

**MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY
HELD ON TUESDAY 26 MARCH at JCC 12.30**

PRESENT

CHRIS GILMOUR (CG)
LUNGILE MALINGA (LM)
MIKE BROWN (MB)
MARK INGHAM (MI)
PHUMZO KHONZEKA (PK)

APOLOGIES JACQUES THERON (JT)
 PETER DU TOIT (PDT)

1.1 WELCOME & MINUTES

CG welcomed those present. The minutes of the previous meeting were confirmed.

2.1 FINANCIALS

**IASSA NPC
FINANCIAL REPORT
YTD to February 2019 (2 month)**

STATEMENT OF COMPREHENSIVE INCOME

OVERALL RESULT

The reported surplus for the 2nd month ending February 2019 amounted to R 918 217 versus a budgeted amount of R734 705.

INCOME

Total income for the year amounted to R1 042 301 relative to the budgeted income of R1 062 108. Subscriptions renewals received for the year amounts to R783 294, relative to the budgeted amount of R904 348. An average total of 866 members renewed their subscription out of a budgeted total of 1 000 for the year.

Net presentation revenue for the year amounts to R181 670 relative to the budgeted revenue amount of R111 100. Interest received to date amounts to R13 573 relative to the budgeted amount of R14 475.

EXPENSES

Total expenses for the year amounted to a surplus of R124 084 relative to the budgeted expenditure for the year of R327 402. The surplus is due to the recovery of journal expenses and the expenses will normalize going forward.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Cash at bank of R1 511 461 as at the end of February 2019 includes the Investec and First National Bank Money market investment at R714 875 and R752 510.

Our Satrix 40 investment at the end of February amounts to R2 693 103 relative to R2 058 320 invested to date.

The ratio of cash/money market investments to Satrix equity investments stood at 33.6% to 66.4% of total assets.

GENERAL

Subscription renewal is an amount of R1 040.

Phumzo Khonzeka

24th March 2019.

The **budget** appeared at the end of these minutes

MI suggested looking into switching some of the funds from Satrix to money market where the banks were paying good interest rates. MB stated that via ETFSA offered an excellent daily call rate and could transfer the Satrix investment to its platform. This would enable instant switching between Satrix and a money market rate, to maximise investment income. MB pointed out that there was a R690k profit on the Satrix investment. If this was fair value adjusted, the profit could be taken through the income statement and offset the loss on the income statement. PK to chat to the auditors with regard to fair value adjustment in the income statements.

MI/ PK to follow up and liaise with MB

2.2 CORPORATE GOVERNANCE

It was noted that all documents, although kept on file in the IAS office, were now updated on the Board website with the password sent to all board members to access. AMW would update this regularly including from 2018 minutes

PK touched on the draft Travel Policy which he was updating – two items to be suggested for inclusion, to which the board agreed:

International conference – from 2020 – Chairman would attend one year and the next year the Deputy Chair and so on

Accommodation and flights – the attendee to explore the best possible deals on suitable flights and accommodation. Accommodation should be near the conference venue but middle cost hotel. All invoices to be provided to the Executive office for reimbursement.

It was suggested that PK chat to the auditors on potential ‘gratification policy’

2.3 EDUCATIONAL EVENTS BUDGET

It was agreed that there would be costing in the region of R100k pa for future analysts Masterclasses and other educational events. Discounts at venues would be sought and board members were asked to liaise with presenting companies known to them who used their own venues to see if they could assist. AMW had contacted Sanlam Sandton with no luck and would ask JT if he had contacts at Old Mutual Sandton

2.4 MEMBERSHIP

LM advised that 5 new members were suitable and accepted. 3 asset manager, 1 general banking and 1 Investor Relations. Current membership was 965 paid up, 219 outstanding and had been invoiced for the third time – with suspension due on 2nd April. To date membership – including unpaid – was 1184

2.5 PRESENTATIONS

A list provided below - no introductions required.

