

**MINUTES OF THE 42nd ANNUAL GENERAL MEETING OF
THE INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 24 MAY 2011
AT THE JOHANNESBURG COUNTRY CLUB**

Members present; NANCY CHADEHUMBE (NC)
ARTHUR THOMPSON (ADT)
MARK HODGSON (MH)
MARK INGHAM (MI)
PETER DU TOIT (PDT)
JOHAN MARAIS (JM)
COR VAN ZYL (CVL)
ANN MARIE WOOD (AMW)
MICHAEL COULSON
ALEX McINTYRE
JAN KRUGER
CLEM GOEMANS
ANDY CLAY
IAN MYBURGH

Apologies MIKE BROWN
CHRIS GILMOUR

The Chair, NC. 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 18 MAY 2010 had been placed on IAS website. The meeting confirmed the minutes.

2. CHAIRMAN'S REPORT

REPORT OF THE CHAIR NANCY CHADEHUMBE

**REPORT OF THE CHAIR NANCY CHADEHUMBE
INTRODUCTION**

This is the 42nd Annual General Meeting of your Society and we are reporting on the activities of the Society for the year ended December 2010

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).

CORPORATE PRESENTATIONS

During calendar 2010, the Society hosted the following presentations:

	2010	2009	2008	2007	2006
Johannesburg	92	118	120	114	100
Cape Town	76	81	75	78	56
Durban	5	4	4	4	4
Port Elizabeth	1	1	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.

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.

For the past number of years, the IAS has held an annual awards dinner for the “Excellence in Financial Reporting and Investor Communications”. On, April 22 2010 we held the 25TH dinner and, it was a great success, attended by 110 business leaders and awards were handed out to over 13 companies, GROUP FIVE was the overall winner.

The survey for the 2011 Awards (covering the year to December 2010) was emailed to members and the results of this and the returns from members attending presentations was collated

The winners of the previous awards are posted on our website (www.iassa.co.za)

Our event will take the form of a cocktail party this year at the JSE on 7th June – invites have already gone out to members and special guests. This year’s results are also available on the site.

TOPICAL PRESENTATIONS

We strive to bring to our members presentations that cover topical and educational subjects, and during 2010 in conjunction with CFA South Africa, made available the following to our members in Johannesburg and Cape Town.

Total Presentations= 4 in Johannesburg and Cape Town

Total Webcasts = 12 Johannesburg and Cape Town

Total Workshops – 4 Johannesburg and Cape Town

Conference – 1 in Johannesburg

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 71 and 72, are available only on our website – no longer mailed. To promote rigorous academic research within South Africa we offer an award, presented at our Awards event for the best article published in the Journal in the past year. Your society assumed 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: Prof Hennie Venter“Intraday Momentum and Contrarian Effects on the JSE

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 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). **SAMREC**

Andy Clay, IAS member and MD of Venmyn represents 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 awards event As our representative he also serves on the 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).

.MEMBERSHIP FEES

The annual membership fees were increased from R440.00 to R540.00(including VAT) for the

PORTFOLIOS

The executive portfolios held at the end of the 2010 year are as follows:

Chair	Nancy Chadehumbe
Deputy Chair	Mike Brown
Treasurer	Mark Hodgson
Committee Member	Peter du Toit
Committee Member	Chris Gilmour
Committee Member	Mark Ingham
Committee Member	Johan Marais
Committee Member	Arthur Thompson
Executive officer	Ann Marie Wood
The following persons are acknowledged as having rendered valuable services to IAS:	
Auditor	Hennie Russouw
Journal : Editors	Prof. Colin Firer and Prof. Eon van der Merwe Smit
SAMREC	Andy Clay

In conclusion, the IAS remains in a strong position and remains a vibrant, relevant and financially sound Society.

On that note I submit my Chair's Report for adoption.

PROPOSED MICHAEL COULSON
SECOND JOHAN MARAIS

It is now my pleasure to ask our Treasurer, Mr Mark Hodgson to review the Financial Statements for the year ended 31 December 2010.

Should you require a copy of the 2010 Annual Financial Statements they are available from Ann Marie Wood.

It is my pleasure to present the audited financial report of the Investment Analysts Society for the year ended 31 December 2010. The 2010 financial year has reflected a pleasing improvement in financial performance with a surplus of R 28 891, a R 190 827 improvement from 2009's deficit of R R161 936. This can be attributed to increasing income +13% and reducing total costs by -5%.

The financial position of the IAS at 31 December 2010 has similarly improved with total assets at R1 955 973 +10%, with Reserves increasing by +7% to R 1461 583.

