MINUTES OF THE 38th ANNUAL GENERAL MEETING OF
THE INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 22nd MAY 2007
AT THE JOHANNESBURG COUNTRY CLUB

Members present

M F Brown (Chairman)
A D Thomson
A M Wood
F J Reuvers
G E Elston
C Levy
J Kruger
C Goemans
R Rosenberg
K Bright
P Coningsby
J Marais

APOLOGIES & PROXIES

A list of apologies and proxies was noted.

The Chairman 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 16th May 2006 had been placed on IAS website.

The meeting confirmed the minutes.

Proposed by: R ROSENBERG

Seconded by: C GOEMANS

2. CHAIRMAN’S REPORT

M F Brown, the IAS chairman reported as follows:

INTRODUCTION
This is the 38th Annual General Meeting of your Society and we are reporting on the activities of the Society for the year ended December 2006.
The IAS is an association which represents investment professionals in Southern Africa. Its affairs are managed by an Executive Committee, elected by the members of the Society. The Executive Committee meets formally at least once a month and has an active round-robin system in place to ensure that all members are fully appraised of, and participate in, any decisions made by the Committee. Executive Committee members serve on a voluntary basis and give freely of their time and energy in representing your Society. I would like to place on record my thanks to the Committee for their strong support over the past year and to attribute the Society’s continued success to the efforts of this Committee and to the strong foundations laid by those who preceded the present Committee.

The Society is extremely fortunate to be able to call on an office run by our Chief Executive, Ann Marie Wood, which is responsible for the day-to-day functioning of the Society. On behalf of the Executive Committee, we would like to table our appreciation to Ann Marie and her team of Zima and Maria for the hard work, guidance and support they provide for our Society.

The South African economy is currently in the eighth year of uninterrupted economic growth and this has translated into favourable conditions for the stockmarket and other financial markets. This positive investment climate has translated into a steady increase in employment numbers in the investment profession in South Africa and the IAS is actively engaged in attracting new entrants to the industry as members of our Society. I am pleased to report that we managed to attract over 200 new members in 2006, but that this new inflow has been offset by a natural attrition of numbers. At the end of December 2006, our total membership was 2004 – very similar to the 2029 members we had at the end of 2005.

During 2006, the Society hosted 159 corporate presentations to members (143 in 2005), 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. We have also actively encouraged publicly 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.

During the course of 2006, the Executive Committee embarked on a new venture for the Society, by providing an educational course for investment students and professionals, developed and operated entirely by the IAS. The IAS “Certificate in Securities Investment Analysis” was launched in January 2007.

In brief, the IAS Certificate covers nearly a year of study, involving four interactive 3 day workshops, written assignments and a year-end exam. Successful candidates will be awarded the IAS Certificate only if they attend all the workshops and obtain passing grades in all written assignments and tests. The IAS course covers investment markets and regulations, financial modelling, investment analysis techniques and formulas, financial accounting and investment reporting.

The first intake of students was in January 2007 and we are currently considering a further course commencing in July 2007. The Society has outsourced the holding of the course to the Johannesburg School of Finance and has had requests from similar institutions to host the course in future. This could enable us to extend the course to other centres of South Africa. The Executive Committee was concerned that it might be necessary to consider financial support for the Course until it became better known and established in the investment community, but are pleased to report that the intake of students for the January 2007 course enabled us to operate this first course at a comfortable profit.

For the past number of years, the IAS has held an annual awards dinner for “Excellence in Financial Reporting and Investor Communications”. In June 2006, we held the 21st dinner in this series and, it was a great success, attended by over 360 business leaders and awards were handed out to over 20 deserving companies. Last year, for the first time, we published, in association with Business Day, a 4-page supplement in the newspaper the day after the dinner which generated considerable publicity for the award function. Preparation is well underway, for this year’s dinner on 20th June 2007, at the Hilton Hotel and we hope that it will be fully supported by our members.
During 2005, we introduced a new marking system, where Executive Committee members vote on all companies that did presentations to the Society, not only on these presentations, but also on their annual reports and other financial statements, websites and investor relations. This ongoing marking system, joins the questionnaires filled in once a year by our members, in deciding the winners of the various categories for the IAS awards.