CG expressed his reservations of the Society being involved with AEEI as he felt the company had issues. It was agreed that members should have the opportunity to attend should they so wish and air their views if necessary.

2.6 IAS AWARDS ASSESSMENTS

Zia had forwarded LM the assessments as they stood and copy of previous year. Zia would send LM the updated list weekly commencing Friday this week. The assessment and winners needed to be decided and approved at the 23 April board meeting. The awards event is 11 June 2019. Journal Editors and Samrec had been advised of this date.

2.7 LIST OF MEETINGS

AMW drew attention to some changes to the Meeting dates – namely June and August meetings. It was agreed to CANCEL the 12th June board meeting as it was too soon after the May meeting and was not necessary to have a report back Journal meeting on that day (this was held in the past mainly due to the Journal editor being based in CT and flown in for the awards) Therefore the calendar is updated at the end of the minutes with changes; cancel 12th June and August date confirmed as 13th August.

JCC is undergoing renovations so the meeting rooms will be changed on a monthly basis. AMW will advise all in due course

2.8 JOURNAL DUBAI CONFERENCE

An email had been received from CA regarding an invitation for the IAJ to be associated with the upcoming Dubai conference. CA felt this was not a good fit and the board felt they should defer to his judgment but to review any further opportunities that may come up

2.9 STRATEGIC OBJECTIVES

a) Demographic Board Representative

At the request of the Board LM would take up the Chair of the IAS

As there was currently no-one available as Vice Chair it was agreed to leave this for a year unless it was found necessary for a current board member to step in as a temporary measure but without succession to Chair.

AMW to include call for Volunteers in the AGM notice to members. Interested parties to submit their CV's and the board would review and accept/decline in due course. CG mentioned he had already spoken to a member and would ask for his CV for review

b) INCE Proposal

CG and MI were meeting with INCE to thrash out details and would present the proposal in due course. MI had provided some basis to INCE for the proposal including revenue streams, costings etc. MB noted that we should be careful not to lose our identity and MI stated that IAS were front and center and presented a route to market

c) **Continuous Professional Development (CPD)**

MB confirmed that Schussler event had been approved for CPD credits and it was the intention to work further on offering analysts Masterclass events for accreditation. The intention was to engage Industry experts to pass on their knowledge to members – suggestions were made as follows

Des Mayers (he raised pertinent questions at Tongaat presentation)

Andrew Canter (bonds, prescribed assets)

Jean-Pierre Verster (spoke up on Steinhoff)

Anthony Clark

CG also mentioned Chris Yelland on Energy and Keith McLoughlin

CG and MB to liaise with above and AMW would chat to Andrew Canter

It was important that events be held in CT from time to time as well as Jhb

MB and AMW had met with Journal team and it was agreed to submit the SAFA Journal to FPI for approval of CPD credits. The Editors would formulate the 5 questions and answers per article. This may take a bit of time but would be a guideline of what could be approved.

CDP Host

MB and AMW had further discussions with CPD platform providers Black Onyx. It was agreed they appeared to be, for IAS purposes, the most professional provider of CPD services to a wide range of professionals and with a substantial base of CPD point providers. They were currently developing the IAS Hub where all our events would appear. Members would be able to access IAS events and Journal at no charge but would pay for other CPD offerings from BO (in region of R499 pa) They would also issue certificates online for each event to members. BO were chatting to our IT person to arrange a link on our site. The meeting agreed to this venture.

d) **IAS Newsletter “Communique”**

MI would prepare above on the Journal for early April distribution reflecting on upcoming issue 48 and would submit similar information on the Journal from time to time. INCE would also distribute.

CG as Editor would manage the monthly communications either by writing himself or liaising with relevant board member. So far MI had provided a Journal communique and MB communique on CPD.

