

**MINUTES OF THE 48TH ANNUAL GENERAL MEETING OF
THE INVESTMENT ANALYSTS SOCIETY
HELD ON WEDNESDAY 16 MAY 2017 AT 13h00
AT THE JOHANNESBURG COUNTRY CLUB**

ATTENDING

NAME	SURNAME
MIKE	BROWN
CHRIS	GILMOUR
CLEM	GOEMANS
PHUMZO	KHONZEKA
LUNGILE	MALINGA
JACQUES	THERON
ARTHUR	THOMPSON
COR	VAN ZYL
ANN MARIE	WOOD
DANA	YERUSHALMY
ANDY	CLAY
SINAMVA	DIABANTU

PROXIES:

PROXY NAME:	SURNAME	IAS MEMBER
CHRISTOPHER	GILMOUR	JOHN CARR
JACQUES W	THERON	CLIVE DOUGLAS
ANN MARIE	WOOD	LEON WINTERBOER
CHRISTOPHER	GILMOUR	PETER DU TOIT
CHRISTOPHER	GILMOUR	FRANK REUVERS
CHRISTOPHER	GILMOUR	MARK INGHAM

APOLOGIES:

NAME	SURNAME
CHRISTO	AURET
PETER	DU TOIT
GARRETH	ELSTON
MARK	INGHAM
AMAN	JEAWON
FRANK	REUVERS
GEOFF	ROTHSCHILD
WOUTER	VILJOEN
ROBERT	VIVIAN
LEON	WINTERBOER
RUBY	ROSENBERG

1. MINUTES

The minutes of the previous AGM held on 26 May 2015 had been placed on IAS website. The meeting confirmed the minutes. CG pointed out that this the 38th AGM was the first Peter du Toit missed since 1980. Quite an achievement

2. CHAIRMAN'S REPORT

Chairman's Report for the year ended 31 December 2016

Mr Christopher G. Gilmour

The 2016 year in review

This is the 48th Annual General Meeting of The Investment Analysts Society of South Africa (NPC) reporting on the activities of the Society for the year ended 31 December 2016.

The Investment Analysts Society of South Africa (NPC) is a non-profit company that represents investment professionals in South Africa and was registered in 2013 as such under The Companies Act, 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 and continues to function as a liaison body for the investment analyst profession.

The Board of Directors 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 maintains an administrative office at West Square, 407 West Avenue, Johannesburg, shared with CFA South Africa.

During 2016, the Society continued to provide members with access to relevant services and products and initiatives that further its educational and continuing professional development mandate. Through the auspices of the IAS, financial results and corporate actions of listed companies and other organisations, or impending listing presentations, were made to members.

Acknowledgments and Thanks

Executive Officer Mrs Ann Marie Wood manages the day-to-day administrative affairs and I record my appreciation for her outstanding contribution.

The Society employs Ms Zia de Araujo, Assistant to the Executive Officer, and Ms Maria Makgato, Office Assistant. Again, their contributions are valued and acknowledged.

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

I make the following specific mentions:

- Chief Financial Officer, Mr Cor van Zyl, and the financial affairs of the IAS, including the budgeting process and monthly reporting of income and expenditure, are in his excellent hands.
- Ransome Russouw for their services as independent auditors.
- Past Chairman Mark Ingham and board member Mike Brown, for their responsibility for the Investment Analysts Journal. This publication has reached new heights under their guidance and is rapidly climbing the ranks of international investment/finance journals.

- Mr Garreth Elston as Deputy Chairman, also responsible for assessing member applications.
- Mr Arthur Thompson for ongoing sage advice and guidance, and tabulating marks for the annual company awards for reporting excellence.

Role of the IAS

The global investment market was a very difficult place in which to operate during 2016, and tumultuous political events made the investment decision-making process especially difficult, such as the unexpected win for the “Leave” campaigners in the UK’s referendum on EU membership and Donald Trump’s US presidential win. Against this background, organisations such as IAS have an ever more valuable role to play.

There is an increasing tendency internationally for companies to dispense with physical presentations and rely solely on webcasts and other telephonic/electronic means of disseminating investment information to stakeholders. While understandable in certain instances where time pressures, traffic congestion and other factors conspire to make attendance at physical presentations difficult, the IAS firmly believes that non-physical presentations are “second prize” and nothing substitutes for the ability to gauge a speaker’s confidence and performance in front of a live audience. Networking after the presentation with peers in the investment industry is also extremely valuable and unavailable on tele/webcasts.

