

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 22 SEPTEMBER 2020 AT 12H30 VIA ZOOM**

PRESENT

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

1.1 WELCOME & MINUTES

The minutes of the previous meeting held on 18 August 2020 were confirmed

2.0 FINANCIALS

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

STATEMENT OF COMPREHENSIVE INCOME

OVERALL RESULT

The net year to date surplus at 31 August 2020, amounted to R268,411 versus a budgeted surplus of R346,451. The shortfall is the result of the shortfall of income during lockdown due to the Covid-19 virus.

INCOME

Total income for period to date ending 31 August amounted to R1,332,779 compared with the budgeted income of R1,561,381. Subscription income received to date amounted to R942,497, vs. the budgeted amount of R1,011,385. A shortfall was recorded in renewals and new subscriptions.

Net presentation revenue for the year to date amounted to R321,190 vs. the budgeted revenue amount of R445,737.

Investment income to date amounted to R69,092 compared to the budgeted amount R72,994.

EXPENSES

Total administrative expenses for the year to date amounted to R918,049 vs. the budgeted expenditure for the period of R969,133. 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 cost being less.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Cash at bank of R332,680 as at the end of August 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 R3,602,858 (including the staff retirement investment of R377,707). The ratio of cash/money market investments to ETFSA equity investments stood at 91.9% to 10.1%. 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 September 2020

IG asked about investment income stream – it was reported that the portfolio investment had income accruing on a monthly basis, but not paid out. MB advised that the interest yielding investment was in Government bonds which investment yield was 9,7 per cent per annum. The society was receiving less monthly income but increased accrual. Bond ETFs could be sold from time to time to provide cashflows to the Society, if required.

IG also mentioned the staff pension investment should be moved out as a long term liability. It should not be added to society's investment – this to be discussed with auditors.

IG asked about tax status and MB advised as an NPC there was no tax implication

2.1 MEMBERSHIP

There was one application this month

Zanele Potye – RMB 5 years private equity

The membership totalled 972

2.2 PRESENTATIONS

A list of presentations detailed below. These were webcast events. Sanlam had offered CPD via Business Day but due to issues experienced by BD this could not be done and only 8 attendees details were captured

Onelogix provided verified data and certificates are being issued by IAS – again issues on their side meant not all attendees details were captured

2.3 GENERAL

2.3.2 CORPORATE GOVERNANCE

Directors forms still required by MI and NN

2.3.3 BOARD

CV's had been distributed from Keith McLachlan and Mark Hodgson – the board agreed invite both to join the board. AMW to liaise. MB felt that we should be open to looking for further board members especially those in the small/med cap area as this is where the future could lie for IAS . IG asked whether this should be approved by society members and MB replied that appointments could be made during the year but ratified at the AGM

2.3.4 CPD; BLACK ONYX

AMW advised that the CPD offering to members had not worked out as this had been a cumbersome method and was not financially viable for Black Onyx. Therefore, the contract in place had been mutually cancelled at 9th September 2020. MB stated that CPD was important and the webcast hosts should be contacted to seek detailed spreadsheet of verified attendance. AMW would discuss with companies going forward. The IAS office was currently issuing certificates when necessary and were able to continue to do so on approval from SAIFM and verified details from presenting companies

IG referred to the Strategy meeting and asked whether anything was progressing regarding the website and CPD offerings. MB advised he was in talks and would revert once he had something concrete.

2.3.5 IAS Subs

AMW suggested that the subscription for 2021 remain unchanged R1100 inc vat. She believed this was a show of good faith in the difficult times experienced and the reduction of results presentations due to Covid. The meeting agreed this suggestion and asked that invoices be sent late October. MB asked that member numbers be included in these invoices. A covering letter to be sent to all members. MB stated the list of award winners could be included – these were currently on IAS Site and physical awards distributed

2.3.6 CFA discussions

Discussion took place regarding correspondence received from CFA SA. AMW had informal discussion with Nerina Visser on behalf of the Society which provided limited clarity.

ADT provided his thoughts which were that he felt the proposal by CFA SA was short of his expectations. The IAS has grown and expanded the investment community over the past 50 plus years with results presentation and educational events. He felt that the Society could lose members and the offering from CFA SA provided little value. Discussion took place as to what exactly CFA SA wanted and didn't want - and it was agreed to write to them setting out what we as a Society could offer and what we were looking for from CFA SA. MI felt that the recent mail was cynical and the offering was minimal. MB recapped on previous

correspondence and felt that there was little in this offer for members including the possibility of a reduction in our membership but felt this could be an ongoing discussion with CFA SA and perhaps other associations going forward. It was agreed a response would be prepared and circulated to board prior to send to CFA SA

The meeting felt that IAS offerings to members – especially results presentations – was critical to the industry as a whole.

2.3.7 JOURNAL

MI advised that Prof Adam Zarema – joint editor – was now located in France but still active with IAJ

2.4 NEXT MEETING

The next Board meeting would be held on **20 October 2020 at 12h30** by Zoom

2020 - IAS MEETINGS: (PROVISIONAL DATES)				
	TIME	DATE	ROOM BOOKED	
	12h30	20 October 2020	zoom	
	12h30	23 November 2020	Zoom	

01 09 20	SEA HARVEST		WEBCA ST	10H00
01 09 20	EMIRA		WEBCA ST	10H00
02 09 20	LIBSTAR		WEBCA ST	10h00
03 09 20	JSE IAS SMALL CAPS		WEBCA ST	10H00
09 09 20	MMI		WEBCA ST	11H00
10 09 20	GROWTHPOINT		WEBCA ST	11H00

10 09 20	SANLAM		WEBCA ST	09h00
15 09 20	AFRICAN RAINBOW		WB	10H00
15 09 20	AFROCENTRIC		WEBCA ST	08H30
16 09 20	DISCOVERY		WEBCA ST	10H00
17 09 20	ONELOGIX		WEBCA ST	10H30
18 09 20	INVESTEC PRECLOSING		WEBCA ST	09h30
29 09 20	ASCENDIS HEALTH		WEBCA ST	10H00
29 09 20	ALVIVA		WEBCA ST	10H00