

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY  
HELD ON TUESDAY 18 AUGUST 2020 AT 12H30 VIA ZOOM**

**PRESENT**

MIKE BROWN (MB)  
INGRID GOODSPEED (IG)  
MARK INGHAM (MH)  
ARTHUR THOMPSON (ADT)

**APOLOGIES**

PETER DU TOIT (PDT)  
EBEN MARE (EB)

**NO SHOW**

NOMTHA NGUMBELA (NN)

**1.1 WELCOME & MINUTES**

The minutes of the previous meeting held on 28 July 2020 were confirmed

**INVESTMENT ANALYSTS SOCIETY OF SOUTH AFRICA NPC  
MONTHLY FINANCIAL REPORT  
JULY 2020**

**STATEMENT OF COMPREHENSIVE INCOME**

**OVERALL RESULT**

The net surplus for the period ending 31 July 2020, amounted to R352,665 versus a budgeted surplus of R270,667. The positive variance is the result of journal income being collected in the first quarter of the financial year.

**INCOME**

Total income for period to date ending 31 July amounted to R1,257,251 compared with the budgeted income of R1,491,159. Subscription income received to date amounted to R929,193, vs. the budgeted amount of R1,005,178. A shortfall was recorded in renewals and new subscriptions.

Net presentation revenue for the year to date amounted to R260,195 vs. the budgeted revenue amount of R342,133.

Investment income to date amounted to R67,863 compared to the budgeted amount of R91,349.

**EXPENSES**

Total administrative expenses for the year to date amounted to R800,945 vs. the budgeted expenditure for the period of R964,319. The variance is due to the staff employment cost budgeted over 12 months. Operational income exceeded the

budget mainly as a result of the journal revenue recorded in January and the cancellation of the awards function.

## **STATEMENT OF FINANCIAL POSITION AND CASH FLOW**

Cash at bank of R417,863 as at the end of July 2020 comprises First National Bank Current account, money market investment and the 7-day notice accounts.

The investments comprise ETFSA investments for an amount of R3,488,431 (including the staff retirement investment of R362,444). During the month, R1,000,000 was withdrawn from the Nedbank Investment Core investment. R500,000 was invested in Satrix Msci China and R500,000 transferred into the FNB accounts. The ratio of cash/money market investments to ETFSA equity investments stood at 89.3% to 10.7%. During July, a growth of R113,789 (excluding the monthly staff investment contribution of R4,300) was recorded.

## **GENERAL**

The operating results (in particular membership and presentation income) were adversely affected as a result of the lockdown and uncertain economic climate due to the Covid-19 pandemic.

14 August 2020

MB reported that ETFSA investment was doing well with 43 per cent offshore and 14 in commodities up from R2,781 at the beginning of the year to R3,251 including recent withdrawal of R500k

### **2.1 MEMBERSHIP**

There were no new applications this month

IAS Subs 2020 –The membership totalled 972

### **2.2 PRESENTATIONS**

A list of presentations detailed below. These were webcast events. CPD were arranged with most of them where a recording would be included on IAS hub and questions submitted. AMW felt there was a positive buy in for CPD from presenting companies.

### **2.3 GENERAL**

#### **2.3.1 CFA SA and IAS meeting**

The report by MB/ADT had been distributed to board

Nothing further to report at this time we will follow up in due course

### **2.3.2 CORPORATE GOVERNANCE**

ADT suggested that until there is a clear outcome with CFA SA , who have more than enough Corporate Governance documentation in place, it would be in our best interests to wait till we see a way forward. It was requested that the outstanding Conflicts of Interest Statements be completed and returned to AMW

### **2.3.3 BOARD**

MB chatted to Keith McLachlan who had showed interest in joining the Board. It was suggested to follow procedure where MB was asked to liaise and request his CV for board discussion. MI had been unable to contact Mark Hodgson to rejoin the board due to time constraints– Mark was board member and treasurer for many years. He is based in CT but due to virtual meetings this would not be a problem. AMW was asked to approach him offering the board's wholehearted support.

AMW mentioned that Garreth Elston, was interested in rejoining the board. MB stated that there may be some resistance from current board members . When asked ,MI advised he was not keen at this stage and preferred to wait for the outcome of the current potential new members. It was agreed not to extend an invitation to rejoin.

### **2.3.4 Stock Research**

This had been circulated to board. ADT and MB felt that smaller companies were being left out. JSE 's trade was 90 per cent Top 40 and felt we could play a role in small caps reaching members.

Potentially forming a focus group (ie Mark Hodgson. Ernest Kaplan, Mark Ingham and others) offering independent or sponsored research which could offer prominence in investor's eyes. Webcast or zoom could work well

MI was asked for comment as to his approach which he provided in detail, highlighting that foreign coverage was proving very popular compared to local investments.

He mentioned that he had a relationship with IT Markets where they offered packages including Q&A which were very well attended and it felt it wouldn't take much to tailor for listed companies

MB felt that this could make the Society a conduit for research in a global environment and spread our wings and include small cap companies

### **2.3.5 CRISA**

ADT and MB had met with CRISA who were seeking to update the Code (from 2011). They felt this had been a useful conversation but that there was little traction. They would need to get Asset Managers to take an active interest and seek endorsement. IG asked who was the strong driving force which was not clear.

MI stated there was a lot of talk on ESG and Sustainability but at the end of the day companies were there to make profits for their Investors. IG understood that they were required to make a decent return but that this should not be at the cost of the environment.

MB felt that the Society should be able to put pressure on companies to do the right thing

## 2.4 NEXT MEETING

The next Board meeting would be held on **22 September 2020 at 12h30** by Zoom

2020 - IAS MEETINGS: (PROVISIONAL DATES)				
	TIME	DATE	ROOM BOOKED	
	12h30	22 September 2020	Zoom	
		24 <sup>th</sup> September – Heritage Day 28 <sup>th</sup> September – Yom Kippur		

CPD

METAIR	WEBCAST	14H00	NO
GOLDFIELDS	WEBCAST	16H00	NO
IMPERIAL	WEBCAST	10h00	CPD
NEDBANK	WEBCAST	16H00	CPD
BIDVEST	WEBCAST	10H00	CPD
GRINDROD MURRAY & ROBERTS	WEBCAST	09H00	NO
RCL	WEBCAST	12h00	CPD
	WEBCAST	11H00	NO
SEA HARVEST	WEBCAST	10H00	CPD
EMIRA	WEBCAST	10H00	CPD

LIBSTAR	WEBCAST	10h00	CPD
JSE IAS SMALL CAPS	WEBCAST	10H00	CPD
MMI	WEBCAST	11H00	CPD
GROWTH POINT	WEBCAST	11H00	CPD
SANLAM	WEBCAST	09h00	tbc
DISCOVE RY	WEBCAST	10H00	NO