

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 28 JULY 2020 AT 12H30 VIA ZOOM**

PRESENT

MIKE BROWN (MB)
INGRID GOODSPEED (IG)
NOMTHA NGUMBELA (NN)
MARK INGHAM (MH)
ARTHUR THOMPSON (ADT)
PETER DU TOIT (PDT)
EBEN MARE (EM)

1.1 WELCOME & MINUTES

The minutes of the previous meeting held on 23 June 2020 and Strategy meeting held on 14 July 2020 were confirmed

2. FINANCIALS

**INVESTMENT ANALYSTS SOCIETY OF SOUTH AFRICA NPC
MONTHLY FINANCIAL REPORT
JUNE 2020 – 6 MONTH RESULTS**

STATEMENT OF COMPREHENSIVE INCOME

OVERALL RESULT

The net surplus for the 6 months ending 30 June 2020, amounted to R501,748 versus a budgeted surplus of R368,646. The positive variance is the result of journal income being collected in the first quarter of the financial year.

INCOME

Total income for year to date at end of June amounted to R1,212,463 compared with the budgeted income of R1,414,783. Subscription income received for the 6 months to date amounted to R926,671, vs. the budgeted amount of R998,227. A shortfall was recorded in renewals and new subscriptions.

Net presentation revenue for the year to date amounted to R222,695 vs. the budgeted revenue amount of R293,257.

Investment income to date amounted to R63,097 compared to the budgeted amount of R78,299.

EXPENSES

Total administrative expenses for the year to date amounted to R678,958 vs. the budgeted expenditure for the period of R826,559. 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 R119,120 as at the end of June 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 R3,857,069 (including the staff retirement investment of R344,871). The ratio of cash/money market investments to ETFSA equity investments stood at 97% to 3%. During June, a growth of R61,258 (2%) (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.

MI queried the drop in presentation income. AMW felt that this had been due to lockdown as well as the time of the year where historically there were fewer presentations. He suggested that we keep an eye on this. MB stated that expenses were also down. Revenue had fallen by 14,3%, but expenses were down by 14,8%. Some expenses budgeted for, like the Excellence in Communications event, would not be incurred in the second half of the year.

MB stated that R500k had been transferred to FNB account to provide society funding which hopefully would carry through to the end of the year.

MB felt that the diversification strategy had been positive the portfolio had grown by 8,7% for the year, whereas the Satrix 40 investment would have seen a contraction of 4% for the past year.

10 July 2020

2.1 MEMBERSHIP

There were 16 new applications this month - from PWC and Risk Insights - all were in the industry and listed below

IAS Subs 2020 –The membership totalled 962

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.

JSE Small Caps – scheduled for 3 September – AMW discussing further with JSE

GENERAL

2.3 CFA SA and IAS meeting

MB and ADT prepared a report on the approach to future meetings with CFA SA and highlighted the bullet points below:

- a) *The IAS had a strong brand and we should not lose our identity and this should be preserved*
- b) *The core of the Society was providing members with access to results presentations*
- c) *We offered learning opportunities – as did CFA SA*
- d) *We offered CPD opportunities*
- e) *To avoid poaching members from both sides, there should be no sharing of membership until a merger took place*
- f) *Approval of IAS members for any merger would need to be sought*
- g) *There should be one Constitution for the merged society*
- h) *There should be a combined Board comprising members from the IAS and CFASA boards in a future merged society*
- i) *Staff considerations to be taken into account*
- j) *IAJ could potentially be incorporated into CFA Journal offerings*
- k) *A combined budget for the merged society would stem from a single membership fee and from any other income sources.*

It was felt that a merged society could open the door to international memberships as well as be attractive to the top 40 companies. It was felt the merged society could only add benefit to the SA investment industry

Further ongoing discussion would be arranged with CFA SA and a copy of the report would be sent to all board members.

2.4 IAS WEBSITE/APP

MB had held an informal discussion with Profile Data who felt they may be able to offer the Society an initiative to become the conduit for listed company virtual presentations. Should a proposal from Profile become available a task force could meet to discuss the matter further.