The IAS undoubtedly has the broadest reach of any local investment body and therefore the best method for a company wishing to quickly and efficiently disseminate its message to the widest possible audience. It is thus incumbent upon the Board to convey these advantages to potential corporate presenters.

Membership

During the year to December 2016, 127 paid up new members were accepted, comprising 47% investment analysts, 18% fund/ asset managers, 2% stock brokers, 24% corporate financiers, 4% in audit, and 5% in private equity, journalism, company management, credit analysis or retired.

The annual membership fee was increased to R900 (including VAT) and 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 and aspiring analysts, the Board is cognizant of the need to limit membership fee increases while ensuring the fee is aligned to our financial position and affords the Board the means to execute on its Constitutional mandate.

As at 31 December 2016 total membership was 1 520.

By far, most members adhere to IAS behavioural ethos and professional standards. Nevertheless, ‘no shows’ at presentations with no prior or belated apologies, and attendance at presentations without prior acceptance of an invitation, persist and we continue to address this poor behaviour.

Continuing Education

In 2016, the Board decided to greatly increase its educational effort and to that end, launched an Education Sub-committee, with members being C G Gilmour, A D Thompson, M F Brown and A M Wood.

Educational events were hosted in conjunction with other bodies such as CFA South Africa and the JSE. Presentations from Dr Frans Cronje of the Institute of Race Relation; the CFA Annual Conference; and the CFA Research Challenge for university students are examples of ongoing educational events. Post year-end we hosted an outstanding presentation by Mr Alastair Campbell of Vantage Green X, an expert in the field of renewable energy. The Board aims to greatly increase the number of these types of presentations as a special value add for members.

We also donated R25 000 to five worthy educational charities – READ Education Trust; EDUCATION Africa (NPC); Alexander Education Committee; Student Sponsorship Programme to fund five children’s text books for one year; and Peninsula School Feeding Association.

Investment Analysts Journal

We continue to prioritise the Investment Analysts Journal, 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 accredited by the South African Department of Higher Education and Training. It publishes original research in the areas of finance and investment with a balance between theory and what is required for professional practical use, and IAS members have online access. outstanding

The journal continues to gain international recognition, largely due to Mark Ingham’s highly focused involvement. Special thanks are also due to Mike Brown, who breathed new life into the publication some years ago, as well as to its professional and diligent editors, Professors Christo Auret and Robert Vivian of Wits. The Board is also grateful to Wits for its wide-ranging support of the project.

To promote rigorous and appropriate academic research in the investment field the Society continues to sponsor an annual award, currently R25 000, as incentive for research, and published in the IAS journal, with the winner also receiving our the famous IAS squirrel.

Excellence in Financial Reporting and Communications Awards

The annual Excellence in Financial Reporting and Communications Awards presentation function was held at the JSE in June 2016, broadcast live on Business Day TV, and followed by a networking cocktail function attended by Society members and executive management of winning companies. There was an especially strong turnout from the CEOs of listed companies, which hopefully reflects the seriousness they attach to these awards.

Fourteen 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 Society members. Arcelor Mittal SA was overall winner and winner in its category. Results are posted on the Society website www.iassa.co.za.

These awards are made in accordance with marking forms completed by members. To ensure we have a wide and representative sample of views on how companies report, all members are encouraged to participate.

The results tabulation process is mathematically precise and an accurate reflection of member feedback. Categories are regularly refined to ensure the business activity of a company correctly reflects in its peer ranking.

Award for best article published in the Investment Analysts Journal during 2015 went to Professor Adam Zaremba of Poznan University in Poland for his *“Country selection strategies based on value, size and momentum”*. Professor David Taylor of Cape Town University who won the Journal Award for 2014, received his prize alongside Professor Zaremba.

The Samrec (South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves) award was won by AngloGold Ashanti.

Company Presentations

During 2016, the Society hosted 254 presentations by JSE listed companies and other organisations. Increasingly and in line with global trends, presentations are accompanied by the latest webcast technology which enables remote access for those unable to attend.

Encouragingly, the IAS is hosting more presentations than before the 2008 global financial crisis and 46% more than in 2010, which speaks to the relevance of timely and appropriately targeted financial,

strategic and governance disclosure. We are pleased to see our Durban members being able to attend more presentations.

