

MINUTES OF THE ANNUAL GENERAL MEETING OF INVESTMENT ANALYSTS SOCIETY HELD
ON TUESDAY 21 June 2022 in person at ETFSA offices and Zoom AT 13H30

PRESENT

MIKE BROWN (MB) Chair
ARTHUR THOMPSON (AT)
MARK INGHAM (MI)
KEITH MCLACHLAN (KM)
NOMTHA NGUMBELA (NN)
DUARTE DA SILVA (DS)
EBEN MARE (EM)
JAMIE YALDYWN (JY) CEO
CLEM GROELER (CG)
MARK HODGSON (MH)
ANDREY BOGDANOV (AB)
JON-BRANDON BLOCH (JB)
HANKE FOURIE (HF)
MATSHIDISO MOTSONGWE (MM)
KUNAAL KALYAN (KK)

APOLOGIES

INGRID GOODSPEED (IG)
ANDRE JOUBERT (AJ)

1. Introduction

MB welcomed all to the meeting and confirmed enough board members in attendance to meet a quorum.

MB confirmed that a meeting notice was sent out with the agenda.

2. Minutes from the 2021 AGM

MB confirmed that the minutes from the previous AGM had been sent out and displayed on the website.

MB asked whether these minutes could be adopted, to which the attendees agreed.

3. Chairman's address

MB confirmed that the Chairman's report had been distributed to all attendees before the meeting.

MB confirmed the Society ran at a deficit of R937 609 compared with a shortage of R520 190 in the previous year.

MB also confirmed that presentation revenue had fallen 18% relative to the previous financial year, although costs were kept low and profits had been realised on the Society's investments.

MB stated that the balance sheet reflected assets of just over 3 million rands, but these had been eroded to fund the deficit. The funds are held in conservative investments, which have performed satisfactorily.

4. Membership

MB stated that the decline in membership had continued in 2021. Membership peaked in 2011 with 1849 members; at the end of last year, membership stood at 769.

5. Company results presentations

MB stated that the Society held 67 presentations in 2021 compared with 82 the year before. This decrease has been due to several factors, including the number of listing on the exchange, companies presenting virtually, and COVID 19 impact.

MB explained that most new listings had been non-company, including ETFs, structured products, and ETNs. The Society is working on a strategy to include these investments.

6. IAS Portal

MB explained that the Society's focus had been on developing the IAS Portal. The Portal was launched in May 2022 and is the result of a JV between the IAS and Profile Group, which is one of the largest providers of share data in South Africa. The Portal provides data to all members at no additional cost.

Data includes company presentations, share data and research produced by the IAS members.

The Portal will be released in increments. The first phase is available at the moment, but a new release will be added and marketed.

7. Investment Analysts Journal.

MB explained that the Journal still plays a large part in the Society. The Journal had grown to become one of the best financial journals in the world, and MB thanked the board of editors and MI for the continual effort in driving the Journal's success.

8. IAS awards

MB said the award ceremony did happen last year, but this year's event would not occur as the Society needed to cut some costs. MB did say that the IAS expected the awards to continue the following year.

9. IAS Board Members

MB explained that the Chairman's address included a list of board members and the functions they perform in the Society. He explained that the board was voluntary and not reimbursed. He thanked all board members for their effort in 2021 and welcomed the new board member Dr Duarte da Silva, who had recently become a board member.

MB thanked Ann Marie Wood for her role in the Society for the previous 25 years.

MB also explained that Pieter du Toit had left the board after many years. Both Pieter and Ann Marie had been made life members of the Society in recognition of their efforts over the years to the IAS.

MB then thanked JY, who had recently been appointed as successor to Ann Marie. MB also thanked Zia de Araujo for her continued contribution to the Society.

MB then asked whether there were any questions or comments on the Chairman's address, to which there were none.

MB then asked whether the may be accepted as an accurate reflection of the activities and state of the Society.

All present agreed.

10. Annual Financial Statements

MB then moved on to the Financial Statements, confirming that they had been circulated. The auditors, Ransome Russouw, had prepared the statements per the companies acting as a registered Non-Profit Corporation (NPC).

MB then asked whether there were any questions.

CG asked for more information on the R40 000 Intangible assets on the balance sheet, which he thought were related to the development of the Portal. CG asked whether this reflected progress at the time and whether any further costs would be associated with the Portal.

KM answered that this was an accurate assumption. He went on to explain that during the previous year, a payment was made for the development of the Portal. During this stage, the Portal was not yet an asset in use, and it is an externally generated intangible, so it fulfils the definition of an asset. As a balance sheet date, the Portal was not in use, so there was no depreciation.

KM explained that the first use date was the day the communication went out to all members. He also explained that there would be further payments in the following financial year but also pointed to a statement by MB that this was a first phase release and subsequent phases will need to be funded.

CG asked whether there was a cap on the cost of the first phase.

MB responded that the first phase cost was fixed. He also pointed out that this is a JV, so Profile Group was picking up half the costs, so the Society will need to pay an additional R200 000 in the next financial year.

CG then asked whether the Portal was related to any international precedent.

KM answered that there was no precedent. This was the first Portal we had come across from any other society.

CG then asked whether there was any expectation of creating a profit from future presentations.

MB explained that the IAS would not be profitable in the following year but expected profitability in the next year.

CG asked whether there were any other plans.

MB responded that the focus was on the Portal.

CG asked whether there were any forecasts for the budgeted loss in 2022.

MB explained that the forecast was similar to the deficit in 2021.

KM expanded on the forecast deficit, saying that costs were being reduced in 2022, including closing the office and moving to remote working.

MH asked about the income related to the Journal, which had increased significantly from the previous year.

I explained that this was merely due to the timing of the annual contribution from WITS.

MB asked if there were other questions, which no one else had.

MB then asked whether the Annual Financial Statements could be adopted as accurate.

This was nominated by KM and seconded by MI.

11. Auditor

MB said that Ransome Russouw had offered to continue to audit the Society.

This was nominated by AT and seconded by MI.

MI added that Ransome Russouw had done an excellent job as an auditor and assisted greatly in running the IAS.

12. Board member nomination

MB explained that board members serve for two years. MI, AT, IG, NN, EM and KM had served for two years and offered to continue for another two years.

CG nominated and MI seconded.

MB explained that DS had applied and been approved as a board member of the Society. This needs to be ratified.

I nominated and AT seconded.

MB then asked whether there was anything that any attendee would like to raise.

MH asked whether AT was filling the treasury role.

MB responded that KM was filling the role and sitting on the audit committee.

AB offered to sit on the board if the requirement ever arose for an ESG expert on the board.

MB responded, thanked AB and said the board would consider his application.

MB then asked if there were any other questions, to which there were none.

13. Closing

MB thanked all for attending the AGM. He reiterated the need for Society support by the members and asked that if any member had any ideas or questions, they contact JY or any other board member.

MB then brought the meeting to a close.