

**MINUTES OF THE ELEVENTH ANNUAL GENERAL MEETING OF THE  
CHARTERED FINANCIAL ANALYSTS SOCIETY SOUTH AFRICA HELD ON  
WEDNESDAY 12 MARCH 2014 AT INVESTEC SANDTON – VC – CAPE TOWN**

**PRESENT**

**PHILIP BRADFORD (PRESIDENT)**

**PHILIP KNIBBS (BOARD)**

**ARTHUR THOMPSON (BOARD)**

**NERINA VISSER (BOARD)**

**MARTIN POOLE (VC) BOARD**

**MARCO ERFSTATHIOU (VC) BOARD**

**ANN MARIE WOOD (EXEC OFFICE)**

**NICOLA COMNINOS**

**MOHAMMED NALLA**

**VICTOR GERMESHUIZEN**

**GERHARD SCHRODER**

**DRAMANE MEITE**

**MICHAEL PARUSEL**

**ELSJIE NIEMANN**

**JACO LIEBENBERG**

**ABDUAL MIRZA**

**MELVILLE DU PLESSIS (VC)**

**INGRID VERMEULEN (VC)**

**REGINALD LABUSCHANGE (VC)**

**LARISSA BRIJLAL (VC)**

**MARINDA NEL (VC)**

**THRUSHEN MARI (VC)**

**KUMESHEN NAIDOO (VC)**

**APOLOGIES****NIGEL SULIAMAN (BOARD)****YUNUS KARODIA (BOARD)****ERIKA VAN DER MERWE****HUGH HACKING****TERENCE BERRY****IAN POGGENPOEL****HAROLD MOGALE****WELCOME**

Philip Bradford opened the AGM and on behalf of the CFA South Africa board welcomed those present. He thanked Investec and the JSE for the use of their facilities for meetings/events.

**MINUTES**

The minutes of the previous AGM were made available to all members and were confirmed at this meeting

**PROPOSER****ARTHUR THOMPSON****SECONDER****PHILIP KNIBBS****REPORT BY THE SOCIETY PRESIDENT****PRESIDENT'S REPORT FOR 12 March 2014 AGM****Covering the financial year 1 September 2012 to 31 August 2013****Presented by PHILIP BRADFORD, CFA****WELCOME**

On behalf of the Board of CFA Society South Africa I welcome you today; in person in Johannesburg and in Cape Town by Video Conference. In particular, we thank the Members of our Society who have taken the trouble to attend and a special thanks to those of you who have joined as volunteers.

We would once again like to thank Investec for allowing us to use their venues and VC facilities, not only for this meeting, but for all our board meetings during the past year.

## **PRESIDENT'S REPORT**

CFA South Africa was officially accepted as an affiliated country Society in November 2001. Our current membership is approximately 1300 and the typical Candidate body is about 3500 spread over the three Exam Levels in June and December.

CFA South Africa is affiliated to CFA Institute, Charlottesville, Virginia USA and furthers the objectives of CFA Institute in the region. We are in the top 5 largest societies in the EMEA region. The only other African societies are Egypt, Mauritius, Kenya and Nigeria.

Although an independent body, we represent the CFA Institute in South Africa and thus strive to achieve similar objectives, but with a local flavour, adapted to local conditions and based on what is most relevant to South African members. Our Mission, Vision and Values are listed below:

### **Mission**

- To represent CFA Institute in South Africa and specifically to lead the investment profession in South Africa by setting the highest standards of ethics, education and professional excellence.
- To build the “CFA<sup>®</sup> Brand” in South Africa among our constituency (Members and Candidates, investors – institutions and private, regulatory environment).
- To deliver to our Members, potential Members and the institutions they represent educational and networking opportunities that will additionally support the above statements.

### **Vision**

To foster a CFA South Africa Society that:

- All serious investment professionals aspire to be a part of;
- That is top-of-mind for investment professionals seeking credentials and continuing education;
- Leads the local industry's thinking in the area of ethics, integrity, and excellence of practice.

### **Values**

- We conduct all our activities on an ethical basis
- We support the activities and principles of the CFA Institute and apply these as appropriate in South Africa

- Our overriding objective is to support, encourage and bring educational opportunities to current and future CFA Charterholders in South Africa
- Be representative of constituents (i.e. gender, cultural diversity, etc)
- We endeavour to treat all Members and Candidates equally irrespective of geographic location.

## Funding model

The Chartered Financial Analysts Society of South Africa (CFA Society South Africa) is a registered Section 21 not-for-profit company. Financial profitability is not a key objective of the society but the directors have a responsibility to ensure the company is financially sound. We undertake an extensive budgeting exercise annually in an effort to ensure that society member dues are reasonable and offer value for money. The current society membership fee is \$65 a year which compares favourably with many societies of a similar size.