Starting with the Statement of financial position on p5. The Satrix investment increased by +13% to R 592 278, with no additional capital investments made during the financial year. Cash and cash equivalents increased by +9% to R 1 359 750 from higher income in advance which is 2011 subscriptions. The revaluation reserve reflects the Satrix investment appreciation. Income in advance increased +15% to R 432 922, below the +23% increase in 2009.

On the Statement of financial performance on p6 as I earlier mentioned total income increased +13% R 1 136 540, with subscriptions +13% at R 690 187 reflecting a decline in paid membership of -5% and the annual subscription +19%. Net presentation income increased +43% to R 256 629 primarily benefitting from improved expense control -22%. Entrance fees reduced -24% to R 64 364 on 84 fewer new members and interest received decrease was limited to -11% to R84 665, despite lower interest rates.

Expenses reduced -5% to R1 107 649 which was key to the turnaround. Administration and management expenses increased +2% to R827 9123 on 2009, with savings from reduced marketing and computer costs. Cost savings were made in journal expenses, the gala dinner and international conference expense. While a surplus of R 28 891 and the year on year improvement is very pleasing, we would like to build further on the financial improvement and not become complacent.

There is nothing that I wish to highlight on the statement of changes in equity on page 7. The cash flow statement reflects cash generated in operating activities of R110 926, a R 251 098 improvement on 2009 from better working capital management R 60 272 and the overall year on year improvement. Cash balances increased by R 110 926 to R 1 359 750 which is almost 70% of total assets.

For 2011 we are budgeting for an increased surplus on 2010. A subscription increase for 2011 of +23% to R540 including VAT will underpin income, with net presentation income budgeted to be unchanged and overall income + 11%. Expenses are budgeted to be positive in 2011 at +10%, with continuing focus being on effective expense management, The IAS has to balance offering value to its members while operating efficiently and sustainably.

Michael Coulson asked clarity on the investment policy and MH replied that it was necessary to be conservative in managing the Society's funds and to have a split in Satrix as well as money market but he stated it was expected to increase the balance to 40% - 50% Satrix next year.

Michael Coulson also queried the substantial increase in subscriptions over the past two years. PDT replied that firstly this was off a low base and needed to catch up and secondly the Society needed to be in a financial position to promote and market professional activities in the future should the opportunity arise in particular in endeavouring to be a totally African Society

PROPOSED COR VAN ZYL
SECONDED MICHAEL COULSON

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 2010.

PROPOSED JAN KRUGER
CONFIRMED CLEM GOEMANS

5. THE ELECTION OF OFFICE BEARERS

5.1 To elect four members of the Executive Committee in place of

PR DU TOIT
N N CHADEHUMBE
M F BROWN
M H HODGSON

The above retire by rotation but, PR du Toit, N Chadehumbe, M F Brown and MH Hodgson are eligible, and offer themselves for re-election

The remaining members of the Executive Committee are –

AD THOMPSON
JB MARAIS

5.2 To accept the resignation of to the committee of –

W H BOWLER
M I HALLOWES

5.3 to ratify the following who joined the Committee during the past financial year

M H INGHAM
C GILMOUR

5.4 to accept the nomination of
C VON ZYL

The Constitution allows the Committee to have 15 members – with the re-election and the acceptance of the nominee this will bring the total to 10

PROPOSED CLEM GOEMANS

SECONDED MICHAEL COULSON

6. GENERAL

Michael Coulson queried whether there was a marked decrease in presentations and if so did the Society know why this should be. AMW noted that it could be that members viewed on webcast where available and/or Summit. Although it was felt that many appreciated the networking opportunities and meeting with management. PDT stated we were not unhappy with the number of presentations and had encouraged the smaller companies to also use the Society which they appreciated.

Alex McIntyre queried no shows and AMW advised that despite all our efforts this still occurred but the presentation companies were quite well aware of this practice whether via IAS or their own presentation.

Samrec/IAS –

ANDY CLAY had agreed to represent IAS on the SAMREC board. He was of the opinion that the IAS needs to provide input on the Codes and requirements for the Public Reporting Competent Person's Report (also known as Technical report) and Competent Valuation Report. He discussed the likely course that may be followed by the JSE with regard to compulsory registration and the need for the IAS to represent analysts, potentially earning recognition for these analysts through being a member of the IAS. He proposed to form a sub-committee of the IAS, seconding selected seasoned mining analysts, the purpose of which is to represent the IAS at the SAMREC/SAMVAL meetings and to develop criteria for the approval and accreditation of mining analysts and valuers.