

APNIC EC Meeting Minutes

Face-to-Face Meeting, Fukuoka, Japan

Saturday, 28 February 2015, 14:05pm – 17:50pm

Monday, 2 March 2015, 9:10am – 12:03pm

Friday, 6 March 2015, 16:10pm – 16:18pm

Meeting Start: 14:05pm (UTC+9)

Present

Akinori Maemura (by WebEx on 28/2, in person on 2/3 and 6/3)

Che-Hoo Cheng

Gaurab Raj Upadhaya

James Spenceley (by WebEx on 28/2 and 2/3, not present on 6/3)

Kenny Huang

Wendy Zhao (by WebEx on 28/2, in person on 2/3, not a member on 6/3)

Jessica Shen (not a member on 28/2 and 2/3, in person on 6/3)

Ma Yan

Paul Wilson

Craig Ng

Richard Brown

Sanjaya

Connie Chan

Apologies

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. DG Report
7. Cooperation SIG update
8. Broader Internet Governance discussion
9. NIR discussion
10. Inter-RIR transfer policy
11. Policy SIG update
12. Risk register update
13. APNIC Foundation Concept Paper
14. Financial reports
15. APNIC 44 and APNIC conference location selection procedures
16. APNIC 40 update
17. APNIC survey update
18. APNIC 39 EC election procedures and review
19. EC travel and community engagement plan
20. AOB
21. APNIC EC Officer Elections
22. Next EC meeting
23. Thank you to Wendy Zhao

Minutes

1. Opening of meeting and declaration of quorum

The Chair of the Executive Council declared the meeting open at 14:05pm (UTC+9) on Saturday, 28 February 2015 and noted that a quorum was present. Akinori Maemura, James Spenceley and Wendy Zhao joined remotely.

The meeting adjourned at 17:50pm, resumed at 9:10am, Monday, 2 March 2015, adjourned at 12:03; resumed at 16:10, Friday, 6 March 2015 and closed at 16:18.

Akinori Maemura chaired the Meeting.

2. Agenda Bashing

The Chair called for comments. The minutes follow the sequence of the revised meeting agenda.

3. Declaration of interests

The EC noted the declarations of interest as stated in the Register of Interests.

The Chair asked the EC members to declare any actual or potential conflict of interests, and any such declaration is recorded in the minutes.

Che-Hoo Cheng declared that he is the Company Secretary of the Hong Kong Internet Exchange Limited.

Action item 2015-01: Che-Hoo Cheng's interest will be updated in the Register of Interests.

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

The following circular resolutions (which 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 prior to this meeting, and are recorded in these minutes for completeness.

On 20 January 2015, the EC resolved to adopt the minutes of the EC meetings held on 26 and 27 November 2014.

5. Matters arising from the last meeting

The EC noted that the matters from the last meeting are covered in other agenda items.

Action item 2015-02: A summary of attendance record at EC meetings will be maintained and published on the APNIC website.

6. DG report

The Director General presented the annual report to the EC, and briefed the EC on the Secretariat's report to the APNIC Annual General Meeting (attached).

The Deputy DG presented the updated strategic plan to the EC which is based on the strategic priorities agreed at the previous EC meeting (attached).

7. Cooperation SIG update

The inaugural meeting of the Cooperation SIG will be held at APNIC 39 in Fukuoka, Japan on Tuesday, 3 March 2015. The EC was briefed on the agenda of the Cooperation SIG (attached). A call has been issued for community members to participate in the new SIG by subscribing to the mailing list. The draft Cooperation SIG Charter will be agreed. Elections will also be held for the position of Chair and Co-Chair.

8. Broader Internet governance discussion

The Director General updated the EC on the planning activities for the IANA stewardship transition. While two proposals were submitted to the IANA Stewardship Transition Coordination Group (ICG) by the deadline from the numbers and protocols communities, the ICG is waiting on a finalised proposal from the names community. The numbers proposal was the product of several weeks of hard work by the CRISP who assembled the final submission.

The Cross-Community Working Group (CWG) on Naming, which is responsible for the names community proposal, has advised the ICG that its proposal will be available by June 2015. ICG hopes to come up with the final joint proposal by July 2015, in time for the transition to occur in September 2015 as the initially suggested deadline for the completion of the IANA transition.

In the event the ICG's final transition proposal is not submitted or accepted in time to meet the September target, the NTIA has confirmed that the current IANA contract can be extended.

After the ICG received the two proposals, it conducted initial assessments to identify any possible conflicts between the proposals.

While the ICG works on the Internet community's joint proposal, the CRISP proposal includes the creation of the Service Level Agreement (SLA) between the RIRs and ICANN, for the ongoing provision of IANA services. This agreement now needs to be further developed, by the RIRs in negotiation with ICANN. There will be a community consultation session to review the progress and to discuss the process of developing and agreeing the SLA with ICANN on Monday, 2 March 2015 at APRICOT 2015 in Fukuoka, Japan. The results of the meeting will provide important inputs to similar discussions as they continue around the other RIR regions in coming months.

Also, the CRISP proposal recommends the establishment of a Review Committee to advise the NRO EC on the review of the IANA functions operator's performance and meeting of identified service levels.

The CRISP team will continue to monitor the progress of the names community's work on their proposal to the ICG, and to participate in the Cross Community Working Group on Enhancing ICANN Accountability to ensure the interests of the numbering community are represented.

It is noted that a meeting between the EC and three ICANN board members is being scheduled during APRICOT 2015. The EC will be informed of the meeting details when the meeting is confirmed.

9. NIR discussion

The EC discussed various options for the NIR framework. The EC instructed the secretariat to carry out further investigations (including, if necessary, seeking the expert advice of external independent consultants) to address the various issues raised by the EC during these discussions, and to provide the EC with options and recommendations to consider in relation to the future of the NIR framework, by APRICOT 2016.

2015-02 – The EC resolved to continue the moratorium on accepting new NIR applications, pending further investigations and recommendations to be provided to the APNIC EC by the APNIC secretariat, on the future of the NIR framework.

Motion proposed by Kenny Huang, seconded by Che-Hoo Cheng. Passed unanimously.

Action item 2015-03: The Secretariat will carry out further investigations and provide the EC with options and recommendations for the NIR framework.

Meeting adjourned at 16:40 pm; Akinori left the meeting

Meeting resumed at 16:50 pm; Ma Yan chaired the meeting

10. Inter RIR transfer policy

The EC was briefed on the Inter-RIR transfer policy discussions [REDACTED]

11. Policy SIG update

The EC was briefed on the policy SIG proposals and reviewed the preparation for the Policy SIG session at APNIC 39 (attached).

12. Risk register update

The EC was briefed on the current status of the APNIC Risk Registry [REDACTED]

13. APNIC Foundation Concept paper

APNIC's Development Director, Duncan Macintosh, presented to the EC the APNIC Foundation Concept paper that seeks support from the EC to contact the appropriate government agencies in Hong Kong/China and Singapore to assess the level of official support for the establishment of an APNIC Foundation (attached).

The EC invited the Director of Development to proceed with the plan and present the options identified at the next EC meeting.

Meeting adjourned at 17:50 pm

Meeting resumed at 9:10 am, Monday, 2 March 2015

14. Financial Reports

The EC reviewed the financial report for 2014 (attached). The EC noted the total asset position of \$21.4M, representing a 20% increase in total assets through 2014. Total revenue for 2014 was \$18.6M for the year, which is 2.9% above the 2014 budget forecast. Total expenses were \$15.5M, which is 3.5% below the original budget forecast.

The final result for 2014 was a surplus of \$3,089,109 compared to the budget of \$1,967,806.

At the end of 2014 APNIC had a total of 4,618 members. There were 805 new members, and 238 members who had closed their accounts, representing a net increase of 567 members during the course of 2014.

2015-03: The EC resolved to adopt the Special Purpose Financial Report for 2014 as representing the financial position of APNIC as at 31 December 2014, noting that APNIC is solvent and able to pay its debts as and when they fall due.

Motion proposed by James Spenceley, and seconded by Gaurab Raj Upadhaya. Passed unanimously.

The EC reviewed the APNIC Investment Report (attached). During 2014, a total of \$3M was transferred to the Investment account. Investment earnings for 2014 were reported at \$589k and capital growth for the year was \$681k.

The EC noted the Audited Financial Statement (attached) and the Auditor's Report (attached). As set out in APNIC's audit rotation policy, APNIC is required to appoint new auditors every five years. Price Waterhouse Coopers was appointed as the new Auditor for the full year 2014 Audit.

2015-04: The EC resolved to accept the Auditor's Report (as tabled at the meeting).

Motion proposed by James Spenceley, and seconded by Kenny Huang. Passed unanimously.

With respect to APNIC's taxation status as a Membership Association, KPMG advises that it is appropriate for APNIC to apply the "Mutuality Principle" on a self assessment basis in calculating its Australian tax until any announcement is made by the Australian Taxation Office on the future application of the principle.

The EC also noted the January 2015 financial report (attached). The EC noted this report as representing the financial position of APNIC as of the end of January 2015, and the EC was satisfied that the company is solvent and able to meet all current debts as and when they fall due.

15. APNIC 44 proposal and APNIC conference location selection procedures

The EC discussed the proposed locations for APNIC 44 and accepted the recommendations of the APNIC secretariat to host APNIC 44 in Taiwan. The EC directs the Secretariat to proceed with preparatory work for the meeting in 2017.

2015-05: The EC resolved to approve and adopt the revised APNIC conference location selection procedures (as attached).

Motion proposed by Ma Yan, and seconded by Paul Wilson. Passed unanimously.

16. APNIC 40 update

The EC noted the updated event selection criteria and budget relating to APNIC 40, to be hosted in Jakarta, Indonesia during 3-10 September 2015 (attached).

17. APNIC Survey update

The EC was briefed on the 2014 survey response implementation progress report. The progress of APNIC initiatives resulting from the feedback received in the survey can be tracked on the APNIC website.

