

MINUTES OF THE BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY HELD ON  
TUESDAY 26 OCTOBER 2021 via TEAMS AT 12H30

**PRESENT**

MIKE BROWN (MB) Chair  
ARTHUR THOMPSON (ADT)  
MARK INGHAM (MI)  
MARK HODGSON (MH)  
KEITH MCLACHLAN (KM)  
INGRID GOODSPEED (IG)  
NOMTHA NGUMBELA (NN)  
EBEN MARE (EM)  
JAMIE YALDYWN (JY) CEO

**1. WELCOME**

MB welcomed those present. The minutes of the September 2021 meeting were confirmed. MB introduced Jamie Yaldwyn, the new CEO. MB noted that recent minutes were unsigned and suggested JY arrange electronic signatures for the Chair and Other Board members.

**2. FINANCIALS**

Mark Hodgson had tendered his resignation as at 4 October 2021, which was accepted by the board. Although it was not imperative, MB felt it would be useful to have a Treasurer – who was a CA on the board. AMW felt this was important, and members were asked to look out for someone suitable. MB stated the position would require the Treasurer to oversee monthly and annual financial statements, draw up a budget and chair the audit committee

The financials schedule for September 2021 from the auditors had been distributed to the board, for which MB extended his thanks. AMW advised that auditors would provide a monthly report going forward. MB stated that we continue to see a deficit, and it was worrying that subscriptions were below budget, but it could be that we had, in fact, over-budgeted for member subscriptions. The presentation income, however, was on track.

MI commented that with the balance sheet showing an R873k deficit, this takes assets to under R3-m, which is R1-m short on the previous year. This could mean in 2 to 3 years; we could be out of cash.

MB agreed there had been cash flow out of assets for capital and recent portal costs, which was reducing assets. He felt that towards the end of the year, we would need to do some work on next year's financials. A discussion was required on what measures could be taken to reduce outflow and to allow for future capital costs, on the development of the portal, for instance. We also needed to concentrate on reducing expenditure on the journal, events,

etc. KM felt we should continue ongoing dialogue with JSE and others regarding subsidies/sponsorship

### **3. MEMBERSHIP**

The membership was currently 770, having received 7 resignations/left the industry

Applications received from:

Luther van Zyl – Nodus – Corporate Finance

Ian Brink – Argon Asset – Equity analyst

Their referees were good, and they were suitable for membership. MB asked that a board member sign off on these applications. AMW to attend to this and liaise with ADT.

Subscription invoices were being sent out on 2 November 2021

### **4. PRESENTATIONS**

A list is provided below

### **5. GENERAL**

#### **JOURNAL**

#### **SAFA conference and practitioners day – 10 – 14 January 2022**

MI advised there would be a 4<sup>th</sup> edition of the Journal for the best papers presented at the SAFA Conference – the quality of which last year were good. MB mentioned he had seen a swing from academic to practical papers presented at SAFA.

AMW had arranged 5,5 CPD credits for the practitioners day on 14 January 2022 and, due to the mistakes made by the organisers last year, had been insistent as to how it should be handled. The organisers were confident they had all in place, but AMW was concerned regarding the virtual option and was still working with them on this.

MB advised that Christo Auret had asked about a 50th anniversary edition of the Journal in 2022. MI felt that the cost involved prohibited a special issue and suggested that one of the editions in 2022 - near the November anniversary date - could be flagged as the anniversary issue – this was agreed to by the board.

#### **T & F & The Journal Publishing Agreement**

MB and MI had discussed putting together a meeting within the next two weeks with themselves JY and AMW to work out a strategy before a meeting with T&F. MI had chatted to Eleanor Reinders of T&F and delayed the initial proposed meeting to have an internal dialogue. He mentioned that T&F had shown interest in taking over the editorial and copyright of the Journal, but he emphasised that the secretarial position was highly sensitive. A new agreement was due to be signed late next year.

MB reiterated it was important to have a strategy in place before engaging with T&F and if anyone was interested in also attending the above strategy meeting to let him or MI know. He thanked MI for his work on the Journal

## **MASTERCLASS**

Risk Insights were presenting on 10<sup>th</sup> November – on ESG – responses were coming in well, with 38 responses received so far. NN asked whether we had seen non-member attendees seeking membership. AMW replied this has not been the case but felt this would be something the Portal could encourage. MB thanked AMW for her efforts in organising the Masterclasses.

## **PORTAL**

JY presented on the following, slides had been sent in advance to the board, and stated that his meetings with Profile had been very constructive and they were good to work with - comments attached to minutes as an addendum (below)

Intro; Proposed digital strategy includes two phases that can run concurrently; the website refresh and the analyst portal.

Slide 2; define the difference between the portal and the website functions

Slide 3; define the key areas the portal is designed to address

Slide 4; list the sections included in the first public release of the portal

Slide 5; list the following priorities for the portal

Slide 6; define the key areas the website is designed to address

Slide 7; list the next steps in the design and release of the website

## **Heads of Agreement**

MB referred to the above, which was basically a Memorandum of Understanding (MOU) or work in progress document that Profile had asked that we sign. The IAS sub-committee had reviewed and revised the agreement. He stated that the final SLA and Outsource Agreement could not be done upfront until both parties were aware of all functions, share of services and allocation of duties, to make this portal work optimally. In due course, the final agreement would be drafted with an SLA for approval and signature by both parties.

