

# APNIC EC Meeting Minutes

## Face-to-Face meeting, Thimphu, Bhutan

Saturday, 2 June 2018, 10:00 – 16:55 (UTC +6)

**Meeting start:** 10:00 (UTC +6), Saturday, 2 June 2018

### Present

Benyamin Naibaho  
Gaurab Raj Upadhaya, Chair  
Izumi Okutani (remote)  
Jessica Shen (remote)  
Kam Sze Yeung  
Kenny Huang, Treasurer  
Paul Wilson, Director General  
Rajesh Chharia, Secretary

Connie Chan, Senior Executive Assistant (minutes)  
Craig Ng, General Counsel  
Richard Brown, Business Director

### Apologies

Nil

### Agenda

1. Opening of meeting and declaration of quorum
  2. Agenda bashing
  3. Declaration of interests
  4. Review of minutes of last meeting and record of circular resolutions passed since the last meeting
  5. Matters arising from the last meeting
  6. Chair update
  7. WH&S update
  8. APNIC Foundation update
  9. Secretariat report
  10. Financial reports
  11. GDPR briefing
  12. Service Partner update
  13. APNIC Survey update
  14. Risk Register review
  15. Any other business (AOB)
  16. Next EC meeting
- 

### Minutes

#### 1. Opening of meeting and declaration of quorum

The Chair of the EC welcomed all attendees to the meeting. The Chair declared the meeting open at 10:00 (UTC +6) on Saturday, 2 June 2018, and noted that a quorum was present.

## **2. Agenda bashing**

The Chair called for comments on the agenda. The following agenda items were raised for discussion under AOB:

- Mailing list for women in ICT region
- ASO review

## **3. Declaration of interests**

The Chair asked the EC members to review the Register of Interests (attached), and to declare any potential conflicts of interests, and for any such declaration to be recorded in the minutes.

No other declarations of interest were noted. All EC members present confirmed that their entries in the Register of Interests are complete and correct.

## **4. Review of minutes of last meeting and record of circular resolutions passed since the last meeting**

The following circular resolutions (that require the agreement of all EC members who are entitled to vote on the resolution) were passed by the EC during the period between the last EC meeting and this meeting and are recorded in these minutes for completeness.

**Resolution 2018-07: The EC resolved to adopt the minutes of the EC meeting of 25 and 28 February 2018.**

## **5. Matters arising from the last meeting**

The following matters were completed:

*Action item 2018-01: The Secretariat to update the Register of Interests.*

*Action item 2018-02: The Secretariat will use the actual dollar figures to map out a sensitivity analysis for the EC to consider and refine their risk appetite and profile.*

*Action item 2018-03: The EC directed Duncan Macintosh to conduct full due diligence on the three candidates for EC consideration at the next EC meeting.*

*Action item 2018-04: The Secretariat to update the Risk Register.*

The following matters from the previous meetings are pending:

*Action item 2017-23: The Secretariat to investigate and make recommendations concerning alternative electronic voting systems. [pending]*

## **6. Chair update**

[Confidential material redacted]

The Chair appointed EC member, Kams Sze Yeung, to serve as the EC liaison on WH&S.

The Chair presented the EC travel expense report. The Chair reminded the EC to review the list of conferences and update the travel matrix. He further asked the EC members to be more involved in the regional community engagement and focus on Asia Pacific regional NOG meetings.

## **7. WH&S update**

The Chair spoke to the Health and Safety update. There were no incidents to report.

*Action item 2018-05: The Secretariat to set up the online compliance training for Benjamin Naibaho.*

## **8. APNIC Foundation update**

The DG spoke to the Foundation update presentation (attached).

The EC discussed the due diligence report for the prospective board members of the APNIC Foundation.

[Confidential material redacted]

The DG updated the EC on the Foundation Board's Strategic session and its first Board Meeting in Hong Kong. He then outlined the vision and mission that were decided by the APNIC Foundation Board.

The DG also gave an update on the Annual General Meeting of the APNIC Foundation that was held immediately after the APNIC Foundation board meeting, which involved the reappointment of the existing board members for another year. In future years, the appointment will be the subject of specific resolutions by the APNIC EC.

The EC discussed the current stream of funding and some of the projects that will be funded by the Foundation. It is noted that the Foundation is careful to seek funding and support from a more diverse range of donors and supporters.

The Chair suggested that APRICOT 2019 would offer a great opportunity for APNIC to showcase the Foundation's activities and to engage all parts of the community to understand its relationship to APNIC. The key message is that the APNIC Foundation is the fundraising arm of APNIC's community and developmental activities.

## **9. Secretariat report**

The DG spoke to the highlights of the Secretariat Report and the HR Report (attached).

The EC discussed and agreed that they could increase its focus on attending more regional NOGs with an aim to increasing participation and promotion of APNIC's PDP among the community.

Following his appointment to serve as the EC liaison on WH&S, Kams Sze Yeung will arrange a visit to the APNIC office in Brisbane to meet with Louise Tromp to discuss WH&S reporting requirements before travelling to Noumea for APNIC 46.

There was a general discussion on the purpose of the Focus Group for the 2018 APNIC Survey and the low Focus Group response levels across the board. Brenda Mainland of

Survey Matters will provide a detailed analysis of findings at the next EC meeting in Noumea.

The EC discussed several staff statistics in the HR Report.

## **10. Financial report**

Richard Brown spoke to the financial report presentation (attached).

The EC considered the Monthly Financial Report and the Investment Fund Management Report for April 2018 (attached). The EC noted that APNIC is solvent and able to meet all current debts.

The April financial report highlights an operating surplus of AUD 1.2m, with revenue tracking very close to the budget and expenses tracking at 9% under the budget forecast.

At the end of April 2018, APNIC had a total of 6,760 Members serving 54 economies.

The EC also considered the current financial stability measure and discussed what the desired level should be. The EC concluded that the established target of building an operating reserve equivalent to 18 months of operating expenditure would give APNIC the best level of financial stability.

Richard Brown then spoke to the Investment Risk Profile presentation (attached).

Five EC members completed the risk tolerance survey. The assessment outcome is that the EC's risk tolerance is exactly where the investment position is currently at. The EC agreed to Credit Suisse's recommendation that the APNIC portfolio remains invested as a yield-oriented portfolio and therefore no change is required to the existing Investment Policy Statement.

## **11. GDPR briefing**

Craig Ng briefed the EC on the General Data Protection Regulations (GDPR) that were required to be implemented across the European Union (EU) by 25 May 2018. He also updated the EC about how APNIC handles the information and data it collects from its Members, and the steps that APNIC takes to protect such information. As an organization that is incorporated in Australia, APNIC fully complies with Australia's Privacy Act 1988 and with the Australian Privacy Principles (APPs).

While APNIC does not consider that it is subject to the jurisdiction and laws of the EU, APNIC will continue to review its data protection policies and report back to the EC.

## **12. Service Partner update**

The DG spoke to the Service Partner update presentation.

The EC was happy to see the progress in the Service Partner model and was briefed on various conversations that had occurred with potential partners.

## **13. APNIC Survey update**

Richard Brown gave an update on the 2018 APNIC Survey (attached).

The EC discussed the translation approach and noted that the chosen languages were good, and translation was extremely useful and appreciated by all.

#### **14. Risk Register review**

The EC reviewed the APNIC Risk Register. There were no proposed changes to the Risk Register. The EC noted and discussed some potential changes to the risk register.

#### **15. Any other business**

The Chair called for any other business.

##### **a. Mailing list for women in ICT**

Following on the suggestions from the last AGM, a mailing list and a charter for women in ICT will be created.

##### **b. ASO Review**

The DG gave an update on the progress regarding the ASO Review for the APNIC community.

It was noted that the second APNIC community consultation session on the ASO Review was held during APNIC 45 in Kathmandu. Izumi Okutani presented the 'Strawman' proposal based on the "two-house" model for consideration by the community. There was strong support from the APNIC community to carry forward the Strawman proposal for consideration by the other RIR communities although there was no consensus on the number of members or the selection mechanism. There was a consensus in the APNIC region to form a global coordination team and create a global mailing list for cross-regional coordination. It is noted that the NRO EC will further discuss the ASO review during ICANN 63 in Panama later in June.

The EC noted the consensus on this matter and confirmed their support for the need for global coordination.

#### **16. Next EC meeting**

The next EC meeting will be held in Noumea during APNIC 46 on 10 September 2018.

The EC retreat is scheduled for 5 to 7 December 2018 in Montevideo, including a half-day joint APNIC-LACNIC board meeting.

***Meeting closed at 16:55 (UTC +6), Saturday, 2 June 2018.***

**Attachments:**

- A. Register of interest**
- B. APNIC Foundation update presentation**
- C. Secretariat report**
- D. [Confidential material redacted]**
- E. April 2018 financial report presentation and report**
- F. April 2018 investment report**
- G. Investment profile questionnaire**
- H. Risk profile presentation**
- I. [Confidential material redacted]**
- J. [Confidential material redacted]**
- K. APNIC Survey update presentation**
- L. [Confidential material redacted]**

## Agenda Item 3

### Declaration of Interests

## APNIC EC Register of Interests

### Declaration of interests of EC members

This register records the interests of EC members, which may conflict with the EC members' duties to APNIC. This register is accurate as at 1 May 2018.

Gaurab Raj Upadhaya declared that he currently holds the following positions:

- Employee of Limelight Networks as Senior Director, Network Strategy and Interconnection
- Director of the Nepal Research and Education Network (NREN)
- Chairman of Nepal Internet Exchange (NPIX)

Izumi Okutani declared that she currently holds the following positions:

- Employee of Institute for Global Environmental Strategies (IGES) as Programme Manager of Business Taskforce
- Member of the Internationalization of JANOG (JANOG i18n)
- Member of the Secretariat of Internet Governance Conference Japan (IGCJ)
- Member of the Multistakeholder Steering Group of [APrIGF](#)

Jessica Shen declared that she currently holds the following positions:

- Employee of CNNIC as Director of IP Operation, under the Ministry of the Cyberspace Administration of China

Kam Sze Yeung declared that he currently holds the following positions:

- Member of the HKNOG Program Committee
- Employee of Akamai Technologies, Inc
- Member of the Working Group of Peering Asia, organizing Peering Asia 2.0

Kenny Huang declared that he currently holds the following positions:

- CEO of TWNIC
- Board of Director, ISOC Taiwan Chapter
- Member of the Advisory Council of [DotAsia](#) Organization

Rajesh Chharia declared that he currently holds the following positions:

- President of the Internet Service Providers Association of India (ISPAI)
- Director of the National Internet Exchange of India (NIXI)
- CEO of CJ Online Pvt. Ltd
- Director of Chandra Industrial Company Private Limited
- Founding member of INNOG

Benyamin Parulian Naibaho declared that he currently holds the following positions:

- President Director of PT. Cyber Network Indonesia (ISP, NAP, Data Center and VPN Provider)
- President Director of PT. Platinum Network Indonesia (ISP)
- Chief of Data Center and Indonesia Internet Exchange (IIX) - APJII (Indonesia ISP Association)
- MAG (Multistakeholder Advisory Group) of ID-IGF (Indonesia Internet Government Forum)
- Treasury of APJATEL (Indonesia Telecommunication Network Provider Association)



Paul Wilson declared that he was appointed as a nominee director of Affilias Australia when it bid for the registry contract for .au.

## Agenda Item 8

### APNIC Foundation update

# Foundation update



# Contents

1. New Board members
2. Strategic planning session and Board meeting
3. Funding

# Board selection – 3<sup>rd</sup> round

Due diligence provided – no issues identified

[Confidential material redacted]

# Board selection - next steps

1. Due diligence shared with EC for final go ahead (today)
2. Candidates contacted by CEO and invited to submit nomination(s)
3. After receiving final nomination(s), EC appoints candidates to Foundation Board by resolution

# Board meeting

Day-long program included:

1. Strategic planning session;
2. Board meeting;
3. Internet seminar on “The Internet in Asia: Challenges and Opportunities”

All Board members attended the Board meeting

# Strategic planning session

**Vision:** To have a global, open, stable and secure Internet that is affordable and accessible to the entire Asia Pacific community.

**Mission:** To increase investment in Internet development in the Asia Pacific region, through education and training, human capacity building, community development, research, and related projects and activities.



# Board meeting: Outcomes

1. Sylvia Sumarlin was elected chair for a one year period
2. Resolution to confirm and ratify the appointment of Duncan Macintosh as Executive Director/CEO
3. In discussion about future Board composition, the Board asked the EC to consider candidates with high-level fund raising experience
4. Resolutions to approve the 2016-17 audited financial statements and the 2018 budget
5. Resolution to approve bank signing matrix
6. Resolution to approve APNIC fraud and staffing policies

# Board meeting: Outcomes

7. Resolution to approve PwC as auditors for next period
  8. Board all retired and accepted re-appointment in the AGM and agreed two board meetings year
  9. Next board meeting tentatively set for September in Singapore after new Board members join
- As agreed in the AOC, the Foundation provided the minutes of the Board meeting to the EC within 30 days

# New funding

## 2018:

1. AUD 558,000 for technical training, security and IXP in Papua New Guinea. From the US-based Asia Foundation (TAF) in a partnership with Australia's Department for Foreign Affairs (DFAT)
2. AUD 108,000 for the training of law enforcements officers in Pacific island economies also from DFAT Cyber Cooperation Program
3. AUD 75,000 to support the PNG CERT from DFAT Cooperation Program

# Renewed funding

## 2018:

1. AUD 100,000 from DFAT for the second phase of the CERT Pacific project

## 2017:

1. AUD 103,000 (CAD 100,000) from IDRC for ISIF Asia gender grants
2. AUD 44,000 (USD 33,000) from ISOC for ISIF Asia community network grants

# Funding discussions

1. JICA on cybersecurity training in ASEAN
2. World Bank on IPv6 deployment in Tonga
3. Asia Foundation on community networks
4. Hewlett Foundation on cybersecurity
5. Facebook on connectivity support

# Funding (AUD)

Year	Donor	Project	Amount AUD	Total
2018	TAF-DFAT	PNG training, IXP and CERT	558,000	
2018	DFAT	Pacific LEA training	108,000	
2018	DFAT	PNG CERT	75,000	
2018	DFAT	Pacific CERT (2 <sup>nd</sup> phase)	100,000	841,000
2017	DFAT	Pacific CERT (1st phase)	100,000	
2017	IDRC	ISIF Asia	103,000	
2017	ISOC	ISIF Asia	44,000	247,000
<b>Total 17/18</b>				<b>1,088,000</b>

# Thanks



## Agenda Item 9

### Secretariat report



29 May 2018

# **APNIC Secretariat Report**

June 2018

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## Introduction

This report is provided to the APNIC Executive Council (EC) for the quarterly face-to-face meeting in Thimphu, Bhutan, on 2 June 2018. **It provides a summary of activities from Q1 and 'to date' for the current quarter, Q2 2018, up to 30 April 2018.**

### 0.1 Executive Summary

#### Highlights:

- Transaction volumes for delegation services have slowed during 2018, however transfer volumes have increased (1.1).
- APNIC Service metrics continue to show high satisfaction and SLA results (2.1).
- APNIC Blog readership per month has increased by 7% so far in 2018 compared to 2017's monthly average (2.3).
- NEPALREN has signed up to be the APNIC's first Service Partner during the trial period (2.6).
- The APNIC Academy continues in popularity, with 'Introduction to Cybersecurity' the most popular with 1,671 registered users (4.1).
- APNIC training conducted face-to-face training in Tokelau and APAN 45 for the first time (4.1).
- APNIC held its first successful Hackathon on IPv6 at APRICOT 2018 (24 participants in total [6 women; 18 men] (5.1).
- APNIC is providing support and training for the development of several IXPs in the region, including workshops in Vanuatu and at Myanmar-IX (6.3).
- Fellowships for APNIC 46 include a 'Pacific' fellowship for an additional 20 to 25 fellows from Pacific Island economies to attend APNIC 46 (7.2).
- ISIF Asia was recognized as a WSIS Champion at the annual WSIS Prizes contest (8.2).
- APNIC has held two ASO review meetings (APNIC 44 and 45), considering a two-house model (policy and registry councils). ARIN and LACNIC have also held small consultations with their communities as well (9.1).

#### Notable project activities and developments:

- The APNIC Survey 2018 will commence on 28 May 2018. Focus Groups were held in 15 economies, with a combination of face-to-face and online meetings (2.6).
- All events and liaison activities are now managed on the CRM platform, with Membership data, Membership development, and communication/campaign integration currently underway (2.6).
- Work is underway on consolidating information services to provide registry and network operations statistics and measurements data through a community data portal for the APNIC community. Data Gathering Analysis BoFs have been held at recent conferences to inform this project (6.2).
- APNIC training is continuing outreach to the Research & Education community through training and support at events in the region (7.6).
- The APNIC Foundation has received funding from DFAT via the Asia Foundation of AUD 558,000 for a new project 'Enhancing National Cybersecurity and Network Quality of Service in Advance of Papua New Guinea's Hosting of APEC' (8.3).
- APNIC is the Chair of the NRO for 2018; overseeing various projects in the Resource Services Coordination Group (RSCG); Engineering Coordination Group (ECG) and Communications Coordination Group (CCG) (9.5).

## Serving Members

### 1 Registration Services

#### 1.1 IPv4, IPv6 and ASN delegation and registration services

##### Resources pool summary

The following table shows the summary of all Internet number resources managed by APNIC.

Resources	Total as at 31 Dec 2017	IANA delegation	Incoming inter-RIR transfers	Outgoing inter-RIR transfers	Total as at 30 Apr 2018	Delegated	Undelegated
IPv4 (number of /24s)	3,446,764	8	24,819	8	3,471,583	3,434,865 (98.94%)	36,718 (1.06%)
IPv6 (millions of /48s)	69,926	0	n/a	n/a	69,926	3,530 (5.05%)	66,396 (94.95%)
ASN (number of ASNs)	17,011	0	0	0	17,011	14,611 (85.89%)	2,400 (14.11%)

Table 1: Internet number resources summary

##### IPv4, IPv6 and ASN delegations

The following table shows the number of delegations for each resource type and the graphs below the table show the distribution of delegations by sub region.

Resources	Q1 2018	Q2 2018
IPv4 (103 /8)	497	184
IPv4 (recycled space)	10	2
IPv6	324	122
ASNs	296	286

Table 2: Internet number resource delegations

### IPv4 sub-regional delegations

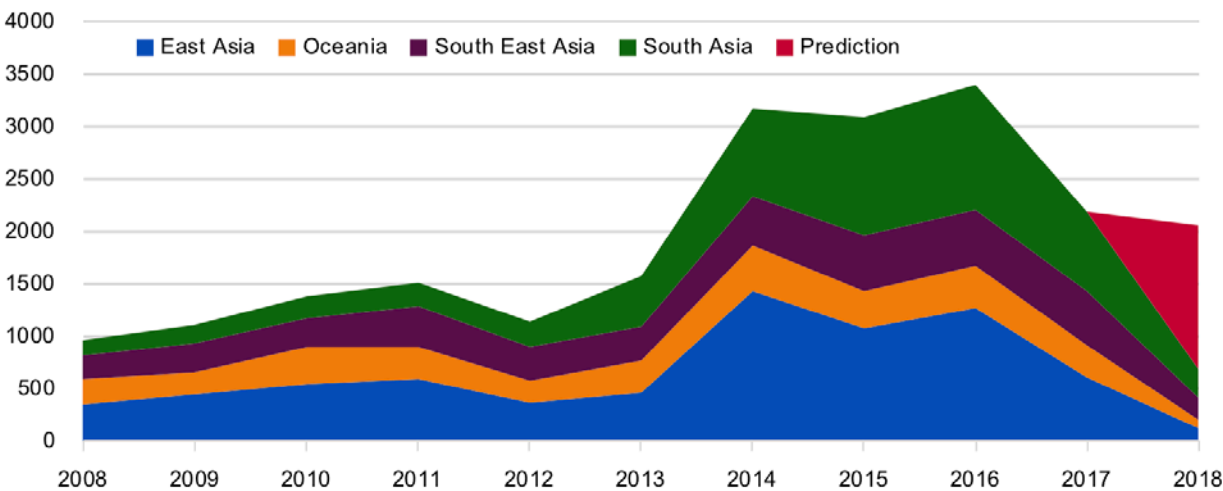


Figure 1: IPv4 delegations

### IPv6 sub-regional delegations

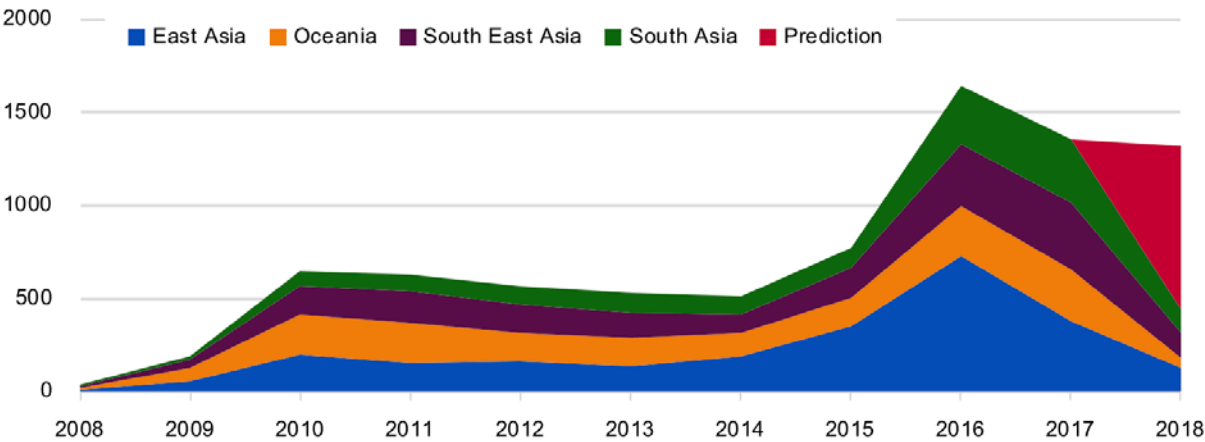


Figure 2: IPv6 delegations

## ASN sub-regional delegations

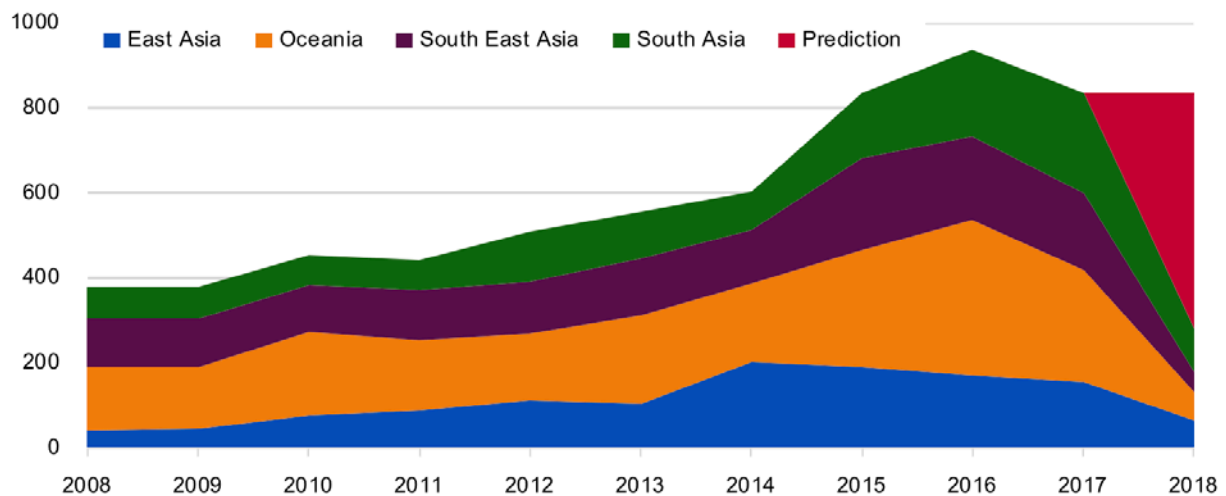


Figure 3: ASN delegations

## Member resource type holdings

APNIC started tracking the proportion of Members holding specific resource types from Q3 2016. The percentage of APNIC Members holding IPv6 addresses has reached 58.10% as at 30 April 2018.

Resource type	Q1 2018	Q2 2018
IPv4 (103/8)	72.04%	72.53%
IPv4 (recycled space)	24.17%	23.84%
IPv6	57.81%	58.10%
ASNs	74.94%	75.08%

Table 3: Member resource type holdings

## Status of last /8 (103/8)

APNIC is delegating IPv4 addresses from its last /8 (103/8) and also from the 'recycled' pool. With justification, every Member is entitled to receive a maximum of a /22 from each of these pools.

Resources	Q1 2018	Q2 2018
Delegations from 103/8 (/24s)	1,475	544
Remaining 103/8	31.05%	30.23%

Table 4: Status of the last /8



## Status of IPv4 recycled pool

Resources	Q1 2018	Q2 2018
Delegations from recycled space (/24s)	45	258
Remaining recycled pool (/24s)	3 * /22	9.25 * /22

Table 5: Status of recycled pool

## Waiting list for IPv4 recycled space

Since 9 June 2016, requests for recycled IPv4 addresses have been put on the waiting list. Each week, terminated address space is returned to the recycled pool and requests on the waiting list are fulfilled accordingly.

As at 30 April 2018, there are 491 entries on the waiting list, for a total of 1,846 x /24 IPv4 blocks.

## IPv4 transfers and returns

Mergers/acquisitions and market transfers are two major IPv4 transfer activities. Permitted by APNIC policies, market transfers happen within the APNIC region, or to and from other RIR regions. Currently, ARIN and RIPE are the two regions that have the compatible IPv4 transfer policy.

Transfer type	Q1 2018		Q2 2018	
	Requests	/24s	Requests	/24s
Mergers/ acquisitions	19	1,711	6	237
Market transfers	78	4,245	37	24,335
• Intra-RIR	54	1,774	29	1,979
• Inter-RIR	24	2,471	8	22,356

Table 6: IPv4 transfer activity

## Inter-RIR transfers

As at 30 April 2018, the total of IPv4 addresses transferred between APNIC and other RIRs are noted in the table below.

Inter-RIR transfers	Requests	/24s
ARIN to APNIC	218	63,353
RIPE to APNIC	18	3,866
APNIC to ARIN	20	436
APNIC to RIPE	13	503

Table 7: Inter-RIR transfer activity

## RPKI

As at 30 April 2018, 13.3% of Members have created resource certificates, an increase of 0.3% since 1 Jan 2018.

Resource certification	Percentage
Members created certificates	13.3% (up from 13%)
Members created ROAs	7.7% (up from 7.4%)
IPv4 under ROAs	4.8% (up from 3.3%)
IPv6 under ROAs	1.2% (up from 0.9%)

Table 8: RPKI stats

## 1.2 Registry operation and maintenance

- Switched to a cheaper GeoDNS provider for whois.apnic.net, which also supports more features and performs well globally.
- Continued migrating zones away from unicast DNS servers to our new anycast DNS servers at ns2.apnic.net and ns4.apnic.net.
- Worked on deploying a new, better performing RDAP application.

## Projects

### 1.3 Whois accuracy support

This project is created to help Members maintain accurate contacts by improving APNIC systems and processes. The aims of the project are to provide new contact update tools in MyAPNIC that are easy to use, develop a quick workflow for contacts validation, and introduce annual reminders for contact reviews in MyAPNIC.

Status: The project specifications have been developed. Currently, they are being scheduled for deployment. More updates about progress will be available in the next report.

### 1.4 RPKI 'anysign' service

This project aims to provide the RPKI function to issue signed statements about resources for cryptographic verification by other parties. Potential applications include authorization of IRR transactions, automated provision requests to ISPs, or signing transfer documents.

Status:

- This project is now being managed under the Product Management framework.
- Initial use case research with community members indicates more investigation is required to establish the viability of this service.
- Additional research will be carried out in Q2 2018.

### 1.5 Resource transfer process automation

This project removes several manual aspects of the resource transfer process to improve efficiency and user experience. The aims of the project are to automate the IPv4 transfer listing and pre-approval service, outgoing inter-RIR transfer fee invoicing, and whois updates for the resource transferred.

Status: The project specifications have been developed and are being scheduled for deployment. More updates about progress will be available in the next report.

## 2 Customer Service

### 2.1 Member Services/Helpdesk/Billing

#### SLA for service requests

The APNIC Services Area aims for a maximum two-working day turnaround to respond to external requests such as new Member applications, Member resource requests, IPv4 transfers, membership, and helpdesk support. The following chart shows the percentage of compliance with this SLA in 2018.

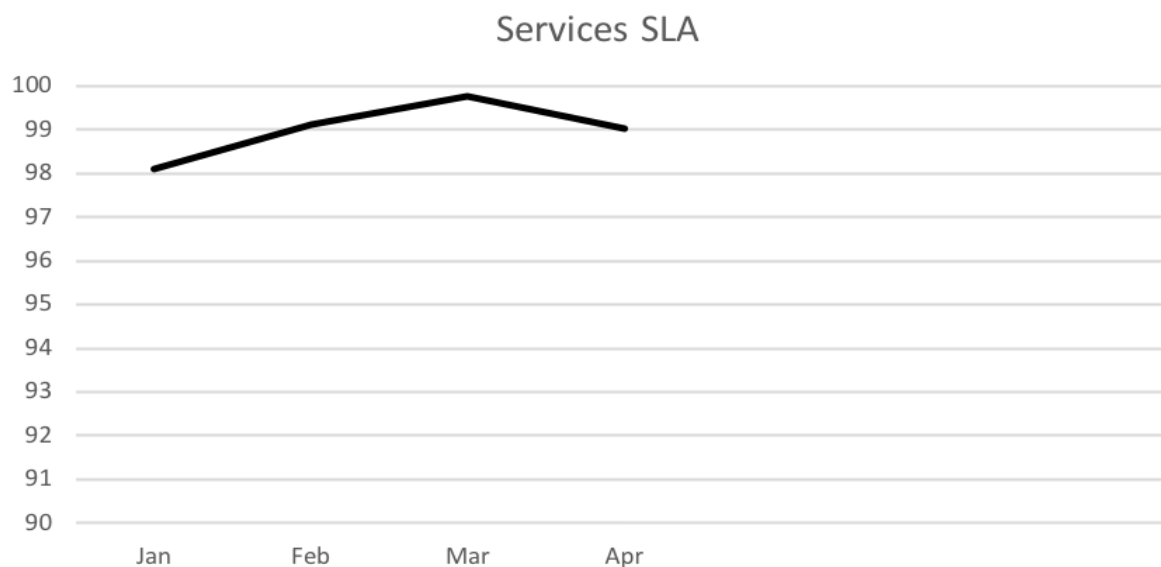


Figure 4: SLA compliance for requests

#### Membership statistics

Member type	Q1 2018	Q2 2018
New Members	199	75
Closed Members	39	31
Reactivated Members	4	2
Total Members	6,736	6,765

Table 9: Types of Members

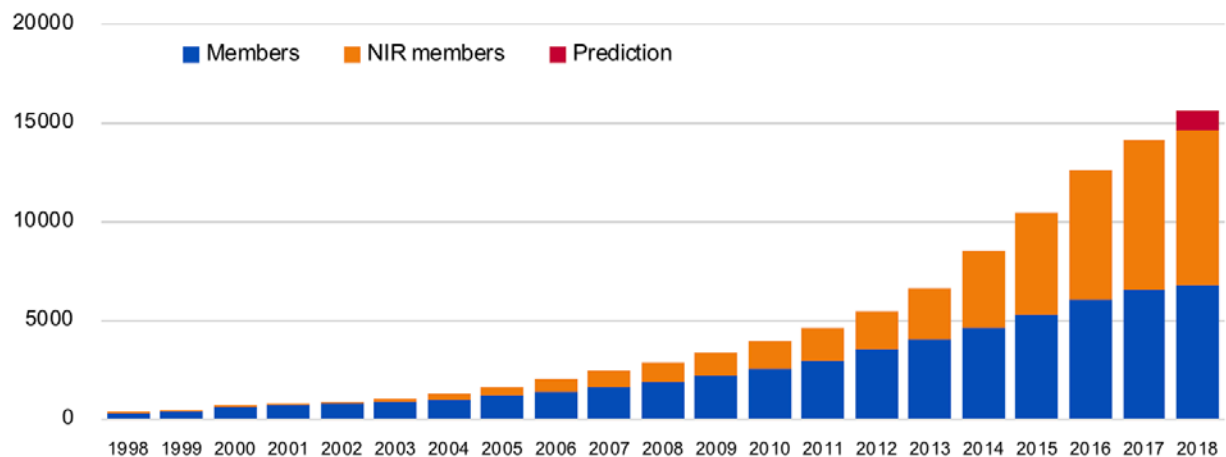


Figure 5: Membership growth

## Membership industry type

Since implementing a set of 'industry-type' values, agreed with the RIPE NCC, all APNIC Members have now been classified accordingly. We are working to extend this to members of NIRs.

