

MINUTES OF THE 15th ANNUAL GENERAL MEETING OF CFA SOCIETY SOUTH AFRICA

HELD ON WEDNESDAY 23 NOVEMBER 2017

SANDTON SUN at 17H30

PRESENT:

Philip Bradford (PB)	Nerina Visser (NV)
Marco Efstathiou (ME)	Dunny Semwayo (DS)
Arthur Thompson (AT)	Melville du Plessis (MdP)
Jenny Henry (JH)	Rosanne Howarth (RH)
Thato Mashigo (TM)	Dayne Morkel
Ingrid Vermeulen (IV)	Linda Hawkins (LH)
Ann Marie Wood (AMW)	JD van Wyk (JvW)
Caroline Cremen (CC)	Mohammed Nalla (MN)
Vimal Chagan (VC)	Carl Chetty (CCh)
Pragnesh Desai (PD)	Paul Fouche (PF)
Pranav Kalian (PK)	Lin-Mari Le Roux (LIR)
Stuart McIver (SMc)	Lwando Moni (LM)
Nyasha Mukurumbira (NM)	Sibulele Ndandani (SN)

1. WELCOME

PB welcomed and thanked all for attending

2. MINUTES

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

- Proposer: JD VAN WYK
- Seconder: ARTHUR THOMPSON

3. PRESIDENT'S REPORT

Covering the Financial Year 1 September 2016 to 31 August 2017

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 were officially accepted as an affiliated country Society in November 2001. Our current membership is approximately 1638 and we are the 4th largest society in the EMEA region. The typical candidate body is approximately 3700 spreads over the three exam levels in June and December.

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 the local investment industry and 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 2016/2017 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 2017/2018 financial year. Our activities are focused towards education, advocacy and ethics. We did not charge members for the majority of these activities.

<u>Event</u>	<u>JHB</u>	<u>CPT</u>	<u>DBN</u>
Live Presentations	8	8	
Charter Events	1	1	
Candidate Post Exam Drinks	2	2	

Candidate Intro sessions	3	3	
University Research Challenge	1		
CFA South African Conference	1		
Career days	3	2	1
Industry Collaboration	1	3	
Young Analyst – Financial Mail	1		
Level 1 Review Session – Zimbabwe / Zambia	3		
<u>Representing CFA SA at CFA Institute Events</u>			
Society Leadership Conference – EMEA	6-8 Oct 2016 – Budapest		
Research challenge final – EMEA	26-28 April 2017 Prague		
Society Leadership Conference – global	18-20 May 2017 – Philadelphia		

CFA Society South Africa - Investment Conference – October 2017

We again hosted a very successful annual conference on 25th October 2017. Spearheaded by Nerina Visser we attracted a strong line-up of local and international speakers. It is worth mentioning that all of the speakers at this year’s conference were women. 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 2017 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 30-yrs 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 University Research Challenge 2017/18

The CFA Institute University 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 Dawn. The winning team was team #2 from UJ who are due to compete in the EMEA Regional Finals in April 2018 in Ireland. 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 have continuously increased our media activity over the past few years. This resulted in our board members representing CFA Society South Africa via numerous media interviews on TV, radio and print. We are also constantly increasing our digital 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.

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 Actuarial Society of South Africa (ASSA), the South African Institute of Chartered Accountants (SAICA) and the Institute of Retirement Funds Africa (IRFA). When appropriate we invite the members of these organisations to our events, believing that a more inclusive model will serve our constituency better.

Board Committees

The following Board committees were established last year and 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. These committees will continue to drive our strategy in the future.

Financial Update

The Society's financial situation remains robust. This is primarily due to increased funding from the CFA Institute combined with prudent expenditure.

As at 31 August 2017 the Society had healthy cash reserves of **R4,485,792** (increased from R3,621,331 in 2016).

The challenge going forward is to deploy these reserves to the benefit of our members. The Society's 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

My last four years as President have been a pleasure due to the strong support of the Board and the staffed office. 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.

I would like to thank my deputy, Nerina Visser, who has boundless energy and enthusiasm and has far surpassed my efforts in raising the profile of CFA Society South Africa and serving our members and greater society. Nerina, as incoming President, will no doubt take our Society to new heights.

