

**MINUTES OF THE 46<sup>TH</sup> ANNUAL GENERAL MEETING OF  
THE INVESTMENT ANALYSTS SOCIETY  
HELD ON MONDAY 26 MAY 2015 AT 15H30  
AT THE JOHANNESBURG COUNTRY CLUB**

**ATTENDING:**

**MARK INGHAM (MI)  
MICHAEL BROWN (MB)  
CHRISTOPHER GILMOUR(CG)  
PETER DU TOIT (PDT)  
ARTHUR THOMPSON (ADT)  
COR VAN ZYL (CVZ)  
JACQUES THERON (JT)  
MIA KRUGER  
CHRIS NEL  
ASHLEIGH JEWELL  
JOHANN BLERSCH  
CLEM GOEMANS  
RUBY ROSENBERG**

**APOLOGIES**

**MARK HODGSON  
FRANK REUVERS  
ANDY CLAY  
HEIN KRUGER  
FRANITA NEUVILLE**

**1. MINUTES**

The minutes of the previous AGM held on 20 May 2014 had been placed on IAS website.  
The meeting confirmed the minutes.

**2. CHAIRMAN'S REPORT**

**CHAIRMAN'S REPORT – For Year Ended 31 December 2014**  
**Chairman's Report for the year ended the 31<sup>st</sup> of December 2014**

**Mr Mark N Ingham**

**The 2014 year in review**

This is the 46<sup>th</sup> Annual General Meeting of The Investment Analysts Society of South Africa (NPC) reporting back on the activities of the Society for the year ended 31<sup>st</sup> of December 2014.

The Investment Analysts Society of South Africa (NPC) is a non-profit company that represents investment professionals in South Africa and was registered as such under The Companies Act in 2013 with the Memorandum of Association of the company approved at the AGM in June 2013.

The Board of Directors of the Company manages the affairs of the Society and meets formally once a month. Board members serve on a voluntary basis and give freely of their time and energy in representing the Society.

The Society is formally served from an administrative office located at West Square Office Park, Ferndale, in Johannesburg.

The administrative affairs of the Society are handled and managed by our Executive Officer, Mrs Ann Marie Wood, who has served with distinction over many years. I wish to record my sincere appreciation to Ann Marie for her sterling work and the good nature with which she acquits her task.

The Society also employs two staff members, Zia de Araujo and Maria Makgato, to whom I extend thanks for their good work.

Thank you to my fellow Board members for their unstinting support and inputs during the year.

A word of thanks to our Chief Financial Officer, Mr Cor van Zyl, who has handled the books with diligence and professionalism.

Thanks are owed too to Mr Arthur Thompson for his initiatives in improving the marking forms for the annual awards and for the mathematical work he undertakes to determine the outcomes for the awards.

I'd also like to express my appreciation to our immediate past Chairman, Mr Mike Brown, for his continued active involvement and also for his assistance with the Journal this past few months.

During the year we continued to attract quality new members from various specialities within the investment and financial services field. The membership has evolved to reflect the changing nature of the profession over the past decades and we now categorise new applications within the following specialities:

- Financial Analyst
- Private Equity
- Stock Broking
- Asset Management
- Corporate Finance
- Private Clients/Private Banking
- Audit
- Banking
- Finance Director
- Credit Analyst
- Investor Relations
- Tax
- Treasury
- Academic
- Financial Journalist

The annual membership fee was increased to R760 (including VAT) for the current year. The fee represents excellent value for money for members investing in their continuing knowledge.

As at 31 December 2014 the membership was 1614 and as at the date of this AGM it is 1625.

The majority of members adhere to the Guide to Behaviour and Conduct in respect of their behavioural ethos and other professional standards. However, it is apparent that certain members continue to let the Society down by transgressing these accepted norms. Such transgressions include no shows at presentations and no apologies for such, attendance at presentations without prior acceptance, transference of invitations to non-members, sloppy appearance, and unwarranted business solicitation.

Companies notice this. The Board has had to intervene on a few occasions to resolve issues. This takes up unnecessary time and trouble. Unprofessional behaviour brings embarrassment upon the Society and its bona fides in to disrepute. I remind members that membership of the Investment Analysts Society is a privilege and it comes with responsibilities. The Constitution and Guide to Behaviour and Conduct are quite clear as to what is expected.

During the course of this year, the Society continued to provide its members with access to profession relevant services and products.

- Presentations done by JSE listed companies and other organisations, such as Eskom or companies planning to list, on their financial results and prospects. We encourage publically listed companies to do presentations to the Society that coincide with the release of financial results via SENS on the JSE. This is now standard best practice in propagating transparency and building confidence in good corporate governance. We have also received a very positive response to Eskom's outreach to the investor community.
- Educational investment events which may also be hosted in conjunction with CFA South Africa and the JSE. The presentations done by Dr Frans Cronje of the Institute of Race Relations on the future scenarios for South Africa, the Rand Business Club Annual Forecast Dinner, Insights from the CFA Annual Conference, the Traveling CFA Conference, the Actuarial Society of South Africa investment seminar and the CFA Research Challenge for university students are all good examples of this.
- Access to the Investment Analysts Journal which continues to grow in international stature and is receiving a record number of papers contributed by authors from a variety of countries, academic institutions and employers.

