MINUTES OF BOARD MEETING OF INVESTMENT ANALYSTS SOCIETY HELD ON TUESDAY 25 SEPTEMBER 2018 at JCC 12.30

PRESENT

ARTHUR THOMPSON (ADT)
GARRETH ELSTON (GE)
CHRIS GILMOUR (CG)
MIKE BROWN (MB)
MARK INGHAM (MI)
PHUMZO KHONZEKA (PK)
JACQUES THERON (JT)
LUNGILE MALINGA (LM)

APOLOGIES DANA YERUSHALMY (DY)
PETER DU TOIT (PDT)

1 PREAMBLE

1.1 **WELCOME & MINUTES**

CG welcomed those present. The previous meeting minutes were confirmed.
MI wished to comment on the INCE proposal and this would be added to agenda.

1.2 **FINANCIALS -**

IASSA NPC FINANCIAL REPORT
YTD to August 2018 (8 months)

STATEMENT OF COMPREHENSIVE INCOME

OVERALL RESULT
The reported surplus for the 8th month ending 31 August 2018 amounted to R397 283 versus a budgeted amount of R496 881.

INCOME
Total income for the year amounted to R1 702 664 relative to the budgeted income of R1 662 811. Subscriptions renewals received for the year amounts to R1 100 789, relative to the budgeted amount of R1 121 259. A total of 1 179 members renewed their subscription out of a budgeted total of 1 251 for the year.

Net presentation revenue for the year amounts to R464 839 relative to the budgeted revenue amount of R398 950. Interest received to date amounts to R59 338 relative to the budgeted amount of R72 000.

EXPENSES

Total expenses for the year amounted to R1 305 382 relative to the budgeted expenditure for the year of R1 165 930 which is mainly due to staff employment costs and the 50th awards.

The Journal's net expenses amounted to R29 793 at the end of August relative to budgeted income revenue of R12 300.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Cash at bank of R1 148 185 as at the end of August 2018 includes the Investec and First National Bank Money market investment at R88 642 and R258 310.

Our Satrix 40 investment at the end of August amounts to R2 833 425 relative to R2 058 320 invested to date.

The ratio of cash/money market investments to Satrix equity investments stood at 26.8% to 73.2% of total assets.

GENERAL

The **Subscription renewal fee for 2018 was** fixed at R980 (incl VAT) which represents an 8,9% increase. The net amount excluding VAT amounts to R860 for 2018 versus R790 for 2017.

The **subscription** renewal fee will increase due to the recent increase in **Vat effective as at 1st of April 2018 from 14% to 15%.**

Overall the IASSA NPC's financial position is still sound but we really need to manage costs.

Phumzo Khonzeka 24th September 2018.

The meeting felt that with the potential loss of member income that expenses may need to be reviewed. PK questioned whether overseas conferences was an essential option or a 'nice to have'. MB stated that this would be a board decision depending on the financial situation at that time. In the past when funds were not readily available, no board member had attended.

AMW was asked to prepare a schedule of fixed overheads for PK. PK stated that the budget was behind schedule – by about R100k

PK questioned the budget for the 50th celebration and it was confirmed this was already in the budget for an amount of R75k

No Satrix funds had been realized as yet and AMW was keeping an eye on this

2.0 PRESENTATIONS

A list provided below, and introductions arranged

2.1 – MEMBERSHIP

LM advised that 10 new members were suitable and accepted.

2.2 GENERAL

STRATEGIC DIRECTION & INCE

MI had been unable to attend the previous meeting where it was agreed not to pursue the INCE proposal at present. He disagreed with this view and felt that INCE joint venture proposal was a starting point only and should be considered. MI read from the IAS NPC MOI and suggested that a new business model was needed to achieve our aims of propagating investment knowledge and achieving a wide understanding of the investment industry. He further stated that our MOI was relevant to the ideas that we were currently discussing and that this could take us into the next 50 years.

ADT felt that for INCE to prepare a legal document was a step too far when we did not yet have the basis of a common understanding. As proposed the JV would require the IAS must make equal financial contributions after formation and that will likely exceed our financial capacity.

Ince, through Alban Atkinson had verbally indicated that Ince's initial contribution would be to provide the enabling software – estimated at about R300k. The meeting agreed that we need a "technical partner" to realize our plans – whichever direction they take.

MB and GE both felt that it was premature to choose a technical partner when we had no accepted strategic plans.

ADT had submitted an initial strategic review document for the Board to consider at the August meeting and as requested, had taken this further and submitted a "Strategic Direction" document to the board for further discussion.