## Events and Activities

Our fiscal year coincides with that of CFA Institute and runs from September to August. During the 2012/13 financial year we had a busy year and the following is a list of activities that we organized for the benefit of Members, Candidates and interested parties. Virtually all of our activities have a bias towards education and often emphasise appropriate Ethics and Standards of Practice. CFA South Africa does not charge members for these activities.

Event	Johannesburg	Cape Town
Live Presentations	2	1
Webcasts	3	2
Charter and Level III Candidate lunches	1	1
CFA Program Introduction Presentations	3	3
Candidate Post-Exam Drinks	2	2
Global IRC	1	
Ethics Workshop	-	
CFA South Africa Conference (2 days)	2	
<b>Representing CFA South Africa at CFA Institute Events:</b>		
Society Leadership Conference	Washington	
EMEA Regional Meeting	Milan	

## Continuing Education (CE)

The events that we organise provide our members with opportunities to earn Continuing Education Credits. The CFA Institute Continuing Education program is not mandatory, preferring attraction and enhanced member value rather than forced participation. Annual completion of the program

requires at least 20 Credits (hours) of which at least two are designated SER, an acronym for Standards, Ethics and Regulation.

## **University Partnership Program**

In 2006 CFA Institute started the CFA Program Partner initiative and reached out to prominent universities worldwide. The essence of the Program is to allow harmonisation of the CFA Program Candidate Body of Knowledge syllabus with that of the investment courses that Universities offer. This mutual recognition adds value for both parties and should build a stronger and more ethical investment-professional community in the future. It bears mention that the sole path to becoming a CFA Charterholder is to pass the exams for each level and obtain the appropriate work experience.

We have 3 program partners in South Africa: Stellenbosch University, the University of Cape Town and the University of Pretoria.

## **Global Investment Research Challenge (Global IRC)**

The Global IRC is a global program that involves University students in the analysis of a Company's results, report writing and the presentation thereof. This activity's cycle is spread over 2 financial years. Last year the management of MTN kindly agreed to be the listed company analysed. We express our appreciation to the Executives of MTN and the volunteers that participated in this event. The winners in 2013 were a team from the University of Cape Town who are due to compete in the EMEA Regional Finals in Italy in April 2014.

## **Our Constituency and Affiliations**

Since inception in November 2001, CFA Society South Africa has been closely associated with the Investment Analysts Society of Southern Africa (IASSA). While the two Societies are institutionally independent, we often work harmoniously to the mutual benefit of our separate but overlapping constituencies and also that of the investment community at large.

We have also established relationships with bodies such as the Faculties of Actuaries and the South African Institute of Chartered Accountants (SAICA). When appropriate we invite the members of these organisations to our events, believing that a more inclusive model will serve our constituency better.

Recently CFA South Africa has facilitated discussions between The Association for Savings and Investment South Africa (ASISA) and CFA Institute in advancing the advocacy initiatives of both organisations in a collaborative manner. These discussions are on-going.

## **Challenges**

While we believe we continue to deliver on the society's goals whilst maintaining financial discipline and managing scarce volunteer capacity, we recognise there are a couple of strategic priorities that are going to require enhanced focus in the next couple of years. These would include:

1. **The CFA Institute Mission** – The CFA Institute has reassessed its strategic mission and aligned with the following 3 pillars:

- **Broader Mission**
- **Bolder Voice**
- **Bigger community**

CFA Society South Africa is committed to assisting the CFA Institute with their strategic mission in South Africa. Work is underway for a combined strategy for 2014 and beyond which will focus on initiatives around **education, engagement** and **ethics**.

2. **Board transformation and representation** – ensuring we attract active volunteers and potential board members more representative of our country’s demographics,
3. **Member attendance** – ensuring that a higher percentage of our society membership attends and benefit from the activities of the society,
4. **Operational Sustainability** – ensuring we have developed and implemented a framework for operational sustainability.

## **Appreciation**

As your President, I would like to thank our Board members for their support, enthusiasm and skill over the past year. In particular I would like to thank Erica Van Der Merwe and Andrew Canter who will be stepping down as board members for their efforts and dedication over many years.

On behalf of the Board, I would like to extend a special thanks to Ann Marie Wood, our Executive Officer. Her unselfish and tireless efforts are invaluable to the Board, members and candidates. Our Society could not function without her.

I also extend our appreciation to our Sponsors, who provide us with valuable facility use and support. These include Investec, Futuregrowth and the JSE – without their support it would be much more difficult to conduct our affairs.