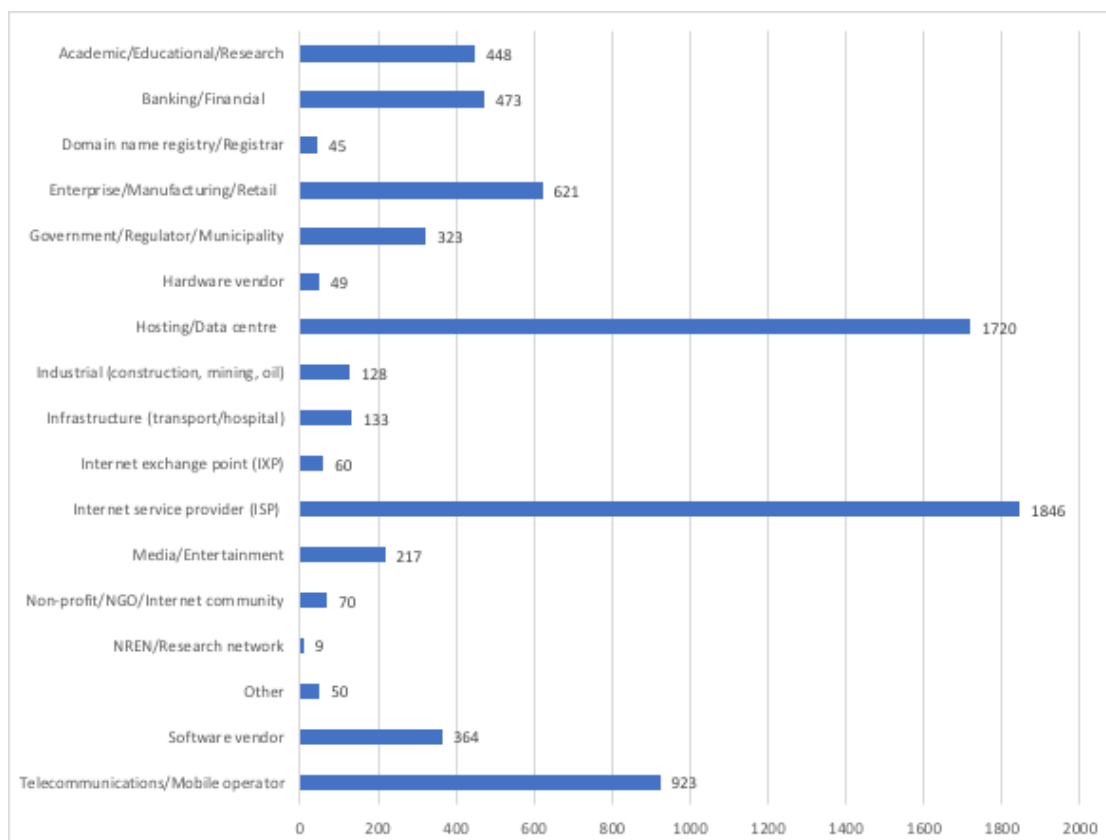
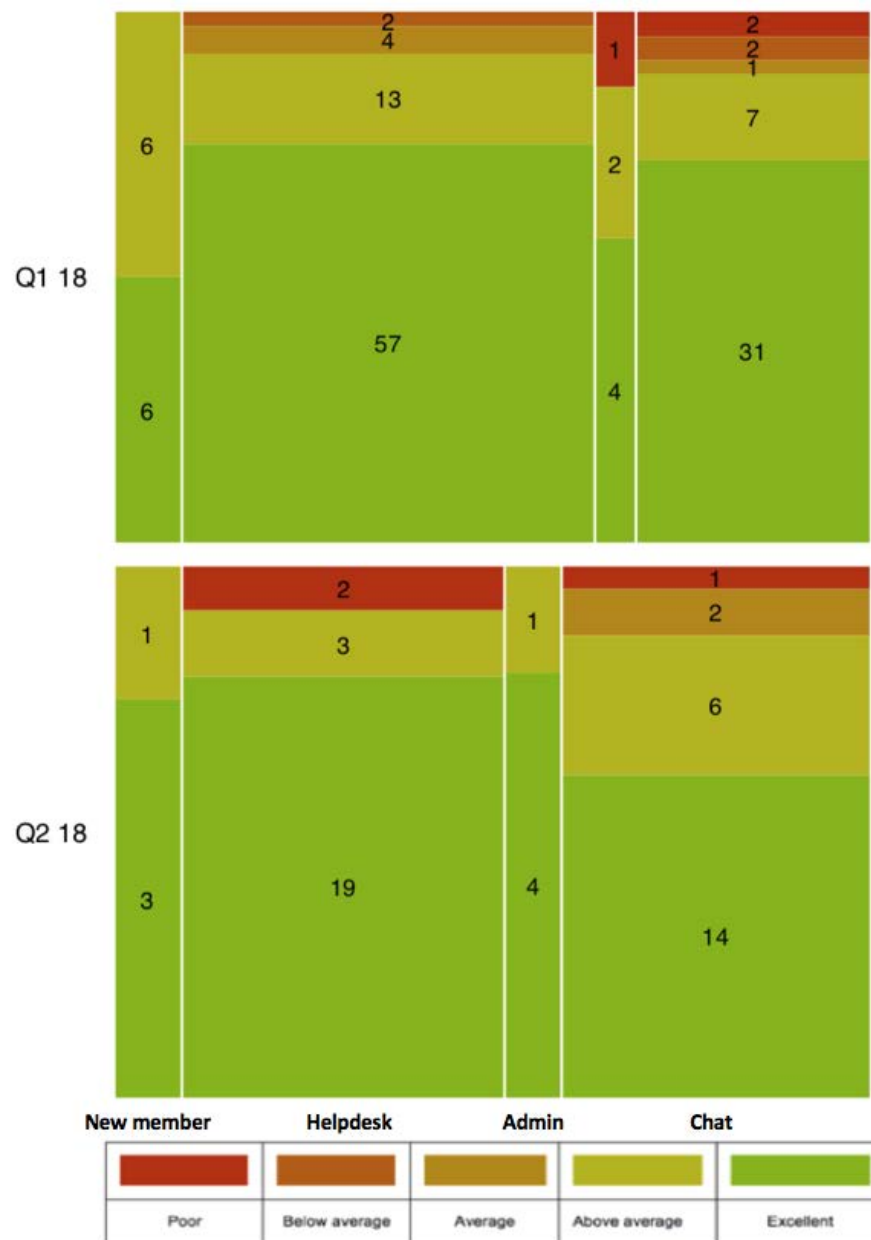


Figure 6: Member industry types

## Services satisfaction ratings



**Figure 7: Satisfaction ratings**

Services Area staff actively follow up on negative feedback received, to resolve outstanding issues and improve systems where possible.

## Fraud report

APNIC started sharing suspicious IPv4 transfer requests and fraud attempts starting from APNIC 42 and has been logging cases of fraud identified.

Types of fraud	Q1 2018	Q2 2018
Identity theft	0	0
Fabricated documents	1	0
Fabricated needs	1	0
Total fraud attempts	2	0

Table 10: Fraud attempts

## 2.2 MyAPNIC development and maintenance

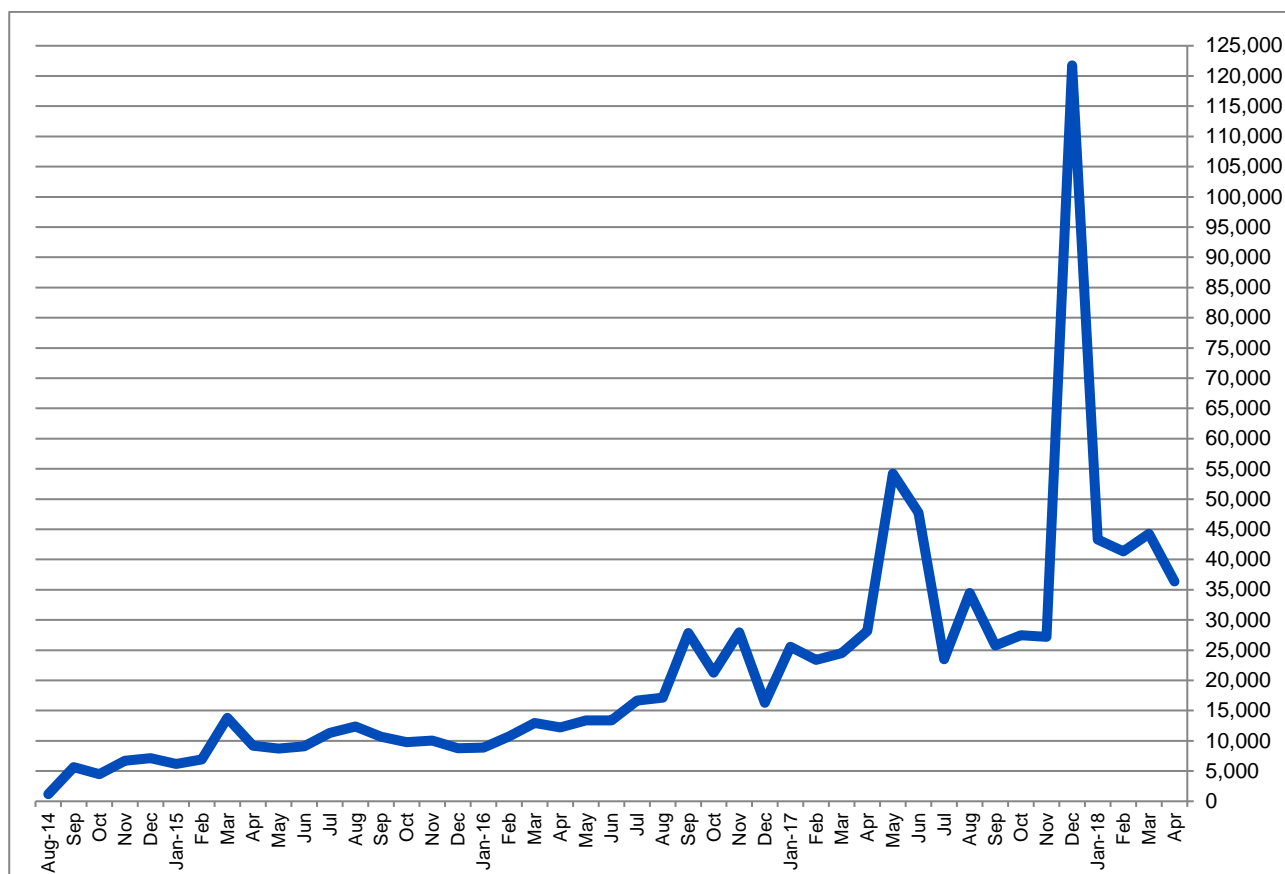
MyAPNIC development and maintenance in 2018 continues to focus on improving performance and usability.

- MyAPNIC development is now being managed under a Product Management framework.
- A number of proposed changes and improvements to the resource management functions of MyAPNIC are being reviewed by the Product Team.
- Development work on validated proposals will resume later in the year.

## 2.3 APNIC Blog

	Q1 2018	Q2 2018
Views	128,939	36,377
Posts	97	28

Table 11: APNIC Blog activity level



**Figure 8: Monthly APNIC Blog views**

APNIC Blog readership has averaged 41,239 views per month in 2018 to date, a 7% increase on 2017's monthly average of 38,643.

Prominent posts during the period included:

- Geoff Huston's look at the QUIC "spin bit" discussion at IETF 101.
- Paul Wilson's article on IPv4 exhaustion.
- Guest Post from Tom Perrine about his gaming organization's IPv6 migration.

There have been 47 Guest Posts so far in 2018, representing 44% of total opinion posts, which is in line with 2017's Guest Post ratio.

## 2.4 New membership outreach

APNIC provided information on membership at nine events around the region during the first four months of the year, including the Lao ICT Expo, APRICOT 2018 and the 2018 Philippine Cable Television Association (PCTA) Convention, where APNIC also presented on the value of ASNs and IXPs to Cable TV providers.

Preparations for APNIC's presence at CommunicAsia (now part of ConneCTechAsia) began in March, with a booth design and video in development. Information to raise awareness of the referral application process (to those Members who have previously made address sub-allocations) was also developed for a Q2 2018 rollout.

The total number of new Members that have joined APNIC in 2018 is 281.

## 2.5 Quality management

The external annual surveillance audit of APNIC's ISO9001:2016 Quality management system is scheduled for 27 July 2018. A detailed schedule of activities has been established to ensure APNIC is well prepared for this audit, with the project commencing on 23 May 2018.

## Projects

### 2.6 Improving online experience

This project aims to integrate APNIC's online services to provide a uniform experience for users of APNIC's services.

Status:

- This project is now being managed under the Product Management framework.
- The core technical foundation and integration to enable personalization and customization of APNIC content are in design and development.
- An introductory system with basic functionality is in the design and planning stage.

### 2.7 Service Partners

The aim of this project is to conduct trials of a new 'Service Partner' model to improve outreach to APNIC Members according to local needs.

Status:

- APNIC signed up its first Service Partner on 27 March 2018. Many thanks go to Gaurab for his help in introducing NEPALREN in Kathmandu; they became our first Service Partner during this trial period.
- MyIX in Malaysia has decided not to proceed as they can't yet serve corporate networks (non-service providers). MyNOG has expressed an interest and we hope to hear their position after MyNOG 7 at the end of July 2018.
- Champika of ICANN suggested that LKNOG (of which he's the president of the organizing committee) might be interested. We will follow this up with him.
- There's no progress with Pakistan's PKIX yet. They didn't attend APRICOT 2018 and will need to be followed up via email.



## 2.8 2018 APNIC Survey

This is the tenth Survey APNIC will be conducting. The Survey will be released to the community for a period of four weeks, commencing on 28 May 2018.

Status:

- As in previous surveys, a series of Focus Group consultations were held to gather input from the broader industry and our membership on current trends and issues being experienced within the industry and feedback around the Secretariat's services and activities. The Survey design and questionnaire will be developed based on this input.
- The Focus Groups were selected to consider locations previously visited, size of membership, and key relationships. The Focus Groups were held in 15 economies, with a combination of face-to-face and online meetings between mid-January to late February 2018 in:
  - Japan, including JPNIC
  - China, including CNNIC
  - Taiwan, including TWNIC
  - Australia
  - New Zealand
  - Pacific (Fiji and New Caledonia)
  - Malaysia
  - Philippines
  - Indonesia, including APJII
  - Timor-Leste
  - India, including IRINN
  - Pakistan
  - Bangladesh
  - Nepal
  - Afghanistan
- Findings from these sessions were incorporated into the 2018 APNIC Survey report, which was shared with the EC on 4 May 2018 for review.

The final survey report will be presented by Survey Matters at the EC meeting at APNIC 46 in Noumea, and then to the community at a later session during the conference.

## 2.9 Customer Relationship Management (CRM)

APNIC has implemented Salesforce as its CRM tool. Salesforce is currently being used as a system to coordinate external engagements and improve contact management across the organization.

Status:

- Transferred the legacy Yammer groups to Salesforce's Chatter collaboration groups for recording information within the context of events and touchpoints for easy review, historical relevance and improved reporting.
- Implemented Member data daily synchronization from the registry database to allow interactions with Members at various events to be captured and reported in Salesforce.
- Added reporting and dashboards for External Relations activities and user engagement within Salesforce.

- Improved Contact Management functions for easy data recording, viewing, and maintenance.
- Integrating Pardot (campaign management system) for marketing views within Salesforce (in progress).
- Implementing Salesforce's Opportunity management functions to support membership development activities (in progress)
- Integrating NetSuite data to ensure information integrity across systems (in progress).
- Implementing responsive website calendar with time zone adjustments for event management (in progress).
- The recently established Business IT team is also currently working with the key stakeholders to produce a roadmap for Salesforce at APNIC. This will allow us to prioritize implementation of the most needed features. A backup solution is also being reviewed to enable off-site backup and archival of important data.

## 3 Technical Infrastructure Services

### 3.1 APNIC infrastructure services

These activities include all technical support required to deliver services to APNIC Members and the Secretariat.

- Configuring a more streamlined deployment system for Kubernetes, an open-source platform we use to automate deployment, scaling, and operations of application containers across clusters of hosts.
- Started a project to migrate the office telephony system to a managed solution. This will continue in Q2 2018 and will result in significant operational savings along with the upgraded system.

## Projects

### 3.2 Data integration

This project, which will start in Q3 2018, involves mapping structures and relationships of all data and systems at APNIC to ensure that critical information can be used fully in the provision and management of APNIC services.

Status:

- An external information management consultant is being engaged to assist the Secretariat in applying a rigorous methodology to information management.
  - Work with APNIC staff to construct a data dictionary of high-level measurements is underway.
  - Delivery of a methodology overview report providing a roadmap for APNIC to improve information management processes is in progress.
- Repeatable production methods for key critical information are being developed in the Product Management unit, with a current focus on regular reporting needs, for example, Secretariat and Annual Reports.

### 3.3 Systems development

This is a project to implement a range of system improvements to ensure APNIC internal systems are managed efficiently and effectively. This includes software updates and security patches on all APNIC servers, reviewing APNIC's disaster recovery system and ensuring performance meets ISO 27001 standards.

Status:

- The server configuration management system (Puppet) has been upgraded and work is ongoing upgrading all server agents and related code.
- Package management system (Pulp) was chosen to replace and improve our package management capabilities. This project is 60% complete.
- Work is underway to upgrade the hardware security module for RPKI. The bulk of the work for this is now done, with the key migration to be scheduled in Q2 2018.

### 3.4 Network consolidation and enhancements

This is a project to consolidate and optimize APNIC's network services in line with best practice to reduce costs and improve performance. This includes utilizing RFC 1918 address space in backend servers, completing firewall and intrusion detection, and investigating peering arrangements.

Status:

- 203.119.43.0/24 was freed from use; 203.119.42.0/23 is now unused and to be placed back into the recovered pool.
- The remaining tasks to move all peer connections to edge switches from core switches are completed.
- Implementation of the Cisco Firepower Firewall/IPS/IDS appliances is continuing, with the APNIC office traffic to be routed through them by mid-May.

## 4 Member Training

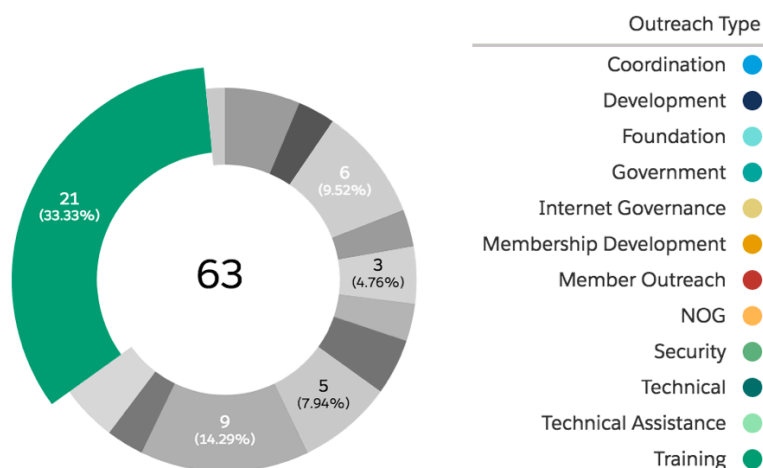
### 4.1 Training services

- The APNIC Academy had over 2,300 registered users. The most popular course was 'Introduction to Cybersecurity', with over 1,671 registered users.
- The Routing Basics" course was launched on the APNIC Academy in February 2018.
- The training team conducted/delivered the following face-to-face and eLearning sessions:

	Face-to-Face	eLearning
<b>Courses</b>	21	22
<b>Locations</b>	18 cities in 17 economies	n/a
<b>Participants</b>	669	85
<b>Training YouTube channel</b>	24,258 views + 328 subscribers	

**Table 12: Training statistics as at 30 April 2018**

- In 2018 (up to 30 April 2018), 33% of APNIC external engagements (21 out of 63), have been face-to-face trainings. This is a normal trend. In 2017, training accounted for 27% of the year's total.



**Figure 9: Types of outreach**

- There were quite important training activities in Oceania, with training held in New Caledonia, Vanuatu, Guam, Samoa, Tuvalu, and for the very first time, in the remote location of Tokelau. The following [blogpost](#) provides some highlights of the Tokelau training.
- APNIC conducted training for the very first time at APAN 45 in Singapore, from 25 to 29 March 2018.
- In March 2018, APNIC established a new sub-team to manage and develop the training curriculum and content, led by the new Training Curriculum Manager.
- IXP and Routing workshops were conducted at both Vanuatu and Myanmar.

## 4.2 Technical assistance

APNIC provided Technical Assistance the following economies:

Economy	Assistance provided
<b>Tokelau</b>	<ul style="list-style-type: none"> <li>IPv6 and Network Security</li> </ul>
<b>Mongolia (MobiCom)</b>	<ul style="list-style-type: none"> <li>Network architecture and design</li> <li>Network Security</li> <li>IXP support: setting up PoPs and connecting to regional hubs</li> </ul>
<b>Mongolia (Gemnet/MISPA-IXP)</b>	<ul style="list-style-type: none"> <li>Automating route server filter configuration (RPSL tools)</li> <li>Re-architecting of the route server (BIRD) routing table (PIPE protocol)</li> <li>RPKI implementation</li> <li>Best practices of operating an IXP</li> </ul>
<b>New Caledonia (OPT)</b>	<ul style="list-style-type: none"> <li>IPv6 deployment</li> </ul>

**Table 13: Technical Assistance summary**

## Regional Development

### 5 APNIC Conferences

#### 5.1 APRICOT 2018

[APRICOT 2018](#) was held in Kathmandu, Nepal, from 19 to 28 February 2018, at The Yak and Yeti Hotel.

Conference statistics	
Total number of on-site delegates	752
Economies represented:	64
APNIC Member organizations represented	247
Remote Participants – Adobe Connect	71
Remote Participants – YouTube	1,589 views; 12,998 minutes viewed
#apricot2017 tweets	931
Total people reached	1,069,458

**Table 14: APRICOT 2018 summary**

APNIC held its first 'Hackathon' event at APRICOT 2018 with 24 participants (6 female, 18 male). Hackathons (hacking marathons) are events where a group of people work together on a pre-defined set of problems, intensively, for a period of a few days. Mostly 'hacking' means coding, programming, and software development. At the APNIC Hackathon, participants identified and [worked to resolve IPv6-related challenges](#).

APNIC supported several other events within the APRICOT program, including an ICANN GAC Workshop, a FIRST TC, and APIX and APStar meetings.

#### 5.2 APNIC 46

APNIC 46 will be held in Noumea, New Caledonia, from 6 to 13 September 2018. The conference will be held at Le Meridien Noumea and the workshops will be held at OPT's training centre, Le Lys Rouge. The call for papers was opened on 9 April and the first round of acceptances will be announced on 15 June 2018. Invitations to potential keynote speakers have been issued and APNIC is in negotiations to confirm keynotes.

The [APNIC 46 website](#) was created in Q1 and a draft program is available. APIX has now confirmed it will hold its meeting at APNIC 46 (10 September 2018). Registration opened on 23 April 2018.

#### Future conferences

APRICOT 2019 will be held in Daejeon, Republic of Korea. The draft dates are 19 February to 1 March 2019. APNIC 48 will be held in Chiang Mai, Thailand, from 5 to 12 September 2019.

## 6 Regional Technical Development

### 6.1 Policy development

Four policy proposals were considered at the APNIC 45 Policy SIG.

Two proposals did not reach consensus and were returned to the mailing list for further discussion:

- [prop-123](#): Modify 103/8 IPv4 transfer policy
- [prop-120](#): Final /8 pool exhaustion plan

The author for the remaining two proposals was uncontactable and did not submit revised proposals:

- [prop-118](#): No need policy in APNIC region
- [prop-119](#): Temporary transfers

During the Policy SIG, consensus was reached to change the author of prop-118 and prop-119 to allow for revised proposals to be submitted.

There was also community discussion about remote participation for the SIG Chair/Co-Chair elections.

Policy SIG Co-Chair elections were held during APNIC 45 with Ching-Heng Ku and Bertrand Cherrier both re-elected as Co-Chairs for a two-year term.

## **6.2 Rootserver maintenance**

### **USP F-root relocation**

Since the F-root instance hosted at the University of South Pacific (online since 2007) is due for replacement, the plan currently is to relocate it to the Fiji-IXP, given USP will soon be connected to the IXP.

### **PNG-IXP F-root installation**

APNIC is helping with the ongoing work to get the F-root instance at the PNG-IXP online:

- Bought and hand-delivered a pair of SFP+ (server and switch side).
- Working with ISC to reconfigure the route server to support root server peering (still ongoing due to the slow response from ISC).

### **TPIX K-root installation**

This is supported by TWNIC. The contract between Chief Telecom and APNIC is being finalized. We are also awaiting arrangement with the RIPE NCC.

## 6.3 Internet exchanges and measurement support

The following work is currently underway on IXP support and development:

Location/IXP	Type of support	Comment
<b>Vanuatu</b>	Two and a half-day workshop (Feb 2018) in collaboration with the Office of the Government Chief Information Officer; half-day session to discuss the benefits of an IXP and operational best practices	
<b>Myanmar</b>	Three-day workshop (March 2018) in collaboration with MM-IX to discuss IXP best practices at traffic engineering	
<b>PNG-IXP</b>	F-root installation and route leak support (ongoing)	Work is ongoing to get the F-root online; resolved some Member ISPs leaking peer prefixes to the Internet
<b>MISPA-IXP, Mongolia</b>	As part of TA, provided details on how to automate route server filters	
<b>IXP-DB</b>	Sponsored IXP-DB system development and Peering DB service	
<b>APIX</b>	Sponsored and supported the APIX meeting at APNIC 45, including preparation for Peering Asia 2.0	

**Table 15: IXP support summary**

## 6.4 Network Operator Group (NOG) support

- APNIC participated in five NOGs between January and April 2018: four in the region and one outside of the region (CaribNOG).
- APNIC sponsored three NOGs:
  - JANOG in January 2018.
  - HKNOG in March 2018.
  - PhNOG in March 2018.

## 6.5 Security support

- An entirely new Security section on the APNIC website (which considers feedback from Members and the EC following the APNIC Survey) was completed and deployed in January 2018.
- APNIC supported the APCERT steering committee meeting during APRICOT 2018 in Nepal.
- APNIC also hosted the FIRST TC Kathmandu as part of APRICOT 2018. The one-day session attracted presenters from Nepal and across the region.
- In March, APNIC was invited to speak at the FIRST Technical Colloquia in Osaka, Japan.
- In March, APNIC conducted LEA trainings in Hong Kong and Taiwan.
- In April, APNIC was invited as one of the instructors for the Annual CSIRT Training (APISC 2018), organized by the Korea Internet Security Agency (KISA) in Seoul, South Korea.

## Projects

### 6.6 CERT/CSIRT development

The project supports the development of CERT/CSIRT capabilities in the Asia Pacific Region with advice, technical training and facilitating cross-sector, public-private engagement.

Status:

- At the end of January 2018, APNIC attended the launch of PNG CERT in Port Moresby. APNIC also delivered a two-day technical workshop as part of the launch.
- In April 2018, a two-day CERT engagement session was organized in Samoa.

### 6.7 Integrated information services

Under a product management framework, this project explores the prospect of gathering and providing aggregated operational and technical data from APNIC and the APNIC community through a community data portal.

Status:

- The Product Management role for the Information Services product family was created and the position filled.
- The Data Gathering and Analysis BoF took place during APRICOT 2018 in Nepal, including the following presentations:
  - Creating better local Internet maps in the Asia Pacific region (BGP Data Collection project; Sofia Silva Berenguer (APNIC))
  - Isolario Project: tools and activities (Alessandro Improta (IIT CNR))
  - Data Collections & Benchmarking (Bijal Sanghani (Euro IX))
- There was good response from the community regarding the BGP Data Collection project.
- A MoU is being worked on to be signed between APNIC and IIT CNR to formalize the collaboration on the BGP Data Collection project.
- Progress is being made on the Security product, working on generating an initial set of metrics that could be used for an MVP for this product.
- The web development team has completed the minimum set of requirements of the Statistics application. Product development work is being done to consider how these measurements will most effectively be presented for community use, and to create a backlog of additional features to be added.
- Initial discussions have started around platform concepts and may involve feedback from the work being done in the 'Data Integration' project.

## 7 Community Engagement

### 7.1 Community sponsorship

In addition to NOG sponsorships (see NOG Support), APNIC has committed to the following community event sponsorships in 2018:

- NPSIG 2018, Nepal
- APriGF 2018 and PacIGF 2018, Vanuatu
- APT Connectivity Workshop at APT PRFP-11, Western Samoa
- AINTEC 2018, Thailand



## 7.2 Fellowship program

The [Fellowship committee](#) for APNIC 46 was recruited in March/April and [Fellowship](#) applications opened on 7 May 2018. Generous sponsorship provided by OPT-NC will allow for 20 to 25 additional fellows from Pacific Island economies to attend APNIC 46.

## 7.3 Government and sub-regional liaison

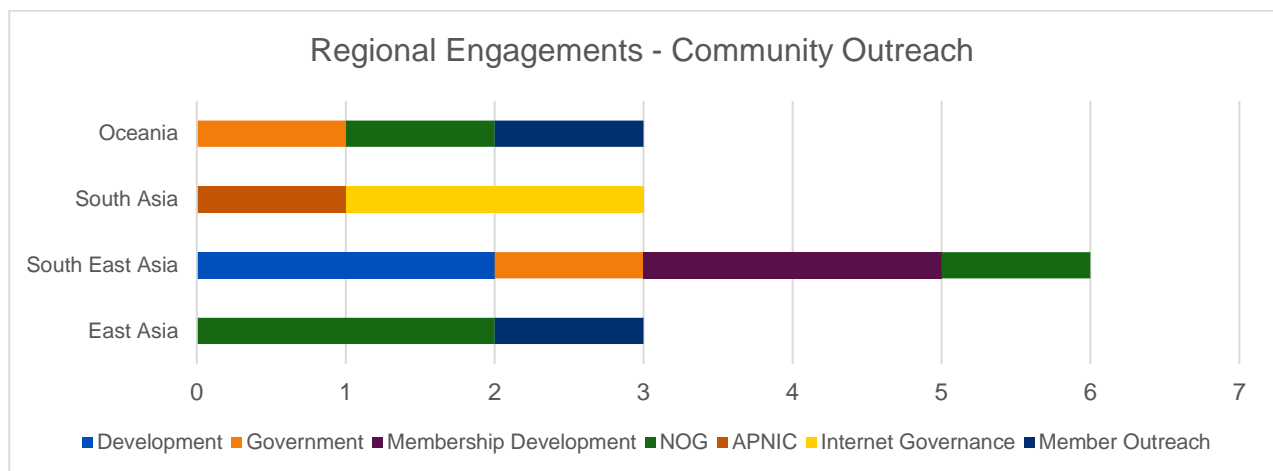
The second APT preparatory meeting for the ITU Plenipotentiary Conference was held in January 2018 in Hanoi, Viet Nam. This is the second of four scheduled APT preparatory meetings for this Conference. Apart from engaging with governments of the Asia Pacific region, some clarity was reached on what Internet issues will be discussed at the Conference and what the likely governmental positions would be.

The annual IPv6 workshop with the ITU will happen in Bangkok, in collaboration with the Thailand government and the TOT Academy from 14 to 18 May 2018. This partnership with the ITU in developing capacity for IPv6 has been valuable for both ITU and APNIC Members. In addition to this annual workshop, there is direct country assistance being scheduled.

Positive engagements with the governments of East Timor, Mongolia, PNG, and Vanuatu occurred between January and April 2018, some as side meetings after events.

## 7.4 Community outreach

APNIC staff attended and shared information about APNIC's activities and initiatives at 15 community events across the region during the first four months of 2018. This included an APNIC Member Gathering held in Ulaanbaatar, Mongolia, attended by 19 Member representatives.



**Figure 10: Community Outreach Engagements**

APNIC authors published 78 posts on the APNIC Blog during the period (see [Section 2.3](#) for more details), with community engagement via APNIC's social media detailed below.

	Q1 2018	Q2 2018
<b>Facebook</b>		
▪ Reach	139,688	20,810
▪ Likes	26,782	26,808
<b>Twitter</b>		
▪ Followers	8,491	8,678
▪ RT/Likes/Mentions	2,711	648
<b>YouTube</b>		
▪ Views	12,252	2,320
▪ Minutes	82,037	14,190
<b>Slideshare</b>		
▪ Views	32,707	9,884
<b>LinkedIn</b>		
▪ Reach	29,155	2,939
▪ Followers	2,862	2,909

**Table 16: APNIC Social Media activity**

## Cooperation SIG

The Cooperation SIG is a forum for discussion about broader Internet issues such as public policy and Internet governance with a focus on information sharing, outreach, capacity building, and other activities that will advance APNIC's vision for a global, open, stable, and secure Internet.

The theme of the Cooperation SIG session at APNIC 45 was 'Whois accuracy: Present status and its challenges' and featured presentations from APNIC, RIPE NCC, ICANN GAC's Public Safety Working Group (PSWG), Nepal Police, and a network operator's perspective from Hurricane Electric. All presentations, plus the archived webcast, [are available](#) on the conference website.

There was also an election for the Cooperation SIG Co-Chair, with Bikram Shrestha elected as the SIG Co-Chair for a two-year term. The Secretariat thanks outgoing Co-Chair, Billy MH Cheon, for his contribution and service to the Cooperation SIG.

## NIR SIG

The NIR SIG shares information relating to the operations, policies, and procedures of NIRs with the aim of promoting close cooperation among the NIRs and with the APNIC Secretariat.

During the APNIC 45 NIR SIG session, CNNIC, VNNIC, TWNIC, IDNIC, IRINN and JPNIC provided updates. All presentations, plus the archived webcast, [are available](#) on the conference website.

## 7.5 Internet governance

The Asia Pacific Regional Internet Governance Forum (APrIGF) will be held in Vanuatu in August 2018. APNIC will be supporting the fellowship program and the event in general, with sponsorship, workshop proposals, and attendance. Preparations are under way, different meetings with the hosts have been held in Kathmandu and Puerto Rico, and a site visit was held in February 2018, attended by Sylvia Cadena, who is the Co-Chair of the APrIGF Multistakeholder Steering Group (MSG). APNIC partnered with other organizations and submitted four workshop proposals.

The global IGF venue is still unknown, but the call for issue and workshop proposals is open. APNIC participated in issue submission and is planning at least two workshop proposals.

The first School of Internet Governance in Nepal (NPSIG) was hosted by the Nepal Internet Society chapter in partnership with other local organizations. Around 40+ participants from academia, technical, government, and other stakeholder groups attended. APNIC facilitated the IPGO card game to explain IP addressing concepts.

APNIC supported the APNIC Foundation to participate in the WSIS Forum, an annual ITU event about Internet governance. The ISIF Asia Program was selected as part of the WSIS Champions 2018 (see 8.2). Sylvia spoke at different sessions and attended her first IGF Multistakeholder Advisory Group (MAG) meeting (of which she is newly appointed), which was held as a side event.

## Projects

### 7.6 Research & Education community outreach

This project aims to build closer working relations with the Research & Education (R&E) community (universities, research institutes and National Research and Education Networks (NRENs)) to improve APNIC services to this sector.

Status:

- APNIC provided sponsorship for APAN 45 in Singapore in March 2018 and conducted a [poster](#) session to attract membership.
- The training team conducted two one-day tutorials (SDN & Network/Internet Security) at APAN 45, which were the first trainings APNIC conducted directly at APAN meetings.
- They also assisted GEANT to conduct TRANSITS-I (CERT/CSIRT Development) training at APAN 45 with funding from Asi@Connect/TEIN. This was the second time APNIC collaborated with GEANT and Asi@Connect on TRANSITS training.
- APNIC training is talking to AARNet about better connectivity to R&E networks, Eduroam and other services.
- They are also talking to the Australian Access Federation (AAF) about the possible benefits to the APNIC Academy of joining AAF & eduGAIN.

### 7.7 Increasing participation

This project aims to encourage greater Member participation in APNIC community processes, with a focus on the Policy Development Process (PDP) through outreach activities.

Status:

- A [Facebook Live webinar](#) was held on the policies to be discussed before the APNIC 45 Policy SIG session at APRICOT 2018 (attracting 353 views).
- A [blog post](#) preview of the APNIC 45 Policy SIG session was published.
- An English summary of the four policies for discussion was provided and translated into seven languages (Chinese – Simplified and Traditional, Japanese, Hindi, Bahasa Indonesian, Thai, and Vietnamese) before the SIG sessions. An English summary of the Policy SIG outcomes from APNIC 45 was also [translated](#) into the same seven languages.
- Produced an email bulletin and website promotion to APRICOT delegates to encourage their attendance at the Policy SIG sessions.
- We held a session at NPSIG 2018 to encourage engagement in APNIC activities including the PDP and Policy SIG at APNIC 45. This session was the final event as part of a pilot project (which began in 2017) to help encourage participation from the South Asia community in APRICOT 2018/APNIC 45. One third of the people contacted as part of the pilot project attended the conference.

- We developed a policy engagement presentation and accompanying blog post series (six posts) for a June launch. Policy engagement sessions are currently being arranged for TWNOG, SANOG, bdNOG, VNNOG and IDNOG.

## 8 APNIC Foundation

### 8.1 Governance and administration

#### Board

The Board selection process continues. Now in the third round, due diligence has been completed on three new candidates for consideration by the EC at their next meeting in Bhutan. If selected and appointed, these three candidates will join the three existing board members to complete the seven-member board.

The Foundation's first AGM and Board meeting will be held in Hong Kong on 17 May 2018. Resolutions to be considered by the Board include ones on the Foundation's first audited financial statements; and the adoption of a range of fraud, personnel and WHS policies. Board members will also hold their first strategy session and attend an Internet seminar.

### 8.2 ISIF Asia

#### WSIS Champion

ISIF Asia was one of four projects recognized as a Champion in the annual WSIS Prize contest (International and Regional Cooperation category). The annual WSIS Forum is a global multistakeholder platform facilitating the implementation of the WSIS Action Lines for advancing sustainable development. The WSIS Prize contest, evaluates and recognizes individuals, governments, civil society, local, regional and international agencies, research institutions and private sector companies for outstanding success in implementing development-oriented strategies that leverage the power of ICTs. Seventy-two Champions and 18 Winners were recognized among a record number of 685 project submissions. Sylvia Cadena travelled to the WSIS Forum to participate in the Champions ceremony in March 2018.

#### Grants and awards

The 2018 Call for Grant Proposals and Award Nominations was launched on 25 February and closed on 15 May 2018. Winners are expected to be announced in August 2018, after a comprehensive selection process and due diligence review of selected organizations. USD 210,000 will be allocated across 10 projects (8 grants and 2 awards) across 4 funding categories: Network Operations Research; Cybersecurity; Community Networks; and Gender Empowerment and Innovations. Four separate Selection Committees have been structured, with 16 subject-matter experts from across the community volunteering to support the process. Funding for this call for submissions has been provided by the IDRC, the Internet Society and APNIC.

