

**MINUTES OF THE TWELFTH ANNUAL GENERAL MEETING OF THE
CHARTERED FINANCIAL ANALYSTS SOCIETY SOUTH AFRICA HELD ON
WEDNESDAY 11 MARCH 2015 AT INVESTEC SANDTON – VC – CAPE TOWN**

PRESENT

PHILIP BRADFORD (PRESIDENT)

ARTHUR THOMPSON (BOARD)

NERINA VISSER (BOARD)

MARTIN POOLE (VC) BOARD

MARCO EFSTATHIOU (VC) BOARD

ANN MARIE WOOD (EXEC OFFICE)

ABDULA MIRZA (BOARD)

MELVILLE DU PLESSIS (BOARD)

INGRID VERMEULEN (BOARD)

NIGEL SULIAMAN (BOARD)

ANNE CABOT-ALLETZHAUSER

TSENGAYI CHANYANYA

THATO MASHIGO

IGNATIUS MUCHENGE

STEPHEN NYAKUDARIKA

ASHVEENA TEELUCKDHARRY-KHUSIAL

NEO MOLOTO

JONATHAN MHANGU

THANDO NTOI

BRIAN RAINIER

APOLOGIES**PHILIP KNIBBS****YUNUS KARODIA****MARY NANSUBUGA****FRANITA NEUVILLE****IAN POGGENPOEL****WELCOME**

Philip Bradford opened the AGM and on behalf of the CFA South Africa board welcomed those present.

MINUTES

The minutes of the previous AGM were made available on our website and were confirmed at this meeting

PROPOSER**ARTHUR THOMPSON****SECONDER****NERINA VISSER****REPORT BY THE SOCIETY PRESIDENT****PRESIDENT'S REPORT FOR 11 March 2015 AGM**

Covering the financial year 1 September 2013 to 31 August 2014

Presented by Philip Bradford, CFA

WELCOME

On behalf of the Board of the 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 attending 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 Society South Africa was officially accepted as an affiliated country Society in November 2001. Our current membership is approximately 1400 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 CFA Institute, Charlottesville, Virginia USA and furthers the objectives of CFA Institute in the region. We are the 3rd largest society 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 for the ultimate benefit of society.
- To build the “CFA ©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

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.

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 similar size.

Events and Activities

Our fiscal year coincides with that of CFA Institute and runs from September to August.

During the 2013 / 2014 financial year we had a busy year and the following is a list of activities that we organized for the benefit of the Members, Candidates and interested parties. Virtually all of our activities have a bias towards education and often emphasises appropriate Ethics and Standards of Practice. CFA South Africa does not charge members for these activities.

Event	Johannesburg	Cape Town
Live Presentations	1	1
Webcasts	1	1
Charter and Level III Candidate Lunches	2	2
CFA Program Introduction Presentations	2	2
Candidate Post-Exam Drinks	2	2
University Challenge	1	
Putting Investors First Campaign	1	
CFA South Africa Conferences (2days)?	1	1
Career days	3	1
Journalist training	3	
Representing CFA South Africa at CFA Institute Events		
Society Leadership Conference	Washington	
EMEA Regional Meeting	Athens	
Annual Conference	Seattle	

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.

Global Investments 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 Group Five kindly agreed to be the listed company analysed. We express our appreciation to the Executives of Group Five and the volunteers that participated in this event. The winners in 2014 were a team from the University of Johannesburg who are due to compete in the EMEA Regional Finals in Amsterdam in April 2015. We wish them the best of luck.

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.

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.

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. We have set out a strategy for 2015 and beyond which will focus on our multi-year strategic goals:

1. Develop and enhance the value proposition to both members and candidates
2. Expand the visibility and awareness of the benefits associated with CFA program and CFA Society South Africa
3. Enhance the leadership and operational functioning of the board

Appreciation

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 Phil Knibbs who has stepped down as a board member for his efforts and dedication over many years both as a board member and President

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

PROPOSER

ABDULA MIRZA

SECONDER

ARTHUR THOMSON

FINANCIAL ACCOUNTS

Nigel Suliaman (treasurer) had provided a brief summary of the financials (the signed financials were distributed and further copies available from Ann Marie Wood):

Balance Sheet

CFA South Africa's balance sheet has strengthened significantly over the year. At 31 August 2014 CFA South Africa had total assets of R1,544,903 compared with R965,058 in the prior year.

The assets were all in the form of cash.

Retained surplus for the year at R1,523,633 – R567,845 more than the prior year, as a result of an operating profit.

Income Statement

CFA South Africa's operating profit increased by R47,869 to R567,845, due to an improvement in revenue.

Revenue rose by 11% for the year. This was the result of an increase in member fees from \$35 to \$65 per annum, and a depreciation in the Rand/Dollar exchange rate. Although this seems like a big jump in fees, it must be borne in mind that CFA South Africa has held its member fees steady at \$35 for many years, and that the current cost still makes it one of the cheapest societies to belong to in the world.

Expenditure rose by 11.8%, predominantly as a result of an increased expenditure on educational and promotional events (such as the JSE Charter and Career Days), and a slight increase in travelling costs than in the prior year.

The net result of the above, was an increase of R47,869 in net income to R567,845.

At the end of the 2014 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.

At the end of the 2014 Financial Year CFA South Africa was in a very strong financial position.

The financials were approved

PROPOSER

MARCO EFSTATHIOU

SECONDER

ABDULA MIRZA

APPOINTMENT OF AUDITORS

It was agreed to reappoint Ransome Russouw

PROPOSER

MARTIN POOLE

SECONDER

ARTHUR THOMPSON

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

ARTHUR THOMPSON

PHILIP BRADFORD

NERINA VISSER

YUNUS KARODIA

To accept the resignations of:

PHILIP KNIBBS

The following remain on the Board

MARTIN POOLE

NIGEL SULIAMAN

MARCO EFSTATHIOU

INGRID VERMEULEN

ABDULA MIRZA

MELVILLE DU PLESSIS

PROPOSER

NERINA VISSER

SECONDER

ARTHUR THOMPSON

GENERAL

ANNE CABOT-ALLETZHAUSER asked whether we collaborate with ASISA and more specifically with regard to Claritas. Answer was “Yes” but that we currently have no formal representation with ASISA. With regard to Claritas, the qualification does not have NQF certification and thus the discussions with ASISA could not proceed. With regard to collaboration with the Actuarial Society of South Africa, Martin Poole who is a member of ASSA, offered to strengthen the links especially with regard to discussions about an Ethics workshop.

JONATHAN MHANGO (Zambia) queried whether the Asset Management Code and Code of Ethics could be promoted in Zambia and whether CFA Society of South Africa could assist. The answer was that we could help where practical, but this would also need direct involvement from CFA Institute, since these are documents that are the proprietary property of the Institute.

Ann Marie Wood addressed the new volunteers present and provided them with a brief outline of what being a volunteer meant and encouraged them to contact her for further information.

The meeting was closed by Philip Bradford