Our Society, in common with the other local CFA Societies, is powered by the dedication, sacrifices and skills of Volunteers, including the Board. We are glad to have the support of a number of Volunteers from within the ranks of our Members – thank you for your efforts.

Finally, our ultimate reason for existence is providing our Members and the local investment community an ethical, honest and educational set of services – thank you for your support.

**PROPOSER**

**PHILIP KNIBBS**

**SECONDER**

**NERINA VISSER**

## **FINANCIAL ACCOUNTS**

Nigel Suliaman (treasurer) had provided a brief summary of the financials:

At the end of the 2013 Financial Year CFA South Africa was in a very strong financial position.

Revenues rose from R528K to R1m, whilst costs were down 12%.

Revenues were boosted by

- a - the rise in annual subscriptions to \$65 per member per annum,
- b - increased financial support from CFAI and
- c - an increase in the net income from the SA Conference

Costs were contained due to

- a - the non-recurrence of public relations expenses incurred in previous years,
- b - reduced costs related to the international conference
- c - lower bursary disbursements by CFA South Africa due to the increased contributions by CFAI in this regard.

As a result of the above, CFA South Africa made a net profit of R519,976 (2012: Net Loss of R49,323).

As a consequence of the strong operating result, the balance sheet improved significantly in 2013.

Cash in the bank increased from R445K to R965K, whilst current liabilities remained relatively steady at R9K.

The financials were approved

<b>PROPOSER</b>	<b>ARTHUR THOMPSON</b>
<b>SECONDER</b>	<b>MARTIN POOLE</b>

#### **APPOINTMENT OF AUDITORS**

It was agree to reappoint Ransome Russouw

#### **ELECTION OF OFFICE BEARERS**

1. To elect members of the Board in place of the following who retire by rotation but have made themselves available for re-election

**MARTIN POOLE**

**PHILIP KNIBBS**

**NIGEL SULIAMAN**

**MARCO EFSTATHIOU**

To accept the resignations of:

**ERIKA VAN DER MERWE**

**ANDREW CANTER**

The following remain on the Board

**ARTHUR THOMPSON**

**PHILIP BRADFORD**

**NERINA VISSER**

**YUNUS KARODIA**

To accept the following new board members

**INGRID VERMEULEN**

**MELVILLE DU PLESSIS**

**ABDULA MIRZA**

Philip Bradford thanked Andrew Canter, founder member of the South African Society whose input had been immense, as well as Erika van der Merwe for all their hard work in the past

**PROPOSER**

**PHILIP KNIBBS**

**SECONDER**

**ARTHUR THOMPSON**

**GENERAL**

Mohammed Moola raised three questions

**How many charterholders were not members of the Society?.** Ann Marie Wood replied that approximately 200 had lapsed or not joined the Society for various reasons. It was pointed out that some of these Charterholders received their Charter prior to the formation of the Society. This was actively being followed up

**Scholarships – he noticed less was spent on scholarships during 2013 than 2012.**

Ann Marie Wood explained that in the past this was handled by local Society and CFA South Africa provided prep material to the 25 successful applicants. CFA Institute had for 2013 onwards offered many more scholarships to Africa as a whole and it was decided to leave this to CFA Institute to allocate. Therefore with such a large increase (to over 120) the local Society was not in a position to finance support via prep material

**Transformation** – Mohammed asked what was being done. It was stated that this was not a water-tight process but referred to the Claritas programme instituted by CFA Institute where this was seen as an opportunity for those who were not ready for the CFA programme, or were back office, journalists, HR, etc where this could gain knowledge, improve career opportunities and have the chance to engage with the Institute.

**Employer Outreach** was mentioned– Nerina Visser stated that support by the Institute via employers and broadening education incorporating Institute resources for the local society was also an important factor. She stated that Claritas could service the broader society, not only members and candidates within the investment community. The society had informal associations with Universities, prep providers with a view to providing support to candidates

**The question was raised on Academic support.** Arthur Thompson stated that the Research Institute of CFA gave prominence to such support and that universities are sponsored by means of scholarships, many of which were in the academic research field.

Philip Bradford stated that the local society's primary objective was to service members to access initiatives including ethics and standard practice. In addition, 'spreading the word' by means of value of accredited events and continuing education. Philip Knibbs stated that interaction with other associations including Investment Analysts Society, Financial Planning Institute, ASSA and SAICA were important and of value. Something we were striving to improve upon where necessary.

**Jobline** – Ann Marie Wood drew attention to the Jobline on [www.cfa.ac.za](http://www.cfa.ac.za) which was an initiative to assist not only members but candidates and trainees to seek career opportunities here in SA. She asked members to encourage employers/corporates to make use of this and thus create further awareness of the brand.

Philip Bradford once again thanked all attendees including existing volunteers as well as those recently joined