

**MINUTES OF THE 52nd ANNUAL GENERAL MEETING OF
THE INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 22 JUNE 2021 AT 13h30
VIA MS TEAMS**

PRESENT

**ARTHUR THOMPSON (ADT)
MIKE BROWN (MB) Chairman
MARK HODGSON (MH) Treasurer
MARK INGHAM (MI)
EBEN MARE (EM)
INGRID GOODSPEED (IG)
NOMTHA NGUMBELA (NN)
CLEM GOEMANS (CG)
ALEX MCINTYRE (AM)
ANDRE JOUBERT (AJ)
MARTIN HARRIS (MH)
ANN MARIE WOOD - Executive Officer (AMW)**

PROXY - ALAN FELTMAN - ARTHUR THOMPSON

APOLOGIES PETER DU TOIT

MB Chaired the AGM and welcomed those present, due to COVID 19 no live meeting could be held as in the past and thus this meeting was held by MS Teams. The required quorum for the meeting was satisfied and MB thanked all members attending.

1) MINUTES

The minutes of the 51st Annual General Meeting held on 23 June 2020 were confirmed - these were tabled on IAS site

**PROPOSED - MARK HODGSON
SECONDER - ARTHUR THOMPSON**

2) CHAIRMAN'S REPORT

**Chairman's Report to the Annual General Meeting of the Investment
Analysts Society - For Year Ended 31 December 2020**

22 June 2021

2020 in Review

MB welcomed members to the 52nd Annual General Meeting of the Investment Analysts Society (NPC), reporting on activities for the year ended 31 December 2020

The past year saw the IAS generate an operating deficit of R520 190 compared with R76 418 deficit for the 2019 financial year. As a result of reduced company presentations to the Society's members, revenue fell by 8,5%, but the Society was able to reduce its operating costs to limit the operating loss. We generated profits on the management of the Society's investments and the comprehensive deficit for the year was R244 306 compared with a deficit of R57 936 in 2019.

The IAS balance sheet reflected assets of R3 963 327 at end-2020. The Society is in a sound financial position.

About the IAS

The IAS is a non-profit company representing investment professionals in South Africa. Through its auspices, financial results and corporate actions of listed companies and other organisations, or impending listing presentations, such as asset and fund managers, equity and credit analysts, corporate financiers and private equity investors. It also provides members with access to relevant services and products and initiatives that further its education and continuing professional development mandate.

First registered as an "association not for gain" in 1968, it was incorporated in 2014 as a non-profit company under The Companies Act, and celebrated its 52nd anniversary during the year under review.

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

The Society maintains an administrative office at West Square, 407 West Avenue, Ferndale, Johannesburg South Africa.

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

- SAMREC (the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves): The Society is represented on the Samrec Committee by Bruce Williamson and provides a joint award, with Samrec, to mineral resource companies making best financial results disclosures.
- JSE
- SAIFM – approved regulator for CPD credits

The Executive Officer is Mrs Ann Marie Wood, supported by Mrs Zia De Araujo and Ms Maria Makgato.

Membership

There has been a steady decline in members over the past ten years. In 2010, the IAS had a membership of 1824 investment professionals, which number has declined to 770 members as at May 2021

The past decade has seen a consistent decline in people employed in the South African investment industry, with the number of stockbroker, asset managers and investment companies declining in accordance with the consolidation taking place in the industry, the poor conditions in the SA economy and the falling numbers of companies listed on the JSE.

| IAS MEMBERSHIP | | | | | | | | | | | |
|----------------|----------|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| May 2021 | May 2020 | May 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| 770 | 926 | 1 071 | 1 317 | 1 423 | 1 520 | 1 550 | 1 614 | 1 658 | 1 705 | 1 849 | 1 824 |

We have undertaken a number of initiatives to make the Society more relevant to its current and prospective members. These include:

- Increasing the educational offerings to members including masterclasses

- The provision of Continuous Professional Development (CPD) points to members for many of the events staged by the Society.
- We have recently extended the awarding of CPD points for members attending company presentations, either live, or through digital links
- The process of developing an Investment Portal to allow members to access corporate presentations either virtually or on-line is nearing finalisation.