### 8.3 Foundation activities

#### Projects

- The DFAT-funded CERT project for the Pacific supported the establishment of a second CERT in the region: the PNG CERT in January.
- The project's first regional workshop will be held in Tonga in May with CERT technical officers from Cook Islands, Fiji, PNG, Samoa, Solomon Islands, Tonga, and Vanuatu attending.
- The second portion of funding (AUD 100,000 for the second year 2018-19) was confirmed.

#### Funding approved and fundraising

- Initial approval: AUD 558,000 in funding for a new project 'Enhancing National Cybersecurity and Network Quality of Service in Advance of Papua New Guinea's Hosting of APEC'. The funding is from DFAT via the San Francisco-based Asia Foundation. The funding will support:

- Up to eight technical training workshops (approx. AUD 280,000) for APNIC Members and the PNG community.
- CERT training and development (approx. AUD 108,500).
- IXP training and support (approx. AUD 90,000).
- Initial approval: AUD 108,000 in funding for a new project 'Combating Cybercrime 'Safe havens': Building a well informed and trained cyber law enforcement community in the Pacific'. The funding is from DFAT and will support training by Craig Ng and LEA colleagues in the Pacific.
- Three proposals have been drafted and are under discussion with potential partners: SWITCH: Fostering women's leadership in the Internet industry in the Mekong region; Community Networks deployment in PNG; and a PhD/Master's scholarship program.

## Community engagement

Duncan travelled to: JANOG in Japan in January 2018 and held meetings in Tokyo with the Ministry of Communications; KDDI Foundation; JICA and Foreign Affairs; APRICOT 2018 and also had meetings in Hong Kong with the Kadoorie Foundation and the Asia Society; the Australasian Aid conference in Canberra and met with DFAT; an Advisory Council meeting of the Partnership for Online Platforms and Sustainable Development (POPS) in Bangkok, Thailand, organized by the Asia Foundation; and a workshop on Digital ASEAN organized by the World Economic Forum.

Sylvia travelled to Port Vila in February 2018 for a site visit to support the development of the APriGF 2018 as Co-Chair of the event. She also attended the Australasian Aid Conference in Canberra and meetings at DFAT. As part of the ISIF Asia 10<sup>th</sup> anniversary, she attended APRICOT 2018 and moderated a BoF session to launch the ISIF Asia Grants for 2018, where two projects supported were presented to the community. Following APRICOT 2018, Sylvia had meetings in Singapore with the Asia Venture Philanthropy Network (AVPN). In March 2018, she travelled to the WSIS Forum and attended her first face-to-face meeting as a newly appointed MAG member. In April 2018, Sylvia travelled to Sydney to present ISIF Asia experiences around support for health innovations to the Australian members of the AVPN.

Sylvia continues to support the deliberations of the ICANN Cross Community Working Group on the new gTLDs Auction Proceeds Fund, which is tasked to make recommendations to the ICANN board about the funding mechanism to use for the allocation of USD 230M in this fund. A community consultation process around the recommendations from the CCWG is scheduled for ICANN 62 in Panama. The recommendations report is expected to be finalized by ICANN 63 in Barcelona later in 2018.

## Global Cooperation

### 9 Global Technical Community

#### 9.1 RIR collaboration

Three RIRs, APNIC, ARIN and LACNIC, held their first round of meetings in this period, with Paul Wilson participating.

One of the topics of discussion was the ASO Review. APNIC had its second consultation at APNIC 45 in Nepal, considering a two-house model (policy and registry councils) to solve historical misunderstandings between the roles of NRO and ASO. ARIN held a small consultation during its meeting in April and a staff summary after this meeting suggested that further engagements with ICANN should be made under the NRO banner. LACNIC also held a consultation session during its meeting in May. There are ongoing discussions about the cross-regional coordination model for the RIRs to agree on a single solution.

In preparation for the second ASO Review Consultation, APNIC held a Facebook live webinar in February 2018 to provide information about the process to the APNIC community. It had 404 views at the time. As a result of this webinar, a group of volunteers joined the APNIC Working Group (which currently has 35 members). Two blog posts ([ASO Review discussions gaining momentum at APNIC 45](#); [ASO Review: Moving forward](#)) have been published on the ASO Review session as well.

#### 9.2 Collaboration with ICANN, PTI, IETF, ISOC

ICANN had its first meeting of 2018 in San Juan, Puerto Rico (ICANN 61). Paul Wilson gave a speech during the Opening Ceremony, with more than 1,000 people attending. There were many engagements with governments and members of the ICANN community. Initial discussions about the ASO Review process were held with ICANN staff and its board. The NRO EC had a face-to-face meeting during this time.

The IETF held its 101 meeting in London in March 2018. APNIC gave presentations on IPv6 and measuring ATR.

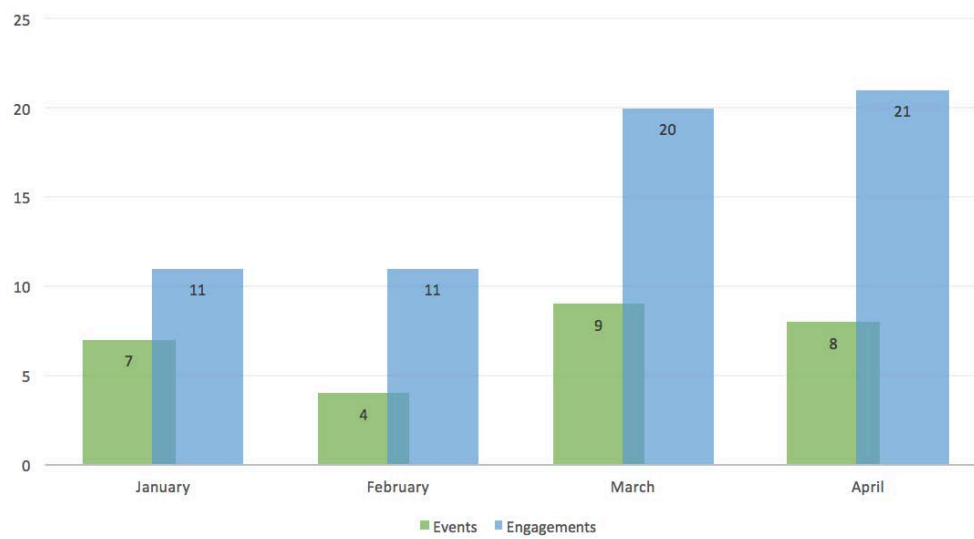
#### 9.3 Other forums

Twenty-five percent of APNIC's engagements during this period occurred in Oceania with 15 engagements, including trainings in New Caledonia, Vanuatu, Guam, Samoa, Tuvalu and, for the first time, in the remote location of Tokelau. These engagements have an important impact on connectivity, governance, setting up IXPs and IPv6 deployment. With support from funds from the Foundation, important security-related activities were held in Fiji.

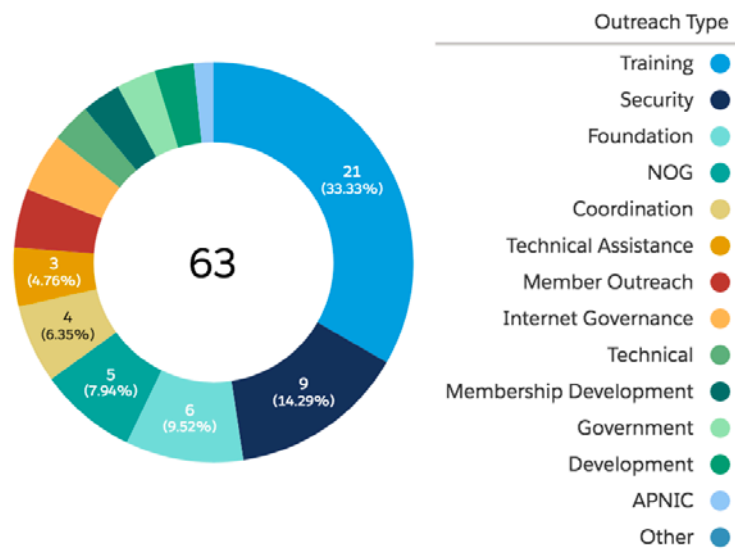
APNIC participated in an event about 'Practical Futures for Cyber Confidence Building' in the ASEAN region.

#### 9.4 Engagement coordination

Below are some stats on events and engagements:



**Figure 11: Engagements per month**



**Figure 12: Outreach types**

## APNIC External Relations | Jan to Apr 2018



External Engagements 2017 and Apr 2018			
Subregion	2017	Apr-17	Apr-18
S Asia	39	4 (20)	5 (11)
SE Asia	71	28 (54)	18 (41)
E Asia	38	5 (22)	14 (30)
Oceania	37	13 (24)	15 (25)
Global	36	11 (32)	11 (24)
<b>Total</b>	<b>221</b>	<b>63 (154)</b>	<b>63 (131)</b>

External Engagements 2017 and Apr 2018			
Category	2017	Apr-17	Apr-18
APNIC	2	1 (2)	1 (2)
Coordination	18	4 (15)	4 (18)
Development	4	2 (5)	2 (6)
Foundation	14	3 (7)	6 (8)
Government	13	6 (12)	2 (7)
Internet Governance	12	2 (10)	3 (5)
Member Outreach	12	7 (8)	3 (4)
Membership Development	4	1 (4)	2 (3)
NOG	27	6 (23)	5 (17)
Security	37	8 (17)	9 (18)
Technical	14	4 (10)	2 (6)
TrainingTA	64	20 (41)	24 (37)
<b>Total</b>	<b>221</b>	<b>63 (154)</b>	<b>63 (131)</b>



Figure 13: Engagement summary

## Projects

### 9.5 NRO Chair

APNIC is the Chair of the NRO this year. The NRO EC, comprising the five RIR heads, holds a monthly teleconference, and face-to-face meeting as the opportunity arises. The agenda being discussed this period includes:

- ASO Review – follow up of the review recommendations, in particular, the planning for community consultation across all the RIR communities on recommendation #18 to address the role confusion between the NRO EC and ASO AC.
- Discussion about an email sent to the RIR CEOs and boards from an AFRINIC community member about board issues at AFRINIC, to which the NRO EC decided not to respond as it is considered an AFRINIC internal matter.
- [IANA Review Committee report](#) that recommends to the NRO EC that IANA has met the SLA during the period being reviewed (1 April to 31 December 2017).
- ICANN board seat #9 election.
- NRO 2017 expenses report review and approval of the 2018 budget.
- NRO contributions to other organizations for 2018 (ICANN, IGF).
- The progress of Coordination Group projects as reported in the next section.



## 9.6 NRO projects

The Coordination Groups include the Resource Services Coordination Group (RSCG), Engineering Coordination Group (ECG) and the Communications Coordination Group (CCG). The groups meet regularly via teleconference and face-to-face to discuss ongoing and project work.

### RSCG Projects

#### 1) Identifier Technology Health Indicators (ITHI) project:

This is a project initiated by ICANN and agreed to by the NRO EC for the RSCG and ECG to collaborate and contribute towards. The goal is to develop metrics to measure the health of unique identifier systems to improve the security, stability, and resilience of the Internet's unique identifier system.

Status:

- Initial draft of metrics developed.
- Community consultation on NRO website completed.
- Detailed measurement is currently being discussed and refined before more development work will be undertaken.

#### 2) Registry and whois accuracy:

This is for the RSCG to discuss and recommend initiatives to improve data accuracy and to work on documentation to outline requirements by the RIRs.

Status:

- A draft document containing data accuracy requirements by RIR's policies, agreements and operational practices for further review by the RSCG is underway.

#### 3) Resource transfer improvements:

The work undertaken by the RSCG is to review and document RIR practices and make recommendations for inter-RIR transfer improvements.

Status:

- All the RIRs are working on a presentation to share practices and document interaction procedures.

#### 4) NRO resource statistics presentation:

In collaboration with the CCG, a new slide deck template design is being developed and will include transfer activities.

Status:

- Draft slides are completed. Currently working with a graphics designer on the slide template.

### CCG Project

#### 1) NRO Website Redesign

The NRO website is currently undergoing a redesign to provide an improved user experience and migrate to a more flexible content management system.

Status:

- The proposed new site navigation and design was approved at the January NRO EC teleconference and development work is progressing on the new site, with content migration currently underway in preparation for an expected completion later this year.

## ECG Projects

### 1) RDAP

The ECG is conducting an RDAP activity covering the analysis of the RIR's RDAP implementations with the purpose to better align the implementations. This is done through a shared knowledge base and compliance testing.

Status:

- Initial RDAP compliance testing is being done.
- Feedback from the RIR's are being gathered, to be added to a formal repository.
- The ECG is planning to implement a mechanism to capture the feedback from the RIR communities.

### 2) RPKI

The ECG continues to work on improving RPKI.

Status:

- The IETF proposal 'RPKI Validation Reconsidered' was approved and is documented under [RFC 8360](#). The deployment of this RFC will reduce the overall fragility of the RPKI.
- A deployment plan will be developed next and presented to the IETF sidrops working group for consideration and approval, before the RFC can be implemented.

### 3) Unified reporting

The ECG is working on unifying RPKI and Statistics measurements across all the RIRs.

Status:

- The first drafts of both these metrics are being reviewed.

### 4) Standardized file format

The ECG is working on identifying opportunities for using standardized file formats to ensure interoperability.

Status:

- The Delegated Extended Statistics and Transfer Log file formats are in draft and will be documented in a revision-controlled repository.

## 10 Inter-governmental Outreach

### 10.1 Inter-governmental liaison

This is a year of the ITU Plenipotentiary Conference. It is the most important conference for the ITU as it sets the strategies and objectives for the ITU for the next four years. This Conference will be held in Dubai in November 2018. Some of the issues that are more controversial are the:

- Role of the ITU in the Internet and Internet governance.
- Prospect of having another WCIT (to reopen negotiations on the ITRs).
- Role of the ITU in the Digital Objects Architecture and supporting the Global Handle Registry.
- Role of the ITU in cybersecurity-related topics.

APNIC participates in the regional preparatory process for the ITU Plenipotentiary by the APT.

The annual IPv6 workshop with the ITU will happen in Bangkok in May 2018, in collaboration with the Thailand government and the TOT Academy.

APNIC has supported the APNIC Foundation to participate at the WSIS Forum, the IGF MAG, and activities related with Co-Chairing the APriGF MSG.

## 11 Global Research

### 11.1 Global research and measurements

Research topics conducted by Geoff Huston and Joao Damas during this period include:

- KSK rollover investigations, including resolver characterization and user impact measurement.
- Promoting the approach described in draft-huston-kskroll-sentinel as an alternative approach to testing the extent of user impact of a KSK roll.
- IPv6, Extension Headers and IPv6 Fragmentation.
- Measuring the extent of latent QUIC capability.
- DNS related research with ICANN (contract extended to 2018).
- Investigation into the dynamic behaviour of BBR (Google's new TCP flow control algorithm).
- Ongoing activity with the ICANN SSAC and SSR2 Committees.
- Investigation of DNSSEC and its role in NSEC caching.
- Open resolver collaboration with Cloudflare.
- DNS ATR measurement.
- ITHI DNS measurement (funded by ICANN).

### 11.2 Technical advocacy at global forums

Published articles and presentations during this period include:

#### Articles:

- DNS and DDOS
- Hiding the DNS
- Helping Resolvers to help the DNS
- Network Neutrality – Again
- A Workshop on Internet Economics
- BGP in 2017
- Addressing 2017
- Peak DNSSEC
- Crypto Zealots
- DNS OARC 28 report
- Just One Bit
- Stuff the Camel into the Bikeshed
- Measuring Root Zone Trust
- Measuring ATR

#### Presentations:

- TCP and BBR (Canberra Linux Users Group)

- IoT (ATSE)
- The Death of Transit and Beyond (IAB Tech Talk, HKNOG)
- The Rise and Rise of Content Distribution Networks (CAIDA Workshop on Internet Economics)
- DDOS, DNS and DNSSEC (NZNOG 2018)
- Measuring DNS ATR (DNS OARC, IETF)

## Corporate

### 12 Human Resource Management

#### 12.1 Secretariat staffing

Please refer to the HR Report.

#### 12.2 Organizational development

Please refer to the HR Report.

#### 12.3 Staff retention and development

Please refer to the HR Report.

## 13 Finance and Administration

### 13.1 Financial management

#### Finance statistics to date

KPI Dashboard Finance Team YTD KPI (2018)					
Number of	April-18	Avg/Mnth	YTD	2017	2016
Phones Calls (Outward)	180	204	814	3253	3500
<b>RTs Received (Total)</b>	<b>2065</b>	<b>2035</b>	<b>8140</b>	<b>25444</b>	<b>21396</b>
E-Bill Queue	1525	1489	5957	16379	15331
Finance Queue	113	115	459	1385	1328
Accounts Payable Queue	86	96	385	1241	1261
Bounce Queue	140	145	578	3908	1415
Inward Payment Queue	201	190	761	2319	2061
<b>Accounts Receivable</b>					
APNIC Member Count	48	53	6760	6547	5994
New Members	74	68	273	844	1030
New Non-members	1	1	4	11	18
Receipts Processed	735	667	2668	8061	7514
Invoices issued	781	689	2755	8264	7537
Credit notes issued	46	32	129	550	529
Accounts Closed (Mem and Non-Mem)	30	18	72	332	322
Closure Notice sent	84	73	293	994	945
Reactivation Members	4	3	12	31	45
Reactivation fee waived	0	0	1	2	8
Refund Members (Duplicate and Over-payment)	5	5	18	73	68
<b>Accounts Payable</b>					
Asset Created	23	14	57	260	189
Asset Disposal	9	4	15	76	127
PO created by Finance	102	75	299	488	213
PO Billed	42	147	588	1957	1947
Supplier EFT Payment	64	75	300	932	891
Nexonia Reimbursement Payments	38	35	138	429	386
Credit Card Payment	362	276	1102	3936	3377
Journals processed	98	92	368	833	888
Cash Advance Request	1	3	10	21	18
Vendor Request	2	4	16	97	141
Foundation Support Transactions	150	234	935	2454	1046
NRO Support Transactions	40	30	119	756	537

Figure 14: Finance KPIs

The Business IT Team will be conducting a review of NetSuite role management and investigating easier methods for staff to access NetSuite while continuing to have a secure environment. Multi-factor/SSO authentication solutions such as OKTA are currently being reviewed to provide all staff a secure staging area for all internal solutions while at the same time improving user lifecycle management.

## 13.2 Office management

A new visitor/contractor management system has been implemented at the APNIC office, ensuring all visitors are inducted before entry to the APNIC offices. Staff being visited are automatically advised of when a visitor has arrived and when they have left the building. Printed tags are used by all visitors for easy identification.

Business IT will also be working on multiple projects over the coming months improving current solutions such as Office 365 with more training for end users and also a review of the governance of Office 365. This will also include selection of a granular backup solution that will provide off-site backups including email, SharePoint document storage, and OneDrive.

## 13.3 Travel management

### Travel management statistics to date

Travel Statistics*		YTD 2018	YTD 2017	Change
Sectors Flown:	Domestic	31	39	-21%
	International	483	587	-18%
		514	626	-18%
Hotel Room Nights	Domestic	10	32	-69%
	International	225	312	-28%
		235	344	-32%
*Booked through APNIC's Travel Management Company, excludes external bookings				

Figure 15: Travel statistics

### Travel review

A review of APNIC's end-to-end travel processes is underway with initial project scoping completed in April 2018. The project team will be formed in Q3 2018 with a report and recommendations completed by the end of the year.

## 14 Legal and Governance

### 14.1 Legal counsel and business advisors

Maddocks lawyers are currently reviewing all of APNIC's employment and independent contractor agreements for consistency. This activity is targeted for completion at the end of June 2018.

In preparation for the first APNIC Foundation Board meeting in May 2018, there has been significant activity in finalizing the Foundation's financial and audit report to the end of December 2017.

Craig Ng has provided legal consultation to the Services area in relation to a number of requests for resource transfers.

## **14.2 Workplace health and safety compliance**

Please refer to the HR Report.

## **15 Facilities**

### **15.1 Building and office facilities**

A number of changes to desk configurations and relocation of staff have been undertaken to support the new organization structure that was implemented at the start of 2018. A new working area for HR has been finalized and will be completed in early May 2018. This plan will involve structural changes to the existing HR meeting room and the Level 2 breakout areas.

Final plans to install bathroom facilities to L2 have been completed and are currently being costed by the builder. This project will also include an upgrade of the existing bathrooms on L1.



# Secretariat Report

APNIC EC meeting  
2 June 2018  
Thimphu, Bhutan

# APNIC



*“A global, open,  
stable and secure  
Internet that serves  
the entire Asia  
Pacific community”*



Serving APNIC Members



Supporting Regional Internet  
Development



Cooperating with the Global  
Internet Community

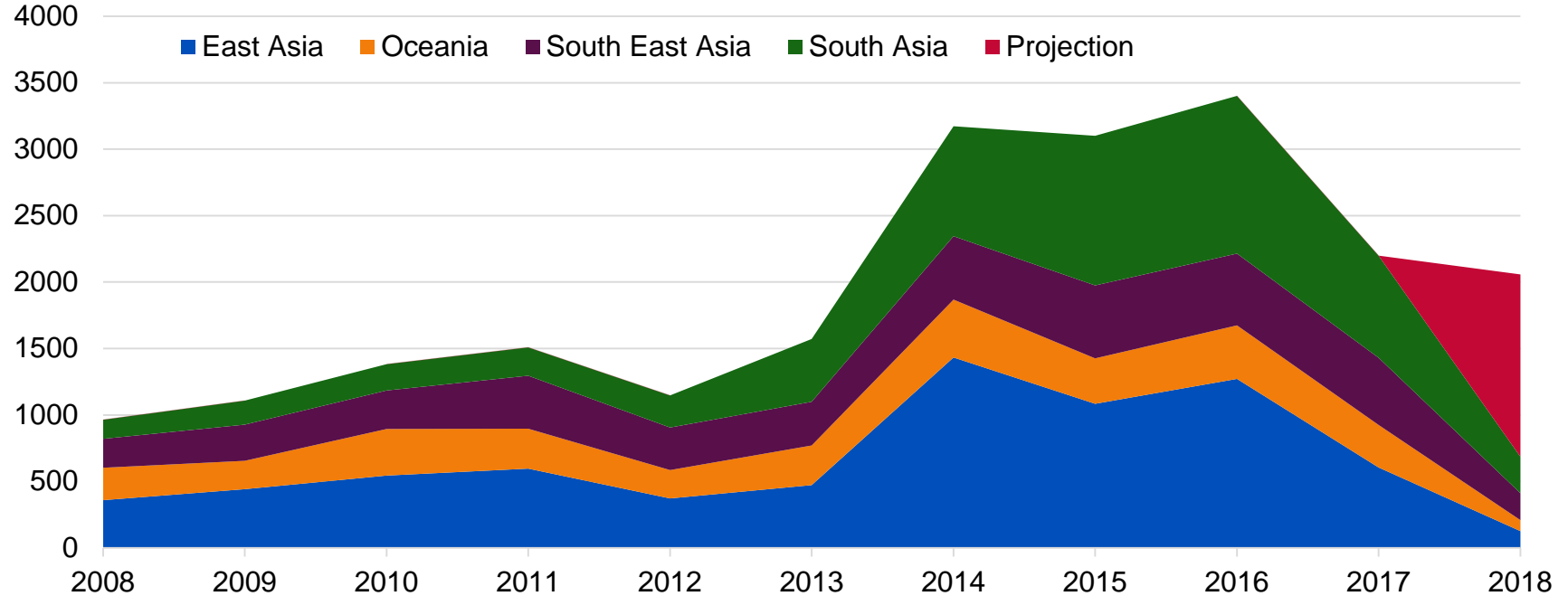


Maintaining a Strong Organization

# 1. Registration Services

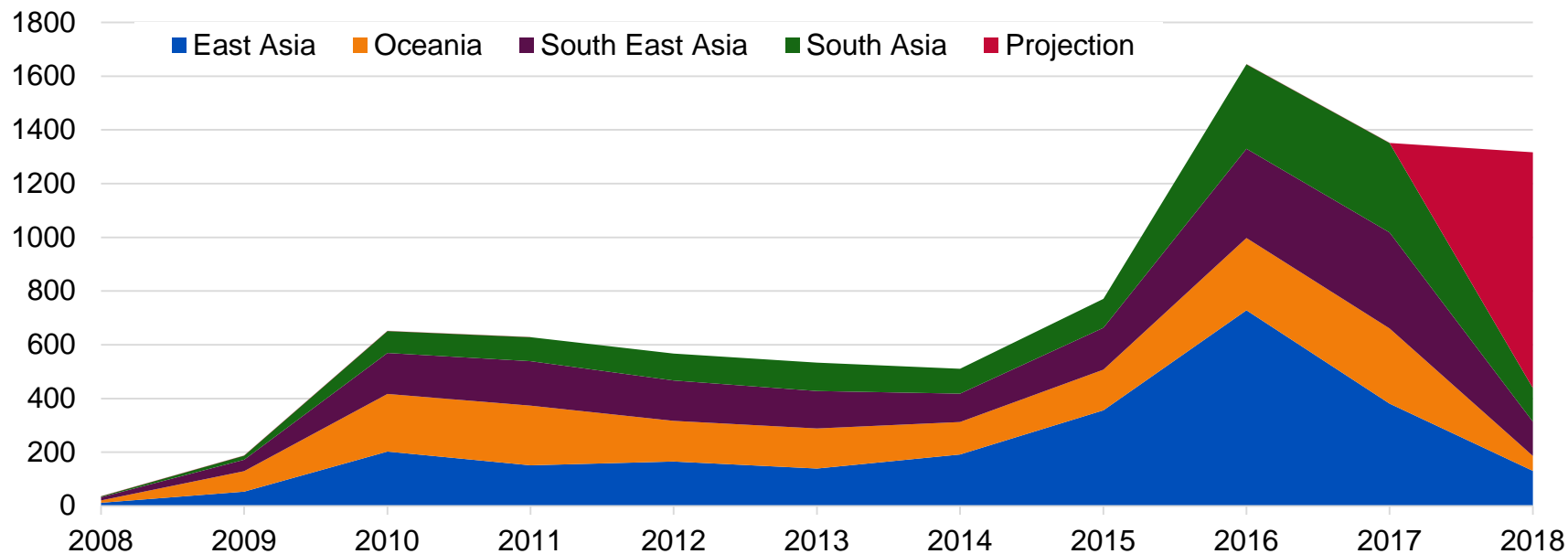


# IPv4 Delegations



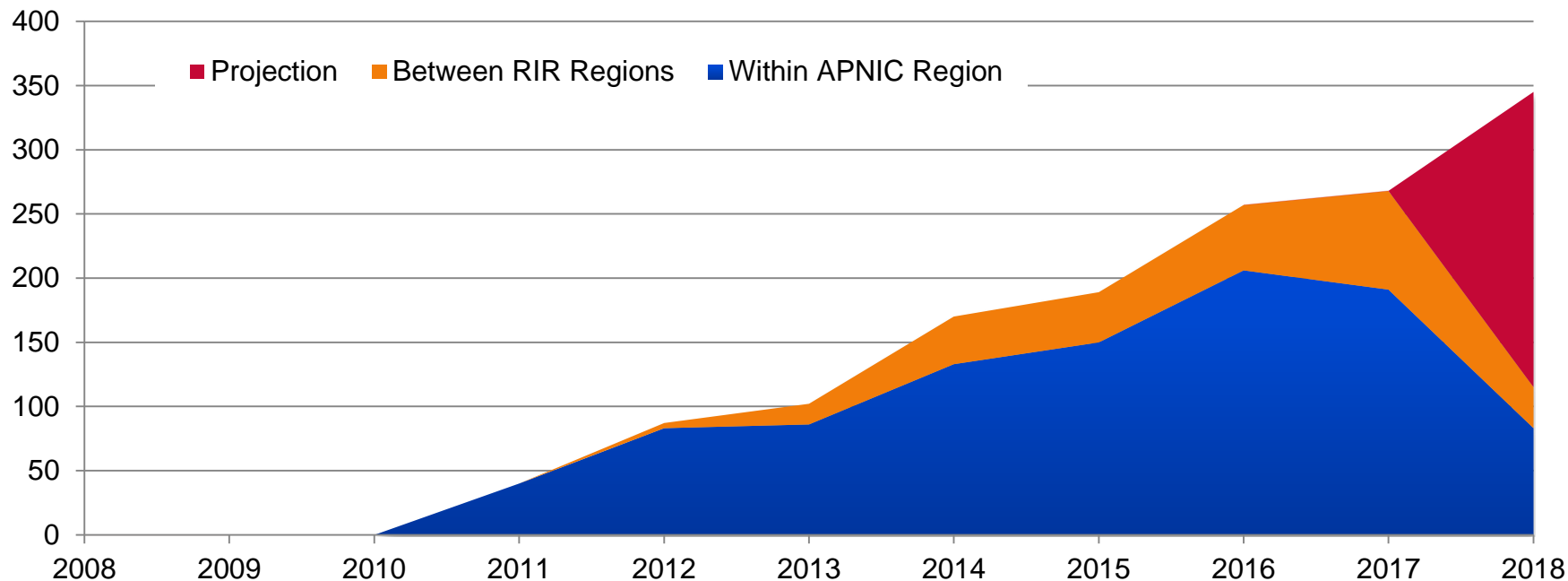
As at 30 Apr

# IPv6 Delegations



As at 30 Apr

# IPv4 Transfers



As at 30 Apr



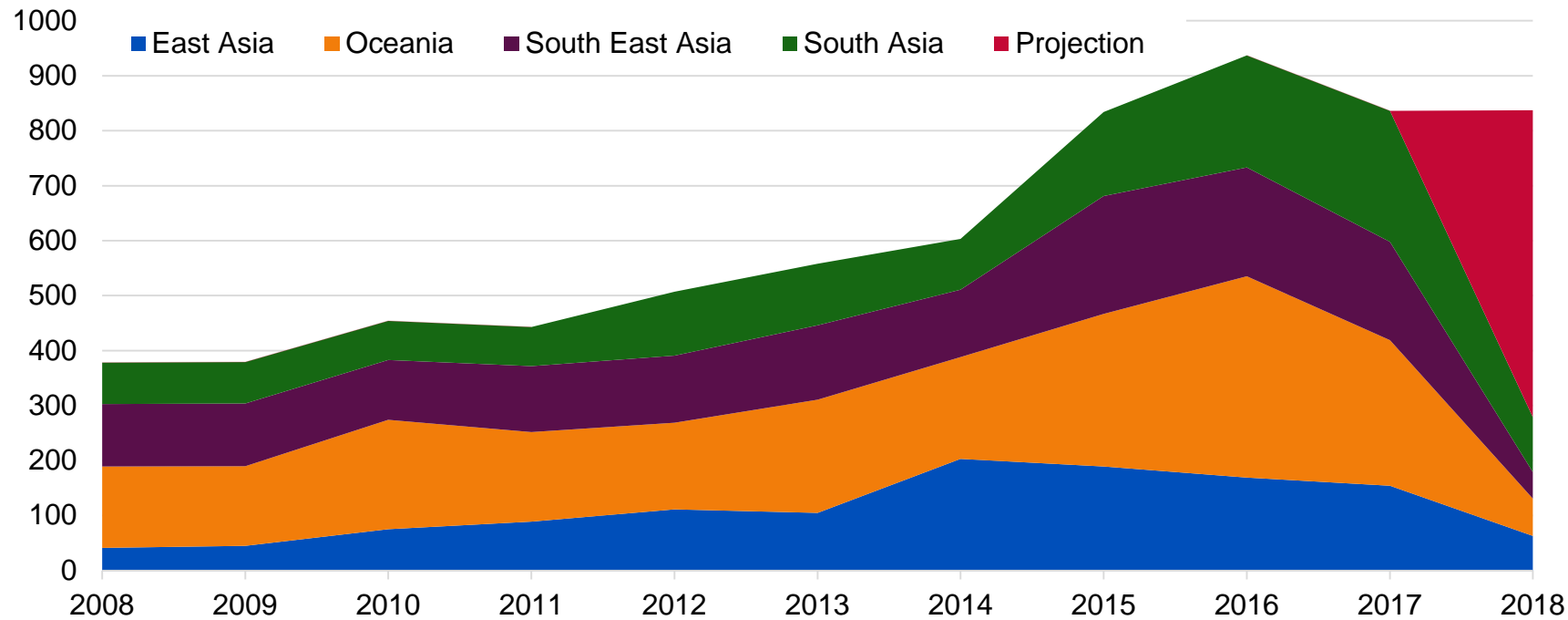
# IPv4 Transfers

Transfer type	Requests	Q1 2018 /24s	Requests	Q2 2018 /24s
Mergers/acquisitions	19	1,711	6	237
Market transfers	78	4,245	37	24,335
• Intra-RIR	54	1,774	29	1,979
• Inter-RIR	24	2,471	8	22,356

Transfer type	Requests	/24s
ARIN to APNIC	218	63,353
RIPE to APNIC	18	3,866
APNIC to ARIN	20	436
APNIC to RIPE	13	503



# ASN Delegations



As at 30 Apr



# Resource Certification

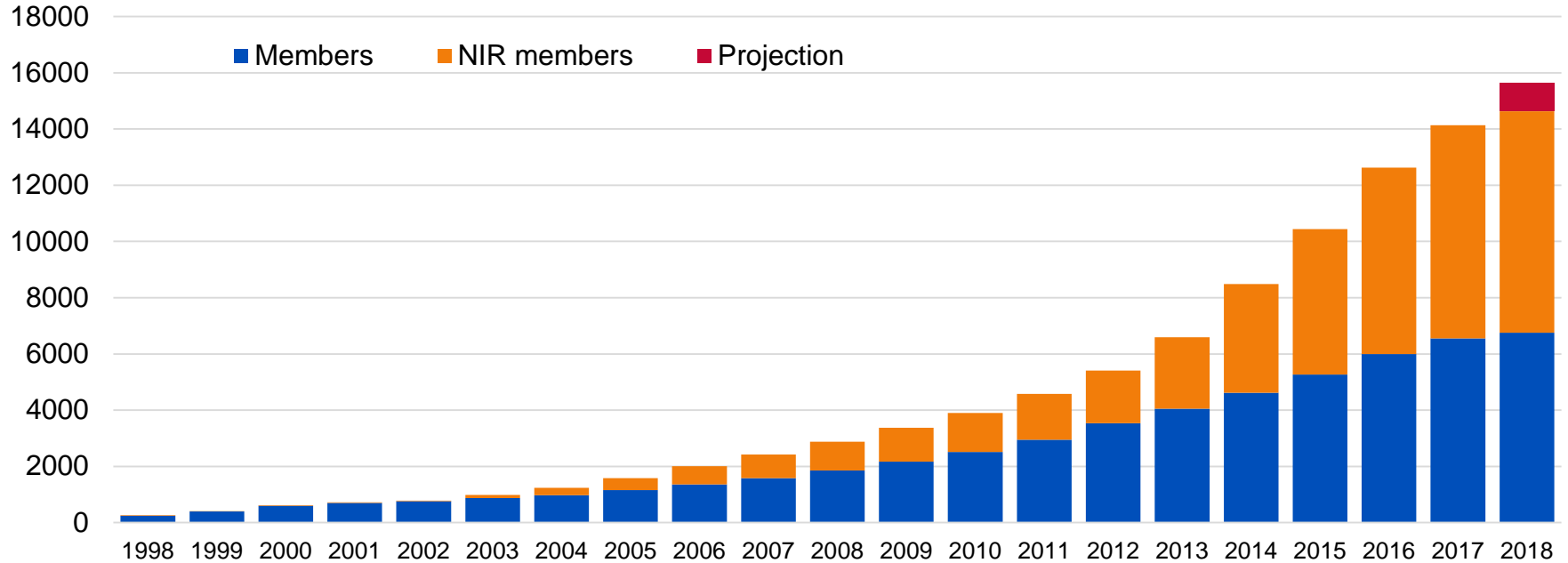
Resource Certification	1 Jan 2018	Current
Members created certificates	13.0%	13.3%
Members created ROAs	7.4%	7.7%
IPv4 under ROAs	3.3%	4.8%
IPv6 under ROAs	0.9%	1.2%