The Annual Financial Statements will be presented by our Treasurer as part of this Annual General Meeting, but I am pleased to report that the Society produced a further small financial surplus for 2006 and that our balance sheet and cash reserves remain very strong. I would like to record my thanks to Frank Reuvers, our Treasurer, for the considerable work he devotes to monitoring and managing the financial affairs for our Society.

In summary, ladies and gentlemen, I am pleased to report that the IAS remains a vibrant, relevant and financially sound Society.

It gives me pleasure to report in more detail to members on the Society’s activities for the year ended December 2006.

MEMBERSHIP

Our membership at the end of December 2006 totalled 2004

The Society continues to enjoy a flow of new member applications. Whether the quantity of new members inducted into our society is sufficient to offset the decline in our existing membership base, will be a matter of record for our next AGM.

CORPORATE PRESENTATIONS

During calendar 2006 the Society hosted the following presentations:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
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<tbody>
<tr>
<td>Johannesburg:</td>
<td>90</td>
<td>82</td>
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<tr>
<td>Cape Town:</td>
<td>63</td>
<td>56</td>
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<td>Durban:</td>
<td>5</td>
<td>4</td>
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We actively contact companies that have not before or recently used our services and also follow up on those that have been regular users. We continue to seek presentations that are of value to our members.

A brochure has been developed to market the activities, relevance and benefits of the Society to the JSE listed companies. Corporate Governance and communication regulations and norms make it increasingly important that companies communicate their results and financially sensitive information to the broad investment community. The presentations arranged by the Society for companies to present to our members provide a perfect platform for this purpose.

TOPICAL PRESENTATIONS

We strive to bring to our members, presentations that cover topical and educational subjects, and during 2006, in conjunction with CFA, made available the following to our members in Johannesburg and Cape Town:
John Barras – Ethics in modern financial markets
Dr Ian Shepherdson – Here comes the US Slowdown, how bad and how long?
Bob Clark – Emerging Markets
Bob Garnett – Future Trends in Accounting, including use of fair value reporting

Two Introductions to CFA presentations
Four Webcast presentations, courtesy of the CFA.

In addition, we are able to provide our members with an article from each bi-monthly issue of the CFA Magazine.

Electronic access to the Journal of Investment Management (JOIM), an American publication similar to our Investment Analysts Journal, is made available to our members. IAS members may access a printed subscription at preferential rates.

EDUCATION

Investor education remains one of the pillars of the Society and thus we support the efforts of third-party suppliers of quality educational material. We maintain a very good working relationship with the Johannesburg School of Finance (JSF).

In 2006, JSF has concentrated on assisting Candidates in the 3 levels of the Chartered Financial Analysts qualification.

JSF Analysis of Financial Reports Course held in July 2006, which was fully subscribed

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” honour those companies that, in the considered opinion of our members, are most effective at this. The survey for the 2006 Awards (covering the year to December 2006) have been emailed to members.

I take this opportunity on behalf of the Executive Committee to thank members for their participation in the past and in advance for this year’s survey.

Our 21st Annual Awards dinner was held at the Hilton Hotel in Sandton on the 21 June 2006 and attended by about 360 people; the feedback we received was excellent and the next gala dinner is scheduled for the 20 June 2007. We urge our members to attend this glittering event.

The winners of the previous awards are posted on our website (www.iassa.co.za) and this year’s results will also be available here within a few days of the dinner.

INVESTMENT ANALYSTS JOURNAL

Our journal remains the premier financial publication in South Africa for academic and practitioner papers. A significant portion of the credit for this must go to our hard working editors, Professors Colin Firer of the University of Cape Town and Eon van der Merwe Smit of the University of Stellenbosch. They maintain a rigorous process and a high standard, for which we are grateful.
Two issues, Numbers 63 and 64 of the Journal were published during the year. In keeping with our policy of encouraging the wide dissemination of information and supporting financial education, the Journals from inception are available on our website.

To promote rigorous academic research within South Africa we offer an award, presented at our Gala Dinner termed the “Sanlam Capital Markets/IASSA Award” for the best article published in the Journal in the past year.

Sanlam Capital Markets provides a generous financial incentive to encourage this research and we wish to record our gratitude for this initiative.

