

**MINUTES OF THE 14<sup>TH</sup> ANNUAL GENERAL MEETING OF CFA SOUTH AFRICA  
HELD ON WEDNESDAY 16 November 2016 INVESTEC  
SANDTON - V - INVESTEC CT at 17H15**

**PRESENT**

PHILIP BRADFORD (PB)  
NERINA VISSER (NV)  
ANN MARIE WOOD (AMW)  
ARTHUR THOMPSON (ADT)  
NIGEL SULIAMAN (NS)  
BRANDON ZIETSMAN (BZ)  
DAYNE MORKEL (DM)  
INGRID VERMEULEN (IV)  
MELVILLE DU PLESSIS (MDP)  
MARTIN POOLE (MP)  
MARCO EFTSTATHIOU (ME)  
JD VAN WYK  
PRAGNESH DESIA  
AUSTIN CHIJIKWA  
GODWIN SEPENG  
FAITH MURAMBA  
IAN MEAKER

**WELCOME**

Philip Bradford on behalf of the board welcomed those present

**MINUTES**

The minutes of the previous AGM had been circulated and appeared on Society Website. The minutes were agreed

**PROPOSER  
SECONDER**

**ARTHUR THOMPSON  
NERINA VISSER**

**REPORT BY THE SOCIETY PRESIDENT**

**PRESIDENT'S REPORT FOR 30 March 2016 AGM**

**Covering the financial year 1 September 2015 to 31 August 2016**

**Presented by Philip Bradford, CFA**

**WELCOME**

On behalf of the Board of CFA Society South Africa I welcome you today; both 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.

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 Society South Africa was officially accepted as an affiliated country Society in November 2001. Our current membership is approximately 1550 and the typical Candidate body is about 3700 spread over the three Exam Levels in June and December.

CFA Society South Africa is affiliated to the CFA Institute based in Charlottesville, Virginia, USA and furthers the objectives of CFA Institute in the region. We are the 4th largest society in the EMEA region.

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.

## **Vision**

We envision a CFA Society South Africa that:

- is a widely recognised and highly valued organisation by the investment community;
- is a well-regarded source of industry best practices in the areas of ethics, education and professional excellence;
- all investment professionals aspire to be part of.

## **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 similar size.

## **Events and Activities**

During the 2015/2016 financial year we had a busy year holding many events and activities for Members, Candidates and other industry participants. We have also already hosted further events thus far in the 2016/2017 financial year. We aim to focus our activities towards education, advocacy and ethics. CFA South Africa did not charge members for the majority of these activities.

<u>Event</u>	<u>JHB</u>	<u>CPT</u>	<u>DBN</u>
Live Presentations	3	2	

Charter Events	1	1	
Candidate Post Exam Drinks	1	1	
Candidate Intro sessions	2	2	1
University Research Challenge	1		
CFA South Africa Conference	1		
Career days	4	1	2
Young Analyst Award – Financial Mail	1		
Networking Event		1	
Volunteer Event	1	1	
Level 1 Review Session - Harare			
<b><u>Representing CFA SA at CFA Institute Events</u></b>			
Society Leadership Conference	Oct 2015 – Hong Kong		
EMEA Regional Meetings	March 2016 - Lisbon		

### **CFA Society South Africa - Global Investment Conference – October 2016**

We again hosted a very successful conference on 13 October 2016. With the assistance of the CFA Institute we were able to secure 2 top international speakers (Vikram Mansharamani and Willis Sparks) as well as a strong line-up of local speakers. The conference again attracted a quality audience and we received excellent feedback from the attendees.

### **Young Analyst of the Year Awards**

We again collaborated with Intellidex in 2016 to judge the Young Analyst of the Year award at the annual FM Top Analyst Awards. CFA SA volunteers and board members graded the reports submitted by analysts under 30yrs old in both the equity and non-equity categories. This is a great initiative which helped promote the CFA brand and we plan to continue supporting this initiative in the future.

### **CFA Institute Research Challenge 2016/17**

The CFA Institute Research Challenge offers students the unique opportunity to learn from leading industry experts and compete with peers from the world's top finance programs. This annual educational initiative promotes best practices in equity research among the next generation of analysts through hands-on mentoring and intensive training in company analysis and presentation skills. The company analysed this year was Aspen. The winning team was from the University of Cape Town who are due to compete in the EMEA Regional Finals on 26–27 April 2017 in Prague, Czech Republic. We wish them the best of luck. Thanks to the judges and mentors that volunteered their time to this excellent educational initiative.

## **Media Activity**

We continued to increase our media activity in 2016. This resulted in our board members representing CFA Society South Africa via numerous media interviews on TV, radio and print. In particular we are constantly increasing our social media presence.

## **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 Charter-holder is to pass the exams for each level and obtain the appropriate work experience. We have 4 program partners in South Africa: Stellenbosch University, the University of Cape Town, University of Johannesburg and the University of Pretoria.

