

**MINUTES OF THE 41st ANNUAL GENERAL MEETING OF
THE INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 18 MAY 2010
AT THE JOHANNESBURG COUNTRY CLUB**

Members present

NANCY CHADEHUMBE (NC)
MIKE BROWN (MB)
MARK HODGSON (MH)
MATTHEW HALLOWES (MaH)
JOHAN MARAIS (JM)
PAUL OPPENHEIM
RUBY ROSENBERG
JAN KRUGER
MICHAEL COULSON
IAN CRUICKSHANKS

Apologies

KEITH BRIGHT
ARTHUR THOMPSON
PETER DU TOIT
WILLIAM BOWLER

A list of 5 proxies was received.

The Deputy Chair, NC. welcomed those present. Due notice having been given and as a minimum of 10 members or proxies required for a quorum was present and the meeting was duly constituted.

1. MINUTES

The minutes of the previous AGM held on 26 MAY 2009 had been placed on IAS website.
The meeting confirmed the minutes.

2. CHAIRMAN'S REPORT

**REPORT OF THE CHAIR KEITH BRIGHT read by NANCY CHADEHUMBE
INTRODUCTION**

This is the 41ST Annual General Meeting of your Society and we are reporting on the activities of the Society for the year ended December 2009

The IAS is an association that represents investment professionals in Southern Africa. Its affairs are managed by an Executive Committee, which meets formally at least once a month and Executive

Committee members serve on a voluntary basis and give freely of their time and energy in representing the Society.

The Society is extremely fortunate to be able to call on an office run by our Executive Officer, Ann Marie Wood, who is responsible for the day to day functioning of the Society (this is a role we share her in with CFA South Africa).

During 2009, the Society hosted 200 corporate presentations to members, versus 197 in 2008, a pleasing increase mainly reporting on annual or interim results, but the Society does encourage companies to do trading updates or general briefings to the investment community, when suitable. The breakdown of presentations is as follows:

CORPORATE PRESENTATIONS

During calendar 2009, the Society hosted the following presentations:

	2009	2008	2007	2006	2005
Johannesburg	118	120	114	100	82
Cape Town	81	75	78	56	63
Durban	4	4	4	4	5
Port Elizabeth	1	1	1	-	-

We have also actively encouraged publically listed companies to do presentations to the Society as soon as possible after release of their financial results and are pleased to say that this practice is becoming increasingly common and is looked at as a best practice by a number of companies that pride themselves in their corporate governance standards.

EDUCATION –NONE 2009

Due to the economic downturn the level of support for the IAS courses made them too small to hold at what was considered to be a reasonable cost.

I am however pleased to report that the course for the first half of the current year is in progress as planned.

BEST COMMUNICATIONS AND REPORTING AWARDS

We place a premium on the quality of company reporting to the investment community in general, and specifically, on communication with our members. Our annual “Best Communications and Reporting Awards” honours those companies that, in the considered opinion of our members, are most effective at this.

For the past number of years, the IAS has held an annual awards dinner for the “Excellence in Financial Reporting and Investor Communications”. On, JUNE 11 2009 we held the 24TH dinner and, it was a great success, attended by 160 business leaders and awards were handed out to over 17 companies, NEDBANK was the overall winner.

The survey for the 2010 Awards (covering the year to December 2009) was emailed to members and the results of this and the returns from members attending presentations was collated. The awards were decided and presented early this year ON 22ND APRIL 2010 due to the lack of availability of suitable venues later in the year because of the 2010 Soccer World Cup. The dinner was once again a success with 120 in attendance – Group 5 won the overall award

The winners of the previous awards are posted on our website (www.iassa.co.za) and this year’s results are also available on the site.

TOPICAL PRESENTATIONS

Notwithstanding our association with CFA South Africa, we maintain our direct relationship with the CFA Institute. The IAS is also a member of the International Council of Investment Associations (ICIA). Our previous Chairman, Gareth Elston, attended the ICIA meeting held in Vancouver last May. A report on this meeting is posted on our website.