It was suggested potential offerings for communiques for the upcoming months could be:
IAS awards and encouraging attendance
Volunteers to board
INCE partnership
CPD

Following MI Journal Communique – the next communique would be early May, and every month following

e) Market Professional

AMW had chatted to Amelia Soares who was permanently leaving South Africa next month but would submit a list of potential candidates. AMW and LM to chat on what was envisaged for such a position. CG stated that INCE had a vast connection of contacts and customers which would assist marketing

f) Resignations

Due to DY unavailability to attend board meetings she had resigned from the board and AMW had written thanking her for her service and she has offered to introduce companies in CT should she be available. DY did not attend many presentations but it was good to know she could be called upon from time to time

Garreth Elston had sent a letter of resignation followed by an email outlining his grievances. Although LM had responded to his email there was much discussion. It was decided to thank him for his service and wish him well. CG undertook to email him

NEXT MEETING – to be held on 23rd April – as above, changes noted

2019 - IAS MEETINGS JHB COUNTRY CLUB				
Tuesday	12h30	23 rd April 2019	Billiard Room	
Tuesday	12h00 13h00	28 th May 2019 AGM	Billiard Room	
Tuesday	17h00	11th June 2019 - IAS Awards	JSE	
Wednesday		CANCEL 12th June 2019 – Board Meeting Journal meeting & Lunch	CANCELLED	
Tuesday	12h30	23 rd July 2019	Billiard Room	
Tuesday	12h30	13th August 2019	Billiard Room	<i>New Date updated from 20 Aug</i>
Tuesday	12h30	17 th September 2019	Billiard Room	
Tuesday	12h30	22 nd October 2019	Billiard Room	
Tuesday	12h00 13h00	26 th November 2019 Xmas Lunch	Billiard Room Under The Oaks	
Public Holidays:		16 th June – Youth Day (Sunday) 17 th June – Public Holiday 9 th August – Women’s Day 30 th Sep- 1 Oct – Rosh Hashanah 9 th October – Yom Kippur 24 th September – Heritage Day		
21 st March – Human Rights Day 19 th April – Good Friday 20 th 27 th April – Pesach (8 days) 22 nd April – Easter Monday (Family day) 27 th April - Freedom Day 1 st May - Workers Day				

26 03 19	MASTER DRILLING	ANNUAL	JHB	11h00
29 03 19	PHUMELELA	INTERIM	JHB	11H00
29 03 19	PHUMELELA	INTERIM	CT	11H00
16 04 19	AEEI		CT	10H30
09 04 19	CPD: IAS - MIKE SCHUSSLER		JHB	17H30

NEW MEMBERS: MARCH 2019

SURNAME	INITIAL	COMPANY DETAILS	EMAIL ADDRESS	CODE
GAOTSHETSE	MRS L M	RAND MERCHANT BANK	Lemogang.gaotshetse@rmb.co.za	BNK
McINTYRE	MR A J	BLACKHEATH CAPITAL MANAGEMENT	Alex-mcintyre@hotmail.co.uk	AM
MOHAMMED ALLI	MR I	MOMENTUM	Imtiaz.mohammedalli@momentum.co.za	AM
PADOA	MR A J	SASFIN	Andrew.padoa@sasfin.com	AM
VARTY	MISS N V	MOTUS HOLDINGS LIMITED	nvarty@motuscorp.co.za	IR
		TOTAL: 5		
	ACA	Academic		
3	AM	Asset Management		
	ANA	Analyst		
	ANO	Teaching/Audit		
1	BNK	General Banking		
	CF	Corporate Finance		
	CRED	Credit Analyst		
	FD	Finance /Manager/Director		
1	IR	Investor Relations		
	JOUR	Journalist		
	PC	Priv, Clients/Priv Banking		
	PE	Private Equity		
	SB	Stock Broking		
	R	Retired		
	TAX	Tax		
	TR	Treasury		

INVESTMENT ANALYSTS SOCIETY
Statement of Comprehensive Income
PROPOSED BUDGET FOR YEAR ENDING 31 DECEMBER 2019