Company Results Presentations

During 2020, the Society hosted 82 presentations, which were webcasts, made by JSE listed companies, to IAS members. This was a significant decline on the 138 presentations hosted in 2019 however bear in mind these were live presentations held in Cape Town and Johannesburg.

| COMPANY PRESENTATIONS TO THE IAS | | | | | | | | | | | |
|----------------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Johannesburg | | 93 | 118 | 134 | 153 | 142 | 155 | 133 | 129 | 126 | 92 |
| Cape Town | | 40 | 59 | 85 | 89 | 82 | 96 | 90 | 88 | 89 | 76 |
| Durban | | 2 | 5 | 6 | 10 | 5 | 6 | 5 | 7 | 5 | 5 |
| Port Elizabeth | | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 1 |
| Webcasts only | 82 | 3 | 5 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Total | 82 | 138 | 182 | 226 | 254 | 230 | 257 | 229 | 225 | 221 | 174 |

There are various reasons for the decline in corporate presentations to members.

- Most notable is the big decline in the number of companies listed on the JSE which has halved in recent years. Also, many major SA companies have relocated their head offices and listings offshore and tend to focus on the financial community in the primary listing market.

The practice of making company presentations, AGMs and other information available to the investment community via the internet has become commonplace. These virtual presentations can often extend the audience well beyond the members able to attend only live presentations.

- The COVID-19 virus lockdown has given further impetus to companies communicating with investors and the broad financial community by “virtual” connections, with “Zoom” or similar mechanisms being used for one-on-one meetings with financial institutions.
- More and more of the listings on public exchanges, like the JSE, are not single company listings, but are bonds, derivatives, tradable options and warrants, or portfolios of shares like ETFs, ETNs and asset backed securities. The IAS needs to consider how to develop relationships with the issuers of such products and how it can convey their corporate information to its members.

The Board will continue to focus on how it delivers company presentations information to its members, realising that this will increasingly be done on the digital space. We do, however, think that live presentations will be requested by certain companies as part of their package of investor communication and the IAS has to deliver on both live, as well as webcast and other virtual communication presentations. This is the function of the Investment Portal. The Portal will also host research reports on listed companies. We are potentially entering into an agreement with Profile Media and will be in touch further in the next few months

Education Services

Our Education sub-committee focuses on this aspect of the Society, and education events are hosted in conjunction with other bodies.

We will also be hosting, with the JSE, a “company showcase” event in August 2021, focussing on small companies listed on the JSE. It is planned to hold further events of this sort with the JSE, later in the year.

Investment Analysts Journal

The Journal aims to be a dissemination and discussion platform for researchers in financial, investment, corporate finance, accounting and financial economics, both in South Africa and internationally. It specifically encourages submissions from Africa to focus research throughout the region. From 2017, a special annual issue has been introduced to cater for publishing papers presented at the annual Southern African Finance Association conference.

Published by Routledge (Taylor & Francis / T&F), the Journal is included in the Thomson Reuters Social Science Citation Index and accredited by the South African Department of Higher Education and Training. Since partnering with T&F (2015 to date), IAS has been read in more than 100 countries. Currently about 25,7% of downloads come from Africa; 34,3% from Europe, 22,5% from Asia Pacific, and 8,7% from the USA.

To promote rigorous and appropriate academic research in the investment field, the Society continues to sponsor an annual award, currently R25 000, as an incentive for research papers to be published in the IAS Journal.

For the year under review, Journal activities cost a net R250 475 (2019 net cost: R246 131). As the Journal becomes more internationally known, income derived from access by non-IAS members should continue to gradually increase.

The Journal remains one of the higher cost items for the IAS. However, it is an internationally accredited publication, with a rating as the top journal of its kind in Africa. Its international citation score is rising continuously and now is one of the highest for investment journals of this type in the Southern Hemisphere.

It attracts papers submitted for consideration by the Editors from countries around the world. In 2020, 244 manuscripts were submitted from 49 countries, with 20 articles selected for publication in the four editions of the Journal published during the year.

