

**MINUTES OF THE 39th ANNUAL GENERAL MEETING OF
THE INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 20 MAY 2008
AT THE JOHANNESBURG COUNTRY CLUB**

Members present	G Elston (Chairman) A Thompson A M Wood J Marais P du Toit M Hodgson C Levy R Rosenberg C Goemans E G Aspeling P Coningsby
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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 22 May 2007 had been placed on IAS website. The meeting confirmed the minutes.

Proposed by: R ROSENBERG

Seconded by: A D THOMPSON

2. CHAIRMAN'S REPORT

INTRODUCTION

This is the 39th Annual General Meeting of your Society and we are reporting on the activities of the Society for the year ended December 2007.

It is my privilege as incoming Chairman to represent the membership of this wonderful Society. I inherited a Society that had grown stronger under our previous Chairman, Mike Brown, and I once again thank him for his contribution to the Society during his tenure.

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, which is responsible for the day-to-day functioning of the Society (this is a role we share her in with CFA South Africa).

The South African economy is currently in the tenth year of uninterrupted economic growth and this has translated into ongoing favourable conditions for the stock market. Unfortunately certain present economic conditions have seen many sectors of the economy coming off from recent highs but the buoyant commodity sector has continued to steadily drive the South African market. 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 2007, but that this new inflow has been offset by a natural attrition of numbers. At the end of December 2007, our total membership was 2,014 very similar to the 2,004 members we had at the end of 2006.

During 2007 the Society hosted 174 corporate presentations to members, versus 143 in 2006, 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 2007 the Society hosted the following presentations:

	2007	2005	2006
Johannesburg:	100	82	90
Cape Town:	68	56	63
Durban:	5	4	5
Port Elizabeth	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

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).

During 2007 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 and we conducted two course intakes during the year.

In brief, the IAS Certificate covers nearly a year of study, involving four interactive 4-day workshops, written assignments and an end of year exam. Successful candidates are awarded the IAS Certificate only if they attend all the workshops and obtain passing grades in all written assignments and the exam. The IAS course covers investment markets and regulations, financial modelling, investment analysis techniques and formulas, financial accounting and investment reporting. The Society has outsourced the holding of the course to the Johannesburg School of Finance.

Our first IAS Certificate Course completed their examinations in November 2007 and a total of 45 students attended the two intakes (23 students in each). Nine certificates were awarded for the initial examination and the pass rate was 39%.

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 2008 Awards (covering the year to December 2007) have been emailed to members.

For the past number of years, the IAS has held an annual awards dinner for “Excellence in Financial Reporting and Investor Communications”. On June the 20th 2007, we held the 22nd dinner and, it was a great success, attended by over 360 business leaders and awards were handed out to over 17 companies, Investec was once again the overall winner. Post event feedback we received was excellent and the next gala dinner is scheduled for June 2008.

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

TOPICAL PRESENTATIONS

We strive to bring to our members, presentations that cover topical and educational subjects, and during 2007, in conjunction with CFA South Africa, made available the following to our members in Johannesburg and Cape Town:

Presentation	Jack Gray	Avoiding Short-termism
Presentation	Jay Taparia	What is the World Learning?
Presentation	John Barras	Ethics Workshop
Presentation	Matt Orsagh	Corporate Governance
Presentation	SRI Actuarial	
Web cast	Aswath Damodaran	Debt and Value
Web cast	Edward Altman	Current Credit Conditions
Web cast	G Kasten	Post-modern Portfolio Theory
Web cast	L Kiefer	Investment Policy Best Practice
Web cast	M Barton Waring	Myth of the Absolute Return Investor
Web cast	R Shiller	Irrational Exuberance Revisited

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

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

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 65 and 66, of the Journal were published during 2007. In keeping with our policy of encouraging the wide dissemination of information and supporting financial education, all 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 for the best article published in the Journal in the past year. The previous sponsor, Sanlam Capital Markets, has not renewed its sponsorship of the award for 2008. Your society will now assume full sponsorship of the award in line with encouraging financial research and the Society will provide a R25,000.00 financial incentive to encourage this research.

Last year the best paper was produced by: C. J. Auret and R. A. Sinclair the title of which was: "Book-To-Market Ratio and Returns on the JSE."

BURSARIES

The Executive Committee has decided that future bursary funds will be exclusively utilised to assist deserving students to attend the IAS' Securities Investment Course.

Corresponding once the current student remaining bursary student, Theo Ngobeni, has completed his studies at the University of Pretoria during 2008, no further external bursaries will be financed.

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). Our previous Chairman, Mike Brown, attended the ICIA meeting held in New York last May and a report on this meeting is posted on our website. The IAS also attended the Asian Securities Analysts Federation (ASAF) conference held in New Delhi in October last year, this report is also available.

SAMREC

Mr Keith Bright represents 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. Garreth Elston 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 Southern 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 Public Reporting of Mineral Asset Valuation (SAMVAL).

