

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 25 MAY 2021 2021 AT 12H30 AT 51 WEST STREET HOUGHTON
ESTATE & ZOOM**

PRESENT

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

1. FINANCIALS

**INVESTMENT ANALYSTS SOCIETY OF SOUTH AFRICA NPC
MONTHLY FINANCIAL REPORT
APRIL 2021**

STATEMENT OF COMPREHENSIVE INCOME

OVERALL RESULT

The net year to date operating income before investment income for the four months ended 30 April 2021, amounted to R464,865 **(-28%)** versus a 2020 comparative surplus of R643,308. The net year to date operating income after investment income for the four months ended 30 April 2021, amounted to R579,908 **(-15%)** versus a 2020 comparative surplus of R684,530. The R579,908 includes a fair value positive investment gain of R109,433 (with no comparative figure available) and cannot be that meaningfully compared to a rough YTD budget estimate surplus of R355,832 which includes R33,333 of investment income.

INCOME

Total operating income for the four months ended 30 April 2021, amounted to R899,636 **(-16%)** versus the 2020 comparative of R 1,067,617 and **(-6%)** compared to rough YTD budgeted income of R944,896. Subscription income received to date amounted to R761,231 **(-12%)** in relation to 2020 subscription comparative of R869 486 and **(-6%)** vs. the budgeted subscription amount of R813,044. This represents around **796** member subscriptions paid vs. a 2021 budget of **850** member subscriptions.

Net presentation revenue for the four months ended 30 April 2021 amounted to R136,006 **(-22%)** vs. the 2020 comparative of R174,926 and **(+7%)** compared to a rough YTD budgeted pro-rata presentation income of R126,866.

Bank interest R2,298 **(-73%)** versus the 2020 comparative of R8,422 reflecting lower interest rates.

Non-operating related investment income to date amounted to R115,043 including an unrealized investment gain of R109,433 year to date. This compares favorably to an updated 2021 budget for investment income (dividends and ETFSA interest) of R100,000 (previously R87,000).

EXPENSES

Total administrative expenses for the four months ended 30 April 2021 amounted to R450,151 vs. the 2020 comparative of R453,636. Operational expenses surplus at (R15,380) were less than the 2020 comparative surplus of (R29,327) mainly due to higher journal expenses and lower educational expenses.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Cash at bank of R128,182 as at 30 April 2021 comprises First National Bank Current account, money market investment and the 7-day notice accounts.

The investments comprise ETFSA investments for an amount of R3,673,328 (including the staff retirement investment of R397,115). The ratio of cash/money market investments to ETFSA equity investments stood at 3,4% to 96.6%. This highlights cash holdings as unduly low and a realization from ETFSA investments is required urgently.

21 May 2021 – Mark Hodgson

It was agreed that Investment Committee (MH MB KM EM) should arrange a meeting in the next week or so. There were cash flow issues and it is important that AMW receive some funds shortly (R100-R200K) to see the Society through to second half of June and thereafter the Committee to discuss providing funding for the remaining part of the year. The portal /awards expenses were unknown but MB was contacting Profile and Corpcam to discuss sponsorship

In this regard cost savings would need to be implemented and the meeting agreed to look at retrenching Maria Makgata. She had been with the society since October 2016 and MB undertook to contact a legal colleague who would advise us of the way forward. The meeting stated that although reluctant to take this step that the Society was changing and especially with the Profile Platform due to change the face of the Society considerably – there was little choice. AMW awaiting input from MB before taking this further. Her share of the Etsa staff pension fund was 20 per cent.

MH was unsure of what the current ETFSA mandate was and MB would send to him but stated it was the normal discretionary mandate with a conventional long term strategy. MB explained that the portfolio would need to be restructured to meet the cash requirements and liabilities of the Society and a new asset mandate might have to be signed. Last year R500k was liquidated and should be considerably more this year. KM stated that this was a sustainability investment and not a risk investment with an object of managing Society funds efficiently but it might be necessary to reduce capital to pay for the short term liabilities.

APPROVAL OF AFS

IG raised some points for clarification:

Statement on cash flows, duplication of two lines, auditors note and bank charges – these were all valid points which MH would correct with the auditors. MB thanked her for spotting these issues. IG asked, as we did not have a Chair last year, whether we should name an acting Chair in the financials but it was agreed this was not necessary. Once corrections were made the financials were agreed by the board ahead of June 22 AGM

2. MEMBERSHIP

There were no new applications

771 members had paid their 2021 subscription.