18. APNIC 39 EC Election procedures and review

2015-06: The EC resolved to appoint Professor Ryoichi Hosoya as Election Chair, Mr George Kuo and Ms Connie Chan of the APNIC Secretariat as Election Officers, and Ms Anna Mulingbayan and Mr George Odagi as Election Tellers.

Motion proposed by Akinori Maemura, seconded by Paul Wilson. Passed unanimously.

EC Members Gaurab Raj Upadhaya, James Spenceley and Kenny Huang abstained from voting.

19. EC travel/community engagement plan

The EC reviewed the travel calendar for 2015. The EC members will submit any changes or corrections directly to Connie.

20. AOB

a. EC travel policy

The Secretariat will update the current travel policy to incorporate necessary support given to the EC when the travel is not funded by APNIC.

b. MoU

APNIC has signed MoUs with a number of organizations to enhance various activities that APNIC is undertaking. The MoU between APNIC and APAN will be signed during APRICOT 2015. APNIC is also in the process of renewing the MoU with APIA and signing a MoU between NIXI and ISIF.

c. Network abuse BoF

It was noted that there was no Network Abuse BoF during APRICOT 2015. Privacy and security are becoming mainstream issues and it is expected to see these topics will be discussed in the Policy SIG rather than the Network Abuse BoF in future.

d. Strategic planning

The EC was briefed on the strategic planning cycle options (attached). It is proposed to hold a full-day strategic planning later this year.

The EC gave a round of applause to thank Ms Wendy Zhao for her four years of service on the APNIC EC.

Meeting adjourned at 12:03 pm

Meeting resumed at 16:10 am, Friday, 6 March 2015

Apologies were received from James Spenceley, who was not present at the meeting.

Jessica Shen joined the meeting.

21. APNIC EC Officer Election

The EC welcomed the newly-elected EC member, Jessica Shen.

The EC held officer elections, to take office immediately following the Annual General Meeting.

In accordance with EC Procedures, Paul Wilson assumed the role of Chair of the Meeting, and called for nominations for the position of Chair of the EC.

Akinori Maemura was elected unopposed. Akinori Maemura assumed the role of chair of the Meeting.

Nominations were called for the positions of Treasurer. James Spenceley was elected unopposed as the Treasurer of the EC.

Nominations were called for the positions of Secretary. Ma Yan was elected unopposed as Secretary of the EC.

22. Next EC Meeting

The next meeting will be held in conjunction with the APNIC Regional Meeting in May/June in a location to be determined.



23. Thank you to Wendy Zhao for her service to the APNIC EC

2015-07: The EC resolved to offer its heartfelt thanks to Wendy Zhao for her four years of service and contribution to the APNIC EC.

Motion proposed by Gaurab Raj Upadhaya, seconded by Kenny Huang. Passed unanimously.

Meeting adjourned at 16:18pm, Friday, 6 March 2015

Attachments:

- A. DG report
- B. AGM presentation
- C. Strategic planning update
- D. Cooperation SIG update
- 
- G. Policy SIG update
- 
- I. APNIC Foundation concept paper
- J. 2014 Financial report
- K. January 2015 Financial report
- L. Investment report

- M. Auditor's report**
- N. APNIC 44 proposal**
- O. Conference location selection procedures**
- P. APNIC 40 update**
- Q. EC election procedures**
- R. Strategic planning**

APNIC DG Annual report 2014 February 2015

This report covers the performance and achievements of the APNIC Director General for the 1-year period to 31 December 2014. It addresses the Key Performance Indicators provided in Attachment 2 of the current Employment Contract.

Supporting documentation is referenced, some of which has been tabled for the coming EC meetings during APRICOT 2015.

KPI 1: "To operate the APNIC Secretariat within the approved annual budget, while striving to improve the result wherever possible"

According to the audited annual financial report for 2014:

	Budget AUD	Actual AUD	Variance
Revenue	18,094,206	18,622,931	3%
Expenses	16,126,400	15,533,822	-4%
Surplus	1,967,806	3,089,109	57%

These results demonstrate that in 2014 the APNIC Secretariat operated well within the budget which was approved by the APNIC EC in December 2013¹. Further details will be provided to the APNIC EC in the final Financial Report for 2014², to be presented at the coming meeting.

Due to ongoing healthy operating surpluses, the Secretariat analyzed membership fee revenues and proposed a specific fee structure reform to the EC in November 2014³. This was designed to reduce APNIC's surplus in future, while maintaining a positive financial result according to current projections.

The new fee structure was approved by the EC and all implementation (systems and communications) activities completed in December 2014, for the launch of the new structure from 1/1/2015⁴.

¹ <http://www.apnic.net/about-APNIC/organization/structure/apnic-executive-council/ec-minutes/ec-meeting-minutes/2013/2013-12-06-ecminutes-approved.pdf>

² https://apnic-ec.apnic.net/pub/Main/ECmeetings/Financial_Report_2014.docx

³ http://www.apnic.net/_data/assets/pdf_file/0011/80786/apnic-ec-minutes-20141126.pdf

⁴ <http://blog.apnic.net/2014/12/01/apnic-to-reduce-fees-for-all-account-holders-from-2015>

KPI 2: “To develop and operate an appropriate and approved risk management strategy”



The register is reviewed periodically, and will be reviewed in detail during the coming EC meeting⁵.

While the Risk Register identifies major strategic risks which may require attention of the APNIC EC, the Secretariat continues to manage a wide range of operational risks, as follows:

- a) Insurance cover for property, plant and equipment, for directors and officers' liability, and for staff and directors' travels (no substantial claim during 2014).
- b) Travel risk mitigation through International SOS⁶ (no significant incidents during 2014), and health checks for regular travellers (initiated in 2014).
- c) Workplace Health and Safety policies and procedures which now include quarterly review meetings and an annual systems audit, and a management system providing access to all relevant documentation and records (established in 2014).
- d) Annual staff survey measuring engagement and enablement, conducted independently by Hay Group, which produced a significant positive improvement in 2014 (more details below).
- e) Comprehensive HR policies including recruitment, appraisal and termination practices.
- f) Performance appraisals performed within the Halogen online system, including salary review processes and approvals, with clear workflow of review and approval for auditing and accountability purposes (reviewed and improved in 2014).
- g) Financial risk mitigation through annual audit (with new auditors appointed from 2015), financial controls (including formalized staff position of Financial Controller, established in 2014), and annual staff training in fraud and corruption.
- h) Formalised investment policy and management arrangements including regular status reports provided by Credit Suisse (as will be presented to the EC in February⁷).
- i) Transparency and Accountability improvements during 2014, with specific activities and improvements described under KPI6, below.

⁵ [https://apnic-ec.apnic.net/pub/Main/ECmeetings/Exec_Summary - Risk Register.docx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/Exec_Summary_-_Risk_Register.docx)

⁶ <http://www.internationalsos.com>

⁷ [https://apnic-ec.apnic.net/pub/Main/ECmeetings/CreditSuisse InvestmentReport Dec 2014.pdf](https://apnic-ec.apnic.net/pub/Main/ECmeetings/CreditSuisse_InvestmentReport_Dec_2014.pdf)

- j) Established Business Continuity (BCP) and Disaster Recovery (DRP) Plans which are reviewed and tested on a quarterly basis. There were no incidents in 2014 which required action under these plans.

KPI 3: "To lead the Executive Team in the development of collaborative Area action plans"

With the appointment of Sanjaya as Deputy Director General during 2014, operational planning has been led very effectively by him, while I continue to provide strategic leadership, and interfacing with APNIC Executive Council on strategic matters.

The Secretariat now maintains a continuous planning process, based on a 4-year plan which is revised every 2 years. The current operational plan is discussed regularly at staff and leadership team meetings, so that all staff are continuously aware of goals and work priorities.

The Executive Team holds weekly meetings which normally concern operation/tactical matters; however one meeting per month is dedicated to strategic discussions, and there is a quarterly offsite meeting in which the ELT reviews strategic topics in more detail.

Each Area Director maintains a list of quarterly priorities which are reviewed on a weekly basis in meetings with the DDG (and DG where possible), and updated accordingly. These priorities are also promoted by directors within each area, to managers and staff.

We are currently in the middle of a 2-year planning cycle, and a strategic plan update will be presented to the EC in February⁸. By the end of 2015, the EC should review the current strategic plan to reestablish priorities for the next 4 years.

KPI 4: "To ensure an agreed return on funds employed within the business"

As noted, the APNIC Investment Policy is now established and invested assets managed accordingly, with regular reports and advice provided by Credit Suisse. The APNIC Treasurer is asked to approve adjustments to the investment portfolio, and regular formal reports are provided on a quarterly basis, with an annual report available for review by the EC in the coming meeting.

The following approximate calculation shows a rate of return of at least 10% on invested funds:

Start of Year 2014	13,725,401
Contributions during 2014	3,008,343

⁸ [https://apnic-ec.apnic.net/pub/Main/ECmeetings/APNIC_5-year_strategic_plan_2013-2017_\(2015\).docx](https://apnic-ec.apnic.net/pub/Main/ECmeetings/APNIC_5-year_strategic_plan_2013-2017_(2015).docx)

Total investment in 2014	16,733,744
End of Year 2014	17,924,950
Capital gain	1,191,206
Capital gain %	7.1% (over start of 2014)
Earnings	588,853
Earnings %	3.3% (over end of 2014)

KPI 5: “To ensure that APNIC has, and maintains, effective systems covering the entire business”

APNIC makes use a large number of administrative, technical, and quality-related systems, in addition to number of risk-management systems (see KPI 2, above). All are designed to ensure that we operate in a predictable, reliable and accountable manner, in line with the critical service role that we play.

APNIC continues to rely on Netsuite⁹ for enterprise resource management (ERM) functions, and Halogen¹⁰ for staff appraisal. During 2014 we introduced the Alfresco¹¹ document management system (DMS) and we are transitioning all APNIC documentation into that system.

During 2014 work was done with the Treasurer and EC to redefine APNIC’s approved set of Activity Codes for financial reporting and budgeting. These will be applied from 2015 forward for reporting to the members, and are included in Appendix 3.

