

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 20 OCTOBER 2020 AT 12H30 VIA ZOOM**

PRESENT

MIKE BROWN (MB)
MARK INGHAM (MH)
ARTHUR THOMPSON (ADT)
PETER DU TOIT (PDT)
EBEN MARE (EB)
NOMTHA NGUMBELA (NN)
MARK HODGSON (MH)
KEITH McLACHLAN (KM)

APOLOGIES INGRID GOODSPEED (IG)

1.1 WELCOME & MINUTES

The minutes of the previous meeting held on 22 September 2020 were confirmed and new board members Mark Hodgson and Keith McLachlan were welcomed.

2.0 FINANCIALS

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

STATEMENT OF COMPREHENSIVE INCOME

OVERALL RESULT

The net year to date surplus at 30 September 2020, amounted to R142,025 versus a budgeted surplus of R74,709. The surplus at the end of September 2019 was R235,368.

INCOME

Total income for period to date ending 30 September amounted to R1,354,901 compared with the budgeted income of R1,643,913. Subscription income received to date amounted to R943,432, vs. the budgeted amount of R1,019,080. A shortfall was recorded in renewals and new subscriptions.

Net presentation revenue for the year to date amounted to date amounted to R341,601 vs. the budgeted revenue amount of R439,885.

Investment income to date amounted to R69,868 compared to the budgeted amount of R117,449.

EXPENSES

Total administrative expenses for the year to date amounted to R1,035,538 vs. the budgeted expenditure for the period of R1,239,839. 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 R238,724 as at the end of September 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 R3,509,267 (including the staff retirement investment of R364,694). The ratio of cash/money market investments to ETFSA equity investments stood at 93.6% to 6.4%. No investments or withdrawals were made during the month.

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 October 2020

MB stated that he was happy to note that the surplus was slightly higher than the budget. Income had fallen short which was expected in current circumstances. He thanked AMW for managing to reduce admin costs. He was hopeful of a surplus or very small deficit at year end.

AMW suggested an audit meeting be held with the board. It was agreed that MH join MB and ADT on the committee and a meeting would be arranged with the auditors to discuss next year's budget and other accounting issues.

AMW mentioned that the 6500 pounds was falling due to T&F – this rate had been fixed at 20 to 1 and hoped that with subs being billed next week funds would come in so that we would not have to take from our investment account.

2.1 MEMBERSHIP

There were 3 applications this month

Kelly Dunn – Nodus – corporate finance
Shaun Cox – Nodus – corporate finance
Louis Storm – Vega Capital - equities

The membership totalled 946

13 resignations had been received since emailing the notice to expect invoice and 14 had left the industry

2.2 PRESENTATIONS

A list of presentations detailed below. These were webcast events. Adapt It and Afrimat would offer CPD and IAS would issue certificates. Approval had been obtained from SAIFM. AMW is engaging with presenting companies regarding awarding CPD

MH asked whether the presentation fee would be increased for 2021 and the meeting felt that this would be unlikely

AMW advised that she was approaching all presenting companies to include the CPD option where they could verify attendance and include ID numbers. KM was surprised that not all companies participated in this initiative and AMW stated that some were just not interested. In some cases even those who were able to verify and agreed to participate did not always want to include the CPD offering detailed in the invite. AMW stated that she intended to include this on the subject line of the emailed invite and did not envisage any objection from companies. The verification is the key and it was up to the companies to ensure this could happen.

2.3 GENERAL

IAS Subs

A notice to members had been sent by AMW and subs invoices would be emailed on 29 October. Each member has been allocated a member number and this appears on invoices.

CFA discussions

MB had prepared a draft reply to CFA correspondence which had been circulated to board

It was agreed to proceed to send to Nerina Visser, President CFA SA and this had been emailed on 19th October 2020. Both ADT and MB felt that the process was getting closer but could take some time. It was important to look at co-operation and adding value to members

Small Caps and JSE discussion

KM referred to his informal discussion with JSE on a proposal with regard to setting up a small cap research model following on his zoom presentation via Business Day with JSE and others. JSE had followed up with an email in this regard which AMW forwarded to MB. KM referred to the lack of coverage of small cap companies on the JSE. Informative discussion took place and it was thought this could include, potentially, the JSE providing sponsorship for the IAS to prepare a viable model where listed companies could have direct access to the IAS members and analysts. Research could be JSE subsidized where independent analysts could post their research for broad dissemination. This was an opportunity to build and stimulate research. Paid for company research could also be accommodated.

