

**MINUTES OF THE 43rd ANNUAL GENERAL MEETING OF  
THE INVESTMENT ANALYSTS SOCIETY  
HELD ON TUESDAY 22 May 2012  
AT THE JOHANNESBURG COUNTRY CLUB**

**Members present;**

**MIKE BROWN(MB)  
CHRIS GILMOUR (CG)  
ARTHUR THOMPSON (ADT)  
MARK HODGSON (MH)  
MARK INGHAM (MI)  
PETER DU TOIT (PDT)  
COR VAN ZYL (CVL)  
ANN MARIE WOOD (AMW)  
MIYELANI MKHABELA  
JACQUES THERON  
RUBY ROSENBERG  
CLEM GOEMANS  
ANDY CLAY  
BEN PIETERS**

**Apologies**

**NANCY CHADEHUMBE  
CLIVE DOUGLAS  
RICHARD BUCHHOLZ**

**Proxies**

**ROSS FOXTON (CG)**

Mike Brown advised that he would present the Report of the Chairperson on behalf of Nancy Chadehumbe who was not able to attend and tendered apologies. Due notice having been given and as a minimum of 10 members or proxies required for a quorum was present the meeting was duly constituted.

**1. MINUTES**

The minutes of the previous AGM held on 24 MAY 2011 had been placed on IAS website. The meeting confirmed the minutes.



## **2. CHAIRPERSON’S REPORT**

### **REPORT OF THE CHAIR NANCY CHADEHUMBE**

#### **INTRODUCTION**

This is the 43<sup>rd</sup> Annual General Meeting of your Society and we are reporting on the activities of the Society for the year ended December 2011

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 with CFA South Africa).

#### **CORPORATE PRESENTATIONS**

During calendar 2011, the Society hosted the following corporate presentations:

	2011	2010	2009	2008	2007	2006
Johannesburg	126	92	118	120	114	100
Cape town	89	76	81	75	78	56
Durban	5	5	4	4	4	4
Port Elizabeth	1	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.

#### **EXCELLENCE IN FINANCIAL REPORTING & COMMUNICATION 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 “Excellence in Financial Reporting & Communication 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”. Last year, we held the 25<sup>TH</sup> Annual Awards event in the form of a cocktail party at the JSE which was a great success, attended by many business leaders and members. Awards were handed out to companies that were the best performers in their sector, AFRICAN BANK was the overall winner.

The survey for the 2012 Awards (covering the year to December 2011) 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](http://www.iassa.co.za))

The event will take the form of a cocktail party this year, to be held at the JSE on 12<sup>th</sup> June – invites have already gone out to members and special guests. This year’s results will also be available on the website.

#### **TOPICAL PRESENTATIONS**

We strive to bring to our members presentations that cover topical and educational subjects, and during 2011 in conjunction with CFA South Africa, made available the following to our members in Johannesburg and Cape Town.

Webcasts	Johannesburg	5
Webcasts	Rondebosch	5
Webcasts	Belville	5
Travelling Conference	Jhb	1
Travelling Conference	CT	1
Annual CFA Conference	Jhb	1
Ethics Workshops	Jhb	1
Ethics Workshops	CT	1

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

### **FINANCIAL POSITION**

The Society generated an improved operating surplus for the financial year ended 31 December 2011, which has been transferred to reserves. Total reserves of the Society amounted to R1,67 million as at the end of 2011.

### **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.

The latest two issues, Numbers 73 and 74, are available only on our website.

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 market research and the Society will provide an annual R25, 000.00 financial incentive to encourage this research.

Last year, the best paper was produced by Prof Mike Ward & Chris Muller, entitled "The long-term share price reaction to Black Economic Empowerment announcements 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 Society, which consists of investment professionals from various sectors of the financial market, had 1849 members, as at the end of December 2011.

The annual membership fees were increased from R540.00 to R600.00(including VAT) for the 2012 calendar year.

## PORTFOLIOS

The executive portfolios held at the end of the 2011 year are as follows:

<b>Chair</b>	Nancy Chadehumbe
<b>Deputy Chair</b>	Mike Brown
<b>Treasurer</b>	Mark Hodgson
<b>Committee Member</b>	Peter du Toit
<b>Committee Member</b>	Chris Gilmour
<b>Committee Member</b>	Mark Ingham
<b>Committee Member</b>	Johan Marais
<b>Committee Member</b>	Arthur Thompson
<b>Committee Member</b>	Cor van Zyl
<b>Executive officer</b>	Ann Marie Wood
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>SAMREC</b>	Andy Clay

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

I submit my Chair's Report for adoption.