The Editorial Board for the Journal now includes international as well as local academic experts and the IAS Board believes the Journal provides considerable credibility for the Society, encourages academic research in the investment field and rewards excellence in such research.

The Society wishes to convey its thanks to the large body of academics who review papers, provide the peer group monitoring required by a Journal of this stature and to Universities and other places of higher learning around the world who support the Journal through their submission of papers and through their subscriptions to the Journal.

Particular thanks are due to our two Editors in Chief, Prof Christo Auret and Prof Robert Vivian of Wits University for their hard work and diligence in raising the international profits of the Journal in recent years. Our thanks also to Mark Ingham, who as an IAS Board member, takes a special responsibility for the Journal and has contributed considerably to its success.

Excellence in Financial Reporting and Communications Awards

With regard to the annual Excellence in Financial Reporting and Communications Awards – no event took place but awards were made in accordance with marking forms completed by members

12 awards were made to listed companies in the main sectors of the JSE for outstanding financial reporting and communications excellence, and for the best presentations to Society members, as well as overall winner. There are also joint Samrec/IAS awards for reporting in the minerals sector; and for small capitalisation companies.

The IAS also made a special award to the best published article in the Investment Analysts Society Journal for 2020. The award went to Journal Karam Kim, Doojin Ryu, Heejin Yang Investor Sentiment Stock Returns and analyst recommendation KOPSI stock market Vol 48 Issue 2

These awards are listed on our website

The upcoming awards are due to take place on 4 August 2021 via zoom

Board and Management

The Executive Committee members and the portfolio positions they hold as at the time of the AGM, are as follows:

| | | Portfolio/s |
|--------------|--------------|---------------------------------------|
| Board Member | P R du Toit | Finance; Investment; Audit |
| Board Member | A D Thompson | Finance; Investment; Audit |
| Board Member | M N Ingham | IAS Journal |
| Board Member | N Ngumbela | Education |
| Board Member | I Goodspeed | Society Relationships |
| Board Member | M F Brown | Finance; Investment; Audit, Education |
| Board Member | E Mare | IAS Journal |
| Board Member | PMM Hodgson | Treasurer |
| Board Member | K McLachlan | Society Relationships |

The Chair position has been vacant since the resignation of Lungile Malinga in September 2019. Mike Brown was asked to take on the role of Acting Chair during 2020 and as at 2021 has been voted Chair of the Society.

The Board, which consists of volunteers from the members of the Society, are thanked for their contributions to the management of the IAS.

Particular thanks are due to Ann Marie Wood, the Chief Executive of the Society, Zia De Araujo and Maria Makgato, who manage the offices of the Society, for their outstanding contribution to the support of all members and for their efficiency in organising company presentations, educational meetings and other events. They have continued to function most effectively during the past year of the COVID-19 lockdown and the Board is very grateful for their support.

M F Brown

22 June 2021

The Report of the Chair is submitted for adoption.

PROPOSED KEITH MCLACHLAN
SECONDED ARTHUR THOMPSON

3) Financial Report to the Annual General Meeting of the Investment Analysts Society - For Year Ended 31 December 2020
22 June 2021

MH advised that having only joined the board late 2020 he would augment further some of the salient financial indicators for 2020 financial year which the Chairman had already highlighted.

2020 revenue fell by 8.5% to R1.39m, with net presentation revenue declining by 10.2% compared to the more significant subscription revenues declining by 7.6%. Expenses decreased by 3.9% to R1.99m. While administration and management expenses at R1.45m decreased by 1.3%, after adjusting for the conference fee in 2019 which was absent in 2020, admin and management expenses increased by 3.1%. The deficit from operating activities before finance income increased 8.4% to R 609 744. Finance income decreased 47.9% to R 89 554 from lower interest rates and reduced bank related investments. The operating deficit before realised investment gains so excluding R 314 051 taken above the line in 2019 was R 520 190 compared to R 390 469, an increase of 33.2%. The Covid 19 pandemic impact has escalated existing negative trends, thereby accelerating the operating performance decline.