PdT suggested this should involve both medium and small caps and it was thought any company not in the Top 40 could participate.

The meeting agreed this could be an important initiative and MB to draft a reply stating we were interested and to set up a meeting which should also include KM

2.28 SAICA

SAICA had requested a virtual meeting with IAS to discuss audit reforms. It was felt that that this was an important meeting and KM and MH, both CA's, would attend with MB. ADT felt it was important that we are acknowledged and have a seat at the table.

SAFA

MB noted that the SAFA annual conference scheduled for 2021 had been cancelled and there had been no call for papers. He asked that MI discuss with IAJ editors the fact that possibly a fourth edition of the journal would not be required in 2021. IAS had in the past published the top papers at this conference in a special edition of the IAS Journal. MI to report back

PROFILE DATA

MB had been in discussions with Profile Data who currently manage the websites of 130 listed companies – mainly small/medium cap. They were interested in working with IAS where our members could access information and presentations of these companies. They would be willing to update IAS site to accommodate. It was suggested Monthly forums could be made available where companies and analysts could get their message across. A draft proposal to be received and distributed in due course.

TOP 100 SUNDAY TIMES AWARDS – November 12, 2020

This is by way of a Zoom presentation and AMW would forward the invite to anyone who wanted to attend. It was important that IAS remained on their mailing list

ETF STUDY

MB had prepared a 20 year statistical study on the ETF industry and was meeting with JSE who had shown interest in promoting. He felt this could be of interest to our members and the board agreed.

MASTERCLASS & OTHER OPPORTUNITIES.

Following on above paragraph, NN raised the question of Masterclasses going forward and offered her assistance in putting these together. At this stage they could possibly be held only via zoom where relevant costs were involved but the meeting agreed these were useful and asked that she put something together and AMW and she could work on these

The ETF study and other JSE listed instruments could be considered for a webinar as these were issues of interest to members. ADT felt this would be valuable to members and, as long as this did not involve advertising, would be of benefit. KM had suggested including single stock ETN Instruments (i.e. FNB) and it was felt that this would be a great opportunity for our members.

MB advised that he had liaised with Nerina Visser (CFA SA) where we could co-operate on a joint venture with JSE to host a webinar on ETN's etc. for both societies. Discussion with JSE to follow on a potential show case.

JOURNAL

MI, due to time constraints, was unable to report back on his lengthy meeting with the Journal committee and T&F. He would send all board members a copy of the minutes of that meeting. The feedback, he stated, was excellent and the Journal was going from strength to strength

MB asked that MI obtain information on the monetary value of the Journal for balance sheet purposes He felt that the goodwill could be significant. MI to report back

2.4 NEXT MEETING

The next Board meeting would be held on **24 November 2020 at 12h30** by Zoom – this was the last meeting of the year with the 2021 meeting scheduled for TUESDAY 26 JANUARY 2021 at 12h30. It would be discussed as to whether this should be via Zoom or at JCC with links to CT

IAS MEETINGS:

	TIME	DATE	ROOM BOOKED	
	12h30	24 November 2020	Zoom	
	12h30	22 January 2021	Zoom/JCC tbc	
22 10 20		DATATEC	WEBCAST	13H 00
27 10 20		ADAPT IT	1 CPD	WEBCAST 10H 00
29 10 20		AFRIMAT	1 CPD	WEBCAST 12H 00
18 11 20		SPAR		WEBCAST TBC
19 11 20		INVESTEC		WEBCAST TBC
25 11 20		ARROWHEAD		WEBCAST 11H 00
30 11 20		REDEFINE		WEBCAST TBC
07 12 20		SYGNIA		WEBCAST TBC