## 2. Customer Service



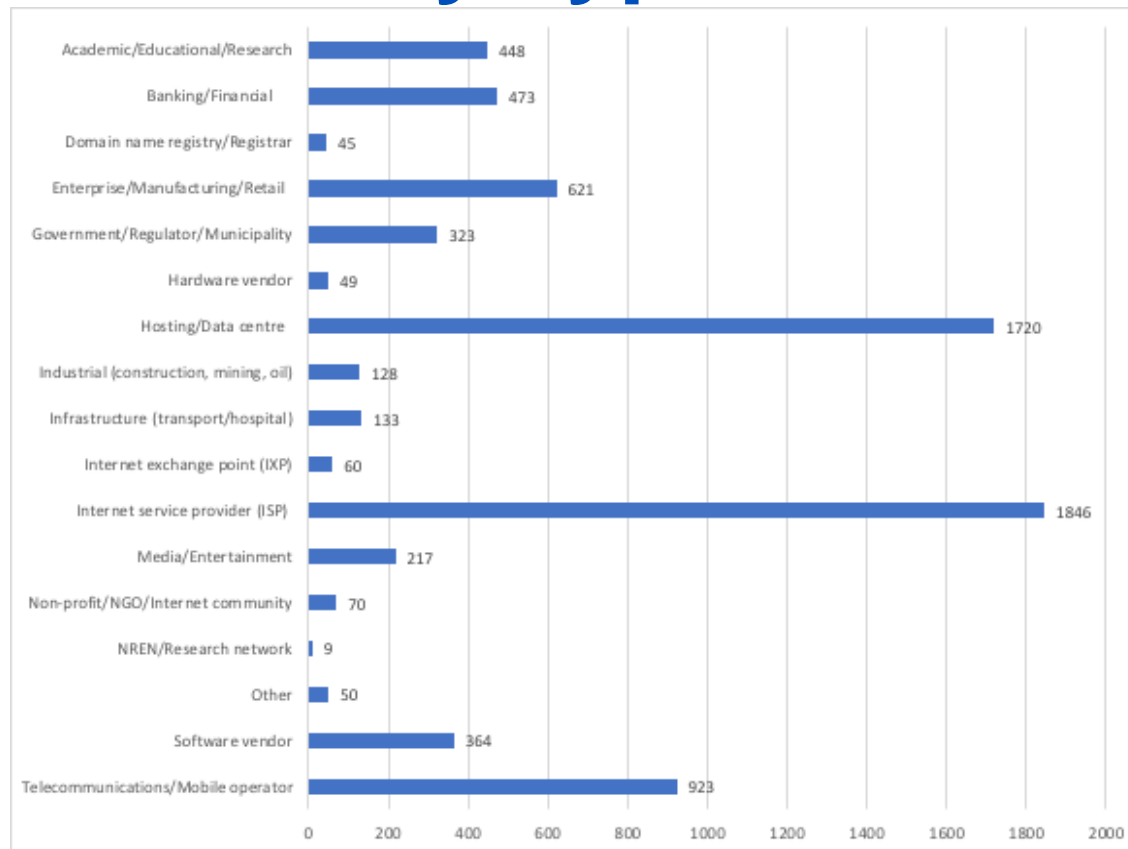
# Membership



As at 30 Apr

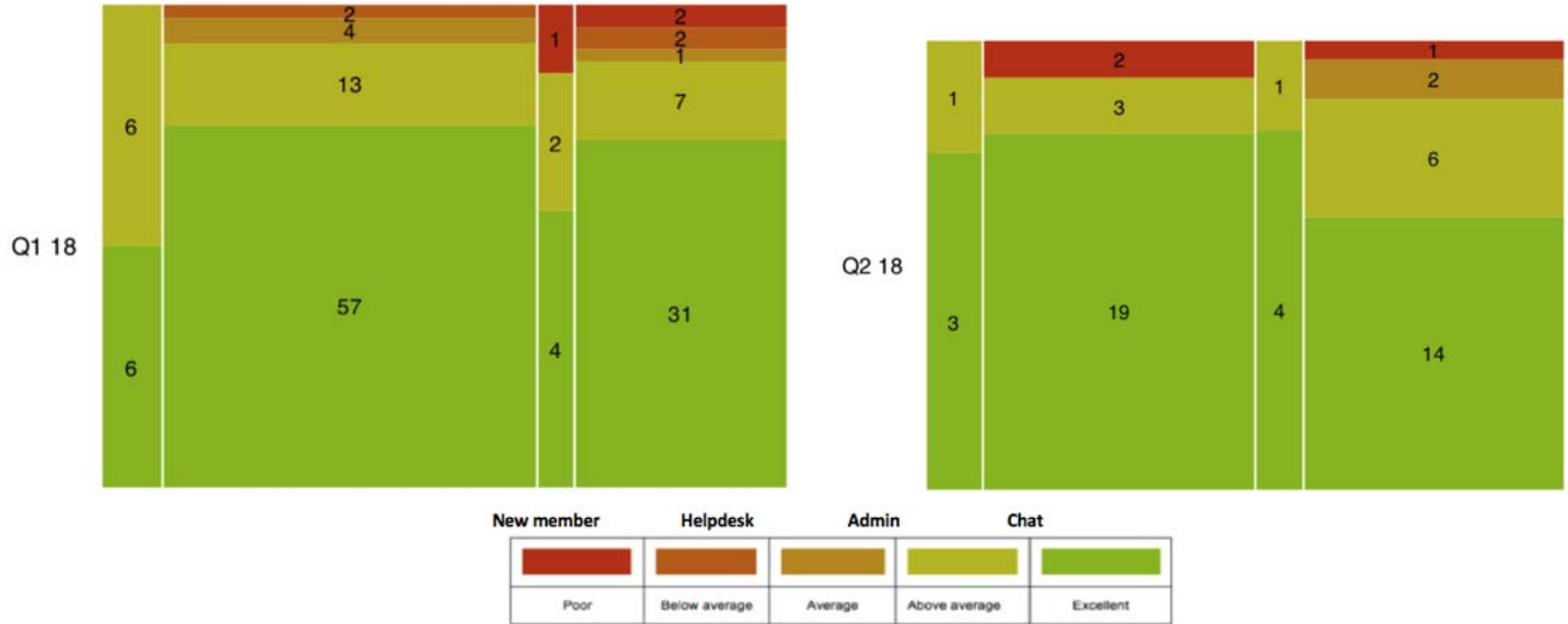


# Member Industry Types





# Service Satisfaction Ratings





# Service Partners

- Trial to improve outreach to APNIC Members according to local needs
- Progress to date:
  - NEPALREN – agreement signed on 27 March 2018
  - MyIX – decided to not proceed
  - MyNOG – expressed interest
  - LKNOG – expressed interest
  - PKIX – possible trial partner to be invited

# Take the ● APNIC Survey 2018

## ● YOU COULD WIN...

We want to hear from you  
about APNIC's services  
and the needs of the  
Community

Microsoft Surface Pro 4  
An Apple Watch Sport  
Virtual gift cards



- Online survey open from 4 June to 1 July 2018
- Final report will be presented at APNIC 46



# 3. Technical Infrastructure Services



# Technical Infrastructure Services

- Systems Development
  - ‘Puppet’ upgraded
  - ‘Pulp’ to improve package management
  - Upgrade of hardware security model for RPKI is underway
- Network Consolidation
  - 203.119.43.0/24 was freed from use; 203.119.42.0/23 is now unused and to be placed back into the recovered pool
  - Implementation of Cisco Firepower Firewall/IPS/IDS

## 4. Member Training

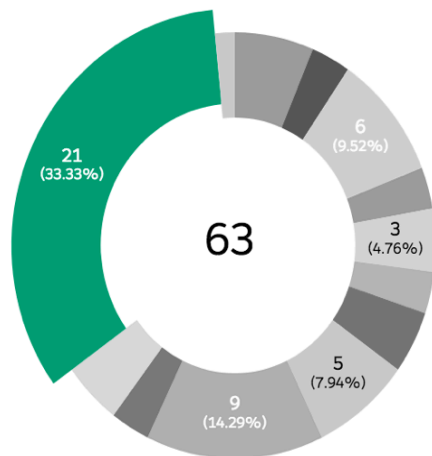


# Training & TA



	2018 (to date)
Face-to-face training Locations Trainees	21 17 economies; 18 cities 669
Community Trainers	11
eLearning sessions Trainees	22 85
Training YouTube Views	24,258
Technical Assistance	4 Tokelau, Mongolia x2, New Caledonia

# Training



- 33% of engagements have been face-to-face trainings
- First training provided in Tokelau
- New training curriculum and content team

# APNIC Academy



[apnic.academy](https://apnic.academy)

- **Intro to CyberSecurity, IRM, Routing**
  - Enrolled: 2,361
  - Certified: 450
- **Coming:**
  - Introduction to IPv6
  - Internet Routing Protocols
  - APNIC Address Policies
  - DNS Concepts



# Technical Assistance

Economy	Assistance provided
Tokelau	<ul style="list-style-type: none"><li>• IPv6 and Network Security</li></ul>
Mongolia (MobiCom)	<ul style="list-style-type: none"><li>• Network architecture and design</li><li>• Network Security</li><li>• IXP support: setting up PoPs and connecting to regional hubs</li></ul>
Mongolia (Gemnet/MISPA-IXP)	<ul style="list-style-type: none"><li>• Automating route server filter configuration (RPSL tools)</li><li>• Re-architecting of the route server (BIRD) routing table (PIPE protocol)</li><li>• RPKI implementation</li><li>• Best practices of operating an IXP</li></ul>
New Caledonia	<ul style="list-style-type: none"><li>• IPv6 deployment</li></ul>

## 5. APNIC Conferences



# APRICOT 2018



- Kathmandu, Nepal  
19 to 28 February 2018
- First Hackathon on IPv6  
24 participants
- Other events included  
ICANN GAC workshop,  
FIRST TC,  
APIX and APStar meetings

Conference statistics	
Total number of on-site delegates	752
Economies represented	64
APNIC Member organizations represented	247
Remote participants – Adobe Connect	71
Remote participants – YouTube	1,589 views; 12,998 minutes viewed
#apricot2018 tweets	931
Total people reached	1,069,458



- Call for Papers opened 9 April 2018
- Registration and Fellowship applications are open
- Draft program is available

<https://conference.apnic.net/46>

# 6. Regional Technical Development



# prop-118: No need policy

- **Proposal**

- Remove the requirement to demonstrate need when transferring IPv4 addresses into or within the APNIC region
  - Exception where resources are from an RIR region requiring needs-based policies, where recipients must provide a plan use of at least 50% of the resources within 5 years
- Would not apply to AS number transfers

- **Status**

- Initially discussed at APNIC 44
- No progress at APNIC 45
- May be resubmitted for APNIC 46



# prop-119: Temporary transfers

- **Proposal**

- To allow temporary transfers of IPv4 space
- Essentially the same as a normal transfer, but with an end-date, after which the registration will revert to the original holder

- **Status**

- Initially discussed at APNIC 44
- No progress at APNIC 45
- May be resubmitted for APNIC 46



# prop-120: Final /8 pool exhaustion

- **Proposal**

- Provides refinement guidance for 103/8 pool exhaustion:
  - Once a request cannot be fulfilled from the Final 103/8 pool, a waiting list will be established
- APNIC to manage two waiting list pools, the recovered pool and the 103/8 pool

- **Status**

- Initially discussed at APNIC 44
- Revised version discussed at APNIC 45
- Did not reach consensus; returned to mailing list for further discussion by the community

# prop-123: Modify 103/8 IPv4 transfer policy



- **Proposal**

- Allows the transfer of 103/8 addresses without the 5- year restriction for delegations made before 14 September 2017

- **Status**

- Discussed at APNIC 45
- Did not reach consensus; returned to author for further consideration and submission of a revised version



# IXP Measurement and Support

Locations/IXP	Type of support	Comment
Vanuatu	Two and a half-day workshop (Feb 2018) in collaboration with the Office of the Government Chief Information Officer; half-day session to discuss the benefits of an IXP and operational best practices	
Myanmar	Three-day workshop (March 2018) in collaboration with MM-IX to discuss IXP best practices at traffic engineering	
PNG-IXP	F-root installation and route leak support (ongoing)	Work is ongoing to get the F-root online; resolved some Member ISPs leaking peer prefixes to the Internet
MISPA-IXP, Mongolia	As part of TA, provided details on how to automate route server filters	
IXP-DB	Sponsored IXP-DB system development and Peering DB service	
APIX	Sponsored and supported the APIX meeting at APNIC 45, including preparation for Peering Asia 2.0	



# NOG Support



- Participated in five NOGs, four in the region and one outside of the region (CaribNOG)
- Sponsored three NOGs:
  - JANOG in Jan 2018
  - HKNOG in March 2018
  - PhNOG in March 2018

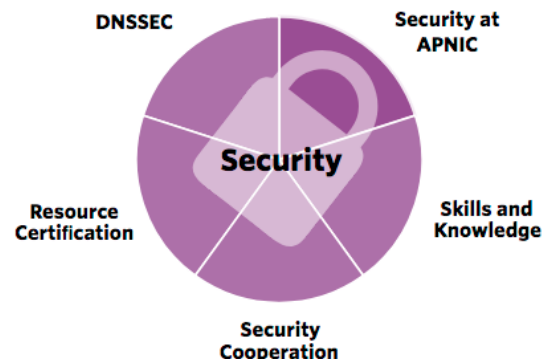


# Security Support



- New section on the APNIC website completed and deployed in Jan 2018
- Supported the APCERT Steering Committee meeting during APRICOT 2018
- Hosted FIRST TC as part of APRICOT 2018
- Invited to speak at the FIRST TC in Osaka, Japan
- Conducted LEA trainings in Hong Kong and Taiwan
- Invited as an instructor at the APISC 2018 in Seoul, South Korea (organized by KISA)

## Security at APNIC



# Pacific CERT Development



- Supporting CERT development in the Pacific through mentoring, training, and technical assistance
- AUD 200K funding via APNIC Foundation (two years)
- End of Jan 2018, attended the launch of PNG CERT and delivered two-day technical workshop
- In April 2018, attended a two-day CERT engagement session in Samoa



CERT establishment workshop, PNG

# 7. Community Engagement



# Community Sponsorships

- To date, APNIC has committed to sponsor the following community events in 2018:
  - NPSIG 2018, Nepal
  - APrIGF 2018 and PacIGF 2018, Vanuatu
  - APT Connectivity Workshop at APT PRFP-11, Western Samoa
  - AINTEC 2018, Thailand



# Fellowship Program

- Fellowships for APNIC 46 opened on 7 May and close 8 June 2018
- Generous sponsorship from OPT-NC will allow for 20 to 25 additional fellows from Pacific Island economies to attend APNIC 46



## Fellowships

Applications open 7 May

<https://conference.apnic.net/46/fellowship>



**NOUMEA, NEW CALEDONIA**  
6 - 13 September 2018



# Government and Sub-Regional Liaison

- APT preparatory meeting for ITU Plenipot
  - Jan 2018 in Viet Nam
  - Second of four APT prep meetings
- Annual IPv6 workshop with ITU, 14 to 18 May 2018
  - Partnership for IPv6 capacity building
  - Direct country assistance is also being scheduled
- Government engagements
  - East Timor, Mongolia, Papua New Guinea and Vanuatu



# Social Media Activity

	Q1 2018	Q2 2018
Facebook <ul style="list-style-type: none"><li>• Reach</li><li>• Likes</li></ul>	139,688 26,782	20,810 26,808
Twitter <ul style="list-style-type: none"><li>• Followers</li><li>• RT/Likes/Mentions</li></ul>	8,491 2,711	8,678 648
YouTube <ul style="list-style-type: none"><li>• Views</li><li>• Minutes</li></ul>	12,252 82,037	2,320 14,190
Slideshare <ul style="list-style-type: none"><li>• Views</li></ul>	32,707	9,884
LinkedIn <ul style="list-style-type: none"><li>• Reach</li><li>• Followers</li></ul>	29,155 2,862	2,939 2,909





# Internet Governance

- APriIGF will be held in Aug 2018 in Vanuatu
  - Preparation meetings are underway
  - Sylvia Cadena, Co-Chair of the MSG
  - APNIC sponsorship for fellowship program and four workshop proposals
- Global IGF now scheduled for Paris in November
  - Sylvia Cadena was appointed to the MAG
- First NPSIG was held with around 40+ participants from academia, technical, government and other stakeholder groups attending
- APNIC supported the APNIC Foundation to participate at the WSIS Forum



# R&E Community Outreach

- Building relationships with the R&E community
  - universities, research institutes, NRENs
- Sponsorship for APAN 45 in Singapore (Mar 2018)
- Training
  - two one-day tutorials (SDN and Network/Internet Security) at APAN 45;
  - assisted GEANT to conduct TRANSITS-I training with funding from Asi@Connect/TEIN;
  - is discussing better R&E networks, Eduroam and other services with AARNet;



# Increasing Participation

- Project to encourage great Member participation in APNIC community processes, with a focus on the PDP
  - A Facebook Live webinar was held on the policies to be discussed before the APNIC 45 Policy SIG session at APRICOT 2018 (attracting 353 views)
  - Blog post preview of the APNIC 45 Policy SIG session was published
  - Translated summaries of the four policies for discussion at the Policy SIG and the outcomes of those discussions were translated into seven languages
  - PDP email bulletin and website promotion to APRICOT delegates
  - Session held at NPSIG 2018 to encourage engagement (final event as part of a pilot project to help encourage participation from the South Asia community)
  - Policy engagement sessions are currently being arranged for TWNOG, SANOG, bdNOG, VNNOG and IDNOG, accompanied by a policy engagement presentation and blog post series

## 8. APNIC Foundation



# Governance and administration

- Board selection process continues
- First AGM and Board meeting held in HK on 17 May
- Participation in Australian Aid Conference, AVPN, JICA and Foreign Affairs and KDDI Foundation
- Projects:
  - DFAT-CERT projects for Pacific with establishment of PNG CERT in Jan 2018
  - First regional workshop held in Tonga in May 2018 with participation from Cook Islands, Fiji, PNG, Samoa, Solomon Islands and Vanuatu
  - Second portion of funding (AUD 100k for second year 2018-19) was confirmed

# APNIC Foundation – Funding



- Initial approval: AUD 558k for new project 'Enhancing National Cybersecurity and Network Quality of Service in Advance of Papua New Guinea's Hosting of APEC'
- Initial approval: AUD 108k in funding for new project 'Combating Cybercrime - Safe Havens: Building a well informed and trained cyber law enforcement community in the Pacific'
- Three proposals have been drafted and are under discussion with potential partners



## WSIS Champions

- ISIF Asia was one of four projects recognized as a WSIS Champion in the International and Regional Cooperation category
- Sylvia Cadena participated in the Champions ceremony in Mar 2018

## Grants and Awards

- 2018 Call for Grant Proposals and Award Nominations was launched on 25 February and closed on 15 May 2018
- USD 210k will be allocated across 10 projects (8 grants and 2 awards) across 4 funding categories: Network Operations Research, Cybersecurity, Community Networks, and Gender Empowerment and Innovations

# 9. Global Community



# Collaboration



## RIR

- Key topic of discussion was the ASO Review (see slides below)
- ARIN and LACNIC held small consultation sessions during their meetings
  - At ARIN, a staff summary suggested further engagement with ICANN (via the NRO)

## ICANN, PTI, IETF, ISOC

- APNIC participated at ICANN 61 where Paul Wilson spoke at the Opening Ceremony
- NRO EC had a face-to-face meeting at ICANN 61
- APNIC staff presented on IPv6 and measuring ATR at IETF 101 in Mar 2018

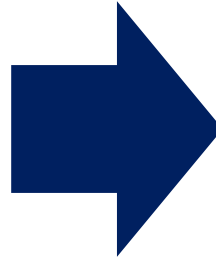
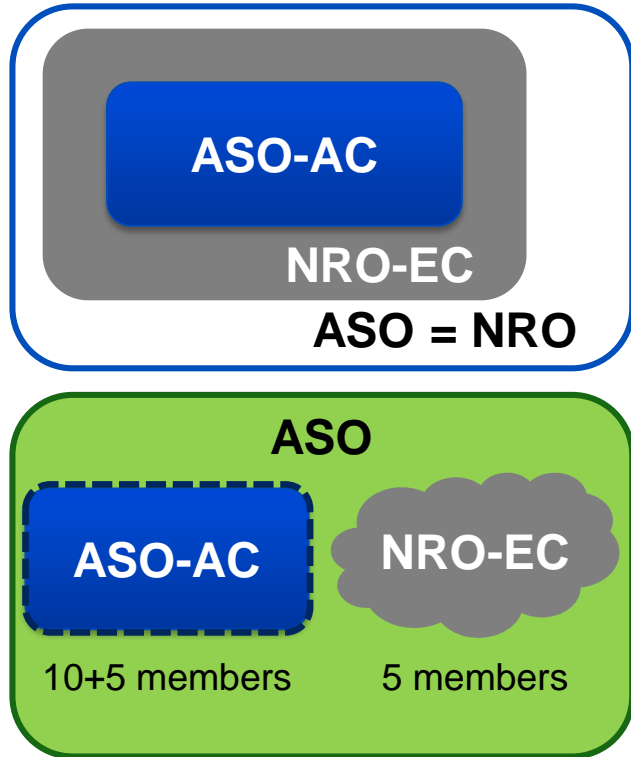
# ASO Review consultation #2 (Feb 2018)



- Strawman proposal
  - From WG chairs, after discussion on the mailing list
  - Based on Option 3 (two-house model) of the ASO Review report and discussions of the ASO Review Working Group
- Strong support to a two-house ASO structure
  - Policy Council and Registry Council replace ASO AC and NRO EC
  - But no consensus on the number of members or the selection mechanism
- Members of the APNIC community continue to participate in the wg-aso-review mailing list



# ASO Strawman Proposal





# NRO Projects

- APNIC is the Chair of the NRO in 2018
- Discussion topics include the ASO Review, AFRINIC Board issues, IANA Review Committee report, ICANN Board seat #9 election
- Coordination group projects include:
  - RSCG: ITHI, registry and whois accuracy, resource transfer improvements, slide template improvements
  - CCG: Website redesign, IGF participation
  - ECG: RDAP, RPKI, Unified Reporting

# 11. Global Research

# Global Research and Measurements



## Research topics

- KSK rollover investigations, including resolver characterization and user impact measurement
- Promoting the approach described in draft-huston-kskroll-sentinel as an alternative approach to testing the extent of user impact of a KSK roll
- IPv6, Extension Headers and IPv6 Fragmentation
- Measuring the extent of latent QUIC capability
- DNS related research with ICANN (contract extended to 2018)
- Investigation into the dynamic behaviour of BBR (Google's new TCP flow control algorithm)
- Ongoing activity with the ICANN SSAC and SSR2 Committees
- Investigation of DNSSEC and its role in NSEC caching
- Open resolver collaboration with Cloudflare
- DNS ATR measurement
- ITHI DNS measurement (funded by ICANN)

## Articles

- DNS and DDOS
- Hiding the DNS
- Helping Resolvers to help the DNS
- Network Neutrality – Again
- A Workshop on Internet Economics
- BGP in 2017
- Addressing 2017
- Peak DNSSEC?
- Crypto Zealots
- DNS OARC 28 report
- Just One Bit
- Stuff the Camel into the Bikeshed
- Measuring Root Zone Trust
- Measuring ATR

## Presentations

- TCP and BBR (Canberra Linux Users Group)
- IoT (ATSE)
- The Death of Transit and Beyond (IAB Tech Talk, HKN0G)
- The Rise and Rise of Content Distribution Networks (CAIDA Workshop on Internet Economics)
- DDOS, DNS and DNSSEC (NZNOG 2018)
- Measuring DNS ATR (DNS OARC, IETF)

# 12. Human Resources Management



- [Confidential material redacted]



# 13. Finance and Administration

# Legal Counsel and Business Advisors



- Maddocks lawyers are currently reviewing all of APNIC's employment and independent contractor agreements for consistency
- There has been significant activity in finalizing the Foundation's financial and audit report
- Legal advice provided to a number of requests for resource transfers



# Workplace Health and Safety

- Incidents/Hazards
  - Quarterly WHS Committee Meeting held April 2018
- Compliance Activity
  - All staff and EC members completed:
    - Prevention of Bullying and Sexual Harassment
    - Anti-discrimination
    - Equal Opportunity Employment
    - Fraud awareness
- First Aid recertification training scheduled for June for all Area Wardens and any other staff volunteers
- Risk assessments and WHS due diligence was completed prior to APRICOT in Kathmandu

# Thanks!

## Agenda Item 10

### Financial report

# Financial Performance

Year to date April 2018

# Financial Highlights YTD April 2018

- Equity Position > 4% to date in 2018 ✓
- Revenue tracking \$26k above budget ✓
- Expenses tracking \$591k below budget ✓
- Cash Flow + \$207K to date in 2018 ✓
- Activity expenditure in line with budget estimates
- New Member Growth < than budget assumptions

# Statement of Financial Position

	30/04/2018	Year End 2017	Change	% Change
<b>ASSETS</b>				
Total Current Assets	10,295,993	9,905,236	390,757	4%
Total Non-Current Assets	30,869,814	30,841,683	28,131	0%
<b>TOTAL ASSETS</b>	<b>41,165,808</b>	<b>40,746,920</b>	<b>418,888</b>	<b>1%</b>
<b>LIABILITIES</b>				
Total Current Liabilities	11,595,176	12,253,734	-658,557	-5%
Total Non-Current Liabilities	735,379	785,173	-49,795	-6%
<b>TOTAL LIABILITIES</b>	<b>12,330,555</b>	<b>13,038,907</b>	<b>-708,352</b>	<b>-5%</b>
<b>NET ASSETS/ TOTAL EQUITY</b>	<b>28,835,253</b>	<b>27,708,013</b>	<b>1,127,240</b>	<b>4%</b>

All amounts in AUD – Australian Dollars



# Statement of Financial Position

## Net Equity position increased by 4% (\$1,127k) in 2018

- Current Assets increased by 4% \$391k
  - Increase in cash by \$207k
  - Membership renewals effect on receivables increase by \$113k.
  - Sundry Receivables other reduced by \$202k
  - Expenses incurred for NRO to be recovered increased by \$117k
  - Prepayment of deferred expenses and taxes increased by \$122k
- Non-Current Assets increased by \$28k
  - Property Plant & Equipment Depreciation -\$121k
  - Investment portfolio increased by \$150k

All amounts in AUD – Australian Dollars

# Statement of Financial Position

- Current Liabilities decreased by 5% \$659k
  - Invoice prepayments decreased by \$738k
  - Staff leave provisions increased by \$103k
  - Payables decreased by \$24k
- Non-Current Liabilities decreased by 6% \$50k
  - Long Service Leave Provisions decrease by \$50k

All amounts in AUD – Australian Dollars

# Financial Stability Measure

	YTD 2018	2017	2016	2015
Total Equity	\$28,835,253	\$27,708,013	\$25,647,507	\$23,319,460
% Equity covered by Cash/ Cash Equivalents	107.9%	111.0%	110.6%	121.6%
Forecast/ Actual Daily Operating Expenses	\$60,048	\$53,909	\$49,430	\$46,077
<b>Number of Months of expenses covered by Equity</b>	<b>15.79</b>	<b>16.90</b>	<b>17.01</b>	<b>16.64</b>

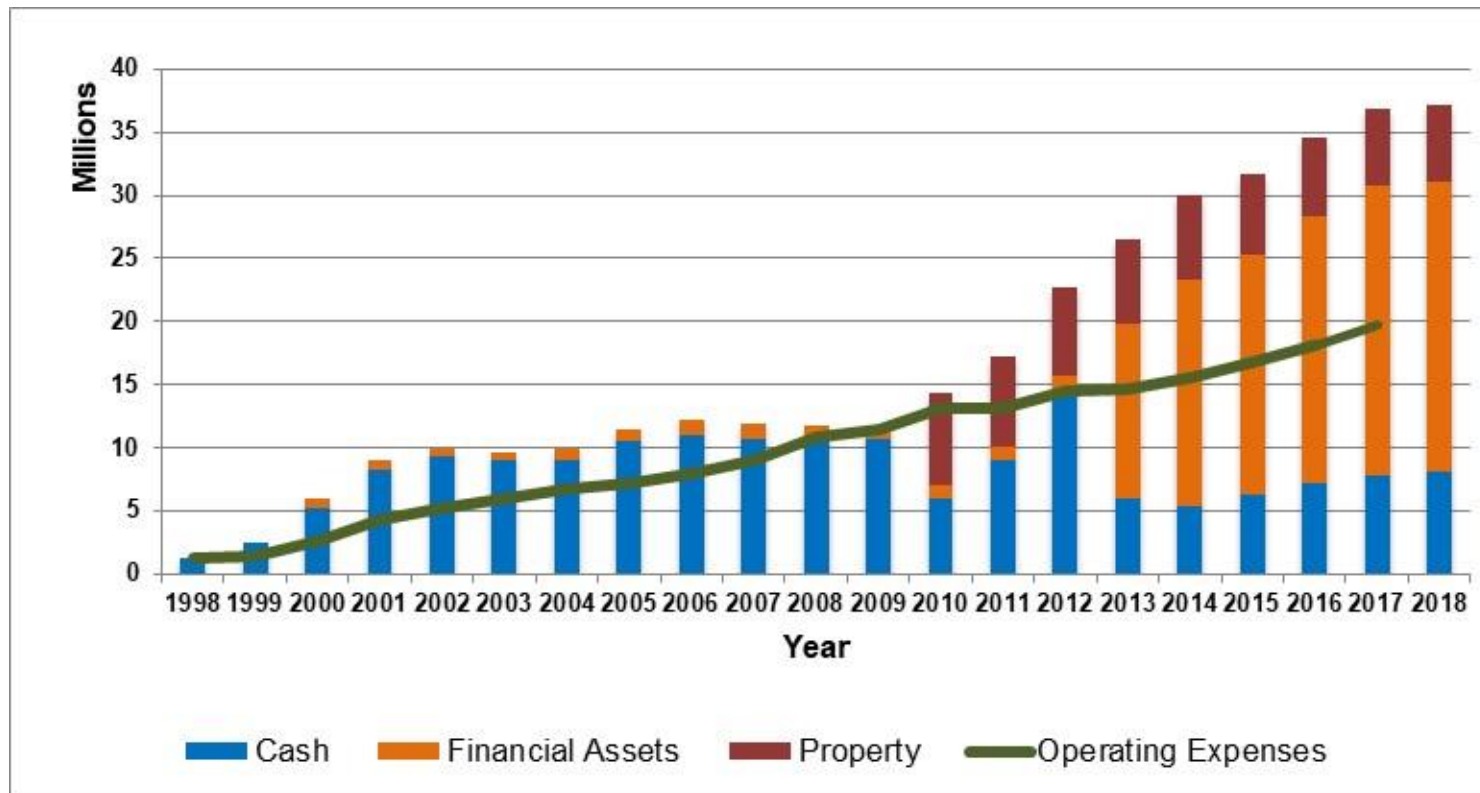


Target of 18 Months

- Based on Budget expenses
- Expected to improve over the year

All amounts in AUD – Australian Dollars

# APNIC Capital Reserve



All amounts in AUD – Australian Dollars

# Operating Surplus

	YTD Actual Apr 2018	YTD Actual Apr 2017	Variance %	YTD Budget Apr 2018	Budget Variance \$	Budget Variance %
TOTAL REVENUE	7,260,911	6,877,497	6%	7,234,763	26,148	0%
TOTAL EXPENSES	6,082,622	6,000,879	1%	6,673,252	-590,630	-9%
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>1,178,290</b>	<b>876,617</b>	<b>34%</b>	<b>561,511</b>	<b>616,779</b>	<b>110%</b>

All amounts in AUD – Australian Dollars

# Statement of Income - Revenue

REVENUE (AUD)	YTD Actual Apr 2018	YTD Actual Apr 2017	Variance %	YTD Budget Apr 2018	Budget Variance \$	Budget Variance %
Investment income	295,223	231,719	27%	320,000	-24,777	-8%
Membership fees	6,625,322	6,345,834	4%	6,633,495	-8,173	-0%
Non-members fees	82,783	86,813	-5%	79,104	3,679	5%
Reactivation fees	9,000	10,500	-14%	7,832	1,168	15%
Sign-Up fees	107,500	136,750	-21%	126,000	-18,500	-15%
Transfer fees	59,361	24,400	143%	43,332	16,029	37%
Sundry income	81,722	41,481	97%	25,000	56,722	227%
<b>TOTAL REVENUE</b>	<b>7,260,911</b>	<b>6,877,497</b>	<b>6%</b>	<b>7,234,763</b>	<b>26,148</b>	<b>0%</b>

All amounts in AUD – Australian Dollars

# Statement of Income - Revenue

## Revenue tracking \$26k close to budget

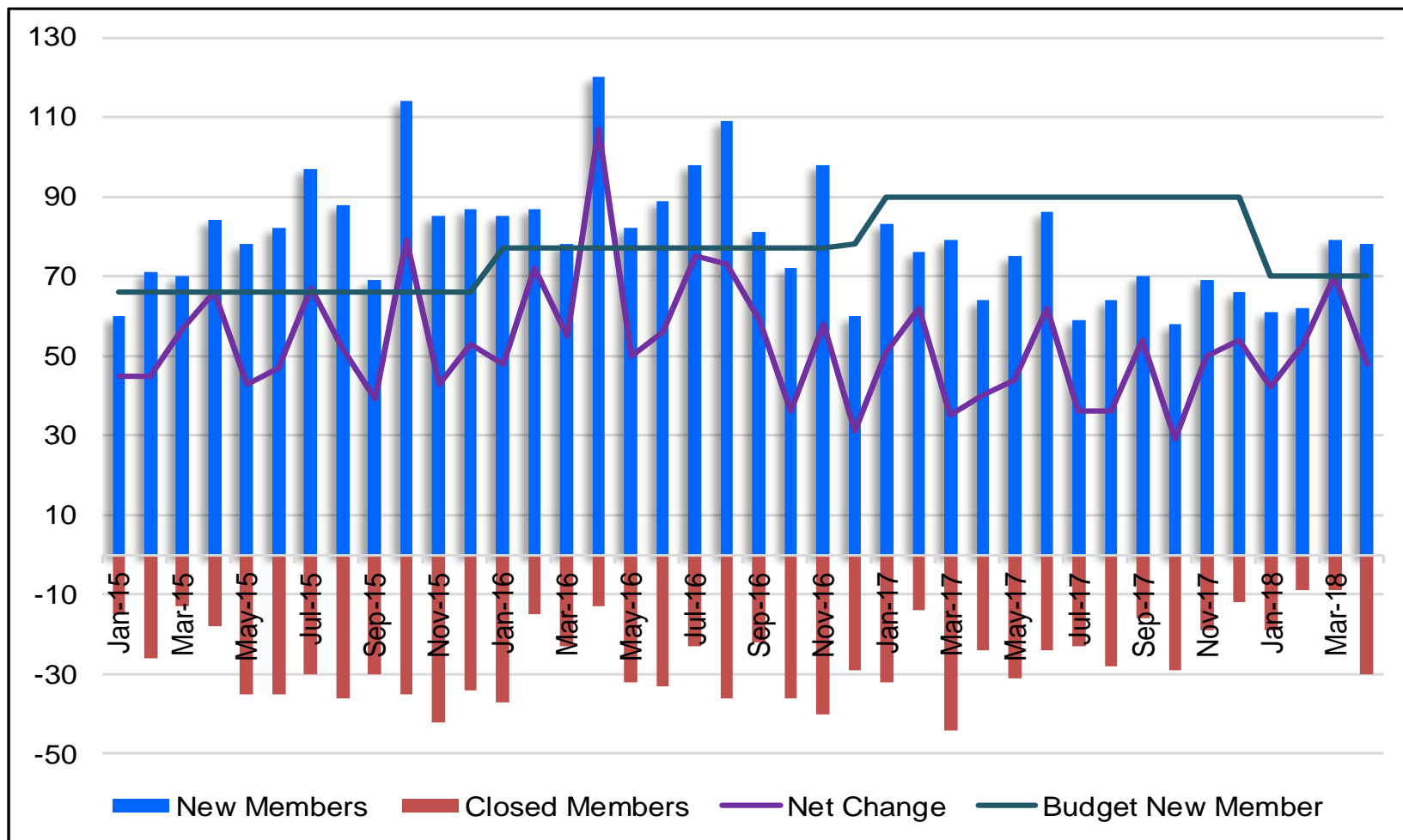
- Investment income \$25k below budget
  - At this stage this variance related to the timing on investment distributions
- Membership Fees \$8k below budget
  - New Member growth continues below budget estimates
  - April YTD new member growth of 266 vs. 280 budget
    - » Impacting on Sign-Up fees \$19k below budget
  - 14 Reactivations,
  - April YTD closures of 67 vs budget allowance of 104
- Transfers above budget by \$16k
- Sundry income above budget by \$57k
  - Training and workshop registration fees
  - Local organiser contribute to training/ technical assistance
  - Consulting service provided