ACCOUNTING PRACTICES BOARD

Our Society is represented on the APB by members Messrs. Mark Hodgson and Clem Goemans.

MEMBERSHIP FEES

The annual membership fees were increased from R300 to R330 (inc VAT) for the 2008 calendar year.

PORTFOLIOS

The executive portfolios held at the end of the 2007-year are as follows:

Chairman	Garreth Elston
Deputy-Chairman	Keith Bright
Treasurer	Frank Reuvers and Mark Hodgson
Accounting Practices Board	Mark Hodgson and Clem Goemans
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	Johan Marais and Nancy Chadehumbe
Information Technology	Paul Coningsby
Extractive Industries	Keith Bright
International	Arthur Thompson
Journal	Johan Marais
Marketing Sub Committee	Mike Brown, Garreth Elston, Arthur Thompson and Ann Marie Wood
Mining Specific Activities	Keith Bright
Presentations	Executive Committee
SAMREC	Keith Bright
Executive Officer	Ann Marie Wood
The following persons are acknowledged as having rendered valuable services to IAS:	
Auditor	Hennie Russouw
Journal: Editors	Prof. Colin Firer and Prof. Eon vdm Smit
Educational Courses	Peter van Ryneveld

During the year our long-serving treasurer, Frank Reuvers, retired from the Executive Committee after many years of service to the Society. On behalf of the Society I would like to express our deepest thanks to Frank for his great contribution through the years. We though welcome Mark Hodgson as our new treasurer and look forward to his presence on the Executive Committee for many years to come.

In conclusion, the IAS is in a strong position and remains a vibrant, relevant and financially sound Society and I submit my chairman's Report

Proposed: C GOEMANS
Seconded: J MARAIS

It is now my pleasure to ask our Treasurer Mr Mark Hodgson to review the Financial Statements for the year ended 31 December 2007.

3. FINANCIAL REPORT AND APPROVAL OF THE FINANCIAL STATEMENTS

FINANCIAL REPORT

31 December 2007 (Audited)

AUDITED INCOME STATEMENTS

The Surplus for the year ended 31 December 2007 amounted to R153 435 (R28 727 Surplus in 2006) representing a R124 708 positive variance.

Highlights are:

INCOME:

Total Income (after netting off some direct expenses) for the year to 31 December 2007 was R880 262 (R689 643 in 2006), representing a R190 619 increase.

Main Positive Variances were:

Subscriptions and Entrance fees	R 73 918
Interest received	57 591
Presentation	47 498

There were no negative variances.

EXPENDITURE:

Total Expenses for the year to 31 December 2007 were R726 827 (R660 916 in 2006), representing a R65 911 increase.

Main Positive Variances was:

Gala Dinner	R 12 561
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Main Negative Variances were:

Admin and Management fees	R 61 010
Web site development and computer	14 213

AUDITED BALANCE SHEETS

A comparison of the Balance Sheet at 31 December 2007 with the 31 December 2006 figures shows assets of

R1 874 631 compared to R1 846 305, an increase of R28 326.

In respect of assets, this is mainly made up by an increase in liquid funds of R32 286 and a decrease in debtors of R2 280. Payments in advance decreased by R1 680.

Regarding reserves, the Retained Surplus rose by R33 435 but the Special Projects Fund decreased by R75 560.

Current Liabilities increased by R70 451 of which R122 451 is Accounts Payable while Income in advance decreased by R52 000.

Should you require a copy of the 2007 Annual Financial Statements they are available from Ann Marie Wood.

The treasurer asked if there were any questions:

Clem Goemans asked some further enlightenment on the Special Projects Fund and Arthur Thompson advised that this was for items of a long term capital nature. Ruby Rosenberg asked for clarification on the bursaries with regard to the Course and Special Project Funds. Garreth Elston advised that it was the Society's intention in future to award bursaries to potential students on the IAS Course but this had not been done in the 2007 year being our first year – the current bursaries were for students at Universities finishing their degree and their sponsorship via IAS. Once the current student completed his degree no University bursaries would be awarded.

Proposed: R ROSENBERG

Seconded: P DU TOIT

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

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

The above retire by rotation, but are eligible and offer themselves for re-election. Mr F J Reuvers does not offer himself for re-election.

The remaining members of the Executive Committee are –

N N CHADEHUMBE
W H BOWLER
K L BRIGHT
A D THOMPSON
J B MARAIS

To accept the nomination to the committee of –
P M M HODGSON

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 10.

Proposed C GOEMANS

Seconded R ROSENBERG

6. GENERAL

- 1) Ruby Rosenberg wished to express further thanks to Ann Marie and her office
- 2) C Goemans asked whether the number of companies presenting to the Societies was improving. Garreth Elston stated that the presentations, as indicated in his Statement, was up again this year and that the Board actively pursued companies to present.