3. PRESENTATIONS

A list of presentations detailed below – these were webcast events

4. GENERAL

IAS MASTERCLASS

Masterclass had been arranged with speakers Peter Major and Rene Hochstater on 3 June 2021 – CPD has been arranged and Corpcom had provided a discount on their billing – standing at around R11k. Board members were asked to come up with ideas/ presenters for future events i.e. Block Chain, or other topical titles

AWARDS

The awards meeting had been held (MB KM AMW ADT EB) and after review agreed on the list of winners provided below. The meeting agreed on the award winners

The event was scheduled for 4 August and MB and AMW had met with Corpcom to arrange

MI asked whether these awards would only include those using IAS and MB stated that going forward once platform was in place this could include all listed companies

PROFILE MEDIA – INVESTOR PORTAL

MB was expecting input from Profile in the coming days when he would arrange for himself, KM and AMW to meet with Profile to discuss further. KM had reached out to some analysts who had shown interest and this could be extended once we had some further input from Profile

IAS JOURNAL

It was suggested a meeting be held with T&F and that MI would brief them beforehand with regard to options of them giving first refusal in purchasing the Journal or obtain insight from them on potential cost/profit sharing. MI would advise AMW once contact had been made so that she could arrange a zoom meeting with T&F and any board members who showed interest. The cost of the Journal to the society in the past 6 years was in the region of R1.3-million and R360 000 for the previous 17 years. Although the Journal had grown in stature it was a considerable drain on the Societies funding. The contract with T&F had another 18 months to run

MH stated the proposed chat by MI with Wits regarding the VAT issue on their sponsorship of secretarial costs- was important and hoped this could be done soonest.

SMALL CAPS

KM had provided a list of potential small cap analysts and the board was encouraged to provide further suggestions. AMW is contacting JSE regarding August event – awaiting reply

BOARD

PDT had discussed with the meeting the fact that he would be standing down from the board and would provide a written resignation – he would attend the AGM June meeting. PDT had served the Society well over the years and the board were unhappy to see him leave but understood that due to pressures of work he felt he could not give the Society the time it required.

MB asked members to give thought to potential new board members and KM suggested that an institutional board member would be beneficial . MH stated that anyone contacted should be clear what they are getting into particularly as we stand at the moment.

BOARD MEETING

The next Board meeting would be held on 22 June 2021 at 12h30 followed by AGM at 13h30 at by zoom only

17 05 21	REDEFINE		WEBCAST	12H30	0
21 05 21	INVESTEC		WEBINAR	10h00	1 CPD
25 05 21	DATATEC		WEBINAR	14h00	0
25 05 21	SANTOVA		WEBINAR	11H00	0
27 05 21	AFRIMAT		WEBINAR	11H00	1 CPD
02 06 21	MASTERCLASS; GLOBAL		WEBINAR	17H30	1 CPD

COMMODITY					
10 06 21	SYGNIA		WEBINAR	TBC	1 CPD
10 06 21	TFG		WEBINAR	09H00	0
22 06 21	CAPITAL APPRECIATION		WEBINAR	14h00	0

DAY	TIME	DATE		
Tuesday	12h30 13h30	22 nd June 2021 AGM	Zoom	
Tuesday	12h30	20 th July 2021	Zoom	
Wednesday	18h00	4 th August 2021 IAS Awards	Webinar	
Tuesday	12h30	24 th August 2021	Zoom	
Tuesday	12h30	21 st September 2021	Zoom	
Tuesday	12h30	19 th October 2021	Zoom	
Tuesday	12h30	23 rd November 2021	Zoom	
Public Holidays: 21 st March – Human Rights Day 22 nd March – Public Holiday 28 th March - 5 th April – Pesach 2 nd April – Good Friday 5 th April – Easter Monday (Family day) 13 th April - Ramadan 27 th April - Freedom day 1 st May - Workers Day			16 th June – Youth Day (Sunday) 9 th August – Women’s Day 7 th – 8 th Sep – Rosh Hashanah 24 th September – Heritage Day 16 th September – Yom Kippur	

Confirmed.....date.....