# Membership Tracking

Membership	Total Dec 2017	YTD New Apr 2018	YTD Reactivate Apr 2018	YTD (Closed) Apr 2018	YTD Size Change Apr 2018	Total Apr 2018	% Total
Extra Large	23	0	0	0	0	23	0%
Very Large	41	0	0	0	1	42	1%
Large	138	0	0	-1	3	140	2%
Medium	473	1	1	-2	5	478	7%
Small	2,971	92	7	-27	60	3,103	44%
Very Small	2,769	164	6	-20	-64	2,855	43%
Associate	132	9	0	-17	-5	119	2%
<b>TOTAL</b>	<b>6,547</b>	<b>266</b>	<b>14</b>	<b>-67</b>	<b>0</b>	<b>6,760</b>	<b>100%</b>



# Membership Growth



# Membership Tracking – Closures by Economy

Economy	Breach of Agreement	Discontinue/ Business Not Operating	Merger/ Acquisition	Non Payment/ Non Contactable	Transfer to NIR	Transfer to Other Accounts	Transfer to Other RIR	Grand Total	IPv4 Resources Reclaimed (/24's)	IPv6 Resources Reclaimed (/48's)	ASN Reclaimed
AP		1		3		1		5	16	262144	
AU		2	3	4		1		10	20	2	4
CN	1	1		4				6	20	196608	1
HK				8				8	14	65537	1
IN		1		1				2	5		2
JP		1		2				3	12		
PG				1				1		65536	
PK		2		9				11		65536	8
TH		1		1				2	8	65536	2
TW			1					1			
ID				1	1			2	6		3
MY		1		3				4	16	131072	2
NZ			1	1		1		3	1	65537	2
SG		2		1		1		4	6	131072	1
PH				3				3	4		2
AF				2				2	4		1
Grand Total	1	12	5	44	1	4	0	67	132	1048580	29

# Membership Tracking – Closures by Year Joined

Year Joined	Breach of Agreement	Discontinue/ Business Not Operating	Merger/ Acquisition	Non Payment/ Non Contactable	Transfer to NIR	Transfer to Other Accounts	Transfer to Other RIR	Grand Total
1999		1						1
2003				1				1
2005				1		1		2
2006			1	1				2
2007						2		2
2008						1		1
2009			1	1				2
2010			1	2				3
2011		2	1	3	1			7
2012		1	1	12				14
2013		2		2				4
2014		1		3				4
2015	1	1		6				8
2016		2		5				7
2017		1		7				8
2018		1						1
<b>Grand Total</b>	<b>1</b>	<b>12</b>	<b>5</b>	<b>44</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>67</b>

# Statement of Income - Expenses

EXPENSES (AUD)	YTD Actual Apr 2018	YTD Actual Apr 2017	Variance %	YTD Budget Apr 2018	Budget Variance \$	Budget Variance %
Bank service fees	57,349	52,645	9%	60,164	-2,815	-5%
Communication expenses	179,571	186,803	-4%	193,776	-14,205	-7%
Computer expenses	225,447	199,386	13%	295,408	-69,961	-24%
Contribution to APNIC Foundation	211,975	212,905	-0%	233,560	-21,585	-9%
Depreciation expense	280,167	273,332	3%	275,792	4,375	2%
Doubtful debt expenses	22,245	38,212	-42%	8,332	13,913	167%
ICANN contract fee	82,780	90,000	-8%	82,780	0	0%
Insurance expense	68,237	59,794	14%	62,664	5,573	9%
Meeting and training expenses	90,050	80,556	12%	114,960	-24,910	-22%
Membership fees	11,917	20,616	-42%	17,616	-5,699	-32%
Office Operating*	110,972	101,146	10%	117,472	-6,500	-6%
Postage & delivery	13,712	14,653	-6%	13,000	712	5%
Printing & photocopy	8,855	8,925	-1%	13,000	-4,145	-32%
Professional fees	343,488	431,603	-20%	598,848	-255,360	-43%
Recruitment expense	90,449	68,960	31%	40,000	50,449	126%
Salaries and personnel expenses	3,573,107	3,341,988	7%	3,603,556	-30,449	-1%
Sponsorship and Publicity expenses	63,578	69,428	-8%	131,992	-68,414	-52%
Staff training/ Conference expenses	35,760	39,612	-10%	52,500	-16,740	-32%
Translation expenses	4,813	1,193	303%	7,836	-3,023	-39%
Travel expenses	608,151	709,121	-14%	749,996	-141,845	-19%
<b>TOTAL EXPENSES</b>	<b>6,082,622</b>	<b>6,000,879</b>	<b>1%</b>	<b>6,673,252</b>	<b>-590,630</b>	<b>-9%</b>

All amounts in AUD – Australian Dollars

# Statement of Income - Expenses

## Expenses tracking \$591k(9%) below budget

- **Salaries & personnel expenses** – below budget by \$31k
  - Timing taken to recruit vacant positions
  - Timing of leave
- **Professional fees** below budget by \$255k
  - Timing on engaging consultancy services such as technical assistance, community collaboration

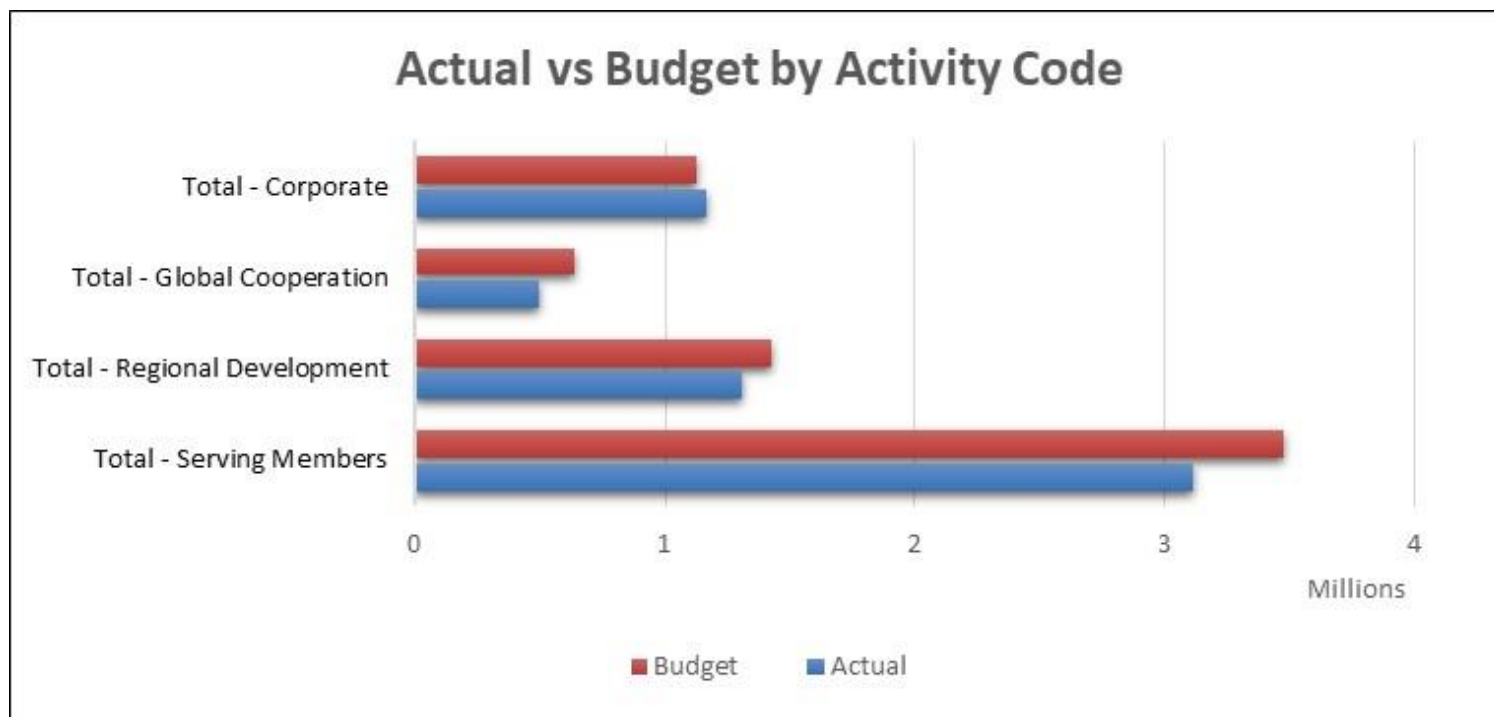
# Capital Expenditure

CAPITAL (AUD)	YTD Actual Apr 2018	YTD Actual Apr 2017	Variance %	YTD Budget Apr 2018	Budget Variance \$	Budget Variance %
Equipment & Software	147,999	141,182	5%	307,928	-159,929	-52%
Office Furniture & Fittings	14,158	23,148	-39%	30,000	-15,842	-53%
<b>Total - Capital Expenditure</b>	<b>162,157</b>	<b>164,330</b>	<b>-1%</b>	<b>337,928</b>	<b>-175,771</b>	<b>-52%</b>

# Cash Flows YTD April 2018

Accounts	YTD Apr 2018
<b>Operating Activities</b>	
Net Income	1,178,290
<b>Adjustments to Profit/(Loss)</b>	
Accounts Receivable	-113,473
Other Current Asset	-70,445
Accounts Payable	-64,877
Sales Tax Payable	101,135
Other Current Liability	-694,815
<b>Total Adjustments to Profit/(Loss)</b>	<b>-842,475</b>
<b>Total Operating Activities</b>	<b>335,815</b>
<b>Investing Activities</b>	
Fixed Asset	121,481
Other Asset	-149,612
<b>Total Investing Activities</b>	<b>-28,131</b>
<b>Financing Activities</b>	
Long Term Liability	-49,795
Equity	-51,050
<b>Total Financing Activities</b>	<b>-100,845</b>
<b>Net Change in Cash for Period</b>	<b>206,839</b>
<b>Cash at Beginning of Period</b>	7,850,592
<b>Cash at End of Period</b>	<b>8,057,431</b>

# Expenses by Activity





# Expenses by Activity

EXPENSES (AUD)	YTD Actual Apr 2018	YTD Budget Apr 2018	Variance \$	Variance %
Facilities	209,872	208,279	1,593	1%
Finance & Administration	473,933	435,547	38,386	9%
Human Resource Management	314,063	293,727	20,336	7%
Legal & Governance	166,067	192,030	-25,963	-14%
<b>Total - Corporate</b>	<b>1,163,936</b>	<b>1,129,583</b>	<b>34,353</b>	<b>3%</b>
Global Research	137,899	196,058	-58,159	-30%
Global Technical Community	294,547	357,449	-62,902	-18%
Inter-governmental Outreach	63,852	84,330	-20,478	-24%
<b>Total - Global Cooperation</b>	<b>496,299</b>	<b>637,837</b>	<b>-141,538</b>	<b>-22%</b>
APNIC Conferences	414,632	414,880	-248	0%
APNIC Foundation	214,120	236,892	-22,772	-10%
Community Engagement	365,570	418,517	-52,947	-13%
Regional Technical Development	314,360	357,487	-43,127	-12%
<b>Total - Regional Development</b>	<b>1,308,682</b>	<b>1,427,776</b>	<b>-119,094</b>	<b>-8%</b>
Customer Service	1,260,010	1,299,705	-39,695	-3%
Member Training	451,780	536,048	-84,268	-16%
Registration Services	486,263	515,912	-29,649	-6%
Technical Infrastructure	915,651	1,126,391	-210,740	-19%
<b>Total - Serving Members</b>	<b>3,113,705</b>	<b>3,478,056</b>	<b>-364,351</b>	<b>-10%</b>
<b>Total - Expenses</b>	<b>6,082,622</b>	<b>6,673,252</b>	<b>-590,630</b>	<b>-9%</b>

# Questions?

Private Banking

## **Investment Report 1.4.2018 – 30.4.2018**

### **APNIC PTY LTD**

Portfolio: 3000039-70



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Private Banking

## Investment Report 1.4.2018 – 30.4.2018

**Portfolio**                      **3000039-70**

In the Name of                APNIC PTY LTD

Produced on                    2.5.2018  
Reporting Currency            AUD

Relationship Manager        Patrick Armitage  
Phone                            +61 2 8205 4451

APNIC PTY LTD  
PO BOX 3646  
SOUTH BRISBANE, QLD 4101  
AUSTRALIA

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**Scope of Analysis**  
 as of 30.4.2018

Components	Portfolio	Asset Value in AUD	Discretionary Mandate	Opened	Closed	Performance Activation	Performance Deactivation
<b>Investment related Positions</b>							
AUD Portfolio	3000039-70	23,042,984	Yes	16.08.2013		31.12.2013	
<b>Total Wealth</b>		<b>23,042,984</b>					

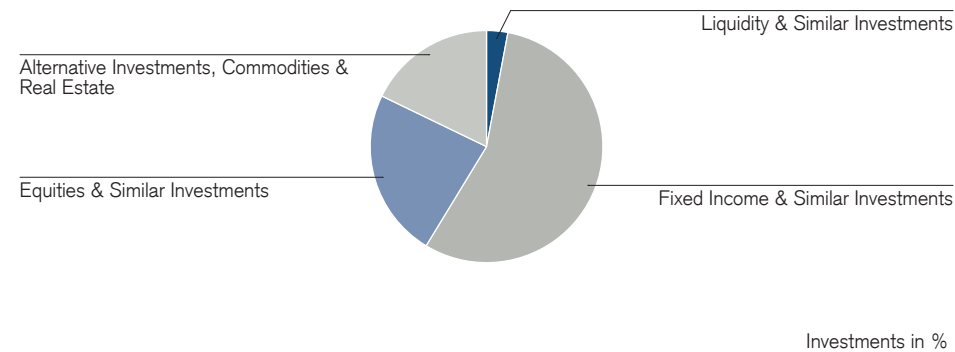
# 1. Overview

## 1.1. Asset Allocation

### Asset Allocation by Asset Category

Period 1.4.2018 - 30.4.2018

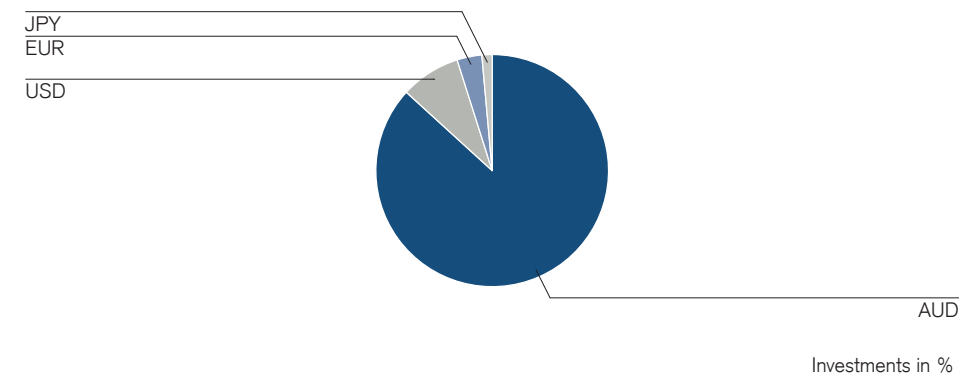
	Beginning Market Value in AUD	Change	Ending Market Value in AUD	Ending Market Value Prop.
■ Liquidity & Similar Investments	640,060	39,600	679,660	2.95%
■ Fixed Income & Similar Investments	12,805,186	39,359	12,844,545	55.74%
■ Equities & Similar Investments	5,397,290	16,139	5,413,429	23.49%
■ Alternative Investments, Commodities & Real Estate	4,038,791	66,560	4,105,351	17.82%
<b>Total Investments</b>	<b>22,881,327</b>		<b>23,042,984</b>	<b>100.00%</b>



### Asset Allocation by Currency

Period 1.4.2018 - 30.4.2018

	Beginning Market Value in AUD	Change	Ending Market Value in AUD	Ending Market Value Prop.
■ AUD - Australian Dollar	20,017,049	-15,949	20,001,100	86.80%
■ USD - US Dollar	1,765,780	155,126	1,920,906	8.34%
■ EUR - Euro	775,620	18,503	794,123	3.45%
■ JPY - Japan Yen	322,878	3,978	326,856	1.42%
<b>Total Investments</b>	<b>22,881,327</b>		<b>23,042,984</b>	<b>100.00%</b>



## 1.2. Income and Activity

### Income Summary

Period 1.4.2018 - 30.4.2018

	Current Period in AUD	Year to Date in AUD
Cash Dividend	79,473	232,916
Coupon Received/Paid	0	0
Interest Earned/Paid	783	2,072
<b>Net Income</b>	<b>80,256</b>	<b>234,988</b>

### Activity Summary

Period 1.4.2018 - 30.4.2018

	Current Period in AUD	Year to Date in AUD
Asset Inflows	0	0
Asset Outflows	0	0
<b>Total Asset Flows</b>	<b>0</b>	<b>0</b>

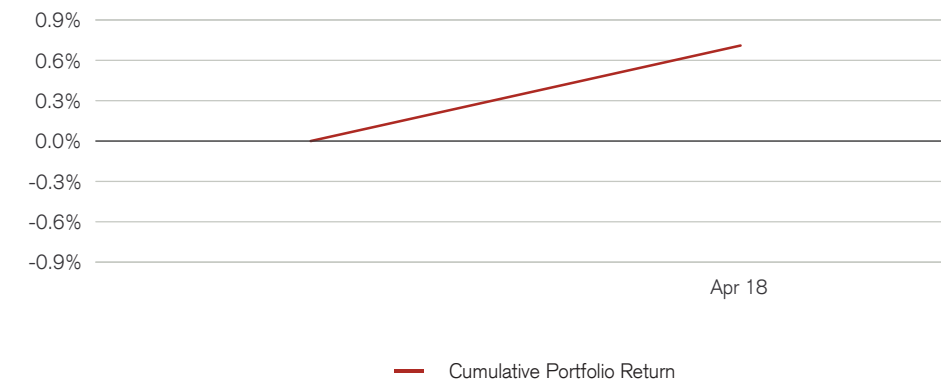


### 1.3. Performance

#### Performance Summary

Period 1.4.2018 - 30.4.2018

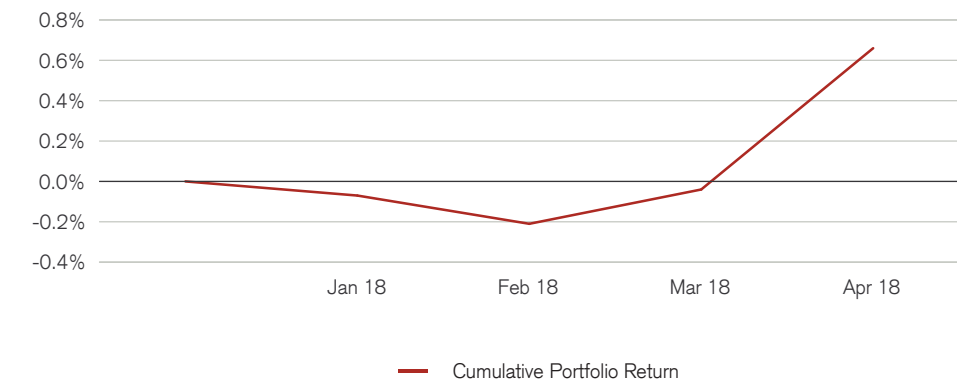
	Asset Value in AUD	Asset Value in AUD
Ending Market Value		23,042,984
Beginning Market Value		22,881,327
Asset Flows including		0
Inflows	0	
Outflows	0	
Taxes	0	
Flow Adjusted Value Change		161,658
<b>Cumulative Portfolio Return – net</b>		<b>0.71 %</b>



#### Performance Year-to-date

Period 1.1.2018 - 30.4.2018

	Asset Value in AUD	Asset Value in AUD
Ending Market Value		23,042,984
Beginning Market Value		22,894,610
Asset Flows including		-3,121
Inflows	0	
Outflows	0	
Taxes	-3,121	
Flow Adjusted Value Change		151,495
<b>Cumulative Portfolio Return – net</b>		<b>0.66 %</b>



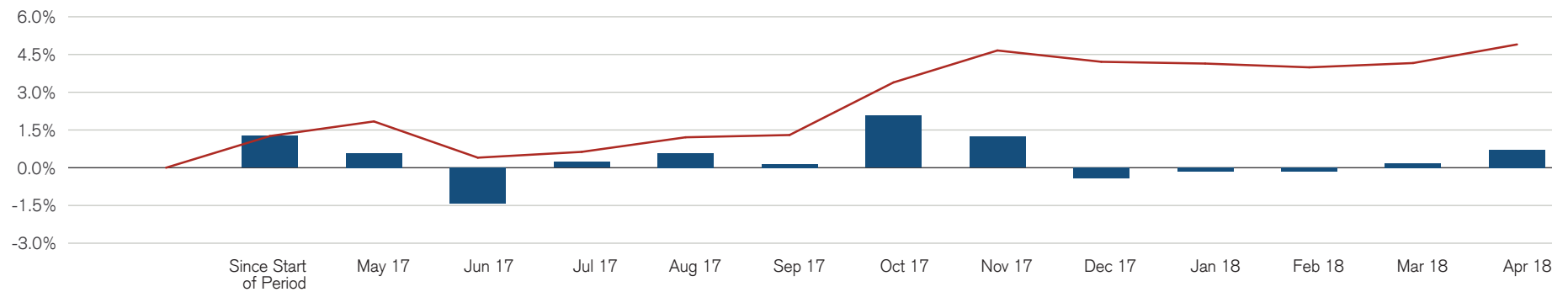
## 2. Analyses

### 2.1. Performance

#### Performance Details

Period 1.4.2017 - 30.4.2018

	Since Start of Period	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18
Ending Market Value	21,756,175	21,880,444	21,569,061	21,618,222	21,742,060	22,257,046	22,717,001	22,997,237	22,894,610	22,879,301	22,845,845	22,881,327	23,042,984
Beginning Market Value	21,485,148	21,756,175	21,880,444	21,569,061	21,618,222	21,742,060	22,257,046	22,717,001	22,997,237	22,894,610	22,879,301	22,845,845	22,881,327
Asset Flows including	14	0	-2,958	0	0	497,047	0	0	-3,087	0	0	-3,121	0
Inflows	14	0	0	0	0	500,000	0	0	0	0	0	0	0
Outflows	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes	0	0	-2,958	0	0	-2,953	0	0	-3,087	0	0	-3,121	0
Flow Adjusted Value Change	271,013	124,270	-308,426	49,162	123,838	17,938	459,955	280,236	-99,539	-15,310	-33,455	38,602	161,658
■ Portfolio Return – net	1.26%	0.57%	-1.41%	0.23%	0.57%	0.08%	2.07%	1.23%	-0.43%	-0.07%	-0.15%	0.17%	0.71%
— Cumulative Portfolio Return	1.26%	1.84%	0.40%	0.63%	1.21%	1.30%	3.39%	4.66%	4.21%	4.14%	3.99%	4.16%	4.90%



### 3. Positions

#### 3.1. Investment Related Positions

as of 30.4.2018

Number/ Nominal	Description		Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
Liquidity & Similar Investments								
Accounts								
AUD	281,078.46	Current Account -20300003970945		1.0000		281,078		
						1.22%		
EUR	149,249.43	Current Account -20300003970056		1.0000		239,241	2,014	0.85%
				1.5895 EUR/AUD		1.04%	2,014	0.85%
JPY	12,992,517	Current Account -20300003970335		1.0000		157,379	176	0.11%
				82.6482 AUD/JPY		0.68%	176	0.11%
USD	1,483.88	Current Account -20300003970780		1.0000		1,962		
				0.7565 AUD/USD		0.01%		
Total Liquidity & Similar Investments						679,660		
						2.95%		
Fixed Income & Similar Investments								
Fixed Income & Similar Investments AUD								
AUD	3,772,569	UNITS BLACKROCK INDEXED AUSTRALIAN BOND FUND	AU60BGL01056 2244170	1.0282	1.0229 BID 26.04.2018	3,858,772	-20,047	-0.52%
						-20,047	-0.52%	
						16.75%		
AUD	216,481.4291	UNITS BENTHAM WHOLESALE SYNDICATED LOAN FUND	AU60CSA00468 3242662	1.0139	1.0330 NAV 26.04.2018	223,625	4,128	1.88%
						4,128	1.88%	
						0.97%		
AUD	621.542	UNITS PIMCO GLOBAL CREDIT FUND	AU60ETL01145 3432906	1,001.7498	978.3160 NAV 30.04.2018	608,064	-14,565	-2.34%
						-14,565	-2.34%	
						2.64%		

Number/ Nominal		Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	1,591.074	UNITS PIMCO AUSTRALIAN BOND FUND CLASS -A-	AU60ETL01152 3432899	1,112.0240	1,122.0167 NAV 30.04.2018	1,785,212 7.75%	15,899 15,899	0.90% 0.90%
AUD	2,383,180.139	UNITS LEGG MASON WESTERN ASSET AUSTRALIAN BOND TRUST CLASS -A-	AU60SSB01221 2248336	1.2069	1.2148 BID 26.04.2018	2,895,016 12.56%	18,717 18,717	0.65% 0.65%
AUD	2,955,182.66	UNITS VANGUARD AUSTRALIAN FIXED INTEREST INDEX FUND	AU60VAN00014 1653500	1.1301	1.1144 NAV 30.04.2018	3,293,256 14.29%	-46,300 -46,300	-1.39% -1.39%
AUD	19,600	SUBSCRIPTION VALUE OF UNITS VANGUARD AUSTRALIAN FIXED INTEREST INDEX FUND		1.0000	1.0000 MID 28.12.2017	19,600 0.09%		
AUD	11,100	SUBSCRIPTION VALUE OF UNITS PIMCO AUSTRALIAN BOND FUND CLASS -A-		1.0000	1.0000 MID 28.12.2017	11,100 0.05%		
AUD	18,300	SUBSCRIPTION VALUE OF UNITS LEGG MASON WESTERN ASSET AUSTRALIAN BOND TRUST CLASS -A-		1.0000	1.0000 MID 15.12.2016	18,300 0.08%		
AUD	3,900	SUBSCRIPTION VALUE OF UNITS PIMCO GLB CRED		1.0000	1.0000 MID 17.01.2012	3,900 0.02%		
AUD	127,700	SUBSCRIPTION VALUE OF UNITS BR IND AUS BD		1.0000	1.0000 MID 18.12.2009	127,700 0.55%		
<b>Total Fixed Income &amp; Similar Investments</b>						<b>12,844,545 55.74%</b>		

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
<b>Equities &amp; Similar Investments</b>							
<b>Equities &amp; Similar Investments AUD</b>							
AUD	655	REGISTERED SHS AGL ENERGY LTD	AU000000AGL7 2449486 AGL.AX	22.5216	21.7300 CLO 30.04.2018	14,233  0.06%	-518 -518 -3.51%
AUD	3,825	REGISTERED SHS AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	AU000000ANZ3 640139 ANZ.AX	30.3074	26.8400 CLO 30.04.2018	102,663  0.45%	-13,263 -13,263 -11.44%
AUD	7,250	REGISTERED SHS BHP BILLITON LTD	AU000000BHP4 640390 BHP.AX	28.2668	30.9500 CLO 30.04.2018	224,388  0.97%	19,453 19,453 9.49%
AUD	2,564 -908	REGISTERED SHS BORAL LTD of which is pending settlement	AU000000BLD2 1050991 BLD.AX	6.3844	6.8800 CLO 30.04.2018	17,640  0.08%	1,271 1,271 7.76%
AUD	377	REGISTERED SHS BRAMBLES LTD	AU000000BXB1 2373150 BXB.AX	9.3002	9.8700 CLO 30.04.2018	3,721  0.02%	215 215 6.13%
AUD	1,337	REGISTERED SHS CARSALES.COM LTD	AU000000CAR3 10476764 CAR.AX	14.2157	14.3400 CLO 30.04.2018	19,173  0.08%	166 166 0.87%
AUD	2,111	REGISTERED SHS COMMONWEALTH BANK OF AUSTRALIA	AU000000CBA7 646758 CBA.AX	77.0972	71.8200 CLO 30.04.2018	151,612  0.66%	-11,140 -11,140 -6.84%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	3,374 REGISTERED SHS COMPUTERSHARE LTD	AU000000CPU5 241285 CPU.AX	16.5306	17.0000 CLO 30.04.2018	57,358 0.25%	1,584 1,584	2.84% 2.84%
AUD	1,233 REGISTERED SHS CSL LTD	AU000000CSL8 241548 CSL.AX	96.7184	170.3600 CLO 30.04.2018	210,054 0.91%	90,800 90,800	76.14% 76.14%
AUD	6,840 REGISTERED SHS EVOLUTION MINING LTD	AU000000EVN4 14241033 EVN.AX	2.4387	3.2100 CLO 30.04.2018	21,956 0.10%	5,275 5,275	31.62% 31.62%
AUD	4,752 REGISTERED SHS FORTESCUE METALS GROUP LTD	AU000000FMG4 1655130 FMG.AX	5.0451	4.5600 CLO 30.04.2018	21,669 0.09%	-2,305 -2,305	-9.62% -9.62%
AUD	6,018 UNITS ISHARES CORE S&P/ASX 200 ETF EXCHANGE TRADED FUND	AU000000IOZ4 12101500 IOZ.AX	24.2624	24.6600 CLO 30.04.2018	148,404 0.64%	2,392 2,392	1.64% 1.64%
AUD	2,179 CHESS UNITS OF FOREIGN SECURITIES JAMES HARDIE INDUSTRIES PLC	AU000000JHX1 1303670 JHX.AX	21.4669	23.6100 CLO 30.04.2018	51,446 0.22%	4,670 4,670	9.98% 9.98%
AUD	733 REGISTERED SHS MAGELLAN FINANCIAL GROUP LTD	AU000000MFG4 2807450 MFG.AX	24.7816	23.3600 CLO 30.04.2018	17,123 0.07%	-1,042 -1,042	-5.74% -5.74%
AUD	1,072 REGISTERED SHS MACQUARIE GROUP LTD	AU000000MQG1 3422370 MQG.AX	63.9378	108.6900 CLO 30.04.2018	116,516 0.51%	47,974 47,974	69.99% 69.99%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	4,972 REGISTERED SHS NATIONAL AUSTRALIA BANK LTD	AU000000NAB4 641643 NAB.AX	31.3540	28.9500 CLO 30.04.2018	143,939 0.62%	-11,953 -11,953	-7.67% -7.67%
AUD	1,004 REGISTERED SHS NEWCREST MINING LTD	AU000000NCM7 650853 NCM.AX	22.6903	21.1500 CLO 30.04.2018	21,235 0.09%	-1,547 -1,547	-6.79% -6.79%
AUD	13,637 REGISTERED SHS ORORA LTD	AU000000ORA8 22750502 ORA.AX	2.9236	3.3400 CLO 30.04.2018	45,548 0.20%	5,678 5,678	14.24% 14.24%
AUD	6,550 REGISTERED SHS ORIGIN ENERGY LTD	AU000000ORG5 1051439 ORG.AX	8.5401	9.7500 CLO 30.04.2018	63,863 0.28%	7,925 7,925	14.17% 14.17%
AUD	656 REGISTERED SHS REA GROUP LTD	AU000000REA9 1023132 REA.AX	61.1165	80.8600 CLO 30.04.2018	53,044 0.23%	12,952 12,952	32.30% 32.30%
AUD	1,560 REGISTERED SHS RIO TINTO LTD	AU000000RIO1 603520 RIO.AX	65.7392	79.8600 CLO 30.04.2018	124,582 0.54%	22,029 22,029	21.48% 21.48%
AUD	1,248 CHESS DEPOSITARY INTERESTS RESMED INC ON A RATIO OF 10 CDIS PER ORD.SH	AU000000RMD6 1058638 RMD.AX	9.4680	12.6800 CLO 30.04.2018	15,825 0.07%	4,009 4,009	33.92% 33.92%
AUD	41,531 UNITS SPDR S&P/ASX 200 LISTED PROPERTY FUND EXCHANGE TRADED FUND	AU000000SLF1 1377855 SLF.AX	11.8281	12.7000 CLO 30.04.2018	527,444 2.29%	36,210 36,210	7.37% 7.37%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	4,414	UNITS SPDR S&P/ASX 200 FUND ETF AUSTRALIAN EQUITY EXCHANGE TRADED FUNDS	AU000000STW9 1285707 STW.AX	52.5639	55.9800 CLO 30.04.2018	247,096 15,078 1.07%	6.50% 6.50%
AUD	3,670	REGISTERED SHS SUNCORP GROUP LTD	AU000000SUN6 588679 SUN.AX	13.6846	14.0200 CLO 30.04.2018	51,453 1,231 0.22%	2.45% 2.45%
AUD	5,082	STAPLED SECURITY TRANSURBAN GROUP	AU000000TCL6 444655 TCL.AX	10.5010	11.6000 CLO 30.04.2018	58,951 5,585 0.26%	10.47% 10.47%
AUD	9,963	REGISTERED SHS TELSTRA CORPORATION LTD	AU000000TLS2 720464 TLS.AX	5.1133	3.1800 CLO 30.04.2018	31,682 -19,261 0.14%	-37.81% -37.81%
AUD	5,460	REGISTERED SHS WESTPAC BANKING CORP	AU000000WBC1 642372 WBC.AX	32.5337	28.6400 CLO 30.04.2018	156,374 -21,260 0.68%	-11.97% -11.97%
AUD	1,411	REGISTERED SHS WESFARMERS LTD	AU000000WES1 642397 WES.AX	43.1823	43.7700 CLO 30.04.2018	61,759 829 0.27%	1.36% 1.36%
AUD	2,164	REGISTERED SHS WOOLWORTHS GROUP LTD	AU000000WOW2 81350 WOW.AX	29.0818	27.8600 CLO 30.04.2018	60,289 -2,644 0.26%	-4.20% -4.20%
AUD	561	REGISTERED SHS WOODSIDE PETROLEUM LTD	AU000000WPL2 642429 WPL.AX	40.3070	32.2200 CLO 30.04.2018	18,075 -4,537 0.08%	-20.06% -20.06%



