

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY  
HELD ON TUESDAY 24 NOVEMBER 2020 AT 11h00 VIA ZOOM**

**PRESENT**

MIKE BROWN (MB)  
MARK INGHAM (MH)  
ARTHUR THOMPSON (ADT)  
PETER DU TOIT (PDT)  
INGRID GOODSPEED (IG)  
MARK HODGSON (MH)  
KEITH McLACHLAN (KM)

**APOLOGIES**

EBEN MARE (EM)  
NOMTHA NGUMBELA (NN)

**2.0 FINANCIALS**

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

**STATEMENT OF COMPREHENSIVE INCOME**

**OVERALL RESULT**

The net year to date surplus at 31 October 2020, amounted to R35,476 versus a budgeted deficit of R23,271. The surplus at the end of October 2019 was R152,686.

**INCOME**

Total income for ten months to date ending 31 October, amounted to R1,385,573 compared with the budgeted income of R1,720,290. Subscription income received to date amounted to R943,432, vs. the budgeted amount of R1,026,030. A shortfall was recorded in renewals and new subscriptions.

Net presentation revenue for the year to date amounted to date amounted to R371,607 vs. the budgeted revenue amount of R488,762 and 2019 revenue of R497,320. This represents shortfalls of 24% and 25% respectively.

Investment income to date amounted to R70,534 compared to the budgeted amount of R130,498.

**EXPENSES**

Total administrative expenses for the year to date amounted to R1,150,979 vs. the budgeted expenditure for the period of R1,377,598. The variance is due to the staff employment cost budgeted over 12 months. Operational expenses were less than the budgeted amount mainly due to the awards and journal costs being less.

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

Cash at bank of R138,663 as at the end of October 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 R3,436,964 (including the staff retirement investment of R365,342). The ratio of cash/money market investments to ETFSA equity investments stood at 93.1% to 6.9%. No investments or withdrawals were made during the month.

## **GENERAL**

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

14 November 2020

MB stated there was a small surplus at end October. Given the cashflows from new subscribers (R370k), that had been received in November, we should end up in surplus for the year. ADT stated that going forward, subscriptions, presentations fees and limit of outgoings would be an indication of how we would fare in 2021. IG asked about the staff liability and whether this was in the name of staff or IAS. It was explained this was not a Society asset

There were only a few outstanding presentation invoices – these were November events and billed in November. It would appear Basil Read would have to be written off due to their liquidation

An audit meeting was scheduled with the auditors on 1 December at 9 – MB/AMW in person and MH/ADT via zoom. MB stated that we would look at ways of cutting costs and thanked AMW for the work done in this regard so far this year.

The board confirmed a staff Xmas bonus. AMW would pass this on to staff and expressed her sincere thanks to board in these trying times.

## **2.1 MEMBERSHIP**

There were 8 applications this month detailed at the end of these minutes

Subscription invoices had been sent out end October and 351 had paid with 38 resigning/retired/left

## **2.2 PRESENTATIONS**

A list of presentations detailed below. These were webcast events

## **2.3 GENERAL**

### **IAS Masterclass**

NN had shown interest at the last meeting on working with AMW on this. It had been unable to meet personally on this and AMW and NN would liaise virtually

### **CFA discussions**

A reply had been received from CFASA and distributed to the board – It was agreed to have a virtual or live meeting in the new year to keep the process going. The board agreed that any discussions should take into consideration benefits for both society members and mutual co-operation and if CFASA did not see any benefit in IAS offerings then we would reach stale mate.

### **Small Caps and JSE discussion**

KM referred to virtual meeting between JSE/KM/MB/AMW. The JSE were keen to engage with an independent body to offer a multi function research portal/platform. This to include data, research and webinars where users could search or obtain alerts via a registered account. MB stated that the JSE were concerned that stockbrokers were doing less research and a platform was needed where analysts could upload their reports to buy or to provide free and it was envisaged IAS members could view these first and say a week thereafter would be open to public. These reports could also be commissioned by companies.

MB and KB were in talks with Profile Media who were keen to work with us on providing this platform. Results presentations could be managed as could CPD potentially, Profile currently work with 140 listed companies so have a good vision of what would be required.

The JSE could possibly sponsor some of the funding and MB at their request provided a tentative figure. This is a turnkey project where a multi pronged approach could solve many issues and the JSE were keen as they see this as stimulating research in small cap companies.

IG raised branding issue i.e. co-shared and this would be discussed further once Profile provided a proposal MH drew attention to potential legal issues which would also be addressed. He also felt that members should not be forced into this direction as there were other research companies out there and flexibility was important

MB to report back on progress and it was felt this should be handled rapidly

### **CRISA CODE OF CONDUCT**

MB/ADT had met virtually with CRISA regarding the revised code that had now been received for comment. There were not many changes from the previous code other than bringing current focus on Governance, ESG and Sustainability into account. It was agreed to support in principal but not be heavily involved. MB would draft a suitable reply to them prior to the late January 2021 deadline

## SAICA

SAICA this would be carried forward as date of meeting had been put back to later this week

## JOURNAL

MI had forwarded the minutes of the Journal meeting together with comments and it was noted the Journal was going from strength thanks to MI and the editorial team. MI stated that they were working on involving more active editors and MB reiterated the Journal was of a high standard with a good size international editorial Board and contributions.

MB asked MI whether he had been able to obtain a monetary value of the Journal for our balance sheet. MI stated this was not an easy task but T&F were working on this and could possibly provide a 'provisional' value in due course. He felt the value, bearing in mind the potential growth, could be in the millions. The board felt this was of importance and discussion took place on protection of ownership. MB suggested interacting with a trademark lawyer known to him and although MI stated that IAS was all over the T&F website and historical involvement, the board felt this should be taken further and MB would action this. IG referred to Intellectual Property and MB stated this would be protected by a trademark.

## NEXT MEETING

The next Board meeting would be held on **26 January 2021 at 12h30** by Zoom

### IAS MEETINGS:

	TIME	DATE	ROOM BOOKED	
	12h30	26 January 2021	Zoom	
18 11 20		SPAR	WEBCAST	11h30
19 11 20		INVESTEC	WEBCAST	11h30
25 11 20		ARROWHEAD	WEBCAST	11H00
30 11 20		REDEFINE	WEBCAST	10h00
07 12 20		SYGNIA	WEBCAST	TBC

## NEW MEMBERS: NOVEMBER 2020

SURNAME	INITIAL	COMPANY DETAILS		CODE
Abrahamse	Mrs N A	Nedgroup Investments	Business dev manager	FDA
Hokonya	Mr D T	Risk Insights Pty Ltd	Data scientists	ACA
Kalyan	Mr K A	Risk Insights Pty Ltd	Data scientists	ACA
Khwanda	Mr T	Risk Insights Pty Ltd	Data scientist	ACA
Ngcobo	Ms T P	LimaMbeu Investment Managers Pty Ltd	Analyst	ANA
Ragalo	Dr A W	Risk Insights Pty Ltd	Data scientist	ACA
Sathekge	Ms D S	Allan Gray Ltd	analyst	ANA
Tlhabanelo	Mr B	Bopa Moruo Private Equity Fund Managers	Private equity	PE