

**MINUTES OF THE 47TH ANNUAL GENERAL MEETING OF
THE INVESTMENT ANALYSTS SOCIETY
HELD ON WEDNESDAY 12 MAY AT 13h00
AT THE JOHANNESBURG COUNTRY CLUB**

ATTENDING:

**MARK INGHAM (MI)
MICHAEL BROWN (MB)
CHRISTOPHER GILMOUR(CG)
GARRETH ELSTON GE)
COR VAN ZYL (CVZ)
JACQUES THERON (JT)
CLEM GOEMANS**

APOLOGIES

**MARK HODGSON
FRANK REUVERS
ANDY CLAY
ARTHUR THOMPSON
PETER DU TOIT
RUBY ROSENBERG
ROSS FOXTON (MB)**

PROXIES

1. MINUTES

The minutes of the previous AGM held on 26 May 2015 had been placed on IAS website.
The meeting confirmed the minutes.

2. CHAIRMAN'S REPORT

Chairman's Report for the year ended the 31st of December 2015

Mr Mark N Ingham

The 2015 year in review

This is the 47th Annual General Meeting of The Investment Analysts Society of South Africa (NPC) reporting on the activities of the Society for the year ended 31st of December 2015.

The Investment Analysts Society of South Africa (NPC) is a non-profit company that represents investment professionals in South Africa and is 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 IAS registered as an "association not for gain" in 1968, continuing to function as a liaison body for the investment analysts profession for the past 48 years.

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 has maintained an administrative office at West Square, 407 West Avenue, Johannesburg for a number of years and shares these premises with CFA South Africa.

Executive Officer Mrs Ann Marie Wood continues to serve the Society with distinction in managing the day-to-day administrative affairs of the Society. I wish to record once again my sincere appreciation to Ann Marie for her outstanding contribution and the pleasant manner in which she goes about her work – a vital asset without whom the Society would be the poorer.

The Society employs Ms Zia de Araujo, Assistant to the Executive Officer, and Ms Maria Makgato, Office Assistant. Both Zia and Maria performed well this past year in assisting Ann Marie and executing on their tasks. Thank you both very much, your contribution is appreciated and acknowledged.

I am appreciative to my fellow Board members for the support they have given me in my role as Chairman and for the positive contributions made to our deliberations as a Board.

Notable mention to some individuals is warranted.

Our Chief Financial Officer, Mr Cor van Zyl, continued to serve in this vital function with consummate professionalism. The financial affairs of the IAS, including the budgeting process and the monitoring of the month to month income and expenditure situation, are in excellent hands and I extend special thanks to Cor in this regard.

I also wish to express thanks to Mr Mark Hodgson, past Treasurer, for his continued interest in the financial position of the Society and his input on the finalisation of the audited accounts.

With respect to the finances, I also thank Ransome Russouw for their services as independent auditors and for the attentiveness with which this is undertaken.

Mr Mike Brown has continued to participate with me in taking responsibility for the Investment Analysts Journal and I thank Mike for his longstanding active interest in the wellbeing of the IAS.

Mr Chris Gilmour, in his role as Deputy Chairman, has provided useful insights on matters requiring serious deliberation insofar as member conduct is concerned and he has been responsible too for assessing member applications.

Certain Board members were instrumental in advising on and assisting some listed companies during the year with respect to guidelines on analyst engagement. There have been some transgressions of best practice, including selective disclosure. This is not necessarily deliberate but the IAS can have a valuable role in independently guiding companies. The IAS suggests the principle of what you give to one you give to all within the context of practical reality, including dispersed share ownership, and that no verbal communication should be given that does not accord with written and financial information in the public domain. Information dissemination has to be governed by both domestic and international rules and regulations and within such guidelines as determined by professional bodies such as the IAS and CFA Institute.

In addition to his wise influence and guidance, Mr Arthur Thompson has continued to provide invaluable effort in tabulating marks for the annual company awards for reporting excellence. The process is mathematically precise and a correct reflection of the member feedback. Categories continue to be refined to ensure that the business activity of a company correctly reflects in its peer ranking. The awards ranking was determined in the presence of Board members at the Exco meeting dated 11 April 2016. Thank you very much Arthur.

During the year, with assistance from Ann Marie, an initiative to expand the universe of respondents, unless members opt out, and the quality of the awards marking process was put into practice through a

redesigned electronic evaluation form that is web-based and much more user friendly was made. Marking criteria include website (a 25% score), strategic insight (30%), financial information (20%), executive communication (15%), and results presentation slides and materials (10%). Zia is tasked with sending out these emails with links to the Vibrant Media emailing company website and following up on responses.