- **SAMREC**

I represent the Society on the South African Mineral Resources Extraction Committee (SAMREC). To promote and give credibility to the evaluation of our mining companies resources, a joint SAMREC / IASSA award is presented at our Gala Dinner. I also served on the Samcode Committee, which has formulated the Samcode Group of Codes. These codes currently comprise the SAMREC Code and the SAMVAL Code, which are set up and administered by the SSC Committee. This Committee is a joint Committee of the South African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA). The Samcodes set out minimum standards for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC), and for the Public Reporting of Mineral Asset Valuation (SAMVAL).

ACCOUNTING PRACTICES BOARD

Our Society is represented on the APB by member's s Mark Hodgson During 2009.

MEMBERSHIP FEES

The annual membership fees were increased from R370.00 to R440.00(including VAT) for the

PORTFOLIOS

The executive portfolios held at the end of the 2009 year are as follows:

Chairman	Keith Bright
Deputy Chairman	Nancy Chadehumbe
Treasurer	Mark Hodgson
Accounting Practices Board	Mark Hodgson
Annual Awards Dinner	Ann Marie Wood
Bursaries	Nancy Chadehumbe and Ann Marie Wood
Cape Town Representative	William Bowler
Education	Nancy Chadehumbe
CFA SA Representative	Arthur Thompson
General	Peter du Toit
Information Technology	
Extractive Industries	Keith Bright
International	Arthur Thompson
Journal	Johan Marias
Marketing Sub-Committee	Mike Brown, Arthur Thompson and Ann Marie Wood
Mining Specific Activities	Keith Bright
Presentations	Executive Committee

SAMREC	Keith Bright
Executive Officer	Ann Marie Wood
General	Peter du Toit
The following persons are acknowledged as having rendered valuable services to IAS:	
Auditor	Hennie Russouw
Journal : Editors	Prof. Colin Firer and Prof. Eon van der Merwe Smit
Educational Courses	Peter van Ryneveld

In conclusion, the IAS remains in a strong position and remains a vibrant, relevant and financially sound Society.

I have been a committee member for the past 10 years and the chairman for the last two so it is with some regret that I am not offering myself for re-election to the committee but I am of the opinion that new blood and with it new ideas are vital for the continuing success of the society in the current challenging and changing environment.

I thank my fellow committee members past and present who have given much support over the years and to Ann Marie and her team for the smooth running of the day to day events.

On that note I submit my Chairman's Report for adoption.

PROPOSED MIKE BROWN
SECOND JAN KRUGER

Mike Brown, on behalf of the committee and the Society thanked Keith Bright for his hard work over the years and particular whilst Chairman

It is now my pleasure to ask our Treasurer, Mr Mark Hodgson to review the Financial Statements for the year ended 31 December 2009.

Should you require a copy of the 2009 Annual Financial Statements they are available from Ann Marie Wood.

3. FINANCIAL REPORT AND APPROVAL OF THE FINANCIAL STATEMENTS FINANCIAL REPORT 31 December 2009 (Audited)

It is my pleasure to present the audited financial report of the Investment Analysts Society for the year ended 31 December 2009. The 2009 financial year has been especially challenging with an increased deficit of R161 936, due to flat income and rising costs. However the financial position of the IAS at 31 December 2009 remains sound with total assets at R1 780 366 and reserves decreasing by a lower R60 414 to R1 365 116, due to a R 101 522 appreciation in the Satrix investment, which does not impact the Income statement.

In the Income statement 2008 comparatives were restated with the Special Projects fund income and expenditure now incorporated into the main Income statement as the artificial separation is no longer deemed appropriate. The Special Project Fund relates to the past as a means of appropriating surpluses. The restatement reduced the 2008 result from a R189 surplus to a R100 073 deficit. For 2009 income was flat at R999 039, but the mix has moved in favour of subscriptions and entrance fees at 69.4% of income compared with 57.2% in 2008. Interest received reduced -39% to R95 032, due to lower interest rates and diversification into the Satrix investment. The presentation net surplus

reduced to R179 259 in 2009 from R234 896 in 2008, primarily due to the higher cost of bulk emailing. For 2009 subscriptions including VAT increased +12% to 370 on 2008.