	2016	2015	2014	2013	2012	2011	2010
Johannesburg	153	142	155	133	129	126	92
Cape Town	89	82	96	90	88	89	76
Durban	10	5	6	5	7	5	5
Port Elizabeth	1	0	0	1	1	1	1
Webcasts only	1	1	0	0	0	0	0
Totals	254	230	257	229	225	221	174

Associations

The IAS maintains and initiates associations with organisations which have common interests and from which our members derive value. The more important are:

CFA South Africa: The Society and CFA South Africa cooperate in matters that mutually benefit their members and the local investment professional community.

International Investment Societies: Notwithstanding our association with CFA South Africa, the Society maintains a 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 the company making best disclosure of Mineral Resources in its financial results.

Financial Results and Position

The Society remains in a healthy financial position. For the year ended 31 December 2016, it posted net income of R327 370, and after an unrealised loss of R124 385 on revaluation of available-for-sale investments, R202 985 was transferred to reserves, which now total R 3 168 654, an increase of 7% on the prior year. Total assets as at 31 December 2016 amounted to R4 372 088 compared to R4 097 536 as at 31 December 2015.

IAS members are referred to the audited annual financial statements (available at the AGM and on request) for further details, and to extracts on the website AGM results.

Board and Management

The executive portfolios held as at 31 December 2016 and date of this AGM are as follows:

Chairman	C G Gilmour
Deputy Chairman	G E Elston
Chief Financial Officer	C J P G Van Zyl
Board Member	P R Du Toit
Board Member	A D Thompson
Board Member	J W Theron
Board Member	M F Brown
Board Member	D M Yerushalmy (appointed 26 July 2016)
Board Member	Lungile Malinga (appointed 28 March 2017, post year-end)
Executive Officer	A M Wood
The following persons are acknowledged as rendering valuable services to the Society:	
Auditors - Ransome Russouw	Mr Hennie Russouw and colleagues

The Investment Analysts Society of South Africa (NPC) concluded a successful 2016 and 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 further progress and development.

I submit my Chairman's report for adoption.

PROPOSED - ARTHUR THOMPSON
SECONDED - CLEM GOEMANS

3. FINANCIALS

An audited and signed Copy of the Society Financials to December 2016 were made available to the meeting. This showed the Society's finances were sound and in good shape.

SUMMARY OF THE CFO'S REPORT ON THE FINANCIAL STATEMENTS AT THE AGM OF THE IASSA NPC HELD ON THE 16 MAY 2017:

The Audited Financial Statements (AFS) for the year ending 31st December 2016 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 on the actuals versus the budget.

Total assets at year end stands at R4 372 088 compared to R4 097 536 the year before and cash and cash equivalents at year end stands at R2 271 399 compared to R1 948 107 the year before.

Available-for-sale investments at year end stands at R2 078 658 compared to R2 136 661 the year before. Note 1 to the AFS gives a breakdown of how these investments are made up. As per Note 5 of the AFS a further investment of R500 000 was made from our cash resources into the Satrix 40 portfolio subsequent to year end.

Total Income has grown by 10,1% compared to the year before while the expenses have grown by 9,5% compared to the year before. The margin on our Presentations Income sits at 68,4% compared to 64,3% the year before.

Net operating income for the year stands at R142 254 compared to R121 132 the year before and the total comprehensive income for the year stands at R202 985 compared to R317 113 the year before.

Overall the financial position of the NPC at the end of December 2016 is sound.

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 2017.

PROPOSED MIKE BROWN
CONFIRMED JACQUES THERON

5. THE ELECTION OF OFFICE BEARERS

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

**A D THOMPSON
M N INGHAM
C G GILMOUR
C J P G VAN ZYL
G E ELSTON**

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

To ratify the following board member who joined during the past financial year

DANA M YERUSHALMY

LUNGILE N MALINGA

The remaining members of the Executive Committee are –

**P R DU TOIT
M F BROWN
J W THERON**

PROPOSED COR VAN ZYL
PROPOSED MIKE BROWN

6. GENERAL

Samrec – ADT drew attention to the fact that Andy Clay had resigned from serving as the society representative on the Samrec committee and CG expressed thanks for all he had done. =MB asked AC to chat briefly on global standards which he outlined to the meeting

Financials – Clem Goemans commented as follows:

He queried whether the funds on call could not be better utilised by being held in Unit Trusts or similar – it was agreed that was a matter for the Investment Committee to discuss

He further asked whether the auditors submitted financials to CIPC and it was felt this was the case but AMW would confirm

He queried whether the mark down was worse this year – CVZ stated that as at end April this situation was improved due to the element of fees being received for 2017 in advance

Presentations – Clem Goemans stated that the society was to be congratulated with the increase in presentations

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