The IAS Journal is the premier financial publication in South Africa for academic and practitioner papers. The Journal is included in the Thomson Reuters Social Science Citation Index and is accredited by the South African Department of Higher Education and Training.

During the past year and after much preparation and background work, the Society elevated the Journal to the top academic tier internationally by entering in to a publishing agreement with the renowned British publishing house Taylor & Francis Group, a division of Informa UK Ltd, on agreed terms. The Agreement continues until 31 December 2019 and is automatically renewable thereafter for a period of three years unless either party gives notice at least twelve months prior. The Society shall commit to a publishing subvention of £6 500 per annum with the rand sterling exchange rate capped at R20/£1 should the exchange rate depreciate beyond that point during the term of the Agreement. The Publisher shall contribute to the Society's expenses in the amount of £2 000 and undertakes to sponsor an annual Journal article prize of R2 500. In the form of Taylor & Francis book vouchers.

A word of thanks is owed to Dr Heidi Raubenheimer for her work as editor of the Journal and who has played a part in helping the Board facilitate the transition of the Journal to state of the art publishing. We look forward to Heidi possibly remaining associated with the Journal and to joining with other academics in a peer reviewer capacity.

At the time of writing, a new editorship is in the process of being finalised through a formal agreement between the editor and the Society. In terms of the agreement with Taylor & Francis, it is the responsibility of the Society to appoint the editor of the Journal and to remunerate the editor and the editorial agreement is in harmony with our arrangement with Taylor & Francis in this regard.

To promote rigorous and appropriate academic research in the investment field the Society sponsors an annual award, presented at our Awards event, for the best article published in the Journal in the past year. The annual prize is currently R25,000 as incentive for outstanding research.

A substantial commitment in total is thus being made with respect to the funding, supervision and guardianship of the Journal by the Society to ensure its continuing success.

The winner in 2012, awarded in 2013, was Dr Doojin Ryu of Sungkyunkwan University, Seoul, South Korea. This was the first time that the Society award was made to an international contributor and reflects the growing internationalisation of the Journal. Dr Ryu is also an Editorial Board Member of the Journal. The winners in 2013, awarded in 2014, were Prof A J Hoffman & D J Swart for a paper entitled Analysis of the Post Earnings Announcement Drift Anomaly on the JSE. The latest 2014 winner is to be advised.

Electronic access to the Journal of Investment Management, a publication similar to our Investment Analysts Journal, is also made available to our members who may additionally access a printed subscription at preferential rates.

- Hosting of the annual Excellence in Financial Reporting and Communications Awards cocktail and presentation function which this past year was held for the 29th time at the JSE on 12<sup>th</sup> of June 2014. The Awards event was broadcast live on Business Day TV for half an hour followed by a networking cocktail function and was attended by Society members and executive management of winning companies. Sector awards were handed out to twelve companies with Growthpoint the overall winner. The winners of the various categories are posted on the Society website [www.iassa.co.za](http://www.iassa.co.za)

Awards were made to listed companies in the main sectors of the JSE for outstanding financial reporting and communications excellence and for the best presentation made to the Society. An award is also presented for the best article published in the Investment Analysts Journal for the period 2014. The Samrec (South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves) award is also presented at this event which in 2014 went to Gold Fields Limited.

These awards are made in accordance with responses to a questionnaire circulated to members employed by South Africa's financial institutions and investment houses. All members are encouraged to complete the marking feedback forms so that the Society can have a wide and representative sample of views on how companies report.

The 30<sup>th</sup> annual awards ceremony will take place at the JSE on Thursday the 11<sup>th</sup> of June 2015.

During calendar 2014, the Society hosted a record number of presentations by JSE listed companies and other organisations. Increasingly, presentations are accompanied by the latest webcast technology which enables remote access to the conference for those unable to physically attend.

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Johannesburg	155	133	129	126	92	118	120
Cape Town	96	90	88	89	76	81	75
Durban	6	5	7	5	5	4	4
Port Elizabeth		1	1	1	1	1	1
<b>Totals</b>	<b>257</b>	<b>229</b>	<b>225</b>	<b>221</b>	<b>174</b>	<b>204</b>	<b>200</b>

- The Investment Analysts Society of South Africa (NPC) maintains and initiates associations with organisations which have common interests and from which our members derive value. The more important are:  
*CFA South Africa*  
 CFA South Africa was established in November 2001 as a fully independent society. The 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, the Society maintains direct relationship with the CFA Institute. The Society is also a member of the International Council of Investment Associations (ICIA).

**SAMREC**

The Society is represented on the SAMREC Committee and provides a joint award, with SAMREC, to a company making the best disclosure of Mineral Resources in its Financial Results.