An increasing number of companies are choosing to use both physical presentations in conjunction with webcasts to communicate their results. This tendency also reflects the growing internationalisation of share registers, time pressures, traffic congestion and a desire by analysts and fund managers to make better use of time. The Society has identified such developments and is making appropriate allowance in its outreach to members and companies. With over 1500 members, the IAS has unparalleled reach within the investment analyst community and is thus a valuable conduit for companies wishing target their messages to the right audience.

It is heartening that a few companies continue to present results in more than one city, including Cape Town and occasionally Durban. Whilst the investor community tends to have a greater concentration in the Johannesburg metropolitan area there is a sizeable and influential presence in Cape Town. Companies should be encouraged to at least consider two city presentations to accommodate the largest audience. Interaction directly with management of companies has no substitute.

There is a need to secure a larger proportion of mining companies, very large market capitalisation companies and dual-listed companies as part of the universe of IAS company representation. As companies have merged, internationalised or chosen to seek foreign primary listings whilst maintaining JSE secondary listings so too has direct access to the number of high value companies by analysts residing locally reduced.

This trend I refer to also creates imbalances in competition for an award in some categories – not least mining – and skews the market capitalisation representation away from big multinational listed groups who I believe would benefit from participating more fully with the membership and being in contention for reporting excellence recognition.

I therefore urge members to recognise this reduction in the presence of particular categories of company and to utilise the opportunity afforded through association to promote the value of the IAS as a mechanism for fair and equal dissemination of relevant market information and thus better price discovery through improved knowledge and understanding.

It is also imperative that the IAS gets more members to participate in giving their honest feedback through the web-based vote collation mechanism that the IAS has in place. If you have interacted with a company, attended a presentation or participated in a webcast please take the trouble to contribute your view and mark the company as you see fit. This small effort by each member has a large collective impact and is in line with the philosophy of the IAS as embodied in the Constitution of the IAS.

A member of the Society has an obligation to participate as fully in the affairs of the Society as he or she is capable of and in so doing contribute to the vibrancy, relevance and growth of the investment analysts profession. I thank all those who do contribute and more particularly those who believe they have an obligation to give back to their profession without an expectation of compensation.

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.

In the previous financial year the IAS categorised new applications within the specialities of 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 and Financial Journalist.

As at December 2015, 149 paid up new members were accepted. Inter alia, 36% classify as investment analysts, 21% fund managers or asset managers, 6% classify as stock brokers whilst 10% are corporate

financiers, 9% are in banking, 3% in private equity and 2% in credit analysis, and 6% classify as finance directors or executives of companies.

The annual membership fee was increased to R820 (including VAT) for the current year. The fee continues to represent excellent value for money for members investing in their continuing knowledge. Given the healthy financial state of the IAS and our desire to attract membership, especially young up and coming analysts, the Board is cognizant of the need to limit membership fee increases whilst ensuring the fee is aligned to the financial position and affords the Board the means to execute on its Constitutional mandate.

As at 31 December 2015 the membership numbered 1 550.

The majority of members adhere to the behavioural ethos and professional standards required by the Society. Nevertheless, no shows at presentations with few, if any, apologies given for such and attendance at presentations without prior acceptance have continued. The Board has clamped down on unwarranted business solicitation with one individual in particular suspended. Incidences of transference of invitations to non-members when they occur and brought to the attention of the Board are also dealt with. One member was admonished as he brought the Society into disrepute by libelling the CEO of a company and denigrating that company's results presentation via social media. The Constitution and Guide to Behaviour and Conduct are quite clear as to what is expected.

During the course of 2015, the Society continued to provide its members with access to relevant services and products and initiatives to further the educational and continuing professional development mandate.

Financial results or corporate action presentations are done by JSE listed companies and other organisations or companies planning to list through the auspices of the IAS. We encourage publically listed companies to do presentations to the Society that coincide with the release of financial results via the Stock Exchange News Service of the JSE. This is now standard best practice in propagating transparency and building confidence in good corporate governance. The IAS represents all aspects of the capital markets and its membership reflects this.

Educational events may be hosted in conjunction with other bodies such as CFA South Africa and the JSE. The presentations done in Johannesburg and Cape Town by Dr Frans Cronje of the Institute of Race Relations, 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 examples of ongoing educational events.

