

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 26 MAY 2020 AT 12H30 VIA ZOOM**

PRESENT CHRIS GILMOUR (CG)
 MIKE BROWN (MB)
 INGRID GOODSPEED (IG)
 NOMTHA NGUMBELA (NN)
 MARK INGHAM (MH)
 ARTHUR THOMPSON (ADT)
 PETER DU TOIT (PDT)

APOLOGIES EBEN MARE (EM)

1.1 WELCOME & MINUTES

The minutes of the previous meeting were confirmed

2. FINANCIALS

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

STATEMENT OF COMPREHENSIVE INCOME

OVERALL RESULT

The reported year to date surplus to April 2020 amounted to R684,530 versus a budgeted surplus of R373,301. The positive variance is the result of subscription income being collected in the first quarter of the financial year.

INCOME

Total income for year to date at end of April amounted to R1,108,839 compared with the budgeted income of R1,070,724. Subscriptions renewals received for the year to date amounted to R869,486, vs. the budgeted amount of R765,218. 869 members renewed their subscriptions out of a budgeted total of 1 000 for the year.

Net presentation revenue for the year to date amounted to R174,926 vs. the budgeted revenue amount of R195,504.

Investment income to date amounted to R49,644 compared to the budgeted amount of R52,199.

EXPENSES

Total administrative expenses for the year to date amounted to R453,636 vs. the budgeted expenditure for the period of R551,038. 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.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Cash at bank of R387,145 as at the end of April 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 R3,771,389 (including the staff retirement investment of R324,995). The ratio of cash/money market investments to ETFSA equity investments stood at 89.9% to 10.1%.

GENERAL

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

At the onset of the pandemic, the investments were adversely affected, but during April the market made a substantial recovery.

22 May 2020

AMW stated that as these were quiet months the revenue was down. MB asked that she prepare 2019 /2020 May to June presentation income for comparison

2.4 MEMBERSHIP

There were 3 new applications this month and AMW advised they were all suitable Investment analysts – they are listed below

IAS Subs 2020 – R1100 inc vat – 922 members had paid with 110 still unpaid. Final notice had been sent once again with a cutoff date of 9th June to be followed by suspension.

2.3 PRESENTATIONS

A list of presentations detailed below. These were webcast events.

Afrimat successfully held a Zoom presentation where attendees responded with their details including ID numbers. The Zoom attendees could be verified as signed in and out to ensure those receiving CPD had remained signed in for at least the 1 hour specified

2.5 GENERAL

2.5.1 CFA SA and IAS meeting 13 May 2020

MB, ADT and AMW had met with representatives of CFA South Africa, namely Nerina Visser, Melville du Plessis and Linda Hawkins. The meeting covered the close relationship in the past and opportunities for closer co-operation in the future. They focused on collaboration as well as possible future merger. It was agreed that both societies could investigate the feasibility of offering membership to both societies at no extra charge. It was also agreed to embark on a process of exploration into the form and structure of a merged society. CFA South Africa to discuss with CFA Institute for guidance and, in particular and, bearing in mind legal, regulatory and operational and financial aspects.

MB felt that first steps would be a collaboration on education events. There were some branding and distribution issues to be resolved. In addition, IAS/CFA were checking the overlap in memberships.

Follow up meeting would be held in due course.

2.5.2 AWARDS

ADT had provided a list of the 2020 winners and prepared a report for discussion including statistics. It was noted that member input had dropped substantially. The overall winner was confirmed as Growthpoint

MI referred to the Journal winner having had discussions with Christo Auret and confirmed that Adam Zaremba had served as overall Judge where he had found the task difficult due to the fact the top 5 were all were written excellent pieces of research. The winner was:

“Investor Sentiment, stock returns and analysts’ recommendation changes; The Kospi stock market” by Karam Kim, Doojin, Ryu and Heejin Yang. IAJ Volume 48 issue 2

The winners would be notified and MI would arrange with AMW

MI pointed out that the Journal had received the most submissions in the history of the Journal

Samrec were working on their winning company and had asked if they could institute a new small squirrel award which they were also finalizing

With current lockdown restrictions it was unclear at this stage as to what form the Awards event would take and this would be held back until there was clarity.

2.5.3 SMALL CAPS collaboration

The JSE wish to collaborate on a Small Cap Company Showcase later in the year. They are seeking our thoughts and ideas on how this would work and who should be invited to present. This was discussed earlier in the year and meetings held with JSE CG/AMW. AMW

had provided potential company names to be invited after chatting to CG, Keith McLachlan and Alan Clark. AMW would distribute this to board for comment and addition

2.5.4 INCE

MB referred to the emails and comments made by board members which had been distributed and attached to Agenda. He indicated the 4 criteria as follows

1. Independence
2. Integrity of membership
3. Non profit status
4. Full control of IAS platform by IAS

Generally it was felt that a JV was not what we sought but rather something on the lines of a fee or Revenue Sharing initiative. It was felt that the APP could be beneficial but consideration had to be given to income streams where it was understood that historical revenues would be ring fenced and new revenues would be on a 50/50 basis. PDT stated that it was imperative that the Society reached a global audience

MI referred to previous document submitted by him to the board which outlined in clause 6 provisions for traditional streams of revenue and ring fencing. MI to resend this document to all.

CG stated that INCE would only participate in a JV and had no interest in anything else. IG referred to the Business Requirement document and asked whether this was not a commitment by the Society. MB explained that this was a statement of work outlining delivery of an app and was not an agreement on implementation of the app.

After much discussion it was agreed that ADT would draft a response to INCE based on Revenue Sharing which he would distribute to the board for comment. AMW would collate these comments into a document to submit to INCE within a week.

2.5.5 STRATEGY

This meeting was postponed until we had some finalization regarding INCE and a better idea of the post-COVID-19 environment.

2.5.6 Board portfolios

This was not discussed but is a c/f item and board to bear in mind below and should be discussed further at Strategy meeting

FINANCE, INVESTMENT AND AUDIT COMMITTEE – PDT/MB/ADT

JOURNAL – MI/EM

EDUCATION - NN

MASTERCLASS CPD - MB

INTERACTION WITH COMPANIES – CG/PDT**FORGING RELATIONSHIPS WITH OTHER SOCIETIES – IG**

MB suggested 'board portfolios' report back every second month

2.5.7 NEXT MEETING

The next board meeting would be held on **23 JUNE at 12h00** by Zoom to be followed by AGM at **13h30**

2020 - IAS MEETINGS: JHB COUNTRY CLUB				
(PROVISIONAL DATES)				
DAY	TIME	DATE	ROOM BOOKED	
Tuesday	12h00 13h30	23 rd June 2020 AGM	Zoom mtg	
Tuesday	12h30	14 th July 2020	Zoom mtg	
Tuesday	17h30	IAS Awards 18 th August 2020 Potential date	JSE	
Wednesday	17h30	IAS Awards 16 th September 2020 Potential date	JSE	
Wednesday	17h30	IAS Awards 4 th November 2020 Potential date	JSE	
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		

NEW MEMBERS: May 2020

27 05 20	DATATEC		WEBCAST	13H00
01 06 20	CAPITAL APPRECIATION		WEBCAST	13H00
04 06 20	SANTOVA		WEBCAST	
10 06 20	SYGNIA		WEBCAST	11H00
17 06 20	STOR-AGE		WEBCAST	

NEW MEMBERS: MAY 2020

SURNAME	INITIAL	COMPANY DETAILS	CODE
Mringa	Mr B	Citadel	ANA
Mzaca	Mr O	Citadel	ANA
Von Reiche	Mr V	Citadel	ANA
		TOTAL: 3	