The first annual audit of our ISO9001-certified Quality System was conducted successfully in May 2014.

A comprehensive rearchitecture of the core APNIC registry system has been underway during 2014, based on a “message bus” architecture. This will provide a unified transaction processing system underlying both ARMS (the internet APNIC Resource Management System) and MyAPNIC, and supporting the maintenance of reverse DNS and whois systems. The result will be greater integrity, reliability and flexibility of APNIC transaction processing.

Internally, virtualization of all APNIC internal servers was completed in 2014, supported by uniform configuration management and system monitoring.

Finally, whois services were distributed geographically for the first time in 2014, with 2 additional service sites established; providing improved redundancy and reliability to whois users.

⁹ <http://www.netsuite.com>

¹⁰ <http://www.halogensoftware.com>

¹¹ <http://www.alfresco.com>

KPI 6: “To maintain and enhance the perception of APNIC in the Internet environment - especially in the Asia Pacific”

6.1 Communications Priorities

With the restructure of the Communications Area under Tony Smith as Communications Director, a new set of processes have been implemented for communications with members, community and media.

After discussions during the AMM in KL in March 2014, a new emphasis has been placed on APNIC’s member services and role in the technical operational community of the region, and on better representation of so-called “Internet Governance” activities. Better coverage has been given to APNIC support of NOG activities throughout the region, to the 5 “ARM” regional meetings in 2014, and conferences in Petaling Jaya and in Brisbane.

6.2 Online and Social Media

The APNIC Blog¹² was a major communications initiative launched in 2014¹³, as a means to improve, streamline and manage APNIC external communications. During 6 months in 2014 it carried 184 posts from 33 authors (including 12 guests), and received over 25,000 hits during the same period.

The regular Event Wrap reports are also an effort to ensure that APNIC members have a better understanding of our participation in external events of all kinds. In total, 41 Event Wraps were published on the blog in 2014.

Other APNIC Social Media usage and community engagement grew significantly in 2014:

- YouTube: 10,605 views (84% increase compared to 2013); 45,613 minutes viewed (284% increase on 2013)
- Twitter: 1,182 new followers (39% on 2013 follower growth of 848); RTs 1,192 (Only 3 in last 6 months of 2013)
- Facebook: Organic post reach 163,438 people (126% growth on 2013’s 72,450 people)
- APNIC also began making greater use of LinkedIn, Slideshare and established a presence on Chinese-language social media site, Weibo

In addition, a website revamp (including Training and Conferences websites) has been undertaken, along with implementation of “instant feedback” within MyAPNIC and selected areas of the website.

¹² <http://blog.apnic.net>

¹³ <http://blog.apnic.net/2014/08/10/welcome-to-the-blog>

6.3 Member Survey

The 2014 Member Survey was concluded in August and reported to the members during APNIC 39 in Brisbane¹⁴. Members rated the quality of APNIC's services at 6.15/7, the value of APNIC services and membership at 5.91/7; both of these being improvements on the previous survey.

As usual the Secretariat drafted a detailed response for approval by the APNIC EC, and published in December 2014¹⁵; but in addition a new online "Survey Tracker" for topics raised by the survey was launched late in 2014¹⁶.

6.4 Transparency and Accountability

After the announcement of the IANA transition and ICANN's own review of accountability, I led a number of accountability-related activities within the RIR system, including:

- Creation of the Accountability Matrix by the NRO, providing comparative information on accountability mechanisms of all RIRs¹⁷.
- The APNIC transparency page was updated to include more relevant information than ever before. The page provides the community with a view into all key APNIC organizational information from a single page¹⁸.
- Using the feedback from the Survey, a new Activity Plan and Budget was prepared, providing enhanced transparency of where APNIC allocates its financial and human resources
- A range of projects were initiated in response to feedback from the APNIC Survey, and they are now listed and progress tracked on a new page on the APNIC website: www.apnic.net/survey-response-activity
- Introduction of Event Wrap reports for all public engagements undertaken by APNIC staff

KPI 7: "To perform successfully as a credible and authoritative spokesman for APNIC, and support the EC by providing reasonable explanations of Secretariat's business operation"

During 2014, with the appointment of Sanjaya as Deputy DG I was able to focus more on strategic and external activities for APNIC.

In 2014, APNIC proactively generated 89 pieces of media coverage across 18 economies – including Times of India, Economic Times, AFP, Straits Times,

¹⁴ <https://conference.apnic.net/38#apnicssurveyresult>

¹⁵ <http://blog.apnic.net/2014/12/04/ec-response-to-apnic-2014-survey-published>

¹⁶ <https://www.apnic.net/community/participate/member-feedback/survey-response-activity>

¹⁷ <https://www.nro.net/about-the-nro/rir-governance-matrix>

¹⁸ <http://www.apnic.net/about-APNIC/transparency>

Bangkok Post, Manila Bulletin, Phnom Penh Post, Computerworld SG & AU. Most of this coverage resulted from interviews with media during events in Bangladesh (BDNOG), India (NASCOM), UK (ICANN) and Singapore (ICANN) with media included Reuters, AFP, Straits Times, IDG, IT News, The Economist, Wall Street Journal and The Guardian.

While I continued in my elected role as the Chair of the APriGF, I completed my service on the IGF MAG, after 3 years of service. I am satisfied to have finished this term of service at a time when “critical internet resources” (in particular, IP addresses) are now well understood within the IGF, and no longer the subject of special attention.

I was appointed to the IANA Transition Coordination Group (ICG) during 2014, as a representative of the numbers community (nominated by the NRO). I played an active role in the IANA transition process, in the development of the numbers community approach (and the CRISP team), and by formulating the initial APNIC proposal which eventually became the CRISP proposal to the ICG.

I am enrolled by the Communications team to participate regularly in APNIC Social Media communications activities, including blog posts and twitter activity as @apnicdg, also to conduct media interviews on a regular basis (and much more than in previous years).

KPI 8: To maintain the APNIC Secretariat for the employees to work productively in a favorable environment.

8.1 Staff Survey

Following the first independent staff survey, conducted independently by Hay Group in 2013, a decision was made to conduct the same survey annually to monitor changes year on year. The results of the 2014 survey showed a marked improvement on the 2013 survey and placed APNIC in the High Performing category of organisations globally. This appears to have been the result of strong efforts, particularly by the HR team, to actively increase engagement and enablement of staff.

The voluntary “One Vision” group continued to function during 2014, and was asked to respond specifically to the 2013 Survey result. It did so by examining barriers felt by staff, as reporting in the survey, and addressing any perception and practical issues. The group works under the framework of a SIG, encouraging staff participation in workplace proposals (as well as promoting an understanding of the APNIC PDP).

During 2014 the One Vision group developed the staff “credo” (or motto) and statement of values, which are included in Appendix 2.

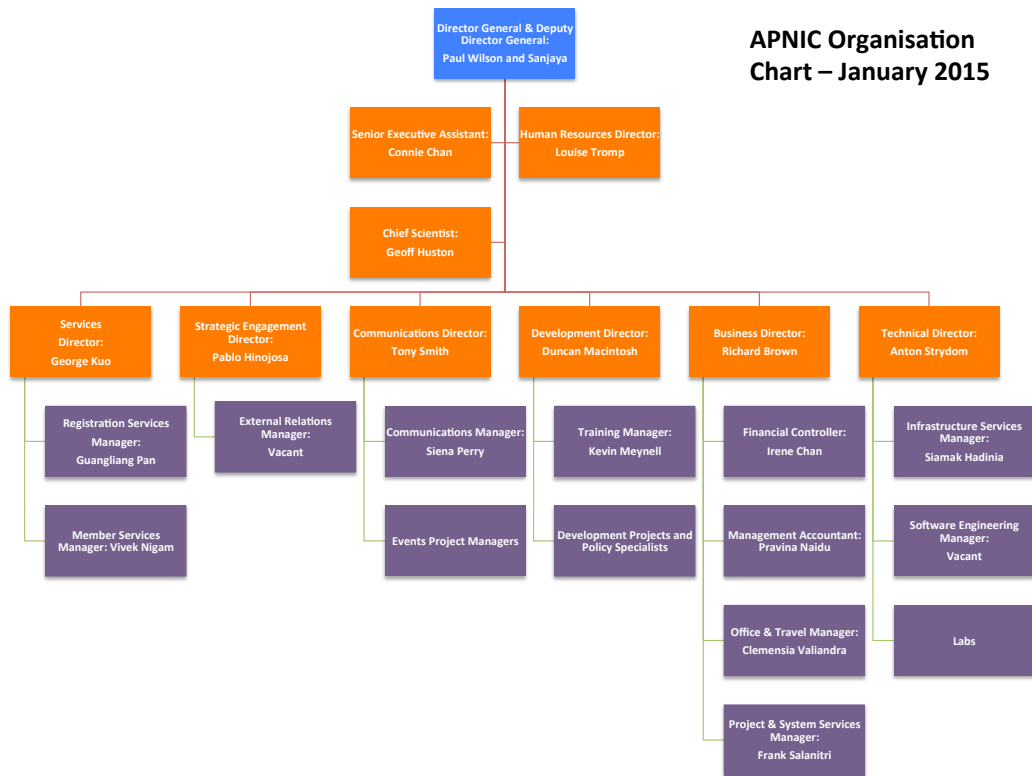
8.2 Human Resources

[REDACTED]

[REDACTED]

8.3 Organisational Chart

The APNIC organisation chart is as follows, as of 1 January 2015:



Appendix 1 – DG Reports to EC Meetings

Feb 2014

https://apnic-ec.apnic.net/pub/Main/ECmeetings/APNIC_DG_Annual_report_2013_-_Final.pdf

https://apnic-ec.apnic.net/pub/Main/ECmeetings/37AnnualReport_230214_0944am.pptx

May 2014

https://apnic-ec.apnic.net/pub/Main/ECmeetings/DG_Report_-_May_2014.docx

https://apnic-ec.apnic.net/pub/Main/ECmeetings/EC_DG_report_13_May_2014_final.pptx

Sep 2014

<https://apnic-ec.apnic.net/pub/Main/ECmeetings/2014-09-14-DG-Report.pdf>

Nov 2014

https://apnic-ec.apnic.net/pub/Main/ECmeetings/DG_Report-Nov_2014.docx

Appendix 2 – APNIC Staff Credo And Values

APNIC CREDO

“TO DELIVER EXCELLENCE IN SERVICE AND VALUE TO OUR MEMBERS”

APNIC VALUES

We are Passionate

We love what we do. We contribute with enthusiasm. We commit with energy.