The Society is in a healthy financial position. For the year ended the 31<sup>st</sup> of December 2014, the Society continued to run an operating surplus and recorded a comprehensive income of R207 600. Together with an unrealised gain of R73 096 on revaluation of available for sale investments, R280 696 was transferred to reserves which amounted to R2 648 556, an increase of 11,9% on the prior year. Total assets as at the 31<sup>st</sup> of December 2014 amounted to R3 485 660 versus R3 165 194 as at the 31<sup>st</sup> of December 2013.

The executive portfolios held as at 31<sup>st</sup> of December 2014 and as at the date of this AGM are as follows:

<b>Chairman</b>	M N Ingham
<b>Deputy Chairman</b>	C G Gilmour
<b>Chief Financial Officer</b>	C J P G Van Zyl
<b>Board Member</b>	P R Du Toit
<b>Board Member</b>	P M M Hodgson
<b>Board Member</b>	A D Thompson
<b>Board Member</b>	C G Gilmour
<b>Board Member</b>	J W Theron
<b>Board Member</b>	M F Brown
<b>Executive Officer</b>	A M Wood
The following persons are acknowledged as having rendered valuable services to the Society:	
<b>Auditors Ransome Russouw</b>	Mr Hennie Russouw and colleagues
<b>SAMREC</b>	Mr Andy Clay

In conclusion, the Society continues to be relevant and beholden to its purpose, adaptive to the requirements of the investment analysts profession, and a longstanding advocate and supporter of high quality research that furthers learning. I look forward to yet another year of progress and development.

I submit my Chairman’s report for adoption.  
 Mark N Ingham  
 26<sup>th</sup> of May 2015

PROPOSED CHRISTOPHER GILMOUR  
 SECOND COR VAN ZYL

### **3. FINANCIALS**

An audited and signed Copy of the Society Financials to December 2014 were made available to the meeting. This showed the Society’s finances were sound and in good shape.

Discussion of the Audited Financial Statements of the IASSA NPC at the AGM held the 26 May 2015:

The Audited Financial statements were distributed to all members present at the AGM and the CFO highlighted certain aspects in the AFS.

After the completion of the audit by our external Auditors the Audit Committee had a meeting with the Auditors to discuss the audit. There were no issues being reported by the Auditors to the Audit Committee.

The Committee would like to thank Ann Marie and her team for doing an excellent job.

Annually we prepare a budget and on a monthly basis we report to the directors the progress against the budget.

The Society was formally converted to a Non Profit Company (NPC) on the 23rd January 2014.

Total assets at year end stands at R3 492 742 compared to R3 165 194 the year before and cash and cash equivalents at year end stands at R2 205 321 compared to R1 992 043 the year before. After year end another R500 000 was transferred from our cash holdings into the Satrix 40 – general funds account.

Net operating income for the year stands at R73 116 compared to R28 579 the year before and the total comprehensive income for the year stands at R280 696 compared to R303 028 the year before.

Overall the financial position of the NPC at the end of December 2014 is sound.

The following questions were raised:

**Clem Goemans –Note 2 Money Market return**

Queried whether funds could not be placed elsewhere due to low rate of return.

CVZ stated that there were ebbs and flows with regard to funds held on call and cash needed to be available.

**Ruby Rosenberg** – referred to post balance sheet unrealised gains exceeded net purchases

Suggested further investment in Satrix and CVZ stated a further R500 000 had been invested since date of financials

**Clem Goemans – Note 7**

Noticed Journal expenses increased substantially and CVZ stated this included the editor's reimbursement. MI referred to the 8500 sterling due to be paid for 2015 and that this was capped at a currency rate of 20 to 1. Future Journals would incur greater expenditure than in the past but also greater benefits

**Ruby Rosenberg** referred to tax status

It was confirmed that Interest was tax exempt

It was stated that should members require a copy of 2014 Annual Financial Statements they are available from Ann Marie Wood.

PROPOSED CLEM GOEMANS  
SECONDED RUBY 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 2015.

PROPOSED ARTHUR THOMPSON

CONFIRMED PETER DU TOIT

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

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

PR DU TOIT  
MF BROWN  
MH HODGSON  
J W THERON

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

The remaining members of the Executive Committee are –

AD THOMPSON  
MN INGHAM  
C G GILMOUR  
CJPG VAN ZYL

The Constitution allows the Committee to have 15 members – with the re-election this will bring the total to 8

PROPOSED JACQUES THERON

SECONDED CHRIS NEL

## **6. GENERAL**

Johann Blersch suggested that the history of the society be included in the Chairman's report as well as subsequent reports. MB mentioned this was contained on our website but agreed this was worth looking at

Arthur Thompson mentioned Andy Clay whose portfolio involved Mining Valuation Reserves and that although legislation was proceeding slowly, he was working on a report which would be forwarded in due course

There were no matters further to discussion and the meeting ended with thanks to those who had attended, to Board, IAS Staff and Chairman