The net cash flow used in operating activities of R 430 892 in 2020 was funded by a net disposal of investments of R 408 709. Compared to a net purchase of investments in 2019 of R 552 261 this is a negative swing of R 960 970. Available for sale investment funds excluding the staff investment fund at 31 December 2020 was R 3 172 219, a decrease of 4.7%, net of disinvestments and market movements.

Our financial results reflect three years of incremental operating losses before taking into account non-operating investment related gains or losses. While the Society has a decent financial position, supporting its ability to continue as a going concern over the short to medium term, current trends indicate ongoing financial challenges.

P M M Hodgson

22 June 2021

IAS members are referred to the detailed audited financial statements for the year ended December 2020, which are tabled at the AGM and available on request to members

PROPOSED ARTHUR THOMPSON
SECONDED EBEN MARE

4) AUDITORS

The meeting was asked to confirm the appointment of RANSOME RUSSOUW as auditors. The board was given the authority to approve the audit fee for 2021

PROPOSED NOMTHA NGUMBELA
SECONDED INGRID GOODSPEED

5) ELECTION OF OFFICE BEARERS

5.1 To elect 5 members of the IAS Board in place of

A D THOMPSON
M N INGHAM
I GOODSPEED
N NGUMBELA
E MARE

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

5.2 To ratify the following board members who joined during the past financial year

K H McLACHLAN
P M M HODGSON

5.3 To accept the resignation of

P R DU TOIT

The remaining member of the IAS Board is -

M F BROWN

Special note should be made of the resignation of Peter du Toit who had been a valuable asset to the Society having served on the board for many years. Peter has been made an honorary member which is well deserved.

6. GENERAL

MB advised the meeting of the resignation of Ann Marie Wood who had advised the board that she wished to retire and would serve her 6 months notice period. Therefore she would be leaving the employment of the Society at the end of 2021. MB commented that she would be greatly missed and we were privileged as a non profit organisation to have had her services as Executive Officer for 25 years. The meeting offered their thanks to AMW and wished her well in her retirement.

We had embarked on cost cutting and as a result Maria Makgato was in the process of being retrenched. Maria has been with the Society for 17 years and it was with a heavy heart this decision had been made. The board offered their thanks to Maria and could confirm that she was happy with the financial pay out as well as her share of the ETFSA staff investment fund

Clem Goemans raised the following

- 1 AFS Note 3.1 Tangible assets – should this not read “Intangible assets”? Are not all Assets shown in the Balance Sheet Tangible?
MH replied that there were no intangible assets in relation to IAS only investments and receivables with office equipment being written off
- 2 Investments – I hope the FD will report to the AGM on the Total Shareholder Return earned by the Investments during 2020 and the preceding 4 years. As Investment managers and analysts it behoves the board to ensure they optimise the long term return on the Society’s funds, for the benefit of members and the wider investment community –
MB advised he would provide him with historical returns on investments and mentioned that the Investment sub committee had met recently and that it had been agreed a CPI+4 target for the investment objective.
- 3 Thanks also for the good work you do for the Society and the wider investment community and special thanks to Peter du Toit who had served the society for so many years. Clem also thanked the society for awarding him Honorary member status which he greatly appreciated.

Alex McIntyre sought further clarity on the Portal

Alex mentioned that he provided research reports for various entities and asked how this would be protected if available to all on the portal.

KB stated the portal could be approached as a market place for users and companies where analysts could put up their reports which could be commissioned or free or charged.

The intention is to create a neutral common portal market place functionality

MB advised that we were in the process of partnering with Profile Media to host a virtual platform with preferential and specific access offering a broad reach and value to listed companies and to the members of the Society.

Clem Goemans asked if there was any precedent in other markets and KB advised that this was a unique initiative. MB advised further information would be forthcoming in upcoming months

MB stated that any attendee who was interested in volunteering to serve on the Board of the Society to please send their CV to Ann Marie Wood

Mike Brown thanked all for attending and closed the meeting at 14h25. GG, seconded by AM, proposed a vote of thanks to the Chairman.