We Are Professional

We are accountable, ethical and efficient in the use of member resources. We respect each other and work with integrity.

We are Innovative

We love ideas. We create. We learn.

We are Responsive

We listen to and act on feedback. We deliver quality services & outcomes in a timely manner. We are consistent.

We are One Team

We listen, encourage and share. We are in this together. Your success is our success.

2014 Annual Report

APNIC

Issue Date: 23 Feb 2015

Revision:



APNIC's mission

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

APNIC in 2014



APNIC in 2014

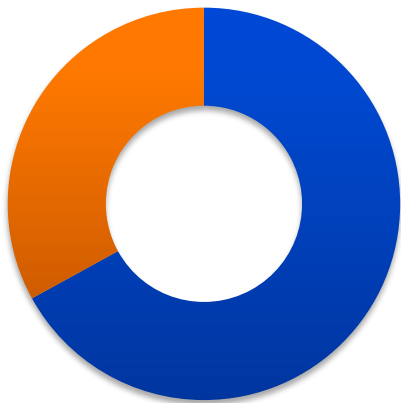
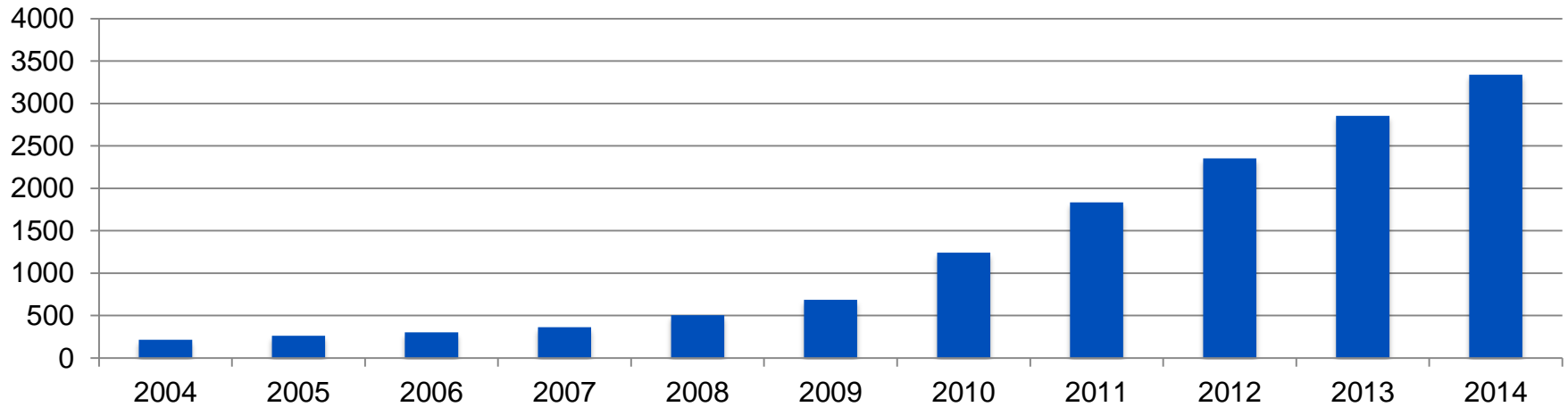


Serving

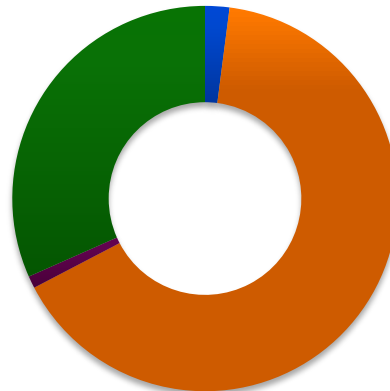
Supporting

Collaborating

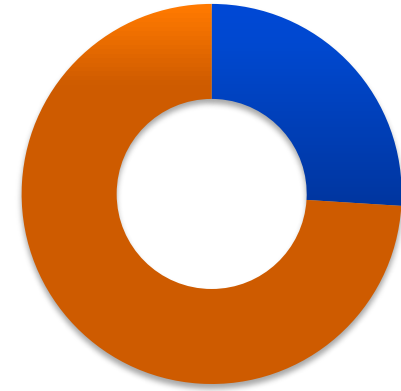
IPv6 Delegations



By delegation type



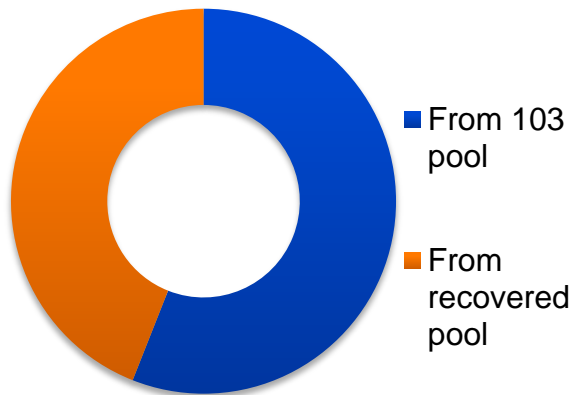
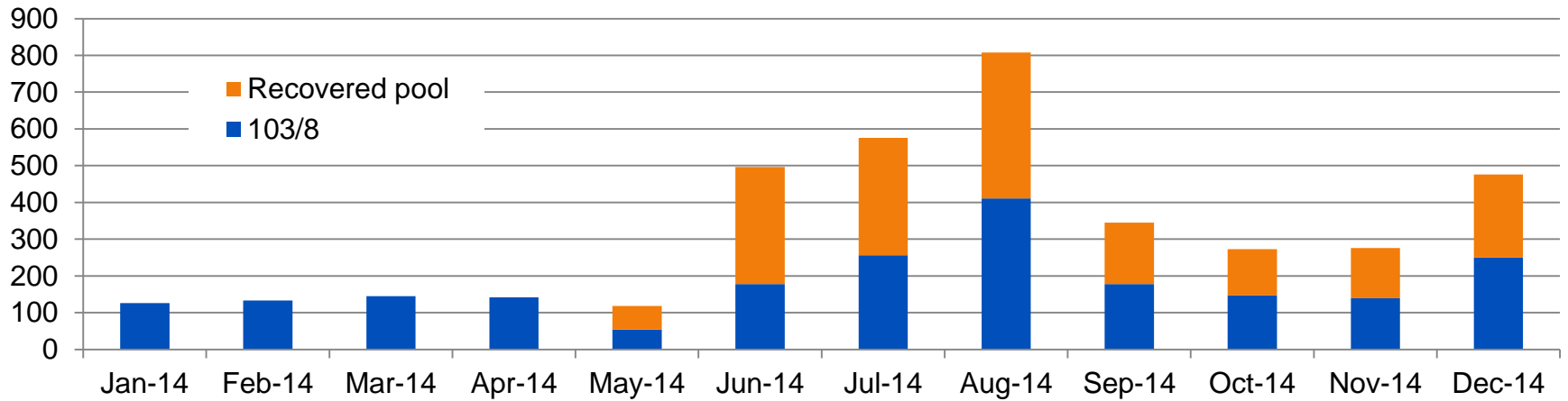
By size