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. We also welcome Linda Hawkins who has joined us as Executive Officer. She has already demonstrated that she will add a new dimension of skills and professionalism to our team.

In particular we extend our gratitude to the indomitable Ann Marie Wood who has stepped down as Executive Officer. She has been the foundation, the bricks and the mortar of our Society since its beginning in 2001. Anyone who has ever dealt with Ann Marie (which is virtually every CFA candidate over the last 16 years) will have experienced her passion and tenacity. Luckily, she is not totally lost to us because she will continue in a consulting capacity and in assisting candidates. Thank you, Ann Marie. You are a very special person to us all.

I also extend our appreciation to our Sponsors, who provide us with valuable facility use and support. These include Investec, Old Mutual, Absa 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

4. FINANCIAL ACCOUNTS

The Financial Statements were available on request. The Treasurer, Nigel Suliaman had prepared the following report on the financials:

Accounting Officer's Report to the Annual General Meeting – Nov 2017

Overview

From a financial perspective, 2017 has been a steady year for the society. Subscriptions increased by only 2.6% to R1.58m. Our income in Rands has been negatively impacted by the Rand/Dollar exchange rate, which strengthened by 11.5% over the period. In addition to subscription income the society has received operational as well as project funding from the Institute.

During the past financial year, we launched an African Outreach initiative. Members of the board visited neighbouring countries and assisted Level 1 & 2 candidates with their exam preparation. This initiative was favourably received by the candidates, as well as the Institute, who refunded all related expenditure.

The expenditure on the SA conference was significantly higher than the previous year, partly as a result of the society having to bear the full cost of an international speaker.

This resulted in a significantly improved financial position at the end of the year, with net cash reserves increasing by R864K to R4.5m.

The challenge for CFA South Africa going forward will be to deploy these cash reserves in the best interests of members and by furthering the goals of the society. In this regard, we welcome suggestions for educational events/ outreach programmes from members.

Income Statement

Income

Subscriptions increased by 2.6% to R1.58m

Interest income increased by 44% on the back of a continued improvement in the balance sheet.

Expenses

Office expenses increased by 31% to R961K. This increase should be seen in the light of an additional member events during the financial year.

Spending on educational and society events increased by 171%. But this was offset by a significantly higher level of funding from the institute.

Balance Sheet

As a result of the above, our net cash position at the end of the year amounted to R4.4m compared with R3.8m last year.

5. APPOINTMENT OF AUDITORS

The meeting agreed to reappoint the current auditors, Ransome Rossouw.

- Proposer: Philip Bradford
- Seconder: Marco Efstathiou

6. 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

To accept the **resignations** of

BRANDON ZIETSMAN

MARTIN POOLE

The following **remains** on the Board

NIGEL SULIAMAN

MARCO EFSTATHIOU

INGRID VERMEULEN

MELVILLE DU PLESSIS

DAYNE MORTEL

The following were **elected** to the Board during 2017 and to be ratified at this meeting

JENNIFER HENRY

ROSANNE HOWARTH

DUNNY SEMWAYO

THATO MASHIGO

The meeting agreed to the election of these office bearers.

- Proposed: Paul Faure
- Approved: JD Van Wyk

7. GENERAL

NV spoke about Volunteers and the upcoming orientation event scheduled for January/ February, where each Committee Chair would share their action plans for the year ahead.

AMW made thanks to all Volunteers who assisted in the past year with special thanks and a small gift presented to JD VAN WYK and CAROLINE CREMEN for their continuous work.

NV spoke of Africa Outreach and ASEA association and the increasing efforts into Africa, as this is a specific growth area for the CFA Institute. NV also mentioned that Zimbabwe would be opening their own local Society in the near future.

NV briefly shared the Board Strategy focus areas for the New Year and the various Committees. The updated Mission Statement was also read to all.

NV shared the changes at the Executive Office with AMW now taking a step back from the Executive Officer role. NV Introduced Linda Hawkins as the new Executive officer.

NV and AT gave special thanks to AMW for her passion, hard-work and tenacity for the past 16 years. AMW thanked for her support of the society in the past and were pleased that she would remain involved. A gift of appreciation was handed over to AMW on behalf of the society and all its members.

The meeting concluded at 18:30 and was followed by a social networking opportunity.