

## AUSTRALIAN SHAREHOLDERS' ASSOCIATION VIRTUAL AGM 2021

### 1. Chair's Address

I constantly criticise Chairmen who do no more than repeat what appeared in the Annual Report. So, I will not do that as I assume that you all read the Annual Report Also this month's Equity and that many of you attended either in person or through a live stream our Conference. All of which means that you have heard or read what I have to say many times in the last month or two.

So, I will keep it short, at least short by my standards. Prior to this year's AGM two of our directors decided to stand down David Fletcher who chaired our Finance and Risk committee and Alison Buxton who chaired the Nomination and Remuneration Committee. In both cases we will miss both their positive contributions and genuine enthusiasm they showed for ASA. We hope that you will support your directors in voting for our two exciting new Director appointments Michael Jackson who brings good legal experience and substantial corporate governance experience. And Lelde Smits who parlayed financial journalism experience into forming her own company providing investor relations to newly listed entities. Both of whom you will hear from later.

We decided this year to modernise our Constitution by making a few changes to bring it in line with current and actual practise. These changes are special resolutions and will require a majority of 75% of those voting.

Many of you have asked why we are not having this AGM on the last day of the Conference. Quite simple. We are required by law to give a Notice of meeting 21 days prior to an AGM. But our constitution has an archaic provision that 12 weeks before an AGM we should announce the date. Not send out a NOM just announce the date. 11.5 weeks before the last day of the Conference we realised that we had missed this artificial constraint. This caused me to look at our constitution do see what else was out of date. None of these changes affect the day-to-day operation and many of them are in line with changes we should have made years ago, such as eliminating the option of voting by show of hands and making changes to fully embrace the digital age, while not ignoring the wishes of many of us for hard copies.

Some of you will have read that there was to be a special resolution proposed by a member, but not supported by the board. The member has decided not to proceed with this resolution which is why it does not appear in the NOM. But it was that proposal which caused us to make a change to how a member can propose a resolution. Instead of requiring 100 members' as is the case with listed companies and their 700,000 plus shareholders we have proposed a much more realistic 25 members to propose a change in your organisation.

As we, and everyone else in the world knows we have had a year of much sorrow, drama unprecedented change and confusion. From an ASA perspective we ended the year on a surprising, good note. Thanks to the \$228,000 from Australian government jobkeeper and the amazing work of our member focused team, making ASA the place to go for weekly webinars, we turned around 2019 loss to a 2020 surplus of \$8.824. While at the sametime for the first time in years, increased our membership.

As always, our strength is our large number of volunteers, but they cannot function without the support and assistance of our staff, and I congratulate them for the remarkable job that they did during this changing Covid times.

I would be remiss if I did not also thank the Federal and State governments as without the financial lifelines of JobKeeper and the NSW small business COVID19 support grant we would not have been able to keep all staff employed and been able to survive the forced cancellation of the 2020 Conference's remaining financially well positioned as we did. Also immense thanks to Lumi for once again donating their services to make this online AGM possible.

For those of you who were there. Three weeks ago, you experienced a really great Conference. It happened like our good 2020 results because of the team we have led and inspired by John Cowling.

This virtual AGM is the last one in which John will be attending as your CEO. Do not worry John will still be around until the end of the year and knowing him I sure that we will be fortunate enough to keep witnessing his drive and enjoying his wisdom in another format. But currently, I look forward to introducing you to our CEO designate Rachel Waterhouse.

Now for his final CEO report John

## **2. CEO Speech**

Good morning members,

As was mentioned in my statement in the Annual Report, ASA got through 2020 pretty much intact and we were looking forward to 2021 much more optimistically. I'm conscious we needed to refresh our brand and our service to members, and you can see we have started this even though there is still much more to be done.

The 2021 Investor Conference at the end of May certainly reflected our aim to continually improve our service. We introduced Live Streaming for interstate members, speed

meetings with several service providers as well as an outstanding line up of presenters. I am pleased to advise that we recorded the conference, and we will make the video recording available to members who were unable to attend. Look out for an email from me tomorrow when I will include a link to a trailer of the conference recording.

There were 20 sessions so you will have plenty to watch at your leisure. The recordings will be available in early July. We will have to charge a modest price to cover our costs, but for people who attended the conference, the price of this was already included in the registration fee.

Talking fees and costs, I am pleased to report that like last year, when dramatic Covid lockdowns were happening, we have held steady on our finances. I expect our first half for this year to 30 June to show a small profit. This demonstrates that we have maintained a financially sustainable organisation and can continue with our dual mission of being the voice of retail shareholders and helping members become better investors. And I am very optimistic about new developments in the pipeline for the second half of this year.

But not everything has gone according to plan. It is worrying that at the beginning of this year we saw a small increase in members deciding not to remain members of the association. In most cases this is because they had reached an age where they no longer had the interest in the share market they once did. This was often combined with mobility issues preventing the social contact in face-to-face meeting they have been used to. Although the reduction in membership was only small, in fact less than 3%, we would obviously prefer our membership was increasing not decreasing.

You can help by spreading the word, encouraging your friends to attend investor meetings, discussion groups or webinars or give them a copy of Equity so they can see for themselves the benefits of an ASA membership. Then of course encouraging them to join.

A second disappointment was the reduction in the number of proxies given to ASA by members. With many people locked down at home, it appears members had more time on their hands to exercise their proxies for themselves rather than giving them to ASA to vote. We anticipate this will revert to normal when members are able to get back to their busy, post covid lives.

Running ASA is a team effort. During the first half of this year, we saw several staff members leave ASA. Vishad, who helped Fiona with advocacy and edited Equity, and Yazy our head of marketing, took up new jobs. And Kristine who organised events, left in May on maternity leave. We thank each of them for their service.

We welcome to the team Francesca, to organise events and April for marketing and of course Rachel, who will become the CEO when I retire later this year. We also moved to a contract model for editing Equity and for running the conference with Zilla and Aleks providing us with their expertise.

ASA is fortunate to have hundreds of volunteers who make what we do special. Our members benefit from specific services ASA provides. But so too does the broader investing community, with many not even realising our monitors' vigilance keeps companies aware of all retail shareholders' concerns, whether they are members of ASA or not.

Our convenors too by running discussion groups and investor meetings help us become better investors and thereby help us to better provide for ourselves and our families. Making all this work from an organisational point of view are our State Committees, volunteers who help in the office and the Board.

Lastly, we have discovered a new cohort of volunteers – interns, university students keen to supplement their theoretical studies with a period of practical experience at ASA. It has been a pleasure for me to work with all our volunteers.

Let me finish on a broader point. With all the changes and uncertainties now facing the world, building, and then protecting one's wealth has never been harder during our lifetimes. Most of us have been fortunate to accumulate during a period of unparalleled economic growth.

The next generation will not be as fortunate. Consequently, ASA's contribution by passing on investing knowledge and experience to the next generations will be a vital element in making Australia a better and fairer society.

I look forward to continuing playing my part in this. Thank you.