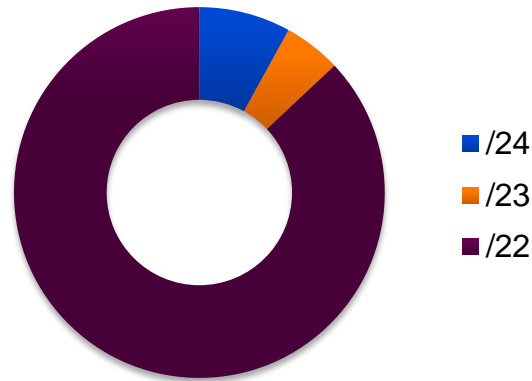
By request type

As at 31 December

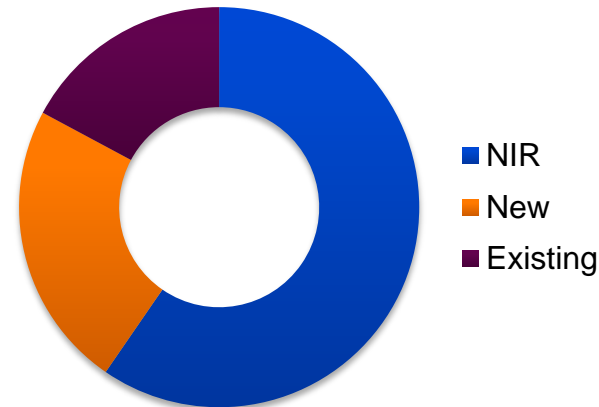
IPv4 Delegations



By pool



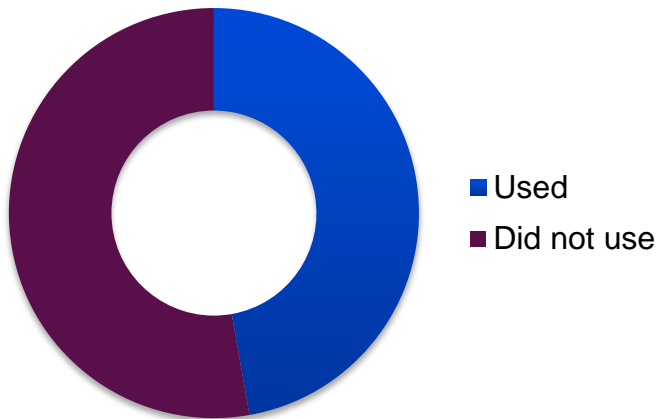
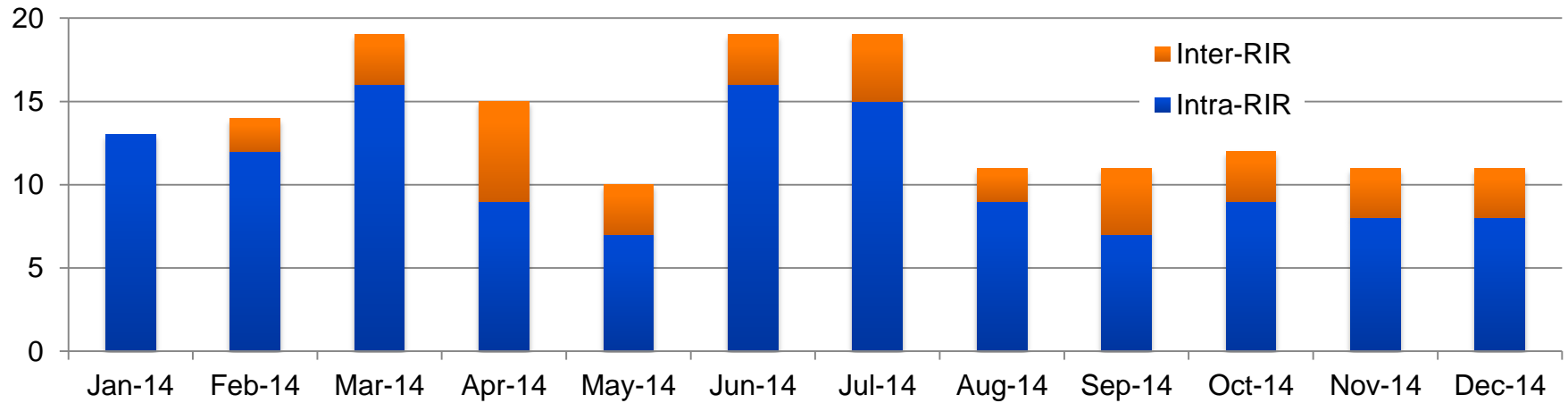
By size



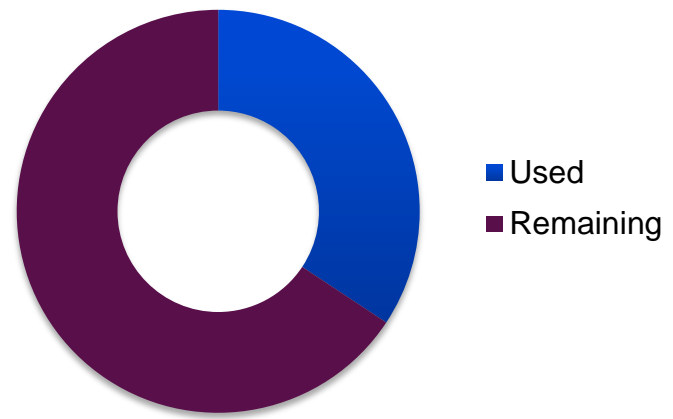
By Member

As at 31 December

IPv4 Transfers



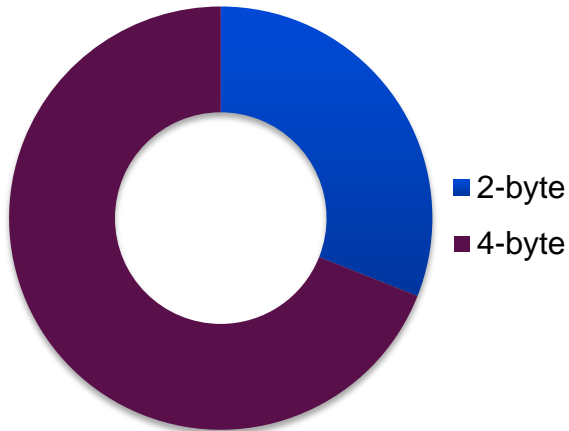
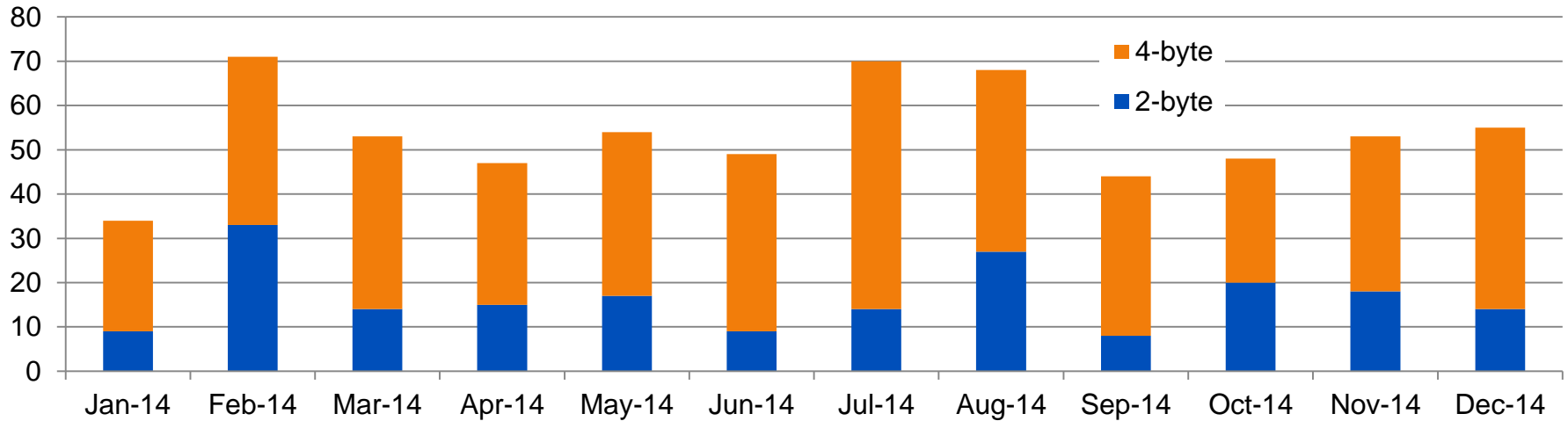
Using listing service