Last year the best paper was delivered by Chris Muller and Nadine Sher in Issue 61 of the Journal the title of which was: “Equity Style and Performance Persistence in SA Unit Trusts”

**BURSARIES**

Our bursary program is well established and we again offered 3 students bursaries for post-graduate studies in the financial field during 2006: University of Cape Town, Brett Adams, Theo Ngobeni, University of Pretoria, and Julius Malevu, University of Witwatersrand

Mr Adams has completed his degree and found employment and the remaining students are in the final stages of completing their degrees and we have continued to support them in 2007.

**ASSOCIATIONS**

The Investment Analysts Society maintains and initiates associations with organisations which have common interests and from which our members are anticipated to derive value. The more important of these are:

**CFA Institute**

CFA South Africa (formerly named the Financial Analysts Society of South Africa) was established in November 2001 as a fully independent society. Our Society and CFA South Africa co-operate 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, we maintain our direct relationship with the CFA Institute. The IAS is also a member of the International Council of Investment Associations (ICIA) and we maintain our connection with the European Federation of Financial Analysts Society (EFFAS). Our Vice Chairman, Garreth Elston, attended the ICIA meeting held in Zurich last May and a report on this meeting is posted on our website.

**SAMREC**

Mr Keith Bright represents the Society on the South African Mineral Resources Extraction Committee. To promote and give credibility to the evaluation of our mining companies resources, a joint SAMREC/IASSA award is presented at our Gala Dinner.
ACCOUNTING PRACTICES BOARD
Our Society is represented on the APB by members Messrs. Mark Hodgson and Clem Goemans; the Executive Committee thanks them for their services.

MEMBERSHIP FEES

The annual membership fees were increased from R275 to R300 (plus VAT) for the 2007 calendar year.

PORTFOLIOS

The executive portfolios held at the end of the 2006 year are listed below:

<table>
<thead>
<tr>
<th>Position</th>
<th>Holder</th>
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<tbody>
<tr>
<td>Chairman</td>
<td>Mike Brown</td>
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<tr>
<td>Deputy-Chairman</td>
<td>Garreth Elston</td>
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<tr>
<td>Treasurer</td>
<td>Frank Reuers</td>
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<tr>
<td>Accounting Practices Board</td>
<td>Mark Hodgson and Clem Goemans</td>
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<tr>
<td>Annual Awards Dinner</td>
<td>Ann Marie Wood</td>
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<tr>
<td>Bursaries</td>
<td>Nancy Chadehumbe and Ann Marie Wood</td>
</tr>
<tr>
<td>Cape Town Representative</td>
<td>William Bowler</td>
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<tr>
<td>Education</td>
<td>Garreth Elston</td>
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<tr>
<td>CFA South Africa Representative</td>
<td>Arthur Thompson</td>
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<tr>
<td>General</td>
<td>Johan Marais, Nancy Chadehumbe</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Paul Coningsby</td>
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<tr>
<td>Institute of Extractive Industries</td>
<td>Keith Bright</td>
</tr>
<tr>
<td>International</td>
<td>Arthur Thompson</td>
</tr>
<tr>
<td>Journal</td>
<td>Johan Marais</td>
</tr>
<tr>
<td>Marketing Sub Committee</td>
<td>Mike Brown, Garreth Elston, Arthur Thompson, Ann Marie Wood</td>
</tr>
<tr>
<td>Mining – Presentations and Visits</td>
<td>Keith Bright</td>
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<tr>
<td>Presentations</td>
<td>Executive Committee</td>
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<tr>
<td>SAMREC</td>
<td>Keith Bright</td>
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<tr>
<td>Executive Officer</td>
<td>Ann Marie Wood</td>
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</table>

The following persons are acknowledged as having rendered valuable services to IAS:

<table>
<thead>
<tr>
<th>Position</th>
<th>Holder</th>
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</thead>
<tbody>
<tr>
<td>Auditor</td>
<td>Hennie Russouw</td>
</tr>
<tr>
<td>Journal: Editors</td>
<td>Prof. Colin Firer and Prof. Eon vdm Smit</td>
</tr>
<tr>
<td>Educational Courses</td>
<td>Peter van Ryneveld</td>
</tr>
</tbody>
</table>

In conclusion, I submit my chairman’s Report for acceptance.

Proposed by: A THOMSON

Seconded by: F REUVERS
3. FINANCIAL REPORT AND APPROVAL OF THE FINANCIAL STATEMENTS

Should you require a copy of the 2006 Annual Financial Statements they are available from Ann Marie Wood.