Number/ Nominal		Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	43,662.96	UNITS ELEY GRIFFITHS GROUP SMALL COMPANIES FUND	AU60EGG00011 3222428	2.0978	2.4069 NAV 27.04.2018	105,092  0.46%	13,496 13,496	14.73% 14.73%
AUD	33,464.65040	UNITS ABERDEEN EMERGING OPPORTUNITIES FUND	AU60ETL00329 2220820	2.1370	2.5420 NAV 24.04.2018	85,067  0.37%	13,555 13,555	18.95% 18.95%
AUD	119,265	UNITS PARTNERS GROUP GLOBAL VALUE FUND (AUD) WHOLESALE	AU60ETL02762 26607292	1.8711	1.9457 NAV 28.02.2018	232,054  1.01%	8,897 8,897	3.99% 3.99%
AUD	20,090.3675	UNITS IRONBARK KARARA AUSTRALIAN SMALL COMPANIES FUND CLASS -A-	AU60PAT00021 2879000	2.9697	3.7991 BID 30.04.2018	76,325  0.33%	16,662 16,662	27.93% 27.93%
AUD	917	REGISTERED SHS OIL SEARCH LTD	PG0008579883 809900 OSH.AX	7.8272	7.8400 CLO 30.04.2018	7,189  0.03%	12 12	0.16% 0.16%
Total Equities & Similar Investments AUD						3,364,843 14.60%		
Equities & Similar Investments EUR								
EUR	8,517	SHS EUR ISHARES II PLC - ISHARES MSCI EUROPE UCITS ETF EUR (DIST)	IE00B1YZSC51 3246398 IQQY.DE	23.7541 1.4983 EUR/AUD	24.2250 OFF 30.04.2018	330,730  1.44%	27,603 6,429 21,173	9.11% 1.98% 7.12%
EUR	8,647	ACCUM.PTG.SHS WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC - WELLINGTON STRATEGIC EUROPEAN EQUITY FUND CLASS -N- UNHEDGED EUR	IE00B9DPD161 20938626	13.6140 1.4606 EUR/AUD	16.1717 NAV 27.04.2018	224,153  0.97%	52,211 35,451 16,760	30.37% 18.79% 11.58%
Total Equities & Similar Investments EUR						554,882 2.41%		

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
Equities & Similar Investments JPY							
JPY	601	UNITS NIKKEI 225 EXCHANGE TRADED FUND	JP3027650005 1264151 1321.T	18,676.7554 88.3391 AUD/JPY 27.04.2018	23,280.0000 CLO	169,477  0.74%	33.38% 24.65% 8.73%
Total Equities & Similar Investments JPY						169,477 0.74%	
Equities & Similar Investments USD							
USD	234	ACCUM.PTG.SHS ISHARES VII PLC - ISHARES NASDAQ 100 UCITS ETF USD	IE00B53SZB19 10737617 CSNDX.S	188.8481 0.9141 AUD/USD 30.04.2018	371.5500 CLO	114,934  0.50%	137.75% 96.75% 41.00%
USD	190	SHS -IP- RAM (LUX) SYSTEMATIC FUNDS SICAV - EMERGING MARKETS EQUITIES CAPITALISATION	LU0704154458 14219625	149.4364 0.7594 AUD/USD 27.04.2018	197.2900 NAV	49,553  0.22%	32.53% 32.02% 0.51%
USD	36,695	SHS -UCITS ETF USD C- AMUNDI INDEX SOLUTIONS SICAV - AMUNDI MSCI EMERGING MARKETS CAPITALISATION	LU1681045453 38785088 AUEM.PA	5.3202 0.7975 AUD/USD 30.04.2018	5.0409 CLO	244,528  1.06%	-0.10% -5.25% 5.15%
USD	580	SHS ISHARES GLOBAL HEALTHCARE ETF	US4642873255 1352444 IXJ.P	95.1959 0.8872 AUD/USD 30.04.2018	112.1600 CLO	85,996  0.37%	38.19% 17.82% 20.37%
USD	1,590	TRUST UNITS SPDR S&P 500 ETF TRUST	US78462F1030 45088 SPY.P	194.2484 0.8559 AUD/USD 30.04.2018	264.5100 CLO	555,972  2.41%	54.08% 36.17% 17.91%
USD	3,368	SHS FINANCIAL SELECT SECTOR SPDR FUND	US81369Y6059 986018 XLF.P	27.6309 0.7755 AUD/USD 30.04.2018	27.4500 CLO	122,216  0.53%	1.84% -0.65% 2.50%

Number/ Nominal		Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
USD	2,501	SHS VANGUARD FTSE EMERGING MARKETS ETF	US9220428588 2093958 VWO.P	41.2138 0.7809 AUD/USD	45.6800 CLO 30.04.2018	151,027  0.66%	19,030 14,766 4,263	14.42% 10.84% 3.58%
Total Equities & Similar Investments USD						1,324,227 5.75%		
Total Equities & Similar Investments						5,413,429 23.49%		
Alternative Investments, Commodities & Real Estate								
Hedge Funds								
AUD	462,530.637	UNITS GMO SYSTEMATIC GLOBAL MACRO TRUST CLASS -B-	AU60GMO00067 3375604	1.0083	1.1192 NAV 26.04.2018	517,664  2.25%	51,300 51,300	11.00% 11.00%
AUD	324,858.41	UNITS BLACKROCK GLOBAL ALLOCATION FUND (AUST) CLASS -D- WHOLESALE	AU60MAL00181 3379478	1.2410	1.2658 BID 30.04.2018	411,210  1.78%	8,046 8,046	2.00% 2.00%
AUD	188,573	RED.PTG.SH5 -A1- AHL (CAYMAN) SPC AUD CLASS A EVOLUTION SEGREGATED PORTFOLIO	KYG012291145 22393979	1.1382	1.7523 NAV 31.03.2018	330,436  1.43%	115,801 115,801	53.95% 53.95%
AUD	336,454.813	RED.PTG.SH5 -A- AHL DIMENSION (CAYMAN) LIMITED AUD	KYG0132G1652 30773689	0.9991	0.9914 NAV 31.03.2018	333,561  1.45%	-2,600 -2,600	-0.77% -0.77%
Total Hedge Funds						1,592,872 6.91%		
Commodities & Precious Metals								
AUD	2,951	ETC SECURITY ETFS METAL SECURITIES AUSTRALIA LTD 2003-WITHOUT FIXED MATURITY ON GOLD COMMODITY	AU00000GOLD7 1583458 GOLD.AX	144.8335	165.0000 CLO 30.04.2018	486,915  2.11%	59,511 59,511	13.92% 13.92%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
USD	489 UBS ETC UBS AG, LONDON BRANCH 2007- OPEN END ON UBS BLOOMBER CMCI COMPOSITE TOTAL RETURN	CH0031794263 3179426 TCMCI.S	1,022.4397 0.8523 AUD/USD	920.0000 CLO 30.04.2018	594,718 2.58%	8,123 -66,220 74,343	1.38% -10.02% 11.40%
Total Commodities & Precious Metals					1,081,633 4.69%		
Real Estate							
AUD	7,983 STAPLED SECURITY GOODMAN GROUP	AU000000GMG2 18079202 GMG.AX	6.9786	9.0700 CLO 30.04.2018	72,406 0.31%	16,696 16,696	29.97% 29.97%
AUD	138,601 STAPLED SECURITY MIRVAC GROUP	AU000000MGR9 821911 MGR.AX	1.8177	2.2400 CLO 30.04.2018	310,466 1.35%	58,526 58,526	23.23% 23.23%
AUD	251,290 STAPLED SECURITY PROPERTYLINK GROUP	AU000000PLG5 33393604 PLG.AX	0.8264	1.0300 CLO 30.04.2018	258,829 1.12%	51,154 51,154	24.63% 24.63%
AUD	74,374 STAPLED SECURITY SCENTRE GROUP	AU000000SCG8 23931192 SCG.AX	3.4296	4.0300 CLO 30.04.2018	299,727 1.30%	44,656 44,656	17.51% 17.51%
AUD	2,163 STAPLED SECURITY STOCKLAND	AU000000SGP0 642077 SGP.AX	4.5725	4.1400 CLO 30.04.2018	8,955 0.04%	-935 -935	-9.46% -9.46%
Total Real Estate					950,383 4.12%		

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
<b>Other Alternative Investments</b>							
AUD	4,291	PTG.SHS LEGG MASON GLOBAL FUNDS PLC - LEGG MASON WESTERN ASSET MACRO OPPORTUNITIES BOND FUND PREMIER CLASS DISTRIBUTING (S) HEDGED AUD	IE00BYOZZ17 28828240	101.6481	111.9700 NAV 27.04.2018	480,463  2.09%	44,291 44,291 10.15% 10.15%
<b>Total Other Alternative Investments</b>					<b>480,463</b> <b>2.09%</b>		
<b>Total Alternative Investments, Commodities &amp; Real Estate</b>					<b>4,105,351</b> <b>17.82%</b>		
<b>Total Investments</b>					<b>23,042,984</b> <b>100.00%</b>		
of which Accrued Interest					0		

## 4. Appendix

### 4.1. Explanations

#### Accrued Interest

Accrued interest is not displayed for financial instruments with variable interest rate or frequency within the same interest period, except for Floating Rate Notes. For FINER Revexus, the accrued interest displayed is based on the deposit currency for reference purpose only. Entitlement to the accrued interest depends on the product features. All accrued interests are displayed in the reporting currency of the portfolio and are calculated recognizing trades end of day. The FX conversion rates (reflected below) are used to convert the amount from original currency to reporting currency. The accrued interest payable/receivable is displayed as the net amount on Current Account balances. As a result of the foregoing and other factors, the accrued interest is only an estimate and may not reflect the actual interest accrued, if any.

#### Activity Summary

The asset inflows and outflows include client-instructed transactions as well as non-investment related transactions such as loans which do not contribute to the performance of client's account. Such asset inflows and outflows do not include fees and taxes.

#### Analyses

Values displayed for the respective month labels are as of month-end dates. If the report end period is not a month-end, the report period end month label will show the values as of the report period end date.

#### Asset Classification

If an instrument is classified as 'not classifiable', the instrument is pending its proper classification. As soon this is available in the system, the instrument will reflect the correct classification.

#### Cost Valuation Exchange Rates

For the Positions section, the cost valuation exchange rate displayed is always the instrument currency against the portfolio currency.

For the Transactions section, the cost valuation exchange rate displayed is always between the instrument currency and reporting currency. For execution of FX purchase/sale transactions, the transaction valuation is based on the end of day exchange rate on the value date and the cost valuation is based on the FX contract rate.

#### Duration

Modified duration is a change in the price of a bond arising from a change in market yields. Modified duration is expressed as an approximate percentage. The investment report displays the Modified Duration method for all Fixed Income instruments.

#### Fees/ Taxes

Fees include management or safekeeping fees.

Taxes include value-added taxes and service related taxes, depending on country specific rules.

#### Income Summary

Coupon received and coupon paid, as well as interest earned and interest paid, does not include accrued or unpaid coupon or interest.

Year to date figures include the addition of the monthly figures inclusive of any backdated income processing/ adjustments.

Figures shown can be gross or net depending on the specific country and market practice.

Non-Investment related Income is included in the Income Summary.

#### Market Value

The values stated as begin of period are asset values as of the last reported statement period.

The values stated as beginning/ ending market values are asset values that are inclusive of most updated market prices and backdated transactions.

#### Non-Investment Related Positions

Non-Investment Related Positions are displayed in the Scope of Analysis and in the Non-Investment Related Positions section. However, they are not included in any other analyses.

#### Performance Calculation

The performance figures are calculated based on investment related positions using the TWR Daily method (Time Weighted Rate of Return), which is based on geometrically linking daily rates of return.

The start of period displayed for the performance calculation is referring to Beginning Market Value, which is the closing balance of the previous day. The end of period displayed is referring to Ending Market Value, which is the closing balance of the day.

The net of fees and gross of taxes return is calculated after deduction of fees and before deduction of taxes.

The cumulative return calculation is reset, every time when geometrically linking the rates of return would render distorted values. Such scenarios can happen when the market values fluctuate around zero.

Return values prior 2015 displayed in this report might be different from previously reported return values.

#### **Profit/ Loss Calculation**

Realized and unrealized profit and loss are calculated by comparing the market or transaction value with the average cost value. For every trade date the system computes the average cost, first processing investments before disinvestments. Transaction costs are included in both realized and unrealized profit/loss calculation.

Unrealized profit/ loss displayed in the Positions section are calculated as of the reporting date. FX conversion rates used in the computation of the unrealized profit/loss is the derived rate based on the average price as of the individual transaction date.

#### **Rating**

Rating refers to the rating of an investment product and is either based on information available to the Bank or is obtained from sources believed to be reliable by the Bank as of the investment report date.

#### **Yield**

The investment report displays Yield for all Fixed Income instruments and is displayed per market price.

#### **Abbreviations**

BID	=	Bid Price
CLO	=	Closing Price
MID	=	Average Price
NAV	=	Net Asset Value
OFF	=	Official Price

#### **Rounding logic**

Values in this investment report are calculated with exact numbers, however when presenting the data, values are rounded and therefore minor rounding differences might occur.

#### **Large Numbers**

The figures are consolidated and shown in denominations of thousands, millions and billions where applicable. If a value is too long to be displayed in the report itself, e.g. 1,526,555,333.26 the figure is consolidated and displayed as 1,526,555.33 in thousands in the report. If the value exceeds the column limit, a further division will take place and the phrase in millions/in billions will be displayed.

#### **Conversion Rates as of 30.4.2018**

AUD 1.0000 = JPY 82.5557

AUD 1.0000 = USD 0.7565

EUR 1.0000 = AUD 1.6030

## 4.2. Legal Information

According to the Account Opening Terms and Conditions, this investment report shall be conclusive and binding if the Bank does not receive your objection in writing to any matters contained in this investment report within 14 days from the issue date.

Deposits with Credit Suisse are not subject to Division 2 of the Banking Act - Protection of Depositors.

If your account is booked with Credit Suisse AG, Sydney Branch or if your Relationship Manager (RM) or Investment Consultant is located in Australia, please refer to the Important Notice on Sales Disclosure to Investors for sales related information including information on monetary benefits received by the Bank where it distributes an investment product to you.

The Bank provides price indications for financial derivatives transactions, structured products and non-listed financial instruments based upon available market reference prices believed to be reliable. The Bank does not make any representation as to the accuracy or completeness of price indications for transactions nor the guarantee to buy/sell at the price indicated. The Bank does not accept liability for any loss arising from the client's use of, or reliance on, such price indications. The price indications of the initial purchase price may be different from the actual purchase price.

In the absence of reliable market reference prices, the Bank may assign a nominal value or make an appropriate comment on your investment report. As a result, the investment report may contain price indications or comments as the Bank sees appropriate in the prevailing circumstances. If you have any queries in this respect, please contact your Relationship Manager.

The Bank will, at the time of printing this investment report, use the last price indications available to it. Due to the time differences between the Asia Pacific region and markets in other regions, the price indications reflected in the Bank's investment report will not always reflect the price indications available on the last business day of the month in certain markets.

The Bank may use either an onshore or offshore CNY rate for FX conversion to reporting currency depending on the asset. Please note that there may be a differential between the onshore and offshore rate. Please refer to your RM if you need further information on the FX conversion rate applied in relation to your CNY positions.

The information in this investment report does not constitute legal or tax advice. You should consult your legal and/or tax experts if you need any such advice. The investment report does not take tax rules and regulations into consideration, and thus it cannot be used for tax reporting purposes.

This investment report is an electronically generated report and does not require a signature.



# Monthly Financial Report

(in AUD)

April 2018

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# 1 Executive Summary

This financial report for April 2018 is compared to the actuals for same period last year and the 2018 budget. There are no significant issues that would require any change to the approved 2018 budget plan. The report shows an operating surplus of \$1.2m, with Revenue \$26k more than budget and Expenses \$591k (9%) less than budget.

## Revenues:

- **Membership fees and Sign-Up fees** income are tracking slightly below budget estimates at the end of April. The actual number of new members year to date was 266, which is lower than budget of 280, this shortfall is mostly offset by the number of closures year to date at 67, compared to the budget of 104.
- **Investment income:** Australian equities rose 3.91% in April, while global equities advanced 3.00% in AUD terms on the back of strong US 1Q18 earnings and supportive economic data. The APNIC portfolio continued to rise in April, up 0.73%, despite AUD bonds moving lower as yields rose during the month. Since inception, the portfolio has returned 5.04% (after fees) compared to the benchmark of 5.33%.
- **Transfer fees** are more than budget due to busy transfer activities
- **Sundry income** – Includes Meeting and Training/Workshop Registrations and Sponsorship. Training and workshop registration fees is tracking higher than the budget, contribution received from local host for training/ technical assistance event and consulting services provided to ICANN.

## Expenses:

- **Computer expenses** are below budget primarily because of timing of computer software/license and hardware maintenance contracts, one of the Internet Systems Consortium support/subscription (budget \$31k) will not be incurred for 2018.
- **Professional fees** are below budget because of timing issues and it is expected that this will more closely align with the budget as the year progresses.
- **Recruitment expenses** are more than budget due to busy recruitment activities during first four months of the year.
- **Salaries and personnel expenses** are below budget, due to the timing taken to fill vacant positions, significant annual leave taken in January, and the actual incentive payments being less than accrued at the end of 2017.
- **Sponsorship and Publicity expenses** are tracking below budget but will align more closely as the year progresses.
- **Travel expenses** are low compared to budget due to the timing of planned activities.

**Capital Expenditure** on equipment and software is tracking below budget, but the procurement of equipment is expected to align with budget estimates as the year progresses and planned activities are completed.

41. Do you have any suggestions or ideas about APNIC governance?

## 2 Statement of Financial Position

	30/04/2018	Year End 2017	% Change
<b>CURRENT ASSETS</b>			
Cash/ Term deposits	8,057,431	7,850,592	3%
Receivables	1,290,288	1,284,166	0%
Others	948,274	770,479	23%
<b>TOTAL CURRENT ASSETS</b>	<b>10,295,993</b>	<b>9,905,236</b>	<b>4%</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	23,042,984	22,893,372	1%
Property, plant and equipment	7,624,430	7,745,911	-2%
Deferred tax assets/ liabilities	202,401	202,401	0%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>30,869,814</b>	<b>30,841,683</b>	<b>0%</b>
<b>TOTAL ASSETS</b>	<b>41,165,808</b>	<b>40,746,920</b>	<b>1%</b>
<b>CURRENT LIABILITIES</b>			
Payables	1,062,487	1,086,670	-2%
Provisions	1,527,640	1,424,271	7%
Unearned revenue	9,005,049	9,742,793	-8%
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,595,176</b>	<b>12,253,734</b>	<b>-5%</b>
<b>NON - CURRENT LIABILITIES</b>			
Deferred Tax Liabilities	466,112	466,112	0%
Total Provisions	269,267	319,062	-16%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>735,379</b>	<b>785,173</b>	<b>-6%</b>
<b>TOTAL LIABILITIES</b>	<b>12,330,555</b>	<b>13,038,907</b>	<b>-5%</b>
<b>NET ASSETS</b>	<b>28,835,253</b>	<b>27,708,013</b>	<b>4%</b>
<b>EQUITY</b>			
Share capital	1	1	0%
Reserves other financial assets investment	1,105,502	1,156,552	-4%
Retained earnings	26,551,460	24,996,361	6%
Net Income	1,178,290	1,555,099	-24%
<b>TOTAL EQUITY</b>	<b>28,835,253</b>	<b>27,708,013</b>	<b>4%</b>

Table 1. Statement of Financial Position

### 3 Statement of Income

	YTD Actual Apr 2018	YTD Actual Apr 2017	Variance %	YTD Budget Apr 2018	Budget Variance \$	Budget Variance %
Investment income	295,223	231,719	27%	320,000	-24,777	-8%
Membership fees	6,625,322	6,345,834	4%	6,633,495	-8,173	-0%
Non-members fees	82,783	86,813	-5%	79,104	3,679	5%
Reactivation fees	9,000	10,500	-14%	7,832	1,168	15%
Sign-Up fees	107,500	136,750	-21%	126,000	-18,500	-15%
Transfer fees	59,361	24,400	143%	43,332	16,029	37%
Sundry income	81,722	41,481	97%	25,000	56,722	227%
<b>TOTAL REVENUE</b>	<b>7,260,911</b>	<b>6,877,497</b>	<b>6%</b>	<b>7,234,763</b>	<b>26,148</b>	<b>0%</b>
Bank service fees	57,349	52,645	9%	60,164	-2,815	-5%
Communication expenses	179,571	186,803	-4%	193,776	-14,205	-7%
Computer expenses	225,447	199,386	13%	295,408	-69,961	-24%
Contribution to APNIC Foundation	211,975	212,905	-0%	233,560	-21,585	-9%
Depreciation expense	280,167	273,332	3%	275,792	4,375	2%
Doubtful debt expenses	22,245	38,212	-42%	8,332	13,913	167%
ICANN contract fee	82,780	90,000	-8%	82,780	0	0%
Insurance expense	68,237	59,794	14%	62,664	5,573	9%
Meeting and training expenses	90,050	80,556	12%	114,960	-24,910	-22%
Membership fees	11,917	20,616	-42%	17,616	-5,699	-32%
Office operating expenses	110,972	101,146	10%	117,472	-6,500	-6%
Postage & delivery	13,712	14,653	-6%	13,000	712	5%
Printing & photocopy	8,855	8,925	-1%	13,000	-4,145	-32%
Professional fees	343,488	431,603	-20%	598,848	-255,360	-43%
Recruitment expense	90,449	68,960	31%	40,000	50,449	126%
Salaries and personnel expenses	3,573,107	3,341,988	7%	3,603,556	-30,449	-1%
Sponsorship and Publicity expenses	63,578	69,428	-8%	131,992	-68,414	-52%
Staff training/ Conference expenses	35,760	39,612	-10%	52,500	-16,740	-32%
Translation expenses	4,813	1,193	303%	7,836	-3,023	-39%
Travel expenses	608,151	709,121	-14%	749,996	-141,845	-19%
<b>TOTAL EXPENSES</b>	<b>6,082,622</b>	<b>6,000,879</b>	<b>1%</b>	<b>6,673,252</b>	<b>-590,630</b>	<b>-9%</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>1,178,290</b>	<b>876,617</b>	<b>34%</b>	<b>561,511</b>	<b>616,779</b>	<b>110%</b>

Table 2. Statement of Income

### 4 Capital Expenditure

CAPITAL (AUD)	YTD Actual Apr 2018	YTD Actual Apr 2017	Variance %	YTD Budget Apr 2018	Budget Variance \$	Budget Variance %
Equipment & Software	147,999	141,182	5%	307,928	-159,929	-52%
Office Furniture & Fittings	14,158	23,148	-39%	30,000	-15,842	-53%
<b>Total - Capital Expenditure</b>	<b>162,157</b>	<b>164,330</b>	<b>-1%</b>	<b>337,928</b>	<b>-175,771</b>	<b>-52%</b>

Table 3. Capital Expenditure by Category

## 5 Activity Reporting

### 5.1 Expenses by Activity Code

EXPENSES (AUD)	YTD Actual Apr 2018	YTD Budget Apr 2018	Variance \$	Variance %
Facilities	209,872	208,279	1,593	1%
Finance & Administration	473,933	435,547	38,386	9%
Human Resource Management	314,063	293,727	20,336	7%
Legal & Governance	166,067	192,030	-25,963	-14%
<b>Total - Corporate</b>	<b>1,163,936</b>	<b>1,129,583</b>	<b>34,353</b>	<b>3%</b>
Global Research	137,899	196,058	-58,159	-30%
Global Technical Community	294,547	357,449	-62,902	-18%
Inter-governmental Outreach	63,852	84,330	-20,478	-24%
<b>Total - Global Cooperation</b>	<b>496,299</b>	<b>637,837</b>	<b>-141,538</b>	<b>-22%</b>
APNIC Conferences	414,632	414,880	-248	0%
APNIC Foundation	214,120	236,892	-22,772	-10%
Community Engagement	365,570	418,517	-52,947	-13%
Regional Technical Development	314,360	357,487	-43,127	-12%
<b>Total - Regional Development</b>	<b>1,308,682</b>	<b>1,427,776</b>	<b>-119,094</b>	<b>-8%</b>
Customer Service	1,260,010	1,299,705	-39,695	-3%
Member Training	451,780	536,048	-84,268	-16%
Registration Services	486,263	515,912	-29,649	-6%
Technical Infrastructure	915,651	1,126,391	-210,740	-19%
<b>Total - Serving Members</b>	<b>3,113,705</b>	<b>3,478,056</b>	<b>-364,351</b>	<b>-10%</b>
<b>Total - Expenses</b>	<b>6,082,622</b>	<b>6,673,252</b>	<b>-590,630</b>	<b>-9%</b>

Table 4. Expense by Activity Code

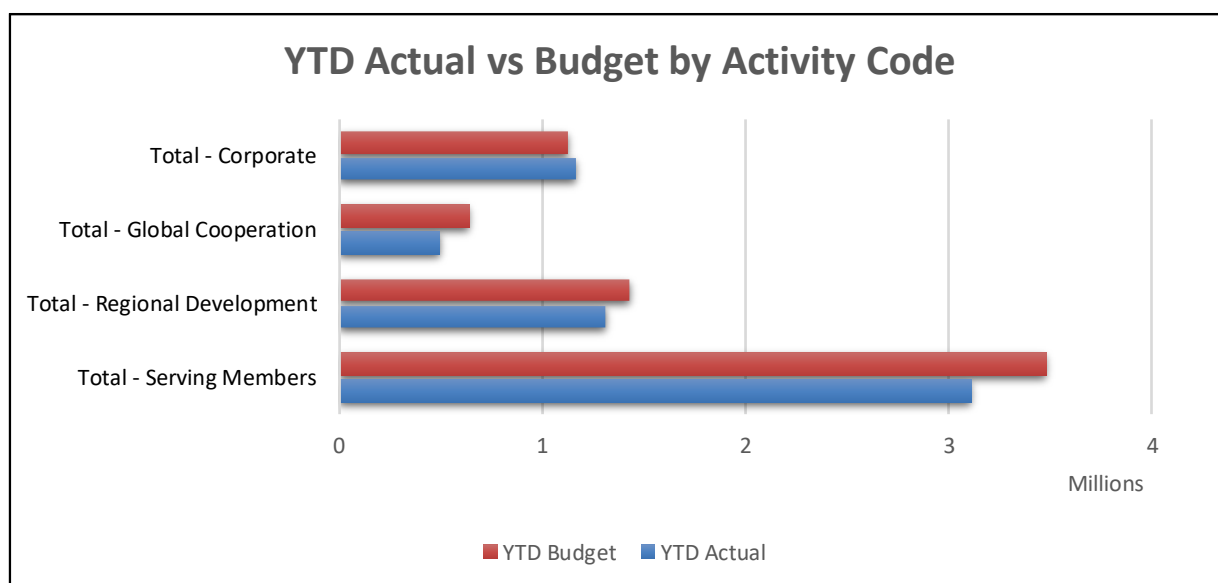


Figure 1. YTD Actual vs. Budget by Activity

## 5.2 Capital Expenditure by Activity Code

CAPITAL EXPENSES (AUD)	YTD Actual Apr 2018	YTD Budget Apr 2018	Variance \$	Variance %
Facilities	14,158	30,000	-15,842	-53%
Finance & Administration	2,999	3,000	-1	0%
Human Resource Management				
Legal & Governance				
<b>Total - Corporate</b>	<b>17,157</b>	<b>33,000</b>	<b>-15,843</b>	<b>-48%</b>
Global Research				
Global Technical Community				
Inter-governmental Outreach				
<b>Total - Global Cooperation</b>				
APNIC Conferences		4,332	-4,332	-100%
APNIC Foundation				
Community Engagement				
Regional Technical Development		105,000	-105,000	-100%
<b>Total - Regional Development</b>		<b>109,332</b>	<b>-109,332</b>	<b>-100%</b>
Customer Service	126,376	109,164	17,212	16%
Member Training	2,807	19,000	-16,193	-85%
Registration Services				
Technical Infrastructure	15,817	67,432	-51,615	-77%
<b>Total - Serving Members</b>	<b>145,000</b>	<b>195,596</b>	<b>-50,596</b>	<b>-26%</b>
<b>Total - Capital Expenses</b>	<b>162,157</b>	<b>337,928</b>	<b>-175,771</b>	<b>-52%</b>

Table 5. Capital Expenditure by Activity Code

## 6 APNIC Reserve

### 6.1 Cash Flow Statement

Accounts	YTD Apr 2018
<b>Operating Activities</b>	
Net Income	1,178,290
<b>Adjustments to Profit/(Loss)</b>	
Accounts Receivable	-113,473
Other Current Asset	-70,445
Accounts Payable	-64,877
Sales Tax Payable	101,135
Other Current Liability	-694,815
<b>Total Adjustments to Profit/(Loss)</b>	<b>-842,475</b>
<b>Total Operating Activities</b>	<b>335,815</b>
<b>Investing Activities</b>	
Fixed Asset	121,481
Other Asset	-149,612
<b>Total Investing Activities</b>	<b>-28,131</b>
<b>Financing Activities</b>	
Long Term Liability	-49,795
Equity	-51,050
<b>Total Financing Activities</b>	<b>-100,845</b>
<b>Net Change in Cash for Period</b>	<b>206,839</b>
<b>Cash at Beginning of Period</b>	7,850,592
<b>Cash at End of Period</b>	<b>8,057,431</b>

Table 6. Cash Flow Statement



## 6.2 Capital Reserve

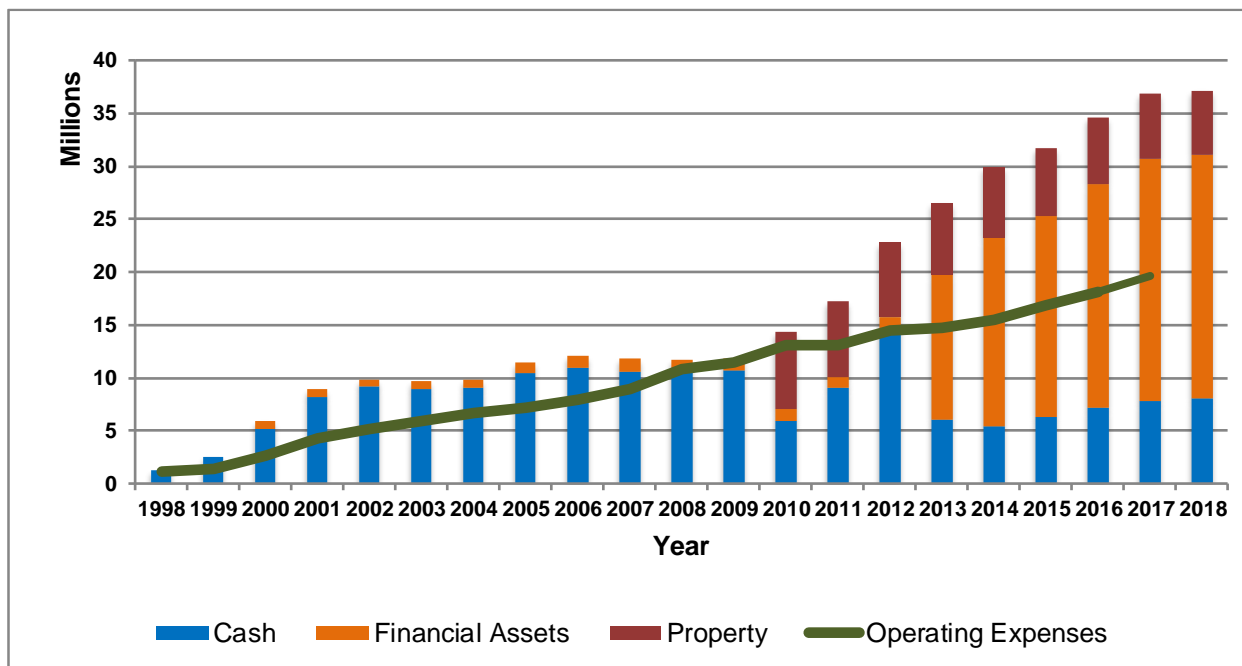


Figure 2. APNIC Reserves

## 6.3 APNIC's Equity and Reserves

By comparing the Total Equity (including retained earnings and unrealised capital gains), the Daily Operating Costs, the number of month's coverage of operational expenses is set out below:

	YTD 2018	2017	2016	2015
Total Equity	\$28,835,253	\$27,708,013	\$25,647,507	\$23,319,460
% Equity covered by Cash/ Cash Equivalents	107.9%	111.0%	110.6%	121.6%
Forecast/ Actual Daily Operating Expenses	\$60,048	\$53,909	\$49,430	\$46,077
<b>Number of Months of expenses covered by Equity</b>	<b>15.79</b>	<b>16.90</b>	<b>17.01</b>	<b>16.64</b>

Table 7. Equity and Reserves

## 7 Membership

### 7.1 Membership by Category

Membership	Total Dec 2017	YTD New Apr 2018	YTD Reactivate Apr 2018	YTD (Closed) Apr 2018	YTD Size Change Apr 2018	Total Apr 2018	% Total
Extra Large	23	0	0	0	0	23	0%
Very Large	41	0	0	0	1	42	1%
Large	138	0	0	-1	3	140	2%
Medium	473	1	1	-2	5	478	7%
Small	2,971	92	7	-27	60	3,103	44%
Very Small	2,769	164	6	-20	-64	2,855	43%
Associate	132	9	0	-17	-5	119	2%
<b>TOTAL</b>	<b>6,547</b>	<b>266</b>	<b>14</b>	<b>-67</b>	<b>0</b>	<b>6,760</b>	<b>100%</b>