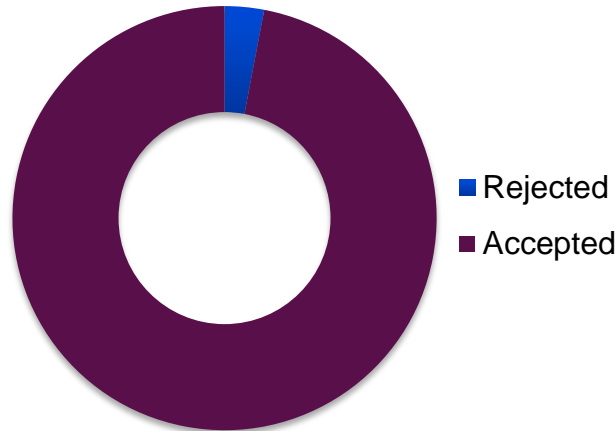
Pre-approval usage

As at 31 December

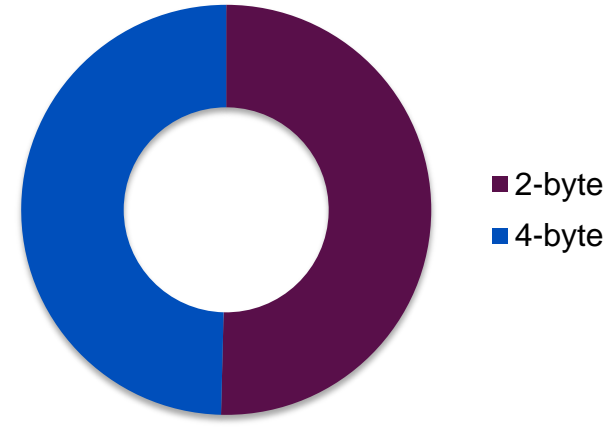
ASN Assignments



By type



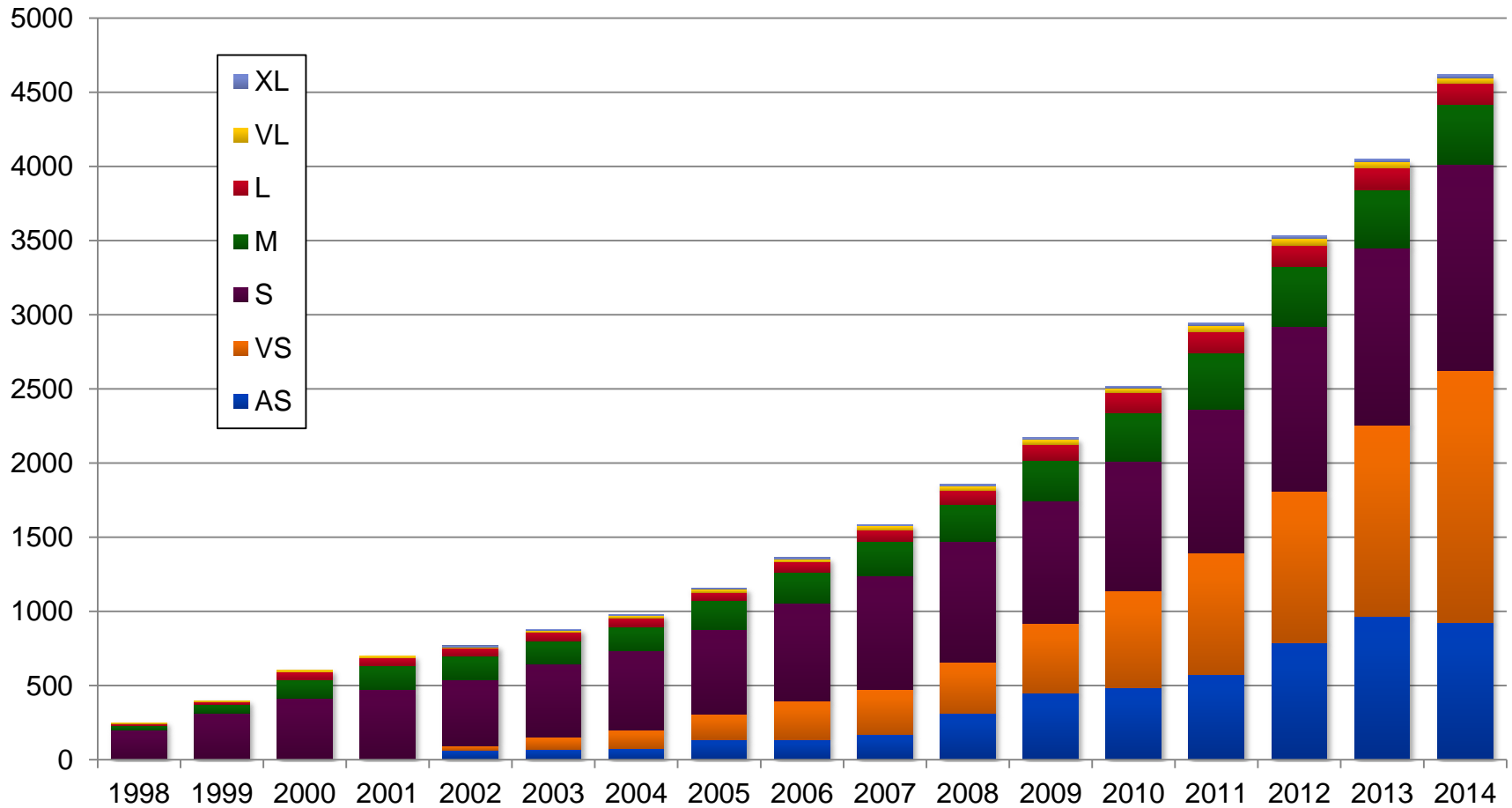
4-byte return rate



Global ASN use

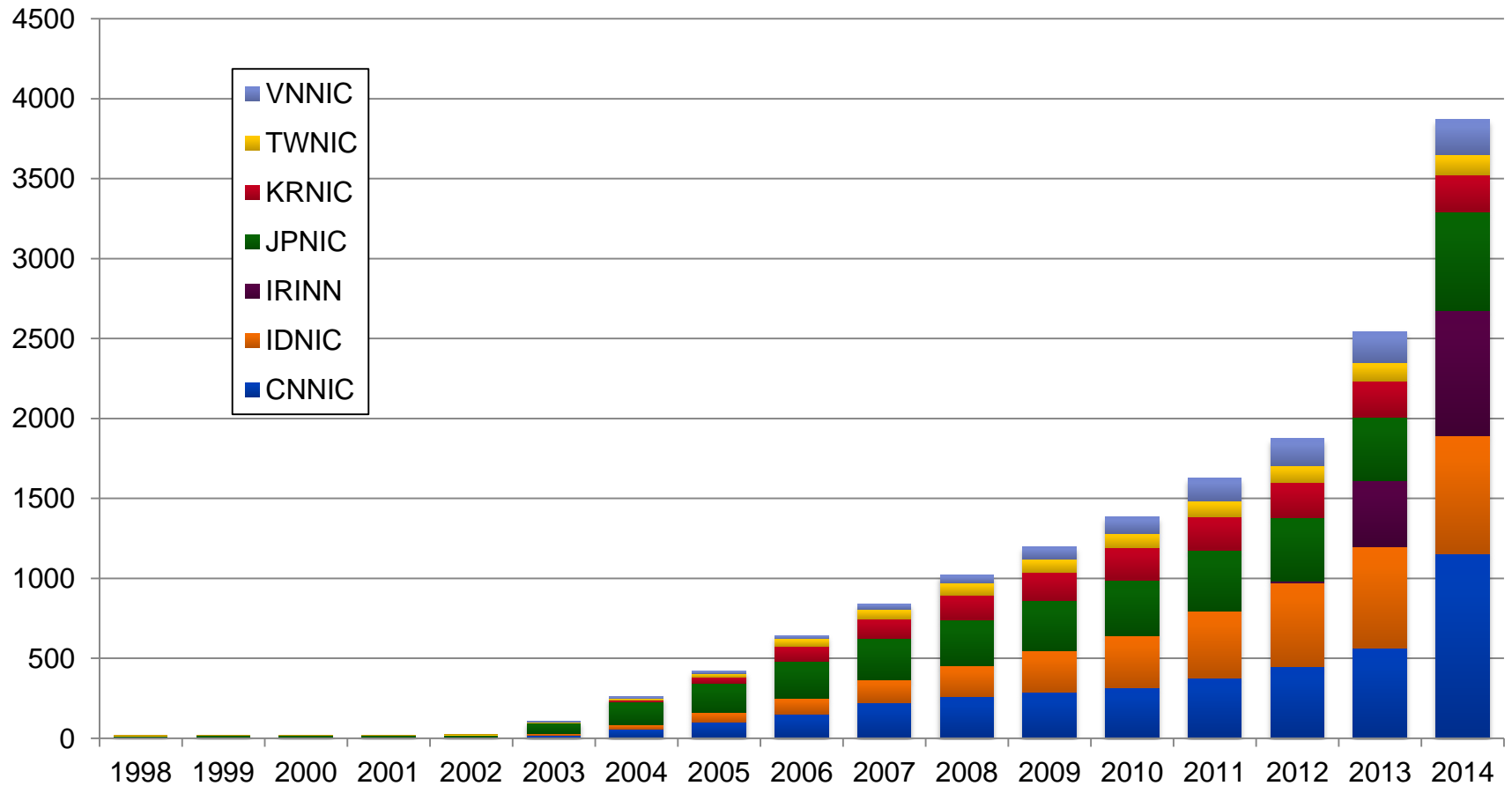
As at 31 December

APNIC Membership



As at 31 December

Total NIR Sub-Accounts



As at 31 December

MyAPNIC Improvements

Track your correspondence

Helpdesk Resources Administration EC Submission

Home / Contact

Contact

Please use the following contact list applicable to your queries. You can also view your ongoing correspondence with APNIC.

- Helpdesk - All general queries or requests for support
- Resources - View your pending resource requests
- Administration - Membership/billing queries
- Contact APNIC Executive Council

Improved Contact tab with new EC submission form

Home / Contact / Helpdesk

Helpdesk correspondence

Current correspondence lists any emails between your organisation and helpdesk@apnic.net that have not yet been resolved.

[New request](#)

Search

Ticket Number	Status	Subject	Requestor	Created
No ongoing correspondence.				

Rate your MyAPNIC experience

Add Update Delete Bulk Whois Updates

Object type **inet6num**

An inet6num object contains information on allocated IPv6 address space.

Public Private

inet6num
netname
descr
country
admin-c
tech-c
status: ALLOCATED NON-PORTABLE
mnt-by: MAINT-MYAPNIC-AP
mnt-irt: IRT-MYAPNIC-TEST-AP
changed
source: APNIC

descr Add field

Template improvements

Please tell us your experience of using MyAPNIC *

	Poor	Below average	Average	Above average	Excellent
Ease of use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Features & tools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments

Click to automatically attach a screenshot of this page

Name

Email

Submit Cancel

powered by WebEngage

Distributed whois

Deployed distributed Whois service to improve responsiveness and resilience

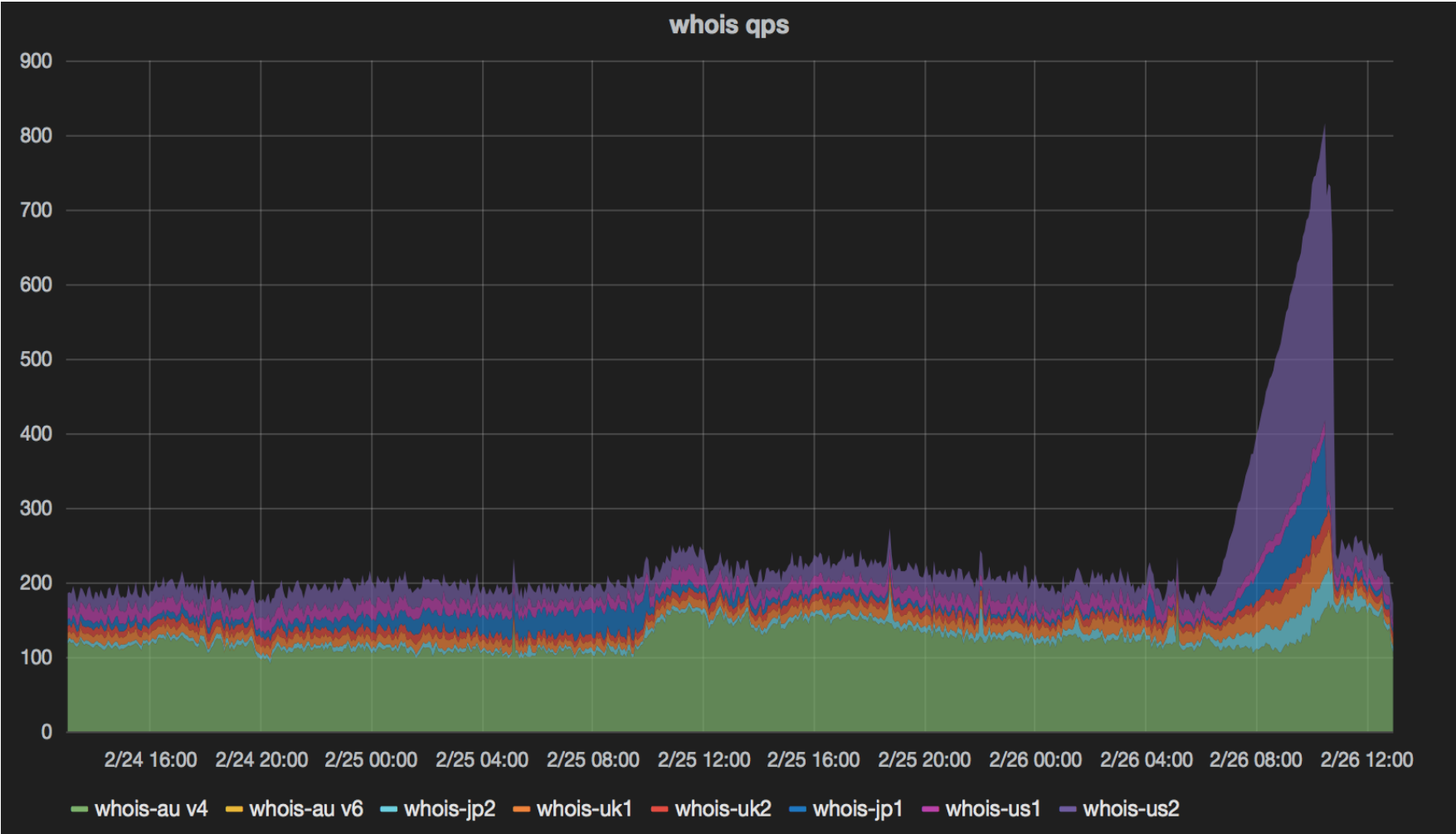
4 servers now operating:
Brisbane, Tokyo, London, Fremont