It is now my pleasure to ask our Treasurer Mr Frank Reuvers to review the Financial Statements for the year ended 31 December 2006.

FINANCIAL REPORT
31 December 2006 (Audited)

AUDITED INCOME STATEMENTS

The Surplus for the year ended 31 December 2006 amounted to R28 728 (R16 449 Surplus in 2005) representing a R12 279 positive variance.

Highlights are:

INCOME:
Total Income (after netting off some direct expenses) for the year to 31 December 2006 was R689 643 (R594 356 in 2005), representing an R95 288 increase.

Main Positive Variances were:
- Presentation revenue           R50 734
- Subscriptions and Entrance fees         35 162
- Journal net income           11 474

Negative variances were not material.

EXPENDITURE:
Total expenses were R660 916 (R577 907) an increase of R83 009 over the previous year.

Positive variances were not material.

Main negative variances were:
- Gala Dinner          69 393
- Admin and Management Expenses         10 891

AUDITED BALANCE SHEETS

A comparison of the Balance Sheet at 31 December 2006 with the 31 December 2005 figures shows assets of R1 846 305 compared to R1 809 509 , an increase of R36 796.

In respect of assets, this is mainly made up by an increase in liquid funds of R128 388 and a decrease in debtors of R65 912. Payments in advance decreased by R25 680.

Regarding liabilities, the Retained Surplus is up by R28 728 but the Special Projects Fund is down by R199 042.
Current Liabilities are up by R207 110 of which R25 110 is Accounts Payable and R182 000 Income in advance, as a result of the newly introduced IAS course.
Clem Goemans queried the cost of the dinner and the GE advised the additional costs were incurred by Advertising in Business Day, purchase of small squirrels to be retained by winners, cost of guest speaker as well as additional VIP’s attendance.

Ruby Rosenberg asked for clarification as to funds on call with FNB and it was explained this was in a money market account, available immediately, and earning an excellent return. The R1.4 was with RMB fixed for 6 months.

Charles Levy asked for an explanation on Presentation revenue and Ann Marie Wood advised that this was the standard cost billed to presenting companies for work done on the invitations, emailing and taking responses etc. The meeting was advised that the Society actively sought presentations and marketed the Society. In some instances however there were companies who preferred to use their own database. Jan Kruger queried the lack of mining company presentations and Keith Bright had managed to obtain an undertaking from some that they would use the Society once a year.

Proposed: J MARAIS
Seconded: K BRIGHT

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 2007.

Proposed: A D THOMPSON
Seconded: P CONINGSBY

5. THE ELECTION OF OFFICE BEARERS

To elect four members of the Executive Committee in place of

N N CHADEHUMBE
W H BOWLER
K L BRIGHT
A D THOMPSON

The above retire by rotation but are eligible and offer themselves for re-election – the meeting was asked to accept their re-election. There were no new nominations received for election to the Committee.

The remaining members of the Executive Committee are –

P R DU TOIT
P A CONINGSBY
G E ELSTON
M F BROWN
F J REUVERS
J MARAIS

PROPOSED: J KRUGER
SECONDED: R ROSENBERG
6. GENERAL

Charles Levy brought up the subject of Proxies at Shareholders Meetings. He explained that his shares were held in a nominee company and should his broker forget to send him a proxy he would not be allowed to vote. Jan Kruger raised the same query. Arthur Thompson advised that they should check their mandate with the broker to see whether it specifically stated that they were allowed to vote on behalf of the client. Paul Coningsby stated that company law required that company documents lay out the voting process. Mike Brown advised, and this was confirmed by Charles Levy, that the Strate regulations required proxies to be furnished for shareholders who wished to attend and vote at AGM meetings. This had been introduced when dematerialization of share certificates was implemented and Strate was presumably concerned about the accuracy of electronic shareholding records.

Mike Brown believed that accurate electronic registers of company shareholders were now available to JSE member companies at all times and it should be a simple matter for company secretaries to have a copy of the shareholders register available at AGM or other shareholder meetings. He suggested that the matter be referred to the Executive Committee for further consideration. Mr Levy agreed to this proposal.

Mike Brown advised that as he had completed his 2 years as Chairman, Garreth Elston would now be taking over this office. Keith Bright offered, on behalf of the committee and members, a vote of thanks to Mike Brown.