entrance fees R 25 291

#### **EXPENDITURE:**

Total Expenses for the year to 31 December 2008 were R968 877 (R771 565 in 2007), representing a R197 312 increase.

There were no Positive Variances.

Main Negative Variances were:

Admin and Management fees	R 90 044
Journals net deficit	R 54 457
Gala dinner	R 23 754

## AUDITED BALANCE SHEETS

A comparison of the Balance Sheet at 31 December 2008 with the 31 December 2007 figures shows assets of R1 812 177 compared to R1 874 631, an decrease of R62 454.

In respect of assets, this is mainly made up by an decrease in liquid funds of R385 378 and a increase in available for sale investments of R333 640.

Reserves decreased by R 163 940 with the Revaluation Reserve a negative R63 868 and the Special Projects Fund decreasing by R100 261. Current Liabilities increased by R101 486 of which R185 687 is Income in Advance while Accounts Payable decreased by R84 201.

Should you require a copy of the 2008 Annual Financial Statements they are available from Ann Marie Wood.

The treasurer asked if there were any questions:

There was a question in relation to the IAS membership relative to lower 2008 subscription and entrance fee income. The difference relates to lower entrance fees received in 2008, despite a 10% increase in member subscriptions. There was broad agreement that IAS members obtain excellent value relative to the cost of annual subscriptions. Ruby Rosenberg asked a number of questions in relation to the Satrix 40 and Satrix FINI investments made during 2008 in relation to the cost of R 397 508 reflected in the cashflow statement, dividends received of R 14 555 and revaluation changes of R 63 868. The Treasurer clarified that a prudent investment approach had been taken with the majority of IAS funds in interest bearing money market investments with a smaller component in the Satrix exchange traded funds to provide real growth over the medium term. Ruby Rosenberg asked about the cash flow deficit of R 140 398 before interest and dividends. This primarily relates to higher operational expenditure and lower journal sponsorship in 2008.

Proposed	AD THOMPSON
Seconded	R ROSENBERG

## **4. CONFIRMING ELECTION OF AUDITORS**

The meeting was asked to confirm the appointment of Ransome Russouw as auditors  
The executive committee was given authority to approve the audit fee and expenses for 2008.

Proposed	M BROWN
Seconded	P CONINGSBY

## **5. THE ELECTION OF OFFICE BEARERS**

To elect FIVE members of the Executive Committee in place of

N N CHADEHUMBE  
W H BOWLER  
K L BRIGHT  
A D THOMPSON  
J B MARAIS

The above retire by rotation but, are eligible and offer themselves for re-election

The remaining members of the Executive Committee are –

P R DU TOIT  
P A CONINGSBY  
M H HODGSON  
M F BROWN

5.2 To accept the resignation of to the committee of –

G E ELSTON

Proposed	A D THOMPSON
Seconded	C GOEMANS

## **6. GENERAL**

- 1) Ruby Rosenberg wished to express thanks to Ann Marie and her office staff
- 2) Ian Cruickshanks stated that whilst he understood the reason for no longer providing hardcopy Journal he felt that this would be missed as it was an excellent publication
- 3) Ian Cruickshanks referred to the Annual Awards and suggested a new award on Corporate Sustainability where a company had input in a region/environment. Details of which could usually be found in the annual report. The committee felt this was a very specialised area but could be of great benefit and would look into this