IG stated that she understood this was a Joint Venture linked to an Outsource arrangement. If a JV, both parties were at risk and not all functions were outsourced. MB stated that both parties commit in the Heads agreement to certain functions being outsourced to us and to Profile and agreed that this is a Joint Venture Agreement with an attached Service Level Agreement. It was felt that we should seek an operational JV with delegated responsibilities, both parties having shared and defined costs, responsibilities and functions.

IG questioned the amount of R640k. MB advised that this was the funds currently generated by the Society from presentations, and this was the hurdle rate. After this figure was achieved, the parties in the agreement shared income generated by the portal 50/50. IG stated that with the substitution of a Joint Venture Agreement, rather than an Outsource Agreement, she was happy in principle. ADT noted that this was a transparent partnership with shared assets/liabilities and that the Portal should generate revenue for both parties.

IG referred to the proposal from INCE in the previous year, which appeared to be the same as that of Profile and asked what the reason to go with one and not the other was. ADT stated that we had trust issues with INCE that we did not have with Profile

IG asked whether there would be a balance sheet /income statement and draft budget for JV, and MB agreed there would be a business plan and budget. IG further asked whether governance of the JV would be in place and would be ensured via the final agreement which MB stated was the case, and IG felt this would ensure good controls were in place.

The board agreed to approve the Heads of Agreement and MB, as Chair, was authorised to sign.

**NEXT MEETING – TUESDAY 23 NOVEMBER 2021 via TEAMS 12H30** – MB proposed setting guidelines on Governance as it was necessary to have a procedures in place for the board to function optimally, JY would present his business plan and operational strategy for 2022 at the meeting and this will be added to the Agenda. It was agreed not to have a year-end lunch.

04 11 21	AFRIMAT		WEBCAST	11H00	1
					cpd
08 11 21	REDEFINE		WEBCAST	12H30	0
10 11 21	MASTERCLASS - RISK INSIGHTS ESG		WEBCAST	17H00	1
11 11 21	TFG		WEBCAST	10h00	
17 11 21	SPAR		WEBCAST	14H00	0
18 11 21	INVESTEC		WEBCAST	09/1030	0
30 11 21	CAPITAL APPRECIATION		WEBCAST	14H00	0
7 12 21	SYGNIA		WEBCAST	09h30	
<b>2022</b>					
14 01 22	SAFA INVESTMENT PRACTITIONERS		LIVE	09H00	5,5

Presentation by Jamie Yaldwyn – board meeting 26<sup>th</sup> October 2021

Intro; Proposed digital strategy includes two phases which can run concurrently; the website refresh and the analyst portal.

Slide 2; define the difference between the portal and the website functions

Slide 3; define the key areas the portal is designed to address

Slide 4; list the sections included in the first public release of the portal

NN asked if company contact details would be available on the landing page and JY suggested this could be up to the paying companies but at the same time we needed to encourage people to go to the portal

NN asked whether there would be surveys after results presentations and JY felt there was never a good uptake on surveys but his thought was that the next time a member accessed the portal they could do a short survey monkey with 3 or 4 survey questions but that integrated issue answers were key.

IG asked that all board members have access – JY agreed to provide this

Slide 5; list the next priorities for the portal

KM asked whether this would include asset classes ie ETFs etc and JY replied that equity analysts investigated every other asset class including ETFs, commodities, currencies and the would be included

ADT referred to product offering by JSE and JY stated he had met with a representative in Market Data of the JSE who was happy to arrange meetings with anyone at JSE where we could discuss partnership deals.

KM stated that as JSE had much exposure to small caps we could offer JSE a blanket package for small cap companies. Discussion could include subsidising JSE market data costs which Profile currently incurred.

Slide 6; define the key areas the website is designed to address

Currently the Society paid for every change to the website. JY had sourced web hosts which were cheap at around 2k a year which would mean we would own the site and could make changes at will which would be useful for marketing for new members, communications as well as links to presentations. Next year membership renewals could be streamlined through the site.

JY was working on a dummy site at present

Slide 7; list the next steps in the design and release of the website

MI felt the international aspect was key and stated there were companies who were dual listed and this could encourage buy /sell around the world and provide an extra tool to navigate the markets. He suggested a chat with Charles Savage which JY agreed would be beneficial.

KM stated we should look further than members as those companies leaving JSE still had shareholders and using service providers such as ETFs, commodities etc could feed through. MB asked if KM could provide a list of those who do research.

JY agreed the portal would be a conduit to get to markets and research could be used as a marketing tool free to anyone. For example Anchor happy to give their research to anyone free of charge as they don't have individual portfolios and their research markets the way they think

In discussing revenue from research JY stated this was not restricted to the market place and we would not dictate the cost but would take a cut however could be updated for free or commissioned

EM stated that a lot of members were in formal employ and would not be able to put research on the platform and therefore would be excluded which is something we could consider. The 5 or 6 top brokers would not put their research in the public domain. JY stated they could set a price on the website and any clients who were members could access for free, in addition, when time stripped could make available for free. JY agreed that KM had a great point with regard to other asset classes and that we were going outside of standard equity approach.

MB stated that as we were now at the end of the year we would be able to see design updates and present strategy documents and business plan. We would launch in January 2022. If the board had any further ideas to communicate with himself and JY.