This past year the Board authorised substantial further investment in the Investment Analysts Journal, the premier financial publication in South Africa for academic and practitioner papers. The education budget, which is separate from the Journal, has been increased to R100 000. 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. The Journal has the objective of publishing original research in the areas of finance and investment with a balance between what is theoretical and what is required for professional practical use. Members of the IAS gain access to the Investment Analysts Journal online.

As I indicated in my 2014 Chairman review, the Board entered into a publishing agreement with 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 commits to a publishing subvention in sterling with the rand sterling exchange rate capped. The Publisher contributes to the Society's expenses in an agreed amount and undertakes to sponsor an annual Journal article prize in the form of Taylor & Francis book vouchers.

It was my pleasure, as Chairman, of the Investment Analysts Society of South Africa NPC, to announce the appointment of two distinguished academics as joint editors of the Investment Analysts Journal in June 2015 after much preparatory work and negotiation.

With effect from June 2015, the Investment Analysts Society of South Africa NPC, as proprietor of the Journal, entered into a written editorial agreement with Professor Christo Auret and Professor Robert Vivian, both well-known cited academics with professional reputations that precede them both.

Professor Christo Auret is Professor of Finance and Professor Robert Vivian is Professor of Finance & Insurance, School of Economic and Business Sciences, University of the Witwatersrand.

A substantial commitment is being made with respect to the funding, supervision and guardianship of the Investment Analysts Journal by the Society to ensure its continuing success. The first issue of the Journal was dated November 1972 making this the 44th year of publication. The Investment Analysts Journal shall continue to be published in three volumes annually and the Board is seriously considering a special edition aligned to the South African Finance Association annual conference.

On behalf of the Board, I extended our gratitude to Christo and Robert for agreeing to assume this prestigious editorial role.

The Board is also grateful to the University of the Witwatersrand for their support, encouragement and financial contribution to the editorial process.

The Board also welcomed Liezel du Plooy as Editorial Assistant and entered into a memorandum of agreement with her.

Due to this exciting new initiative there was some delay in processing manuscripts. I communicated to contributors, asking for their forbearance in this regard until the review cycle normalised, which it subsequently did.

Christo and Robert have assembled a 15-member Editorial Board of peers who contribute to the double-blind peer review process. The Editorial Board is comprised of highly qualified research academics and practitioners in investment and corporate finance. Nine board members are local and six are from international institutions.

I thank all those people who have contributed to this outcome and to those individuals who will each in their own way contribute in future to the highest standards of scholarship. The Board looks forward to taking an active interest in the progress of the Investment Analysts Journal.

The Board also established a Journal Committee this year comprising Mark N Ingham and Mike F Brown and this committee is tasked with overseeing Society's proprietorial interest in the journal. An excellent relationship has been established with Christo, Robert and Liezel and there is regular written and verbal communication and meetings. The IAS keeps open lines of communication with Taylor & Francis. The Journal is in good hands and is well resourced.

To promote rigorous and appropriate academic research in the investment field the Society will continue to sponsor an annual award. The annual prize is currently R25,000 as incentive for outstanding research and the winner also receives the famous IAS squirrel.

Professor David Taylor, Director of the African Institute of Financial Markets & Risk Management at the University of Cape Town was the author of the 2014 winning article and recipient of the Investment Analysts Journal prize. His paper is entitled "Modelling South African single-stock futures option volatility smiles."

To give perspective to Professor Taylor's achievement it is worth noting that fourteen articles were published in 2014 from academic institutions in nine countries. Of the fourteen articles, three were submitted from South Africa. On average only 13% of manuscripts received make the cut for final publication. your work.

Both Professor Auret and I communicated formally with Professor Taylor in regards to his accolade. On behalf of the Board I wish to again extend sincere congratulations to Professor Taylor and we are particularly delighted that it was a South African who led the way in producing world-class excellence and originality.

The 2015 award will be communicated shortly to the Board by Professor Auret and the recipient, together with Professor Taylor, will be acknowledged at the annual the IAS awards function held on Tuesday the 21st of June 2016 at the Johannesburg Stock Exchange.

The annual Excellence in Financial Reporting and Communications Awards cocktail and presentation function was held for the 30th time at the JSE on 11th of June 2015. The Awards event was broadcast live on Business Day TV for half an hour and this was followed by a networking cocktail function attended by Society members and executive management of winning companies.

Sector awards were handed out to fourteen companies. Tongaat Hulett was the overall winner and also the winner in its category. The winners of the various categories are posted on the Society website 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. The award for the best article published in the Investment Analysts Journal for the period 2014 was held over until this year and so there will be two recipients on the 21ST of June 2016.