Expenses increased +5.6% to R1 160 975. Administration and management expenses increased +25% to R813 928 on 2008. However if CFA recoveries in 2009 and marketing expenses are stripped out the increase is +7.9%. Cost savings were made in journal expenses and bursary expenses.

Approximately 30% of the IAS's assets are in the Satrix 40 and Satrix FINI with the remaining 70% in money market investments compared with 18% and 82% at 31 December 2008. Reserves decreased -4% to R1 365 116 and the majority of liabilities relate to subscriptions for 2010 collected in advance. The net unrealised gain on Satrix investments at 31 December 2009 was R37 654 and the special projects fund balance of R482 806 was transferred into the General reserve during 2009. The cash flow statement reflects cash used in operating activities of R140 173 and a further R89 540 was invested in Satrix.

With further pressure on interest received in 2010 and the imperative to arrest the deficit, the focus will be on expense management and especially limiting more discretionary expenses. A subscription increase for 2010 of +18.9% to R440 including VAT should assist in stabilising the IAS finances. On average the Satrix investment would be expected to deliver a capital return of at least inflation which is not reflected in the Income statement. The IAS must ensure that it continues to offer value to its members while operating efficiently and sustainably.

AUDITED INCOME STATEMENTS

Ruby Rosenberg requested clarification on the Special Projects Fund and MH stated that this was not dying out as such but would be on a discretionary basis.

Ruby Rosenberg felt that bursaries in the past had provided little result and MH stated that bursaries were not awarded to universities etc as in the past but via our IAS Course run by Johannesburg School of Finance as and when available.

Ruby Rosenberg touched on the reduction in entrance fees and AMW stated this was linked to the recession. Michael Coulson stated that he was surprised that in these times we still had so many members.

Mark Hodgson was thanked for all the work he puts in with regard to financials

PROPOSED RUBY ROSENBERG
SECONDED JOHAN MARAIS

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 2009.

PROPOSED JAN KRUGER
CONFIRMED MATTHEW HALLOWES

5. THE ELECTION OF OFFICE BEARERS

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

W H BOWLER
K L BRIGHT
A D THOMPSON
J B MARAIS
P A CONINGSBY

The above retire by rotation but, Messrs Bowler Thompson and Marais are eligible, and offer themselves for re-election whilst Keith Bright would retire and P A Coningsby had moved overseas.

The remaining members of the Executive Committee are –

P R DU TOIT
M H HODGSON
M F BROWN
N N CHADEHUMBE

5.2 To accept the resignation of to the committee of –

P A CONINGSBY
K L BRIGHT

5.30 to accept the nomination of

M I HALLOWES

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

PROPOSED MIKE BROWN
SECONDED MARK HODGSON

6. GENERAL

Ian Cruickshanks noted that, whilst company presentations were of great benefit, several presentations were being held early in the morning which proved difficult for many members. He asked whether this was being encouraged. AMW stated that we could not prescribe to presenting companies but did encourage them to present at suitable times. In many cases roadshows were involved as well as videostreaming overseas and we had noticed a trend towards mid morning or lunch time – which also fitted in well with Summit.

Jan Kruger mentioned that he had been seated with some of the academics at the recent Awards dinner and was impressed with their willingness to involve themselves with the Society. Peter Oppenheim and Norman Mannheimer asked to be added to the marking list. AMW stated the Committee encouraged members to complete marking forms and return to the Society after presentations to assist with the Awards voting

Ruby Rosenberg offered his thanks to Ann Marie Wood and her staff for all they do for the Society and Members.

MB thanked those who had frequently completed Marking forms post presentations as this proved extremely useful.

Peter Oppenheim and Norman Mannheimer asked to be added to the marking list. AMW stated the Committee encouraged members to complete marking forms and return to the Society after presentations to assist with the Awards voting and to contact her if they wished to be added to the active list