### Chairperson NANCY CHADEHUMBE

PROPOSED RUBY ROSENBERG  
SECOND ARTHUR THOMPSON

Mr Mark Hodgson would present the Financial Statements for the year ended 31 December 2011.

It is my pleasure to present the audited financial report of the Investment Analysts Society for the year ended 31 December 2011. The 2011 financial year reflects a further gratifying improvement in both the financial performance and the financial position of the Society.

I will cover the key salient features of the results as follows starting on page 6:

Revenue increased +19% to R1.35m or +18% adjusting for the once off realised investment profit  
There were two factors for the increase with subscriptions +17% to R 805 676 comprising 60% of total revenue. (subscriptions +22.7% to R540 incl VAT , approx -4.5% reduction in paid members to 1700)  
Presentation income increased a higher than expected +38% to R 353 869 from better cost control.  
(presentation cost +8% 136 presentations vs 118 +15%)

Expenses increased +2% to R 1.13m with administration and management fees +12% to R 923 063.  
Gala dinner expenses reduced by 40% to R74 482 with the new format and there was a benefit of zero course related expenses. Expenses were typically well controlled.

Comprehensive income increased by R 194 545 to R 223 436.

Turning to the statement of financial position at 31 December 2011 on page 5, total assets at R2.2m +13%, with Reserves increasing by +14% to R 1.67m.

Investments (predominantly Satrix 40) increased by +19% to R 703 342 due essentially to additional , capital investments made during the financial year. Cash and cash equivalents increased by +9% to R 1.5m. The revaluation reserve decrease reflects the market decline in CY11. Income in advance decreased -5% to R 412 581 with 2012 subscriptions sent out later than the prior year.

There is nothing material to highlight on the statement of changes in equity on page 7. The cash flow statement reflects cash generated from operations improving by nearly R 147 623 to R 160 189 reflecting the better underlying performance. Investments purchased of R 116 358 are the Satrix 40. Cash balances increased by R 127 107 to R 1 486 857 which is almost 67% of total assets.

For 2012 we are budgeting for an reduced surplus on 2011 of c.R 150 000. The subscription increase for 2012 of +11% to R600 including VAT with the potential for lower future increases, The IAS will continue to ensure it offers value to its members while operating efficiently and sustainably.

The following questions from the attendees:

**Clem Goemans** – referred to the Income on fees and it was confirmed that these were paid in advance ahead of 2012 subscriptions and were not part of 2011 income

**Ruby Rosenberg** – referred to R24000 payment of staff pension and RR wondered that this was not a greater amount but it was explained this was a new initiative and was paid entirely by the Society and no contribution was required by staff.

**Clem Goemans** – referred to the fact that Bursaries appeared to be discontinued. The Committee stated that funding was spent on educational events via CFA South Africa and did not completely rule out possible education endeavours in the future. The experience had been that Bursary recipients had not necessarily gone into the investment field.

**Clem Goemans** – touched on the Society's situation regarding FAIS and non Profit and Mike Brown stated that our audit committee had this in hand and all necessary documentation submitted, CG congratulated the Society on having an audit committee. Cor van Zyl stated that this had been discussed with the external auditors and that IAS was not a Section 21 company in the 'old' Act. It was exempt from paying tax. Mike Brown further stated that we were in the process of registering with FAIS in the hope that company presentations could result in attendees claiming Continuing Professional Development credits.

Should you require a copy of the 2011 Annual Financial Statements they are available from Ann Marie Wood. The Committee extended thanks to Mark Hodgson for his hard work and dedication.

PROPOSED RUBY ROSENBERG  
SECONDED ANDY CLAY

#### **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 2011.

PROPOSED MARK HODGSON  
CONFIRMED PETER DU TOIT

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

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

JOHAN MARAIS  
ARTHUR THOMPSON  
COR VAN ZYL  
MARK INGHAM  
CHRISTOPHER GILMOUR

The above retire by rotation but, AD Thompson, M Ingham, C Gilmour and C van Zyl are eligible, and offer themselves for re-election

The remaining members of the Executive Committee are –

PR DU TOIT  
N CHADEHUMBE  
M F BROWN  
M H HODGSON

5.2 To accept the resignation of to the committee of –

J B MARAIS  
Who had moved to the Cape and it was noted that he would be missed for his contribution to the Committee and the Society

5.3 to accept the nomination of  
JACQUES THERON

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 9

5.4 To bestow honorary membership on WINSTON FLOQUET, JOHANN BLERSCH and WILLIAM BOWLER, This was a new initiative and recognised long standing members who were former committee members who had contributed to the Society.

PROPOSED CHRIS GILMOUR

SECONDED ANDY CLAY

## **6. GENERAL**

The meeting thanked Ann Marie Wood and her office for all the hard work