2.5 CORPORATE GOVERNANCE

ADT distributed a draft of Conflict of Interest document to all board members. As there had been no comment it was taken that this could be forwarded to board for signature and return to AMW. A board Code of Conduct was discussed but ADT felt this should be put on the back burner at moment until developments with CFA SA continued. MI stated that the member Code of Conduct and Guide to Behaviour covered much of what was required. It was agreed that all board members should disclose any possible conflicts of interest and submit a Conflict of Interest Statement before the next Board Meeting.

2.6 STRATEGY

This notes from the meeting on 14 July had been distributed to all and the board was happy with the interpretation of the meeting

2.7 BOARD

MI suggested approaching Mark Hodgson to rejoin the board – 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 mentioned that Garreth Elston, could be interested in rejoining the board

It was agreed that board MI would contact Mark Hodgson informally and board to give thought – and report back at next meeting – their thoughts in inviting GE to rejoin

In any case it was noted by IG and NN that CV's should be requested for discussion by board members before accepting any new members

2.8 STAFF

Due to ongoing lockdown it had been approved to purchase a laptop for AMW – cost in region of R22k inc vat.

Staff salaries were reviewed in July and in this regard MB suggested an increase of 5 per cent to which the board agreed. AMW expressed thanks particularly in these trying conditions.

2.9 NEXT MEETING

The next Board meeting would be held on **18 August 2020 at 12h30** by Zoom

2020 - IAS MEETINGS: (PROVISIONAL DATES)				
DAY	TIME	DATE	ROOM BOOKED	
Tuesday	12h30	18 August 2020	Zoom	
Tuesday	12h30	22 September 2020	Zoom	
Public Holidays:		21 st March – Human Rights Day 10 th April – Good Friday 13 th April – Easter Monday (Family day) 9 th - 16 th April – Pesach 24 th April - Ramadan 27 th April - Freedom Day 1 st May - Workers Day 16 th June – Youth Day (Sunday) 10 th August – Women's Day 19 th – 20 th Sep – Rosh Hashanah 24 th September – Heritage Day 28 th September – Yom Kippur		

Miss	Lizelle	Bouwer	PWC	Corp Finance
Mr	Kyle	Drury	PWC	Corp Finance
Mr	Garth	Arenz	PWC	Corp Finance

Mr	Kabelo	Buluwana	PWC	Corp Finance
Miss	Mary	Mathabe	PWC	Corp Finance
Mr	Nick	Dunn	PWC	Mergers & Acquisitions
Mr	Raphael	Ngarachu	PWC	Mergers & Acquisitions
Miss	Tracy	Botha	PWC	Corp Finance
Mr	Yastil	Kunnie	PWC	Corp Finance
Dr	Anushka	Bogdanov	Risk Insights (Pty) Ltd	Prev Member
Mr	Andrey	Bogdanov	Risk Insights (Pty) Ltd	analyst
Mr	Kunaal	Kalyan	Risk Insights (Pty) Ltd	analyst
Mr	Delegate	Hokonya	Risk Insights (Pty) Ltd	analyst
Mr	Thusani	Khwanda	Risk Insights (Pty) Ltd	analyst
Mr	Reginald	Mudunge	Risk Insights (Pty) Ltd	analyst
Mr	Yathin	Maharaj	Risk Insights (Pty) Ltd	Corp Finance

30 07 20	ARCEL OR MITTAL		WEBCAST	10H00	
20 08 20	GOLDFI ELDS		WEBCAST	16H00	
25 08 20	IMPERI AL		WEBCAST	10h00	CPD
26 08 20	NEDBA NK		WEBCAST	16H00	CPD
27 08 20	MURRA Y & ROBER TS		WEBCAST	12h00	COD
27 08 20	GRINDR OD		WEBCAST	09H00	TBC
31 08 20	RCL		WEBCAST	11H00	TBC
01 09 20	SEA HARVE		WEBCAST	10H00	CPD

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01 09 20	EMIRA	WEBCAST	10H00	TBC
02 09 20	LIBSTA R	WEBCAST	10h00	CPD
03 09 20	JSE IAS SMALL CAPS	WEBCAST	10H00	CPD