Table 8. Membership by Category

### 7.2 Membership Growth

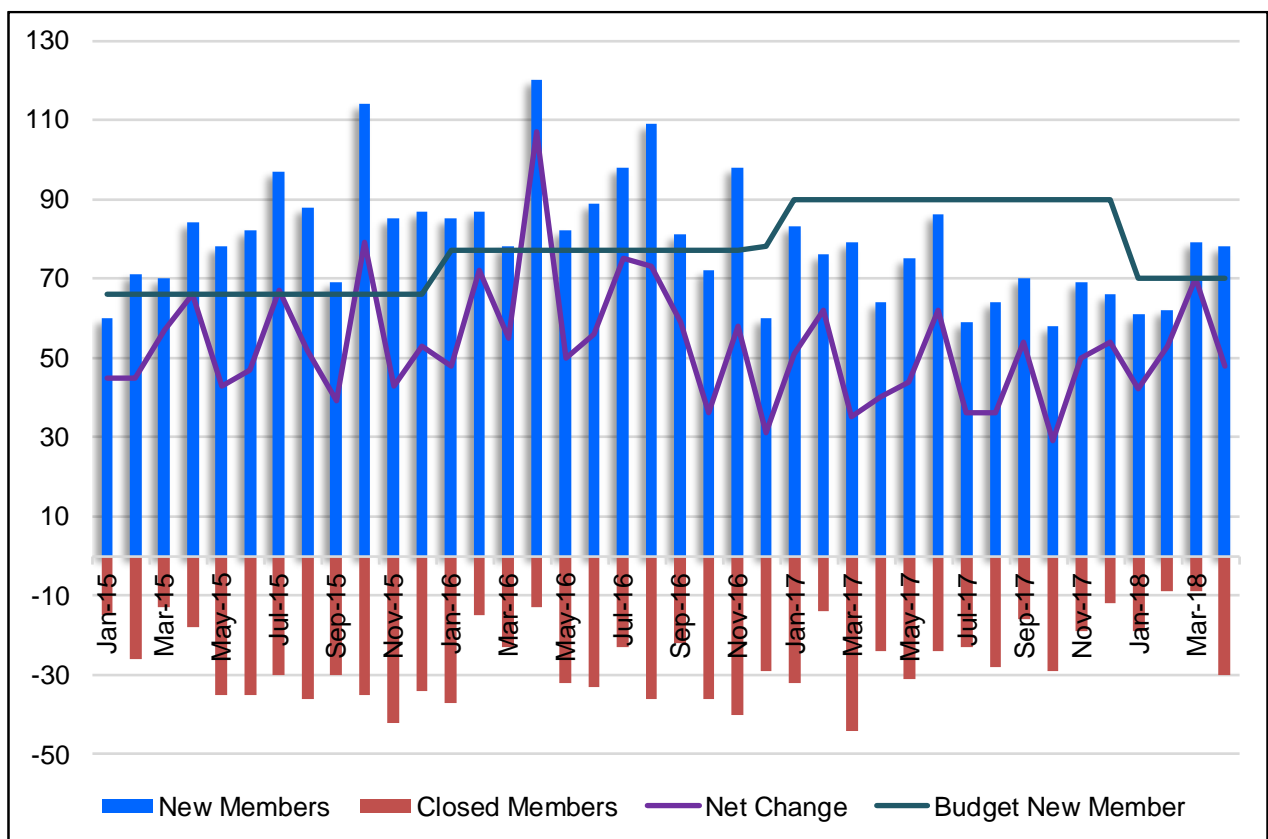


Figure 3. Membership Growth Analysis

### 7.3 Year-to-Date Membership Movement by Economy

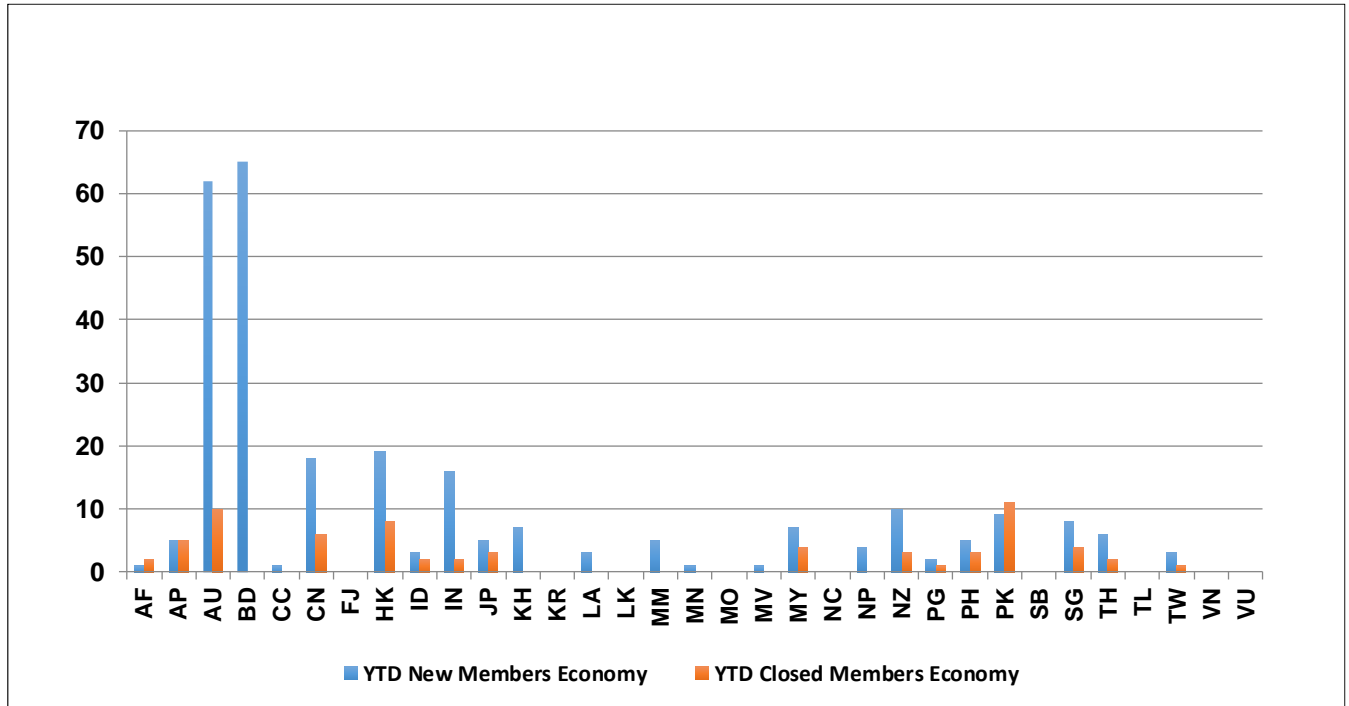


Figure 4. New and Closed Members Analysis

### 7.4 Membership Closures by Year Joined

Year Joined	Breach of Agreement	Discontinue/ Business Not Operating	Merger/ Acquisition	Non Payment/ Non Contactable	Transfer to NIR	Transfer to Other Accounts	Transfer to Other RIR	Grand Total
1999		1						1
2003				1				1
2005				1		1		2
2006			1	1				2
2007						2		2
2008						1		1
2009			1	1				2
2010			1	2				3
2011		2	1	3	1			7
2012		1	1	12				14
2013		2		2				4
2014		1		3				4
2015	1	1		6				8
2016		2		5				7
2017		1		7				8
2018		1						1
<b>Grand Total</b>	<b>1</b>	<b>12</b>	<b>5</b>	<b>44</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>67</b>

Table 9. Membership Closure by Year Joined

## 7.5 Membership Closures by Economy

Economy	Breach of Agreement	Discontinue/ Business Not Operating	Merger/ Acquisition	Non Payment/ Non Contactable	Transfer to NIR	Transfer to Other Accounts	Transfer to Other RIR	Grand Total	IPv4 Resources Reclaimed (/24's)	IPv6 Resources Reclaimed (/48's)	ASN Reclaimed
AP		1		3		1		5	16	262144	
AU		2	3	4		1		10	20	2	4
CN	1	1		4				6	20	196608	1
HK				8				8	14	65537	1
IN		1		1				2	5		2
JP		1		2				3	12		
PG				1				1		65536	
PK		2		9				11		65536	8
TH		1		1				2	8	65536	2
TW			1					1			
ID				1	1			2	6		3
MY		1		3				4	16	131072	2
NZ			1	1		1		3	1	65537	2
SG		2		1		1		4	6	131072	1
PH				3				3	4		2
AF				2				2	4		1
<b>Grand Total</b>	<b>1</b>	<b>12</b>	<b>5</b>	<b>44</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>67</b>	<b>132</b>	<b>1048580</b>	<b>29</b>

Table 10. Membership Closure by Economy

## Investment Profile Questionnaire

---

We use your Investment Profile to recommend investment products which we consider are suitable for you and to provide you with information that we consider appropriate for you to understand the risks involved.

### There are three parts to your Investment Profile

- **Your Knowledge and Experience** evaluates your investment knowledge and experience regarding various product classes and risk aspects. Understanding your level of investment expertise helps us to ensure that appropriate explanation about product features and risks are provided to you when you trade certain investment products.
- **Your Risk Profile** measures your general Risk Ability and Risk Tolerance. Risk Ability is your ability to cope with financial losses without a noticeable effect on your standard of living. Risk Tolerance is the way you emotionally deal with investment risks and financial losses. The resulting Risk Profile forms the basis to select an appropriate level of Risk Exposure for your account.
- **Your Investment Objectives and Risk Exposure.** Based on your Risk Profile, you select an Investment Objective for your account from the available options. The selected Investment Objective also determines the level of Risk Exposure. We will use your selected Risk Exposure to assess the suitability of any investment product we may recommend to you for the particular account. The account's Risk Exposure may be higher or lower than your personal Risk Profile.

### Further Information

If you have any questions, please speak to your Relationship Manager.

## Knowledge and Experience

We require certain information on your knowledge and experience regarding specific product classes and risk aspects of financial instruments. We will rely on the information given when assessing suitability and appropriate levels of explanation to be given to you.

### Knowledge

You understand the distinctive characteristics and the important underlying risks of the relevant product class and/or risk aspect.

### Experience

You have conducted at least 5 trades within a period of 24 months with Credit Suisse or another financial institution.

Product Classes		Knowledge	Experience
Direct Investments	<b>Money Market</b> (Time Deposits, T-Bills, Commercial Paper)	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Fixed Income</b> (Government or Corporate Bonds)	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Equities</b> (Exchange traded Shares)	<input type="checkbox"/>	<input type="checkbox"/>
Fund Structures	<b>Mutual Funds, Funds of Funds and Similar Products</b>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Hedge Funds, Funds of Hedge Funds and Similar Products</b>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Private Equity</b>	<input type="checkbox"/>	<input type="checkbox"/>
Derivative Structures	<b>Structured Products with minimum redemption</b> (e.g. Range Notes, Floaters)	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Structured Products for participation/yield enhancement</b> (e.g. Equity Linked Notes, Dual Currency Investments)	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Structured Products for leverage</b> (Exchange traded Warrants)	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Exchange traded Options and Financial Futures</b>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Forwards, Swaps and Contract-Based Derivatives</b> (e.g. FX/Stock Accumulator Contracts)	<input type="checkbox"/>	<input type="checkbox"/>
Risk Aspects		Knowledge	Experience
<b>Foreign Currencies</b>		<input type="checkbox"/>	<input type="checkbox"/>
<b>Over-the-Counter (OTC) Products</b> (Not Exchange-traded)		<input type="checkbox"/>	<input type="checkbox"/>
<b>Commodities</b> (Futures or Funds)		<input type="checkbox"/>	<input type="checkbox"/>
<b>Real Estate</b> (Funds or Real Estate Investment Trusts)		<input type="checkbox"/>	<input type="checkbox"/>
<b>Emerging Markets</b> (e.g. Brazil, Russia, China, India)		<input type="checkbox"/>	<input type="checkbox"/>

## General Risk Profile

**Your Risk Ability** – Please answer all questions below as accurately as possible by choosing one of the options provided

### Free Assets

What proportion of your total financial assets is available for investments (free assets) and therefore is not needed to cover defined liabilities or specific plans for the future?

- ☐ 1  
☐ 2  
☐ 3  
☒ 4  
☐ 5

### Time Horizon

For how many years from now are you unlikely to need substantial funds from your free assets? (Your account may still include some products with longer or shorter tenors)

- ☐ 3  
☒ 6  
☐ 9  
☐ 12  
☐ 15

### Retirement Coverage

To what extent are you planning to use your free assets to finance your standard of living after retirement? (Corporate clients may select "None")

- ☐ 1  
☐ 2  
☐ 3  
☒ 5

### Loss Compensation

What are your annual savings (income minus spending) compared to your free assets? Example: Annual savings of 400,000 and free assets of 10,000,000 result in a loss compensation rate of 4%. This means that an investment loss of up to 4% p.a. could be compensated by annual savings.

- ☐ 1  
☒ 2  
☐ 3  
☐ 4  
☐ 5

### Capital Erosion

Assuming you have no annual income (from occupation or investments), for how long could you finance your current standard of living from your free assets?

- ☐ 1  
☒ 2  
☐ 3  
☐ 4  
☐ 5

### Future liabilities and plans

What portion if any of your free assets do you need to use for future liabilities or plans (e.g. real estate purchases, business investments, loan repayments)?

- ☐ 3  
☐ 6  
☐ 9  
☐ 12  
☒ 15

**Add up the values of all responses to calculate your total score:**

34.00

### Your Risk Ability

☐ Score of 10-14 **Low**
☐ Score of 15-24 **Moderate**
☒ Score of 25-34 **Medium**
☐ Score of 35-44 **Enhanced**
☐ Score of 45-50 **High**



## General Risk Profile

**Your Risk Tolerance** – Please answer all questions below as accurately as possible by choosing one of the options provided

### Experience

As a general rule, experienced investors are more likely to be comfortable with market fluctuations caused by recessions and recoveries. How many years of experience do you have investing in risk-bearing products such as equities, alternative investments, derivatives and similar instruments?

- |                        |                                     |   |
|------------------------|-------------------------------------|---|
| No experience          | <input type="checkbox"/>            | 1 |
| Between 1 and 3 years  | <input type="checkbox"/>            | 2 |
| Between 3 and 6 years  | <input checked="" type="checkbox"/> | 3 |
| Between 6 and 15 years | <input type="checkbox"/>            | 4 |
| More than 15 years     | <input type="checkbox"/>            | 5 |

### Interest

How often do you follow developments in the financial markets (e.g. in the media)?

- |                            |                                     |   |
|----------------------------|-------------------------------------|---|
| Never                      | <input type="checkbox"/>            | 1 |
| Rarely                     | <input type="checkbox"/>            | 2 |
| Sometimes                  | <input checked="" type="checkbox"/> | 3 |
| Regularly                  | <input type="checkbox"/>            | 4 |
| Almost daily or more often | <input type="checkbox"/>            | 5 |

### Expectations

Do you agree with the following statement: Over the long term (more than 5 years), riskier investments with a higher potential return (e.g. equities) are more attractive than less risky investments with a lower potential return (e.g. money market investments)?

- |                   |                                     |   |
|-------------------|-------------------------------------|---|
| Do not agree      | <input checked="" type="checkbox"/> | 1 |
| Slightly disagree | <input type="checkbox"/>            | 2 |
| Partially agree   | <input type="checkbox"/>            | 3 |
| Mostly agree      | <input type="checkbox"/>            | 4 |
| Agree             | <input type="checkbox"/>            | 5 |

### Risk Appetite / Awareness

Investment opportunity A is expected (but not guaranteed) to generate an annual return of 15%. In the past its returns have been as high as 35% but also as low as - 5%. Investment opportunity B guarantees a fixed annual return of 5%. How much of your planned investment would you put in the riskier opportunity A (the rest will be placed in opportunity B)?

- |               |                                     |   |
|---------------|-------------------------------------|---|
| None          | <input type="checkbox"/>            | 1 |
| Less than 50% | <input checked="" type="checkbox"/> | 2 |
| Around 50%    | <input type="checkbox"/>            | 3 |
| More than 50% | <input type="checkbox"/>            | 4 |
| Up to 100%    | <input type="checkbox"/>            | 5 |

### Comfort / Loss Sensitivity

How would you react if your portfolio were to decrease in value by 30%?

- |                                |                                     |   |
|--------------------------------|-------------------------------------|---|
| Broadly reduce positions       | <input type="checkbox"/>            | 1 |
| Selectively reduce positions   | <input checked="" type="checkbox"/> | 2 |
| Maintain current positions     | <input type="checkbox"/>            | 3 |
| Selectively increase positions | <input type="checkbox"/>            | 4 |
| Broadly increase positions     | <input type="checkbox"/>            | 5 |

**Add up the values of all responses to calculate your total score:**

11.00

### Your Risk Tolerance

- |   |  |  |  |  |
|---|--|--|--|--|
| <input type="checkbox"/> Score of 5-7<br><b>Low</b> | <input checked="" type="checkbox"/> Score of 8-12<br><b>Moderate</b> | <input type="checkbox"/> Score of 13-17<br><b>Medium</b> | <input type="checkbox"/> Score of 18-22<br><b>Enhanced</b> | <input type="checkbox"/> Score of 23-25<br><b>High</b> |
|---|--|--|--|--|

**Risk Profile** – if your Risk Tolerance and Risk Ability are different, use the lower indicator to identify your overall Risk Profile

### Your Risk Profile

- |                                     |   |  |  |                                      |
|-------------------------------------|---|--|--|--------------------------------------|
| <input type="checkbox"/> <b>Low</b> | <input checked="" type="checkbox"/> <b>Moderate</b> | <input type="checkbox"/> <b>Medium</b> | <input type="checkbox"/> <b>Enhanced</b> | <input type="checkbox"/> <b>High</b> |
|-------------------------------------|---|--|--|--------------------------------------|

## Investment Objectives and Risk Exposure for Accounts with Credit Suisse

Please use the table below to select your Investment Objective and Risk Exposure for all accounts that you maintain with Credit Suisse. If you maintain more than four accounts with us, please copy and complete this page accordingly. The overview on the opposite page provides further explanations that may be helpful to make your selection.

Your Investment Objective (please select one per account)	Risk Exposure <sup>1)</sup>	First Account	Second Account	Third Account	Fourth Account
To preserve the value of my investments	Low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To earn moderate income from my investments	Moderate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To see the value of my investments grow and at the same time generate income from my investments	Medium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To see enhanced capital growth over time	Enhanced	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To see substantial capital growth over time	High	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This account is for safekeeping purposes only and not for active investing	Not Applicable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1)</sup> Your Risk Profile is derived from the questions you have answered when filling in this questionnaire. We recommend that you select your Risk Exposure in line with your calculated Risk Profile.

Only where you feel that the calculated Risk Profile does not reflect the risk exposure you are willing to take, you may consider changing your Risk Exposure. Kindly note we will capture your rationale for doing so and we will not accept any Risk Exposure that is more than one notch above your Risk Profile. Please use the following boxes to indicate the reason for your selection (you may tick more than one box if applicable):

☐ I/we have a different view on my/our general Risk Profile than was established by the standard questions on page 4/5 and wish to override the result.

☐ Other reasons (please specify): \_\_\_\_\_

In case of multiple accounts please indicate name, number or purpose of the accounts to which your above selections shall apply:

First Account: CIF 3000039 - APNIC Pty Ltd Third Account: \_\_\_\_\_

Second Account: \_\_\_\_\_ Fourth Account: \_\_\_\_\_

Your Names \_\_\_\_\_

Date \_\_\_\_\_

Authorized Signature

Authorized Signature

Authorized Signature

To be completed by the Bank

Approval by TL/LM

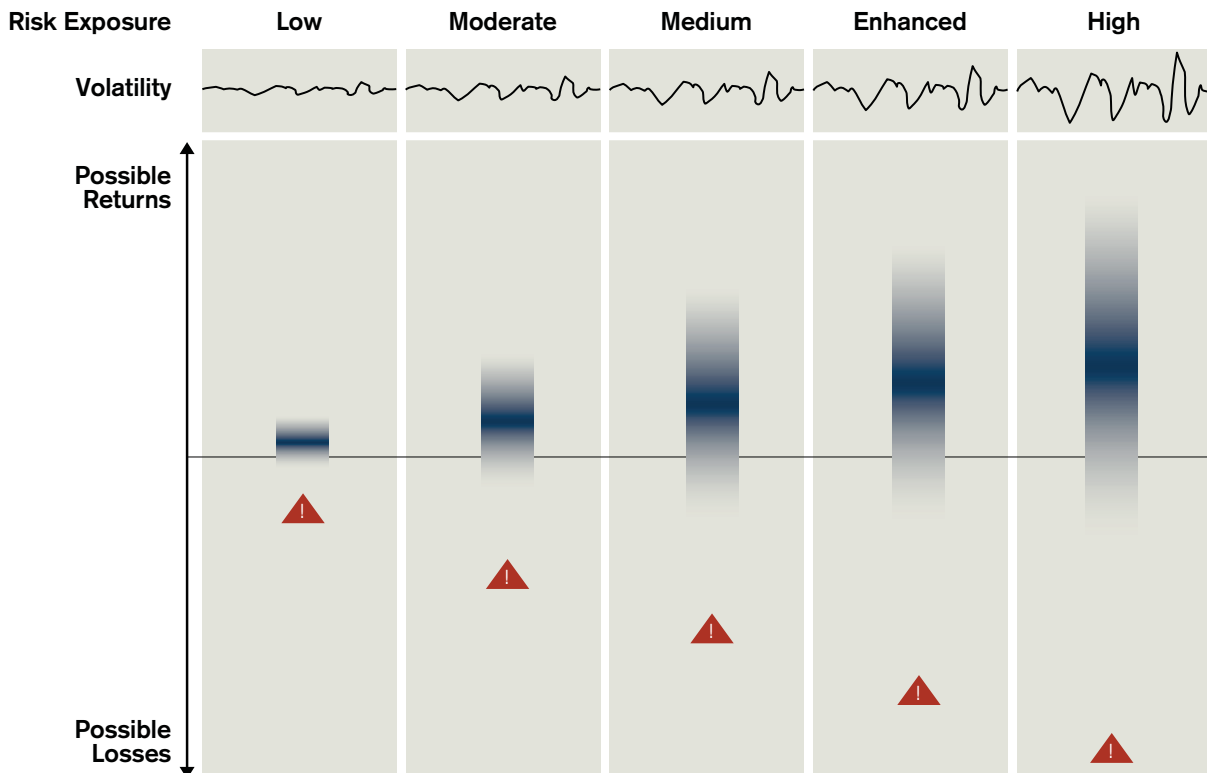
(required where there is a +1 difference between client's risk profile and exposure)

Confirmation Letter: ☐ Traditional Chinese ☐ Simplified Chinese

No Confirmation Letter: ☐ Cross Border ☐ Shared Relationship

The diagram below provides an overview of Risk Exposure levels and their key characteristics. These are:

- The expected levels of risk, which correlate with the potential levels of return that may be achieved
- The extent of volatility (deviation from potential return) that may be ordinarily expected
- The blue bars indicate relative ranges of returns and losses that may be expected in ordinary market conditions
- The red triangles indicate worst historical losses that have occurred in extraordinary market conditions of the past (please note that future losses can be larger than those observed in the past)



The below is an indicative list of typical products for the various Risk Exposure levels. However, regardless of Risk Exposure level an account may include higher and lower risk products for diversification and/or hedging purposes.

### ■ Low to Moderate Risk Exposure

Time Deposits, Money Market Funds, Bond Funds,  
Structured Products with Minimum Redemption Features

### ■ Medium to Enhanced Risk Exposure

Single Stocks, Mutual Funds, Regular ETFs, Multi Manager Hedge Funds,  
Structured Products with Participation / Yield Enhancement Features,  
Dual Currency Investments

### ■ High Risk Exposure

Short and Leveraged ETFs, Single Manager Hedge Funds,  
Structured Products with Leverage Features, FX and Stock Accumulators  
Warrants and Options, Forwards, Swaps, Futures

Volatility is a measure of the magnitude of fluctuations in the value of an asset. The volatility of an asset and the volatility of the overall portfolio can be unpredictable regardless of the portfolio risk exposure level and may not correlate with the portfolio risk exposure level. The expected or potential returns are indicative only and Credit Suisse makes no representation as to the future performance or expected returns of any asset or portfolio. Any reference to past performance such as worst historical loss is not necessarily a guide to future performance.

The securities, products, or transactions described in this document may not be available in some locations or for some accounts. Nothing in this document shall constitute a request or an offer by or on behalf of Credit Suisse to any person to buy or sell any particular investment product, investment advisory or management services or security, or to participate in any transaction.

Confidential

# Credit Suisse Private Bank

Presentation to APNIC



May 2018

Prepared by Patrick Armitage, CFA

# Executive Summary

## Risk Profiling

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The core of our investment process is the consideration of risk and the appropriate positioning for APNIC's portfolio by way of our Strategic Asset Allocation (SAA). This presentation outlines the SAA process and provides guidelines for our investment profiles so that APNIC can make an informed decision regarding the appropriate risk profile for APNIC.

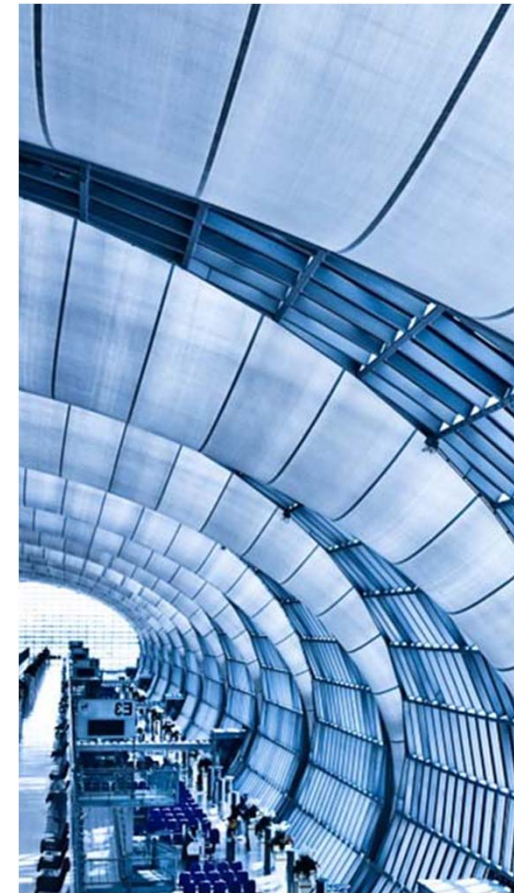
An investor's recommended risk profile is determined by the ability to cope with financial losses (risk ability) and the way the investor emotionally deals with investment risks (risk tolerance).

We currently have APNIC's risk profile recorded as Moderate which translates to a recommended Yield oriented portfolio, which is how APNIC's portfolio is currently invested.

Given APNIC's investment objectives, investment time horizon and liquidity requirements, we believe APNIC has the ability to withstand more risk than is currently in the portfolio and so APNIC could consider moving to a Balanced portfolio. The key question is what is APNIC's current risk tolerance?

The APNIC Executive Council has considered the risk tolerance questions on pages 12-16 of this presentation. On a weighted basis, the outcome of that consideration was a score of 11 which indicates a Moderate risk tolerance.

A Moderate risk tolerance is consistent with a Yield oriented portfolio. Given this, we recommend that the APNIC portfolio remains invested as a Yield oriented portfolio. We have provided a comparison between a Balanced and a Yield portfolio for your information in this presentation.



# Executive Summary

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Investment Philosophy and Approach	Page 4
Strategic Asset Allocation Overview	Page 7
Risk Tolerance Questions	Page 12
Comparison of Balanced Portfolio to Current Portfolio	Page 17





## Investment Philosophy and Approach





# Our Investment Philosophy

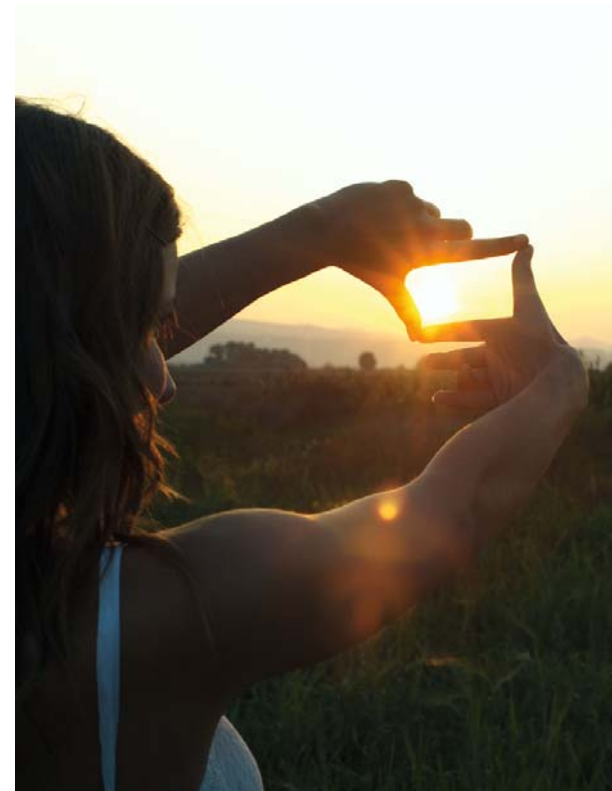
## A Principled Approach to Investing

---

**The past 15 years have been a very challenging investment environment**, especially for individual investors who may not have had a clear and disciplined investment plan to help them weather recessions, geo-political events, two meaningful run-ups in equity markets, and corresponding collapses

Our five core investment beliefs are principles that help guide us and our clients through all types of economic and financial market cycles:

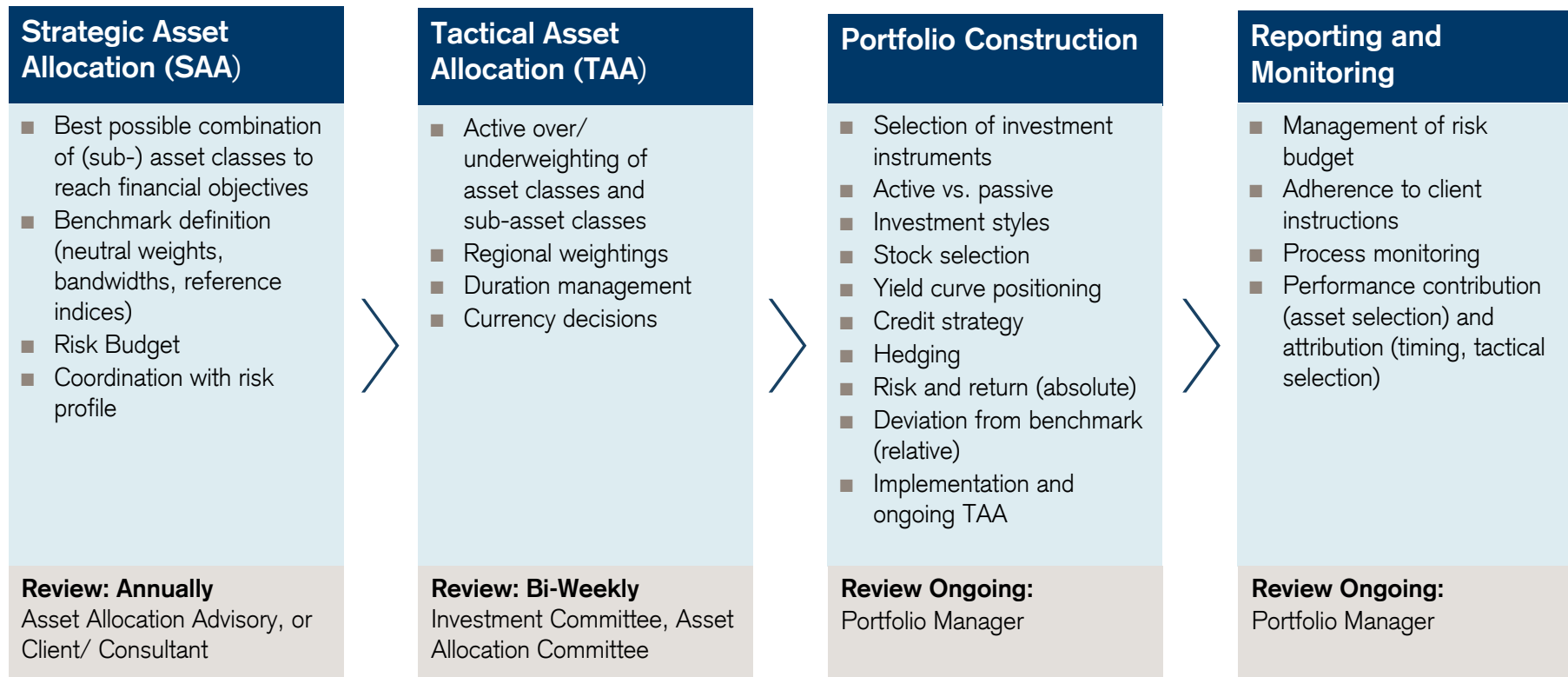
1. Meeting a client's investment **needs and objectives**
2. Having a **long-term investment horizon**
3. Using the advantages of **diversification**
4. Harvesting **risk premiums**
5. Maintaining a **disciplined investment process**



# Our Investment Philosophy

## The Structured Investment Process

Once the clients needs and objectives are fully understood, the investment process follows four stages:



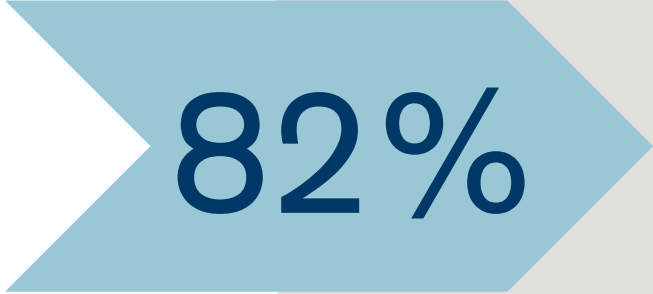
## Strategic Asset Allocation



# Strategic Asset Allocation

## Focus on the Essentials

---



82%

of portfolio performance is determined by the **personal investment strategy**.

**Timing** and **security selection** account for less than **14%** of performance.

A number of **minor reasons** account for the other **4%** of portfolio performance.

For illustrative purposes only.

Source: Wolfgang Drobetz and Friederike Köhler, The Contribution of Asset Allocation Policy to Portfolio Performance pages 219–233, in: Financial Markets and Portfolio Management, volume 16, number 2, 2002.

# Strategic Asset Allocation

## The Cornerstone of Our Advice

---

At Credit Suisse, the cornerstone of our investment advice is the Strategic Asset Allocation (SAA). We use the Strategic Asset Allocation to express our asset allocation advice, and importantly, it serves as a preliminary discussion point to further customise solutions to specifically meet a client's investment requirements.

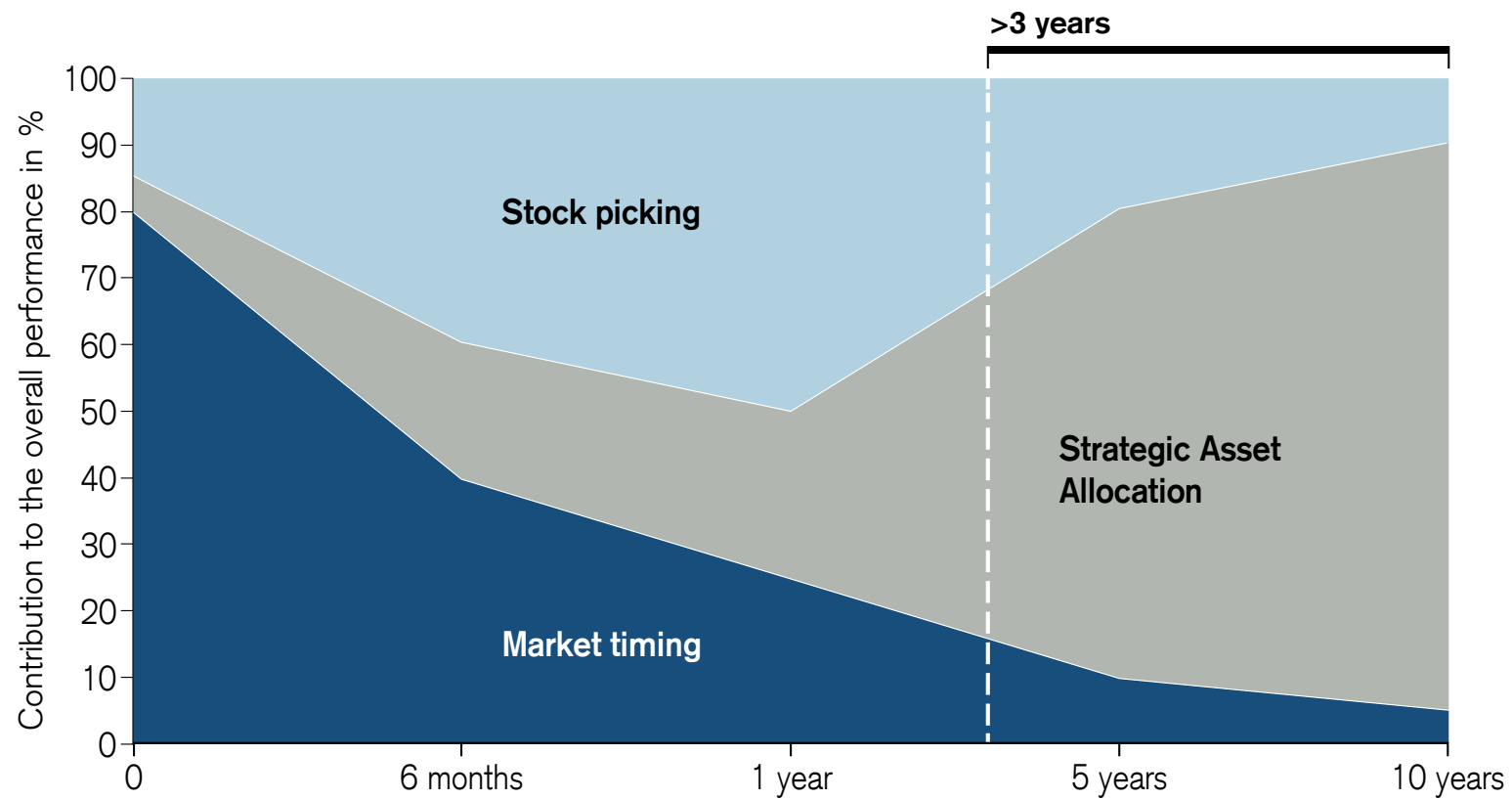
The SAA is based on realistic and fundamentally sound forecasts of risk, return, and correlation of returns for each asset class. Our Credit Suisse Capital Market Assumption inputs have distinct methodologies based on financial analysis and serve as the backbones for our Credit Suisse SAA advice.