Note	YTD - Actual		YTD - Actual	YTD - Budget	YTD Bud - YTD Act
	2018	2017	2018 vs 2017	2019	2019 vs 2018
	(a) R	(b) R	(a) - (b) R	(c) R	(a) - (c) R
INCOME					
	1 100	1 134	(33)	1 002	
Subscriptions received - net	789	111	322)	596	(98 192)
-Entrance fees	94 631	69 650	(24 981	100 309	5 678
-Renewals	1 008	1 068	(60	904 348	(103 754)
Expenses	101 (1	650 (4	549)	(2	(117)
	944)	189)	2 245	060)	
	620	621			
Presentation Rev./(exp.) - net	764	238	(474)	666 600	45 835
Presentation Revenue	935 292	1 000 082	(64 790)	1 000 000	64 708
Presentation Expenses	- (314	- (378		(333	
- Outsourced cost	529)	844)	64 315	400)	(18 872)
Interest received	81 936	106 097	(24 161)	86 852	4 916
-FNB Money Market	17 722	20 636	(2 914)		
-Investec	50 281	65 148	(14 867)		
-Investec Call deposit	8 482	3 685	4 797		
-Sanlam Money Market	5 450	16 628	(11 178)		
CFA - Recoveries	37 590	50 410	(12 820)	7 000	(30 590)
SATRIX Profit on sale	-	-	-	-	-
Dividends received	83 675	63 301	20 374	87 858	4 184
	1 924	1 975	(50	1 850	
TOTAL INCOME	753	157	404)	907	(73 848)
EXPENSES					
Audit and Accounting Fees	88 010	74 519	13 491	93 291	(5 281)
Bank charges	6 021	5 979	42	6 382	(361)
Conference	188	162	25 364	80 000	108 211

	211	847			
	9	11	(2)		
Equipment consumables	232	276	044)	9 786	(554)
	54				
Events - Anniversary	893	-		-	54 893
	32	27			
Executive Committee Meetings/AGM	585	497	5 088	34 540	(1 955)
	24	3			
Insurance	852	783	21 069	26 343	(1 491)
		2	(2)		
Interest	-	708	708)	-	-
	15	27	(12)		
Office and computer expenses	002	123	121)	15 902	(900)
	27	32	(4)		
Printing and Stationery	624	588	964)	29 282	(1 657)
	74	62			
Rent	336	476	11 860	78 797	(4 460)
	1 122	1 002		1 188	
Staff employment cost	934	768	120 166	686	(65 752)
	32	49	(16)		
Telephone and Fax	786	445	659)	34 753	(1 967)
	24	35	(11)		
Website and computer costs	576	794	218)	26 051	(1 475)
	129	139	(9)		
Awards (Rev)./exp. - net	493	358	865)	137 262	(7 770)
Awards - Revenue	-	-	-	-	-
Awards - Expenses	493	358	865)	137 262	(7 770)
	226	237	(10)		
Journal (Rev)./exp - net	914	808	894)	251 575	(24 661)
Journal revenue	(184 099)	(174 946)	(9 153)	(184 099)	-
Journal Expenses	411 013	412 754	(1 741)	435 674	(24 661)
	22	9			
Mailshots/Educ.(Rev)./exp. - net	342	674	12 668	23 683	(1 341)
Mailshot/Education Revenue	(61 733)	(115 870)	54 137	(65 437)	3 704
Mailshot/Education Expenses	84 075	125 544	(41 469)	89 120	(5 045)
	67	50			
Education/exp. - net	848	558	17 290	71 919	(4 071)
Education - Revenue	-	(6 008)	6 008	-	-
Education - Expenses	67 848	56 566	11 282	71 919	(4 071)
TOTAL EXPENSES	2 147 658	1 936 201	156 564	2 108 249	39 409
NET SURPLUS	(222 905)	38 956	(206 968)	(257 342)	(34 440)