## **Our Constituency and Affiliations**

Since Inception in November 2001, CFA Society South Africa has been closely associated with the Investment Analyst 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.

## **Strategic Review**

Following a strategic review of CFA Society South Africa we resolved to change the roles and responsibilities of the Board in order to be more strategic, instead of operational. We have now established the following working committees which are made up of board members and volunteers:

- Candidates
- Standards & Advocacy
- Outreach
- MarComms (Marketing & Communications)
- Member Value

- Governance

We have received enthusiastic support from volunteers to take part in these committees and their initiatives.

## **Financial Update**

The financial situation for CFA Society South Africa has significantly improved over the last few years. This is primarily due to increased funding from the CFA Institute to societies in general and a weakening ZAR against the USD.

As at 31 August 2016 the Society had cash reserves of R3,621,331 (increased from R2,212,871 in 2015) as a result of income growing faster than expenses.

The Society committees are planning to use part of these reserves on more initiatives to the benefit of our members, candidates and the industry in general.

## **Appreciation**

I would like to thank our board members who offer their personal time to service our members and the broader investment community. Their commitment and enthusiasm is commendable.

On behalf of the board, I would like to extend a special thanks to members of our staffed office namely Ann Marie Wood and Lucille Smit. Ann Marie in particular has been with the Society since inception contributes hugely to the benefit of members. In addition, she spends a large amount of time assisting candidates in the CFA program. We thank you both.

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

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 with an ethical, honest and educational set of services – thank you for your support.

Philip Bradford, CFA  
President  
CFA Society South Africa

**PROPOSER  
SECONDER**

**MELVILLE DU PLESSIS  
JD VAN WYK**

## **FINANCIAL ACCOUNTS**

The financials had been circulated to attendees. The Accounting officer, Nigel Suliaman prepared the following report:

### **CFA South Africa**

#### **Accounting Officer's Report to the Annual General Meeting Nov 2016**

##### **Overview**

From a financial perspective, 2016 has been a very good year for the society. We have increased our expenditure on educational and society events by 13%, but as a result of increased support from the institute, our income for the year increased to R1.7m.

This resulted in a significantly improved financial position at the end of the year, with net cash reserves increasing by R1.4m to R3.6m.

The challenge for CFA South Africa going forward will be to deploy these case reserves in the best interests of members and by furthering the goals of the society.

##### **Income Statement**

###### **Income**

Subscriptions increased by 6% to R1.5m

Interest income increased by 95% on the back of a much improved balance sheet.

###### **Expenses**

Office expenses increased by 22% to R733.3K. This increase should be seen in the light of an additional full time staff member.

As mentioned above, spending on educational and society events increased by 13%. But this was offset by a significantly higher level of funding from the institute. This funding increased from R258K to R1.2m, which resulted in the improvement in income from R585K to R1.7m.

###### **Balance Sheet**

As a result of the above, our net cash position at the end of the year amounted to R3.6m compared with R2.2m last year.

The financials were agreed

**PROPOSER**  
**SECONDER**

**MARTIN POOLE**  
**NERINA VISSER**

### **APPOINTMENT OF AUDITORS**

It was agreed to reappoint Ransome Russouw

**PROPOSER**  
**SECONDER**

**MARCO EFSTATHIOU**  
**ARTHUR THOMPSON**

### **ELECTION OF OFFICE BEARERS**

To elect members of the Board in place of the following who retire by rotation - however are eligible and offer themselves for re-election

**ARTHUR THOMPSON**

**PHILIP BRADFORD**

**NERINA VISSER**

**BRANDON ZIETSMAN**

The following remain on the Board

**MARTIN POOLE**

**NIGEL SULIAMAN**

**MARCO EFSTATHIOU**

**INGRID VERMEULEN**

**MELVILLE DU PLESSIS**

The following was elected to the board during 2016 post previous AGM

**DAYNE MORKEL**

**PROPOSED  
SECONDER**

**NIGEL SULIAMAN  
MELVILLE DU PLESSIS**

## **GENERAL**

PB elaborated on volunteering for the Society and mentioned that the recent volunteer event had proved fruitful. Active volunteers could be considered for board positions, should a position become available and after a nomination process had been followed. Potential volunteers were asked to contact Ann Marie

A question was raised on how to spend some of the funds currently held by the Society. PB stated that volunteer events had been held this year and various sub committees formed together with relevant board members. This included member value with a focus on holding smaller events as well as raising the profile .He welcomed any ideas from the attendees and Ian Meaker stated he would be in touch regarding member value

Austin Chijikwa mentioned that he was based in Zambia and would be keen to interact regarding Africa Outreach. NV stated that the Institute was looking at huge growth in Africa and it was felt that our Society should assist in Sub Saharan Africa where we could. Godwin Sepeng may also be able to assist.

There were no further items to discuss the meeting ended.