As part of the portfolio construction process, we use the SAA as the starting point to create customised asset allocations advice to meet a client's needs.



# Strategic Asset Allocation

## The Core Driver of Long Run Returns



<sup>1</sup> Ibbotson and Kaplan (2000), Brinson, Hood and Beebower (1986), and Brinson Singer and Beebower (1991).

Source:  
Credit Suisse AG

# Strategic Asset Allocation

## Based on Risk Tolerance

- The Strategic Asset Allocation (SAA) reflects the **risk tolerance** of the investor through the cycle (ability to withstand drawdown, investment horizon, liquidity etc.)
- The selection of an SAA is **not** driven by the client's or Credit Suisse's **view** of the market.
- A change in the risk profile (SAA) of the client should only be contemplated if the client's risk tolerance has changed  
**i.e.: ability and willingness to tolerate an increased probability and severity of loss**

Risk Tolerance

SAA/Risk Profile

View of the Market

TAA  
(over/underweight)





## Risk Tolerance Questions





# Risk Tolerance Questions

The weighted responses are highlighted

**Experience:** How many years of experience do you have investing in risk bearing investments such as equities, derivatives, alternative investments etc.?

Response	Score
No experience	1
Between 1 and 3 years	2
Between 3 and 6 years	3
Between 6 and 15 years	4
More than 15 years	5

**Interest:** How often do you follow developments in the financial markets?

Response	Score
Never	1
Rarely	2
Sometimes	3
Regularly	4
Almost daily or more often	5



# Risk Tolerance Questions

The weighted responses are highlighted

**Expectations :** Do you agree with the following statement: Over the long term (more than 5 years), riskier investments with a higher potential return (e.g. equities) are more attractive than less risky investments with a lower potential return (e.g. money market investments).

Response	Score
Do not agree	1
Slightly disagree	2
Partially agree	3
Mostly agree	4
Agree	5



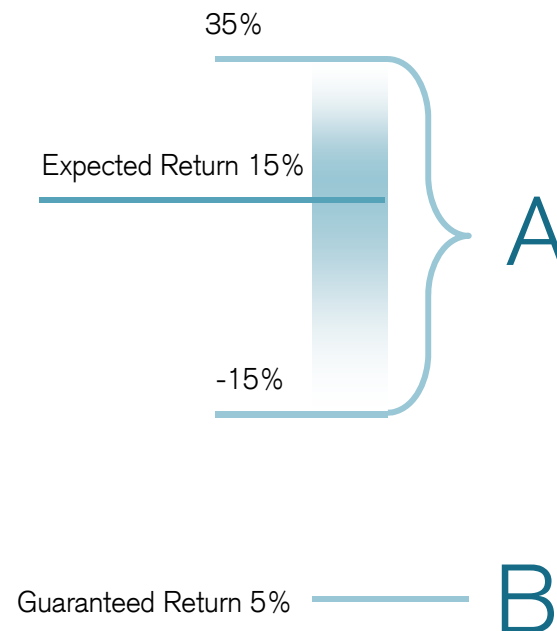
# Risk Tolerance Questions

The weighted responses are highlighted

## Risk Awareness

Investment opportunity A is expected (but not guaranteed) to generate an annual return of 15%. In the past its returns have been as high as 35% but also as low as -15%. Investment opportunity B guarantees a fixed annual return of 5%. How much of your planned investment would you put in the riskier opportunity A (the rest will be placed in opportunity B)?

Response	Score
None	1
Less than 50%	2
Around 50%	3
More than 50%	4
Up to 100%	5



# Risk Tolerance Questions

The weighted responses are highlighted

## Comfort

How would you react if your portfolio were to decrease in value by 30%?

Response	Score
Broadly reduce positions	1
Selectively reduce positions	2
Maintain current positions	3
Selectively increase positions	4
Broadly increase positions	5



## Risk Profiles For Comparison



# Our Investment Profiles

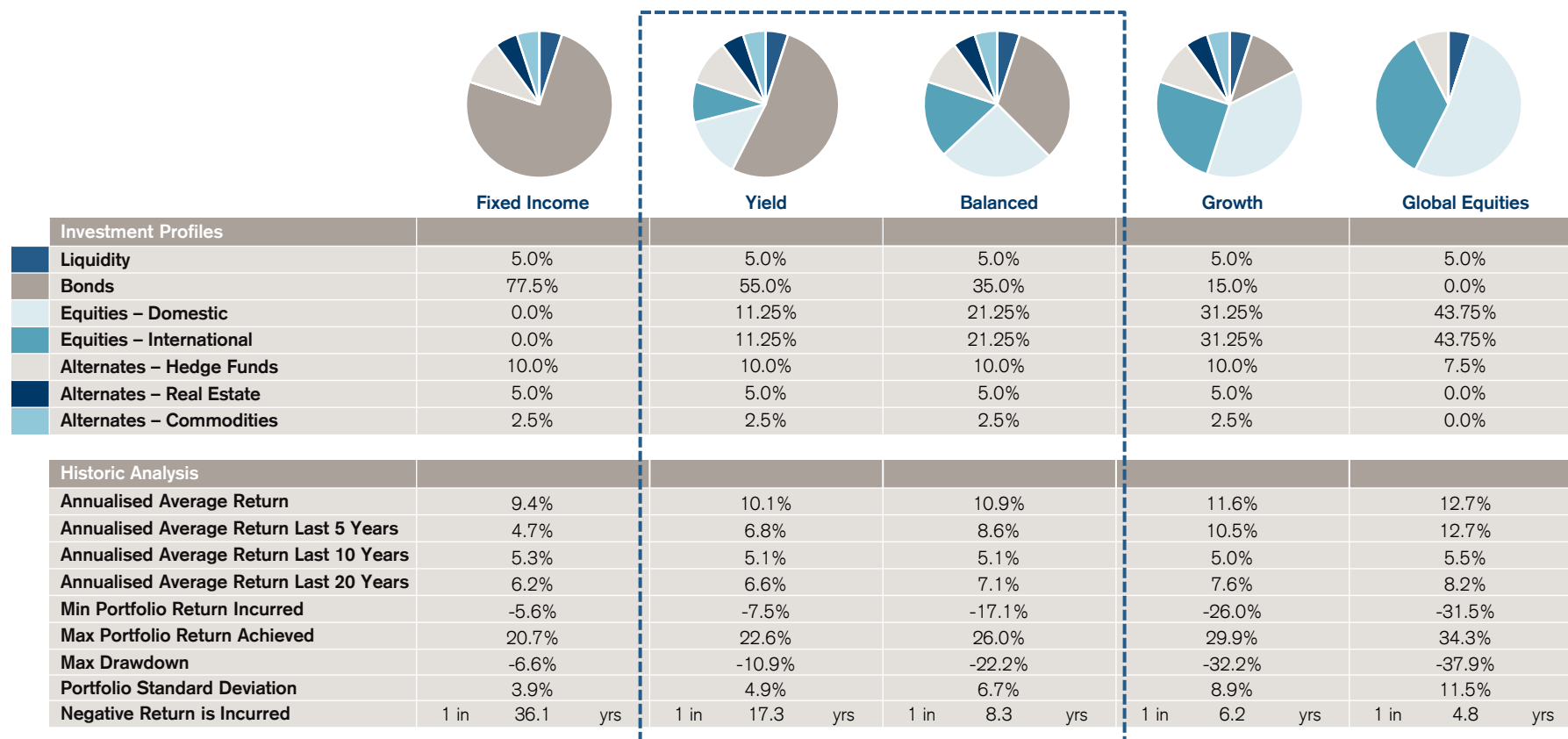
## Risk Profiles for Comparison

	Fixed Income	Yield	Balanced	Growth	Global Equities
Investment Objectives	<ul style="list-style-type: none"> <li>■ Preservation of capital</li> <li>■ Generation of returns using current income</li> </ul>	<ul style="list-style-type: none"> <li>■ Real capital preservation</li> <li>■ Generation of returns using current income</li> </ul>	<ul style="list-style-type: none"> <li>■ Real preservation and long term accumulation of capital using current income, capital, and currency gains</li> </ul>	<ul style="list-style-type: none"> <li>■ Long-term asset growth through a greater focus on capital and currency gains</li> </ul>	<ul style="list-style-type: none"> <li>■ Long-term asset growth through a greater focus on capital and currency gains</li> </ul>
Risk Tolerance	<ul style="list-style-type: none"> <li>■ Low risk tolerance</li> <li>■ Maintenance of low volatility</li> </ul>	<ul style="list-style-type: none"> <li>■ Below-average risk tolerance</li> <li>■ Volatility as low as possible</li> </ul>	<ul style="list-style-type: none"> <li>■ Average risk tolerance</li> <li>■ Takes volatility into account</li> </ul>	<ul style="list-style-type: none"> <li>■ Above-average risk tolerance</li> <li>■ Takes increased volatility into account</li> </ul>	<ul style="list-style-type: none"> <li>■ High risk tolerance</li> <li>■ Takes major volatility into account</li> </ul>
Asset Classes	<ul style="list-style-type: none"> <li>■ Liquidity</li> <li>■ Bonds</li> <li>■ Alternative Investments</li> </ul>	<ul style="list-style-type: none"> <li>■ Liquidity</li> <li>■ Bonds</li> <li>■ Equities</li> <li>■ Alternative Investments</li> </ul>	<ul style="list-style-type: none"> <li>■ Liquidity</li> <li>■ Bonds</li> <li>■ Equities</li> <li>■ Alternative Investments</li> </ul>	<ul style="list-style-type: none"> <li>■ Liquidity</li> <li>■ Bonds</li> <li>■ Equities</li> <li>■ Alternative Investments</li> </ul>	<ul style="list-style-type: none"> <li>■ Liquidity</li> <li>■ Equities</li> <li>■ Alternative Investments</li> </ul>
Investment Horizon	Up to 3 years	3–5 years	5–8 years	8–12 years	Over 12 years

Source: Credit Suisse

# Strategic Asset Allocation

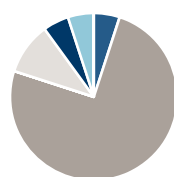
## Risk Profiles for Comparison



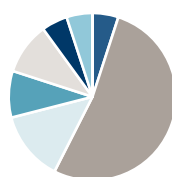
Incorporates data from January 1981 through to December 2017 and uses the longest data set available for each asset class.  
Each SAA above incorporates the March 2018 changes to the weightings of the various asset classes.

# Strategic Asset Allocation

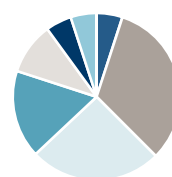
## Risk Profiles for Comparison



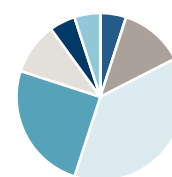
Fixed Income



Yield



Balanced



Growth



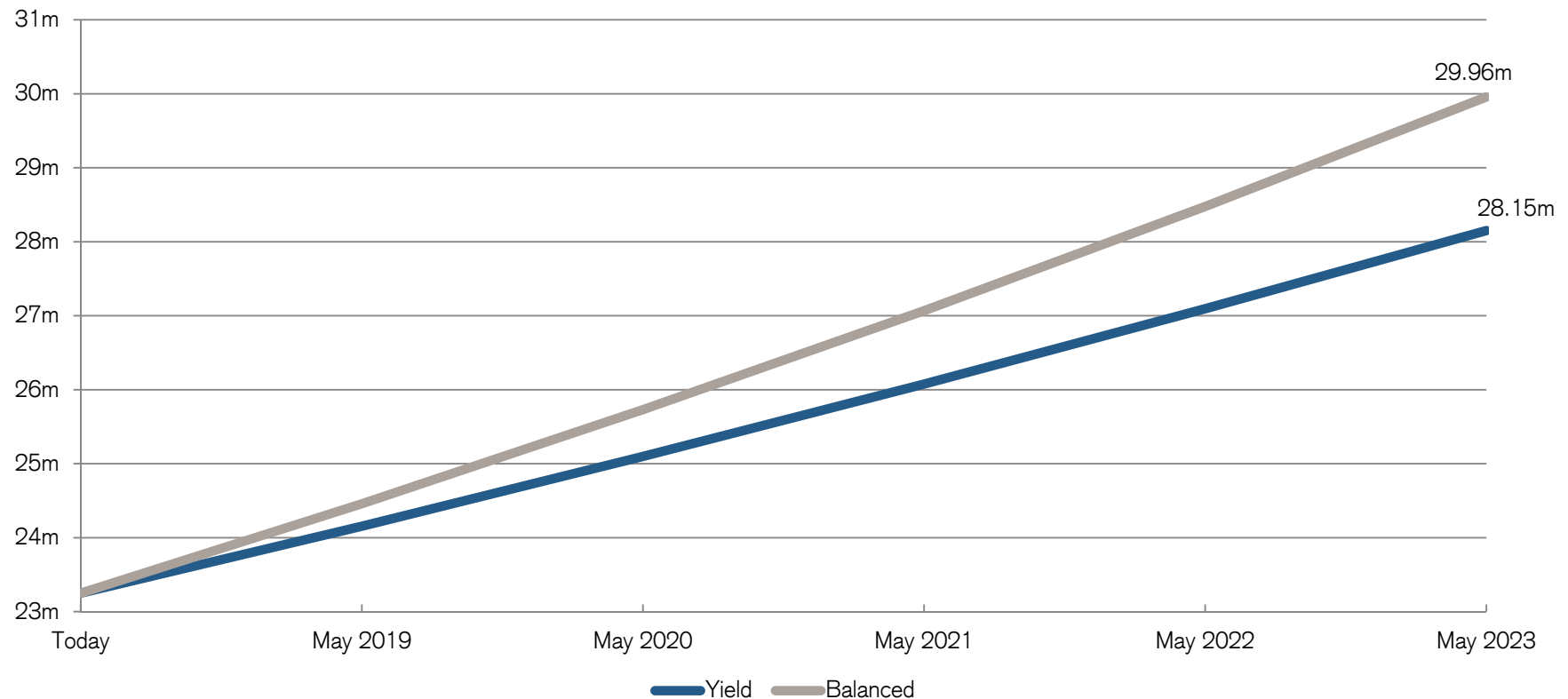
Global Equities

Credit Suisse Research Projections - Capital Market Assumptions over the next five years per annum including estimated franking					
	Inflation + 2%	Inflation + 2-3%	Inflation + 3-4%	Inflation + 4-5%	Inflation + 5-6%
<b>Target Return</b>					
<b>Total Return</b>	2.5%	3.9%	5.2%	6.5%	7.8%
<b>Income</b>	2.8%	3.0%	3.1%	3.2%	3.5%
<b>Projected Standard Deviation</b>	4.6%	4.7%	6.3%	8.6%	11.1%
<b>Investment Profiles</b>					
<b>Yields as portfolios are positioned currently</b>	3.48%	3.34%	3.18%	3.02%	3.00%
<b>Franking</b>	0.00%	0.15%	0.29%	0.43%	0.59%
<b>Gross Yields as portfolios are positioned currently</b>	3.48%	3.49%	3.46%	3.45%	3.59%
<b>Standard Deviation as portfolios are positioned currently</b>	2.70%	3.72%	5.57%	7.84%	10.17%



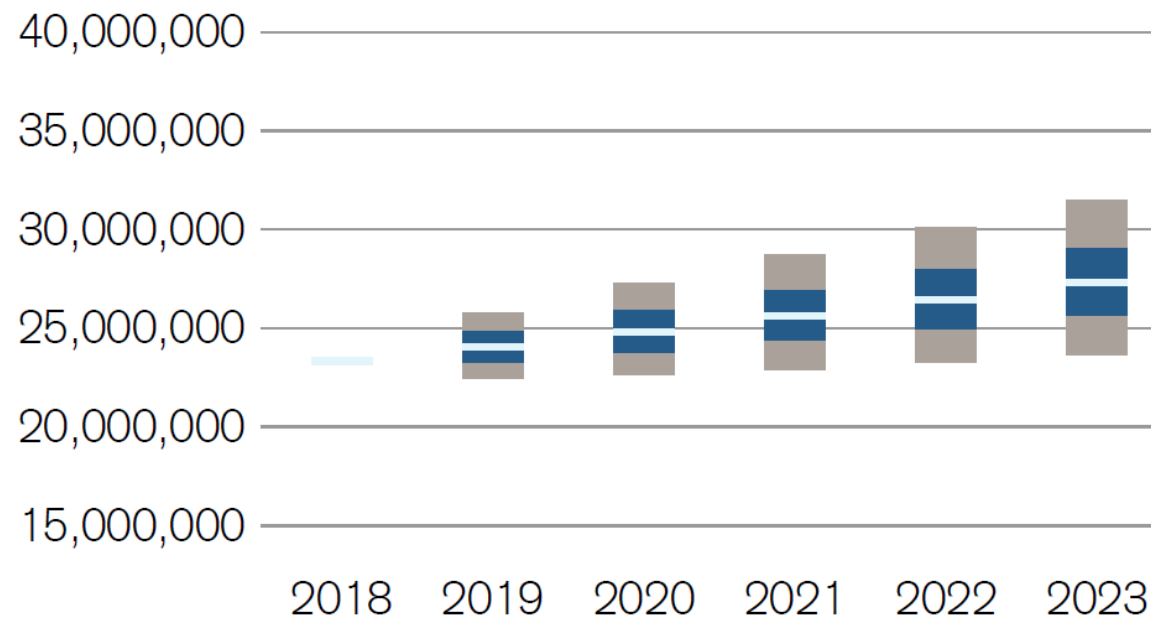
# Strategic Asset Allocation

Value Projection: Expected Returns – Current Yield Portfolio vs. Balanced Portfolio



# Strategic Asset Allocation

## Value Projection: Current Yield Portfolio

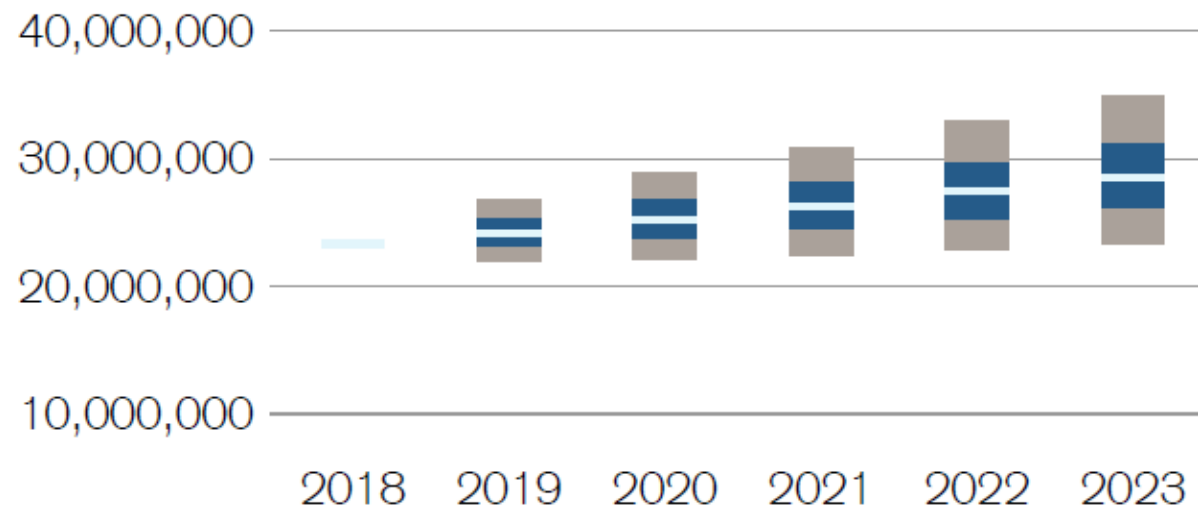


- Gold: 90% confidence future portfolio value will lie within these bands
- Dark Blue: 50% confidence future portfolio value will lie within these bands
- Light Blue: expected future portfolio value

# Strategic Asset Allocation

## Value Projection: Balanced Portfolio

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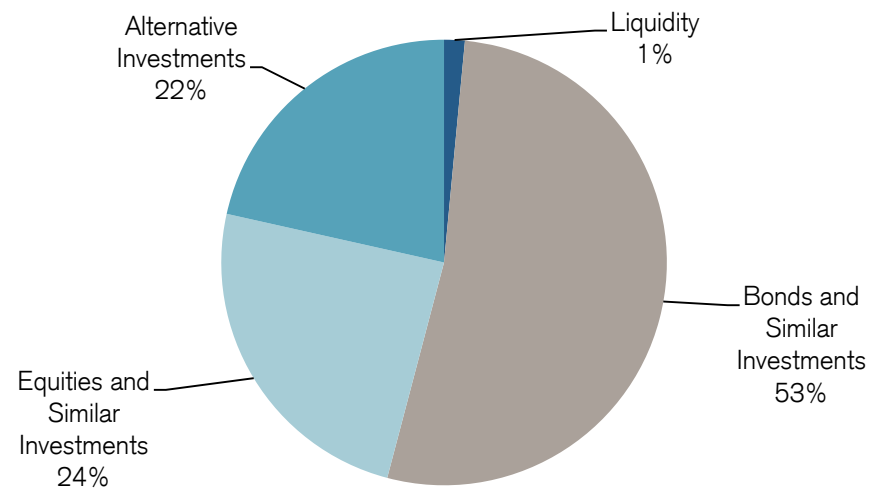
- Gold: 90% confidence future portfolio value will lie within these bands
- Dark Blue: 50% confidence future portfolio value will lie within these bands
- Light Blue: expected future portfolio value

# Current Yield Portfolio vs. Balanced Portfolio

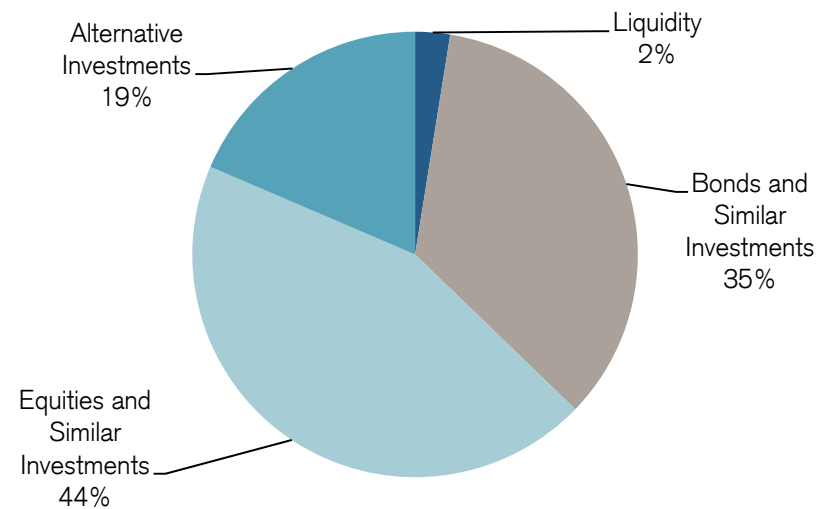
## Asset Allocation

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**Current Yield Portfolio**



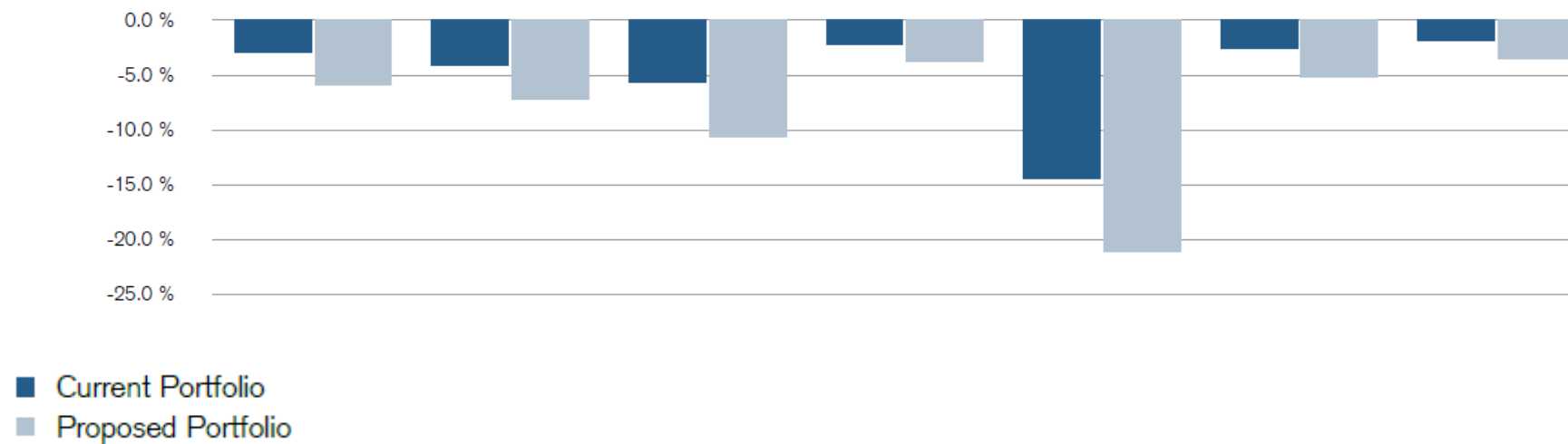
**Balanced Portfolio**



# Current Yield Portfolio vs. Balanced Portfolio

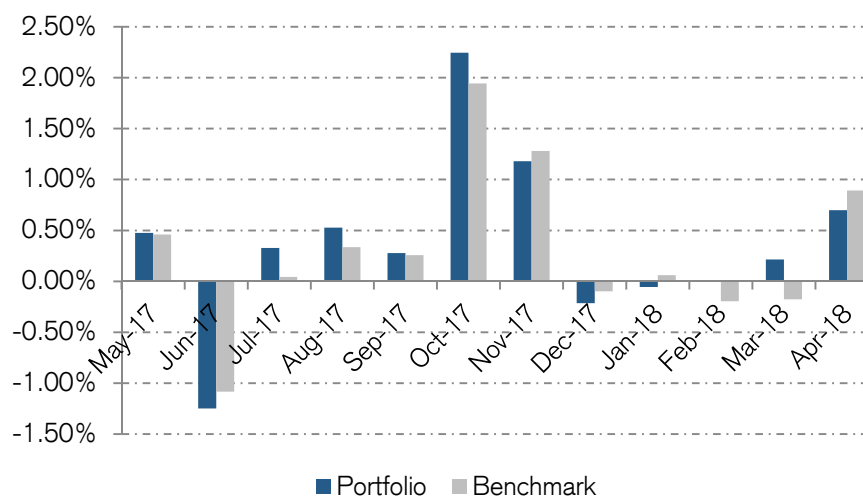
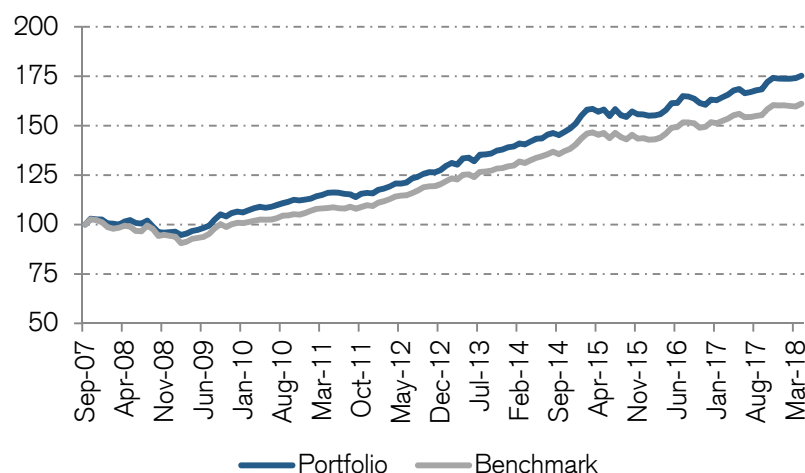
## Scenario Analysis

	Asian Crisis	Russian Crisis	Technology Bubble Burst	Sept 11th 2001	Global Financial Crisis	European Debt Crisis	Chinese Market Turmoil 2015
Current Portfolio	-2.9%	-4.1%	-5.7%	-2.2%	-14.5%	-2.5%	-1.9%
Proposed Portfolio	-5.9%	-7.2%	-10.7%	-3.7%	-21.1%	-5.2%	-3.5%



# Performances\* to April 2018

## Current Yield Portfolio

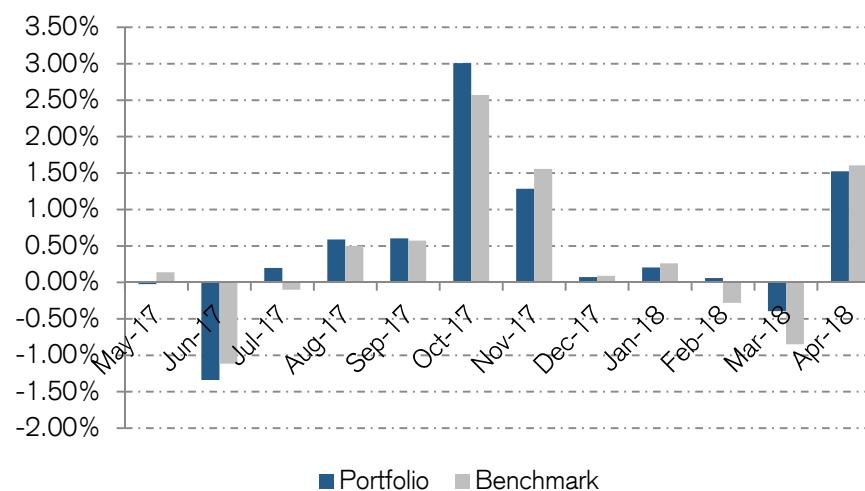
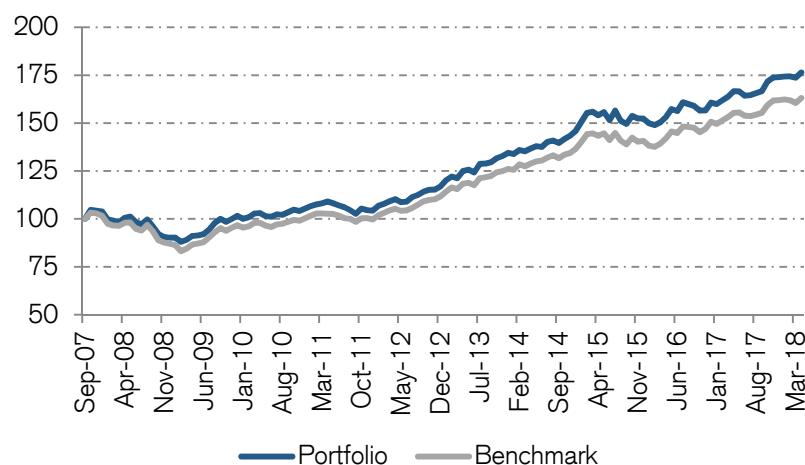


	Portfolio Performance	Benchmark Performance	Outperformance
Month	0.70%	0.89%	-0.19%
3 Months	0.91%	0.52%	0.39%
One Year	4.48%	3.75%	0.73%
3 Years p.a.	3.73%	3.48%	0.25%
5 Years p.a.	5.60%	5.18%	0.42%
Since Incept** p.a.	5.36%	4.54%	0.82%

Source: Credit Suisse AG  
 \* Performance is before fees and taxes.  
 \*\* 1<sup>st</sup> August 2007

# Performances\* to April 2018

## Balanced Portfolio



	Portfolio Performance	Benchmark Performance	Outperformance
Month	1.52%	1.60%	-0.08%
3 Months	1.18%	0.46%	0.72%
One Year	5.88%	5.01%	0.87%
3 Years p.a.	4.62%	4.39%	0.23%
5 Years p.a.	7.13%	6.62%	0.51%
Since Incept** p.a.	5.42%	4.66%	0.76%

Source: Credit Suisse AG

\* Performance is before fees and taxes.

\*\* 1<sup>st</sup> August 2007

# Summary

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We believe that it is appropriate for APNIC to consider its risk profile on an annual basis, or if there are material changes in its circumstances. This consideration should be based on APNIC's investment objectives, tolerance and ability to withstand risk.

The Executive Council has considered the risk tolerance questions on pages 12-16 of this presentation. On a weighted basis, the outcome of that consideration was a score of 11 which indicates a Moderate risk tolerance.

A Moderate risk tolerance is consistent with a Yield oriented portfolio. Given this, we recommend that the APNIC portfolio remains invested as a Yield oriented portfolio.

Assuming APNIC is comfortable with this recommendation, no change is required to the existing Investment Mandate or the Investment Policy Statement.

We would request though that an updated Investment Profile Questionnaire which we will provide is signed by two authorised signatories on the account to reflect the considerations that have been undertaken by the Executive Council.



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## Agenda Item 13

### APNIC Survey update

# APNIC Survey 2018 Update

EC Meeting – June 2018

# Survey Timeline

<b>Survey Timeline</b>	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Agreed Focus Group Locations													
Discussion guide development													
Focus Groups and Individual Interviews													
<b>Announcement at APRICOT Meeting - Kathmandu</b>													
Survey Development													
Survey conducted													
Final Survey Report													
<b>Report to APNIC AMM - Noumea</b>													

# Focus Group Status

- Focus Groups and Individual Interviews held during January and February
- Undertaken by independent facilitators
  - Anne Lord – Face to Face Focus Group and Individual Interviews
  - Survey Matters – Online Focus Group
  - John Earls – Online Individual Interviews
- Focus Groups
  - Face to Face with Direct Members – 9 sessions
  - Face to Face with NIRs – 5 sessions
  - Online – 6 sessions
- Stakeholder Individual Interviews – 9 Completed
  - CN, TW, AU, NZ, PH, ID, AF, PK, NP

# Focus Group Locations

Online	Face-Face Direct Members	Face-Face NIRs
Afghanistan	Philippines, Manila	CNNIC - China, Beijing
Pakistan	Taiwan, Taipei	JPNIC - Japan, Tokyo
India	Japan, Tokyo	TWNIC - Taiwan, Taipei
Regional Pacific	China, Beijing	APJII - Indonesia, Jakarta
New Zealand	Indonesia, Jakarta	IRINN - India, Delhi
Australia	Malaysia, Kuala Lumpur	
	Nepal, Kathmandu	
	Bangladesh, Dhaka	
	Timor-Leste, Dili	

- Focus Groups finished the end February
- Low participation / interest
  - Consider Individual Interviews only (online) at the next survey?
- Results compiled early March, themes were incorporated for testing in main Survey process.

# Survey Build

- Independent research specialist Survey Matters engaged 2016 and 2018
- Themes / issues identified in Focus Groups tested by Survey
- Survey developed by Management & Survey Matters
- EC review requested of draft survey questions out of session – 4th May

# Survey Delivery

- Independent tool – Survey Matters, Australian based research agency. Provider for 2016
- Link to survey circulated through APNIC run promotional campaign to Members and broader Internet Community
- Survey Matters cleanse data at completion to remove multiple entries where identifiable
- **Survey open for 4 weeks commencing Mon June 4.**
- Survey Matters provide detailed analysis of findings



# Survey Delivery

## Translations:

- Chinese Simplified
- Chinese Traditional
- Japanese
- Bahasa Indonesian
- Korean
- Thai
- Khmer
- Bangla
- Mongolian
- Burmese

# Survey Reporting

- Survey Matters to present findings at EC Meeting in September (APNIC46)
- Survey Matters to present findings to Members at Annual Members Meeting APNIC 46 – Noumea
- EC provide response to findings
- EC and Management incorporate findings into future strategic planning processes

# Key Messages

- *Ideally promote at all speaking engagements*
- We want to hear from you about APNIC's services and the needs of the Community
- Participate in online survey – June 2018
- Key planning tool for APNIC – establish future priorities

# Discussion/Questions?