Response times have improved up to
10x for majority of users

Multiple sites serve to sink attack traffic
without bringing the service down



Distributed whois



Distributed whois



Supporting Infrastructure

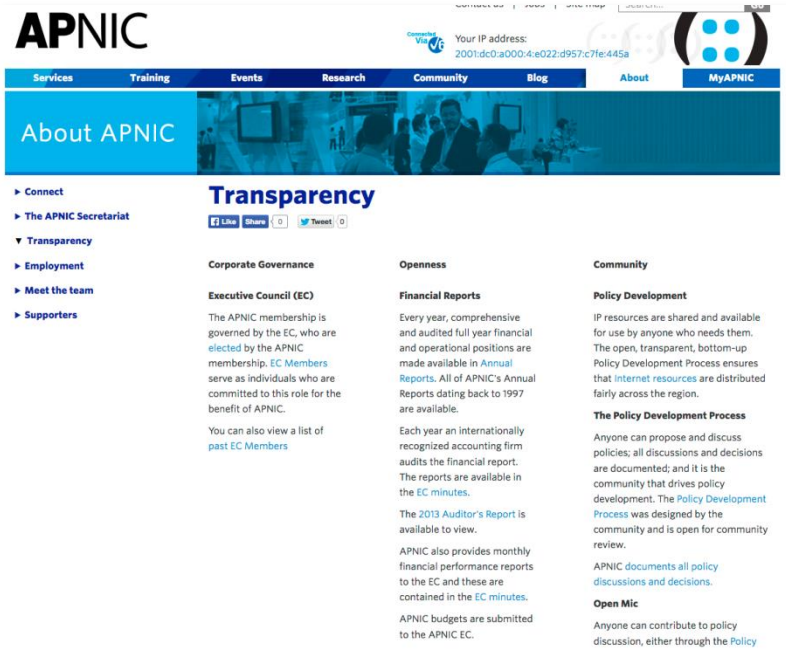


VMware virtualization and
Puppet configuration
management (175)

New “Message Bus”
systems architecture

DRP audit and exercising

Accountability & Transparency



Transparency web page updated

RIR accountability matrix

Improved internal financial audit process established

Appointment of new external financial auditors

ISO9001 external audit – passed!

APNIC Survey 2014

Focus Groups held in 17 economies

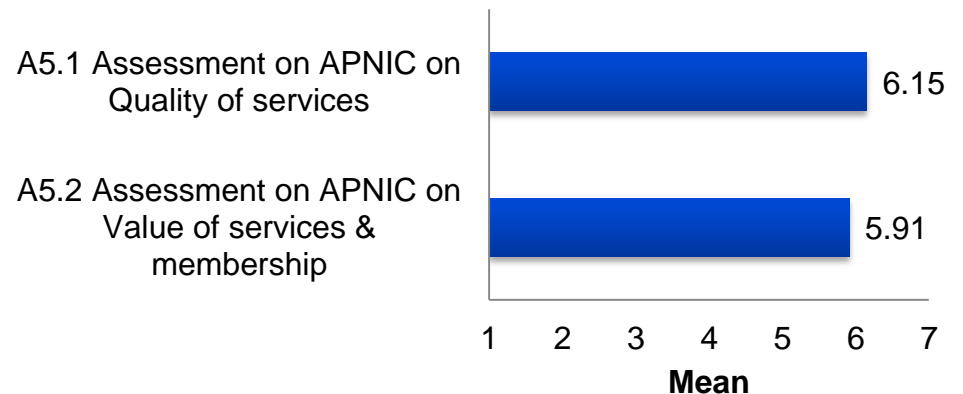
1,039 Survey responses from 56 economies

New online survey action tracker

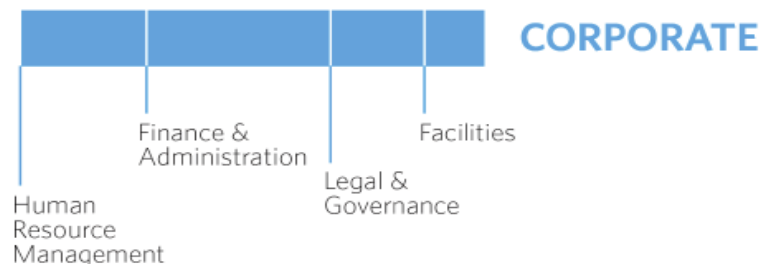
www.apnic.net/survey

 THE SINGAPORE INTERNET RESEARCH CENTRE

Assessment of APNIC performance in general



2015 Activity Plan & Budget



Enhanced visibility of planned activities and resource allocation

Revised Fee Schedule

Key Points

Effective 1 Jan 2015

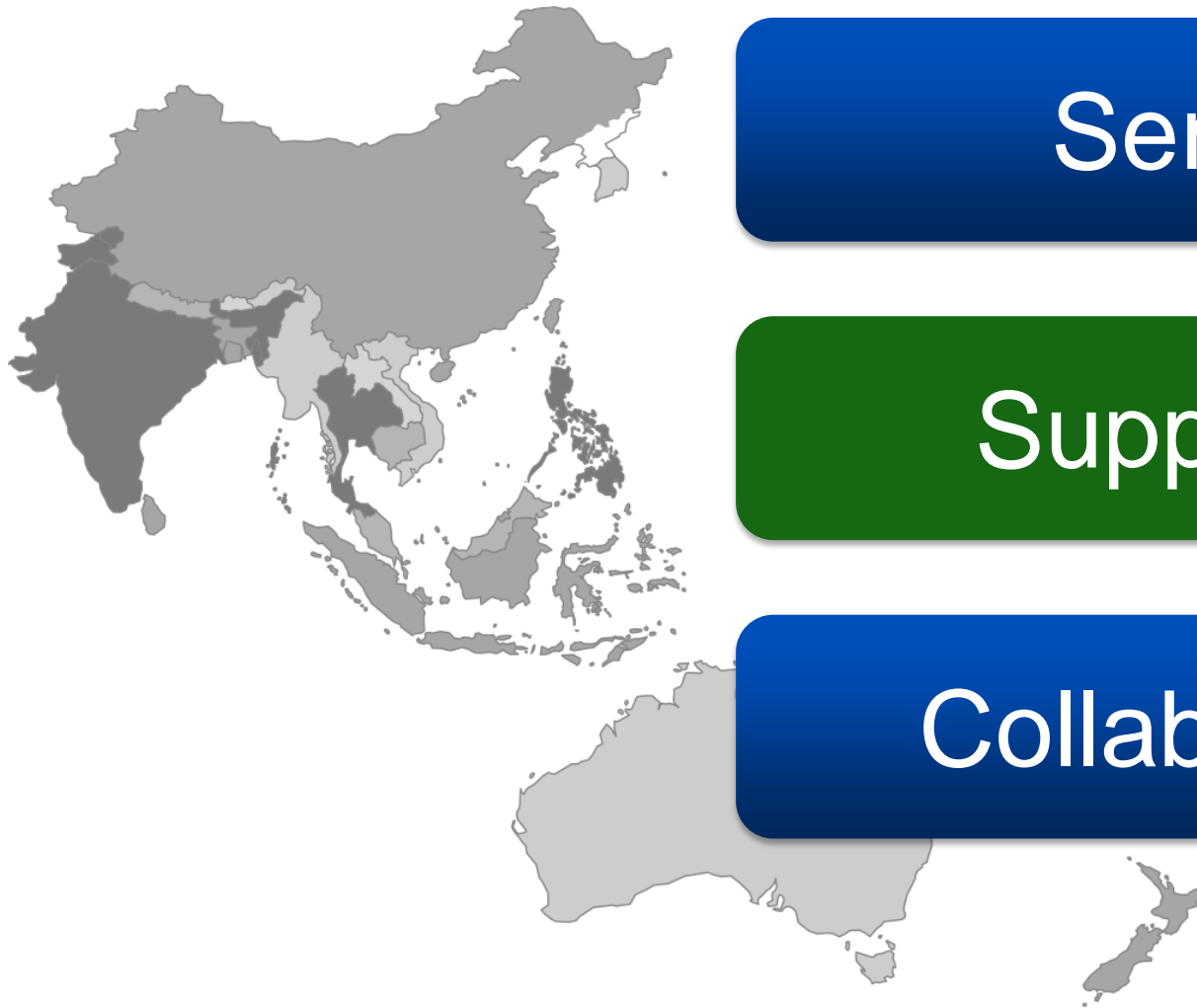
Reduced fees for all Account Holders with the aim to provide the greatest benefit to the majority of Members

Changes to fee calculation formula and IP Resource Application fee replaced with reduced Sign-Up fee