The Samrec (South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves) award was also presented last year with the winner for 2014, awarded in 2015, being Sibanye Gold Limited.

These awards are made in accordance with responses to the marking forms circulated to members. 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.

During calendar 2015, the Society hosted 232 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.

Encouragingly, the IAS is today hosting more presentations than before the global financial crisis in 2008 and a third more than in 2010, which speaks to the relevance of timely and appropriately targeted financial, strategic and governance disclosure.

	2015	2014	2013	2012	2011	2010
Johannesburg	142	155	133	129	126	92
Cape Town	82	96	90	88	89	76
Durban	5	6	5	7	5	5
Port Elizabeth			1	1	1	1
Webcasts only	3	0	0	0	0	0
Totals	232	257	229	225	221	174

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 31st of December 2015, the Society continued to run an operating surplus and recorded net income of R337 262. Together with an unrealised loss of R20 149 on revaluation of available for sale investments, R317 113 was transferred

to reserves which amounted to R2 965 669, an increase of 12% on the prior year. Total assets as at the 31st of December 2015 amounted to R4 097 536 versus R3 492 742 as at the 31st of December 2014.

Members are referred to the audited financial statements for the year ended 31 December 2015 for further detail they may wish to glean.

The executive portfolios held as at 31st of December 2015 and as at the date of this AGM are as follows:

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

The Investment Analysts Society of South Africa (NPC) concluded a successful 2015 and continues to be relevant and beholden to its purpose, adaptive to the requirements of the investment analysts profession, and is a longstanding advocate and supporter of high quality research that furthers learning. I look forward to further progress and development.

I submit my Chairman's report for adoption.

 Mark N Ingham
 12th of May 2016

COMMENT CLEM GOEMANS

It was suggested that questions at presentations had become meaningless as he felt many attendees held specific one on one meetings with presenting companies. CG stated that in fact this was not in fact the case. Many companies were very aware of Best Practice and although road shows did take place – the fact that they could reach a target audience was beneficial and they were happy with this approach

PROPOSED COR VAN ZYL
 SECOND GARRETH ELSTON

3. FINANCIALS

An audited and signed Copy of the Society Financials to December 2015 were made available to the meeting. This showed the Society's finances were sound and in good shape.

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 composition of the Committees as set out in paragraph 5 of the Directors report was highlighted to the members present.

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

Total assets at year end stands at R4 097 536 compared to R3 492 742 the year before and cash and cash equivalents at year end stands at R1 948 107 compared to R2 205 321 the year before. Available-for-sale investments at year end stands at R2 136 661 compared to R1 263 253 the year before. Note 1 to the AFS gives a breakdown of how these investments are made up.

Total Income has grown by 2,9% compared to the year before while the expenses were on par compared to the year before. The margin on our Presentations income sits at 64,3% compared to 61,9% the year before.

Net operating income for the year stands at R121 132 compared to R73 116 the year before and the total comprehensive income for the year stands at R317 113 compared to R280 696 the year before.

Overall the financial position of the NPC at the end of December 2015 is sound.

Clem Goemans

Commented on the investment side and queries why funds were withdrawn from Satrix and later reinvested. It was stated that unexpected expenses (namely Journal) had occurred and funds required towards end of the year. This was an unusual situation. Journal sponsor Wits – came in early with their sponsorship – resulting in funds then being available for investment in Satrix and

It was stated that should members require a copy of 2015 Annual Financial Statements they are available from Ann Marie Wood.

PROPOSED CLEM GOEMANS
SECONDED MIKE BROWN

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 2016.

PROPOSED COR VAN ZYL
CONFIRMED MARK INGHAM

5. THE ELECTION OF OFFICE BEARERS

To elect three members of the Executive Committee in place of

**P R DU TOIT
M F BROWN
M H HODGSON
J THERON**

PROPOSED CHRIS GILMOUR
SECONDED COR VAN ZYL

The above retire by rotation but are eligible, and offer themselves for re-election with the exception of MH Hodgson

The remaining members of the Executive Committee are –

**A D THOMPSON
M N INGHAM
C G GILMOUR
CPJ VAN ZYL**

PROPOSED MIKE BROWN
SECONDED JACQUES THERON

To accept the re-election of former board member

GARRETH ELSTON

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

PROPOSED COR VAN ZYL
PROPOSED MIKE BROWN

6. GENERAL

There was nothing further – the meeting ended with thanks from the Chair