The meeting discussed at length two of the most important points: CPD and an IAS App.

Discussion took place and LM felt that the App was of importance and a start should be made on developing this and we should settle on specific objectives. PK felt there should be a member skills audit and the relevant questions could be included in the upcoming 2019 Invoice/email to members. PK to liaise with AMW prior to the end October invoice emailing.

Discussion took place on CPD and the confusion on variations of information received on the subject. MB undertook to proceed with this submission and apologized that he had been under pressure and unable to take this on earlier. He felt that as a Society we should be able to allocate points and would take this up with the Regulators. His feeling was

that in the end it is possible that the IAS may not need the services of a technical partner. However, if anyone had further ideas or contacts of other providers regarding CPD they should make this known to MB as soon as possible.

After discussion it was agreed that:

1) ADT, LM and PK would form a Sub-Committee and meet as soon as possible to discuss the Webcast/Podcast/App /online initiatives

2) MB would prepare an application on behalf of the Society for CPD as soon as possible.

ADT pointed out that any decisions made where a board member was present would mean they were equally responsible for such decisions

EDUCATION
Further to CG's suggestion regarding Daniel Silke as a potential speaker – AMW had made contact and his costing was R25k per event plus travel. It was felt that in view of cost-cutting this should be relooked at next year.

50th ANNIVERSARY EVENT

AMW advised that attendee numbers were now in the region of 60. Looking at gifting options it was agreed to go with the notebook costing in region of R90 per item. As Russell Loubser had indicated attendance AMW asked whether she should approach him to make a short speech. This was agreed. CG and LM to make the welcome address.

MB suggested, and it was agreed, that the following be awarded life membership of the society and would be announced at the 50th event:

CLEM GOEMANS

IAN CRUICKSHANKS

PETER DU TOIT

BOARD ATTENDANCE

AMW's office had prepared a spreadsheet of the board attendance for the past 3 years and sent to the board. There were a couple of errors and AMW's office will correct these and resubmit to the board.

Next meeting scheduled for 30 OCTOBER 2018 at 12h30 CCJ

Tuesday	17h00	9 October 2018 50th anniversary	Sandton Sun
Tuesday	12h30	30th October 2018	Billiard Room
Tuesday	12h00 13h00	27th November 2018 Xmas Lunch	Billiard Room Under The Oaks

MEMBERS: SEPTEMBER 2018

SURNAME	INITIAL	COMPANY DETAILS	EMAIL ADDRESS	CODE
Baloyi	Miss T G	Senatla Capital	tracy@senatlacapital.com	PE
Benkenstein	Miss A	PricewaterhouseCoopers	Andrea.benkenstein@pwc.com	CF
Gerryts	Mr E J	PricewaterhouseCoopers	Eben.gerryts@pwc.com	ANO
Grobler	Mr A N	PSG Wealth	Abrie.grobler@psg.co.za	ANA
Mnguni	Miss P N	ABSA	Noxolo.mnguni@absa.co.za	CF
Motala	Ms N	Rockwood Private Equity	Naairah.motala@rockwoodpe.co.za	PE
Njongwe	Mr S T	Senatla Capital	sisa@senatlacapital.com	PE
Patel	Mrs K	Genera Capital	kavita@generacapital.co.za	AM
Prins	Mr T G	Rockwood Private Equity	Thomas.prins@rockwoodpe.co.za	PE
Smith	Mr D C	Rockwood Private Equity	Dwayne.smith@rockwoodpe.co.za	PE
		TOTAL: 10		

ACA	Academic	
AM	Asset Management	1
ANA	Analyst	1
ANO	Teaching/Audit	1
BNK	General Banking	
CF	Corporate Finance	2
CRED	Credit Analyst	
FD	Finance /Manager/Director	
IR	Investor Relations	
JOUR	Journalist	
PC	Priv, Clients/Priv Banking	
PE	Private Equity	5
SB	Stock Broking	
R	Retired	
TAX	Tax	
TR	Treasury	
	Reinstated	

New members: SIGNED OFF BY: L N MALINGA

Upcoming presentations

27 09 18	JASCO		JHB	09H30	
03 10 18	EOH		JHB	12H00	MB
04 10 18	EOH		CT	12H00	
05 10 18	PHUMELELA		JHB	11H00	not req
05 10 18	PHUMELELA		CT	11H00	
09 10 18	IAS 50TH ANNIVERSARY		JHB	18H00	
12 10 18	ATLANTIC	POSSIBLE		11H00	CG?
25 10 18	ALTRON		JHB	morning	not req
29 10 18	ENX		JHB		not req