New Members will join as tiered Members based on resource allocation size

More information: www.apnic.net/fees

APNIC in 2014



Serving

Supporting

Collaborating

APNIC Training

76 face-to-face
courses held in
29 locations

2,352 professionals
trained face-to-face

534 professionals
trained via 141
eLearning sessions

Video archives
63 videos
177,993 views



APNIC Training

www.apnic.net/trainingsurvey

Supporting Network Operator Groups



NOG events in 2014



- Expert training to build skills
- Knowledge sharing on IPv6, network security, transfers
- APNIC Hostmaster support to answer Member queries
- Financial/logistical support where needed



Community Development

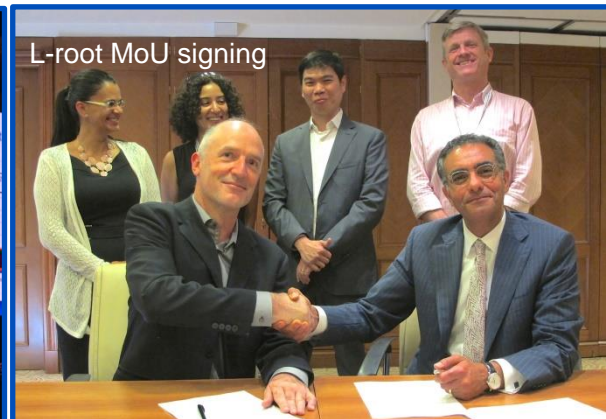


Technical Assistance
Projects in Bhutan,
Laos, Tuvalu, Vanuatu

MoU with ICANN for L-
root servers in the Asia
Pacific

14 Fellowships
supported for APNIC 38

New Youth Fellowship
Program for APNIC 38 –
2 Fellows



Policy Development



2014 Policy Implementations

16 April

prop-107: AS number transfer proposal

7 May

prop-109: Allocate 1.0.0.0/24 and 1.1.1.0/24 to APNIC Labs as Research Prefixes

27 May

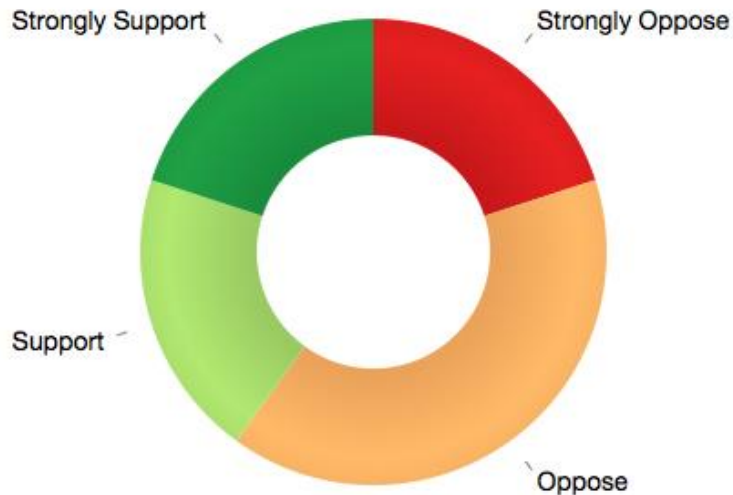
prop-105: Distribution of returned IPv4 address blocks (Modification of prop-088)

CONFER: Consensus Tool

The proposal under discussion is [PROP-123](#).

"This is a test proposal for demonstration purposes"

Please select a radio button to indicate your response to the proposal.



Strongly Oppose Oppose Neutral Support Strongly Support

Captures
participants' views
in real time

Piloted at APNIC 38

Supporting tool for
future SIGs

APNIC Events



Mix of small and large regional meetings to effectively reach Members

Improved video and social media coverage

Expanded community meetings at APNIC 38: APTLD, Pacific Workshop, ISOC

Member visits to Brisbane office as part of APNIC 38 experience

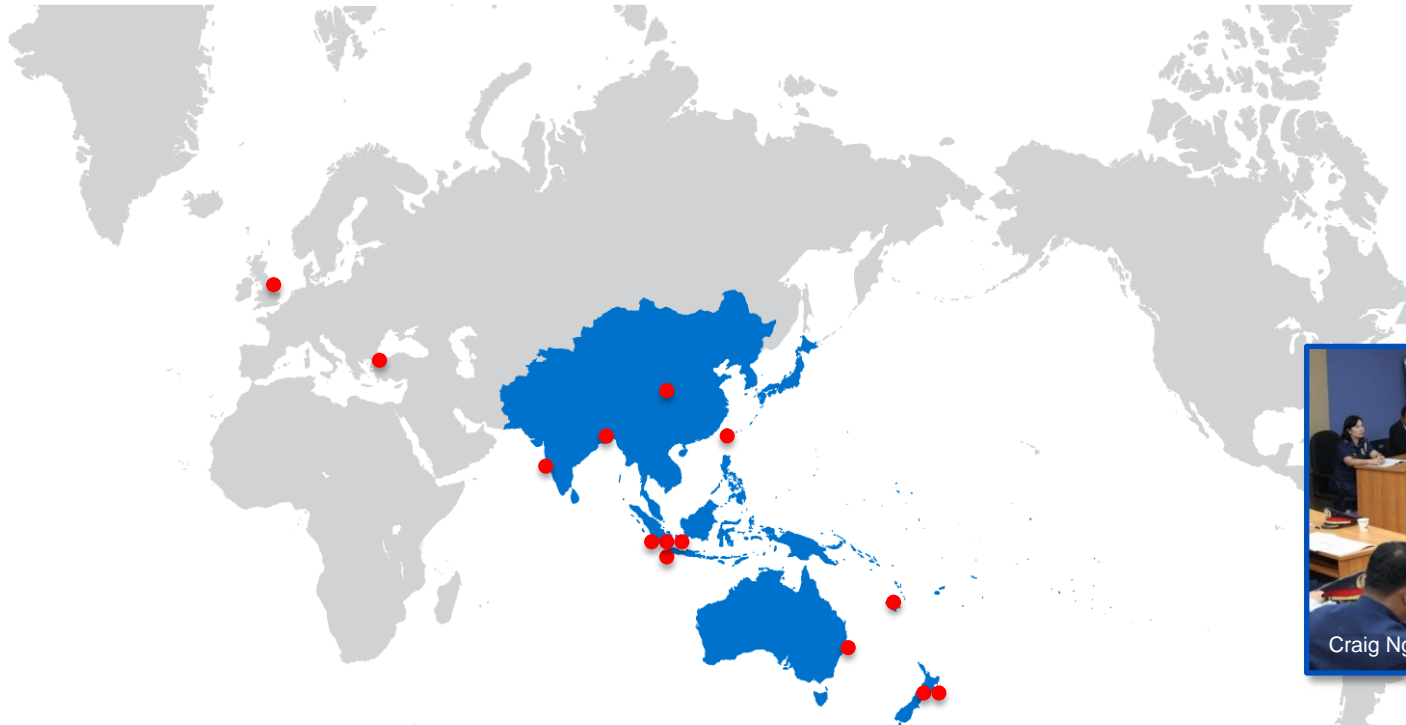
'Meet the EC' social event introduced

IPv6 in the Region



- 686 professionals trained in 16 economies
- Presented at 24 industry events
- Generated 26 pieces of IPv6 media coverage
- Joint IPv6 workshops with ITU
- Continuous support to APIIPv6TF

Security Outreach



Participation in NOGs, CSIRTS and LEA events to educate and learn

Training for Pacific LEAs held in NZ, Brunei and Indonesia

Promoting new initiatives & security best practices among Members

labs.apnic.net

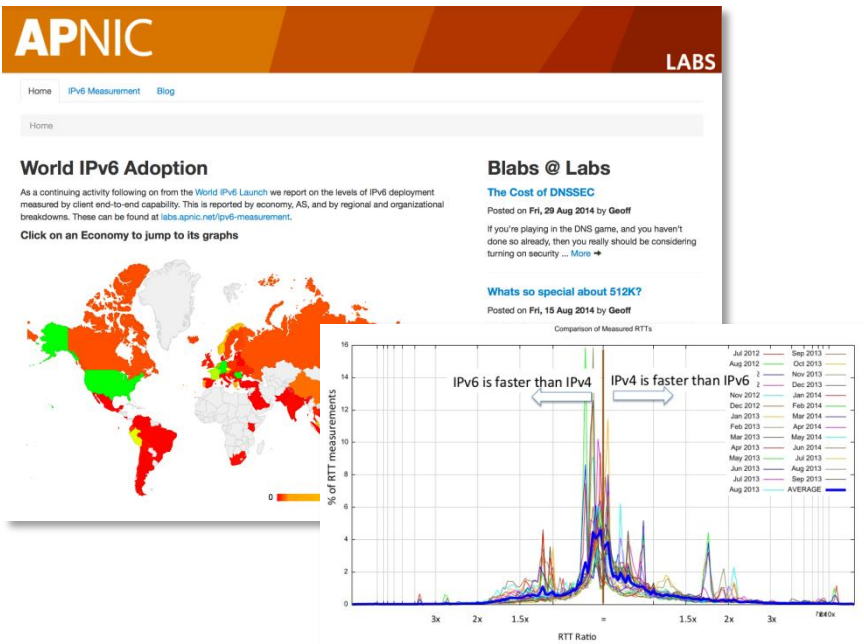
Research statistics and evidence to help the APNIC community make more informed technical decisions. Over 750,000 experiments conducted per day for a global view

IPv4

IPv6

DNS

BGP



Deployed a new unified data access platform for all measurements

50+ research presentations to:
IETF, RIRs
ICANN, DNS OARC, NOGs
OECD

ISIF Asia Awards and Grants

isif  **asia**

Supporting technical innovation
for socio-economic development
in the Asia Pacific

www.isif.asia



Awards

5 from 93 applications

Grants

12 from 139
applications

Economies

Cook Islands, Kiribati, New Zealand, Tuvalu, India,
Australia/Indonesia, Thailand, Malaysia, Micronesia, Vietnam,
Cambodia, Bangladesh, Philippines, Vanuatu

APNIC in 2014

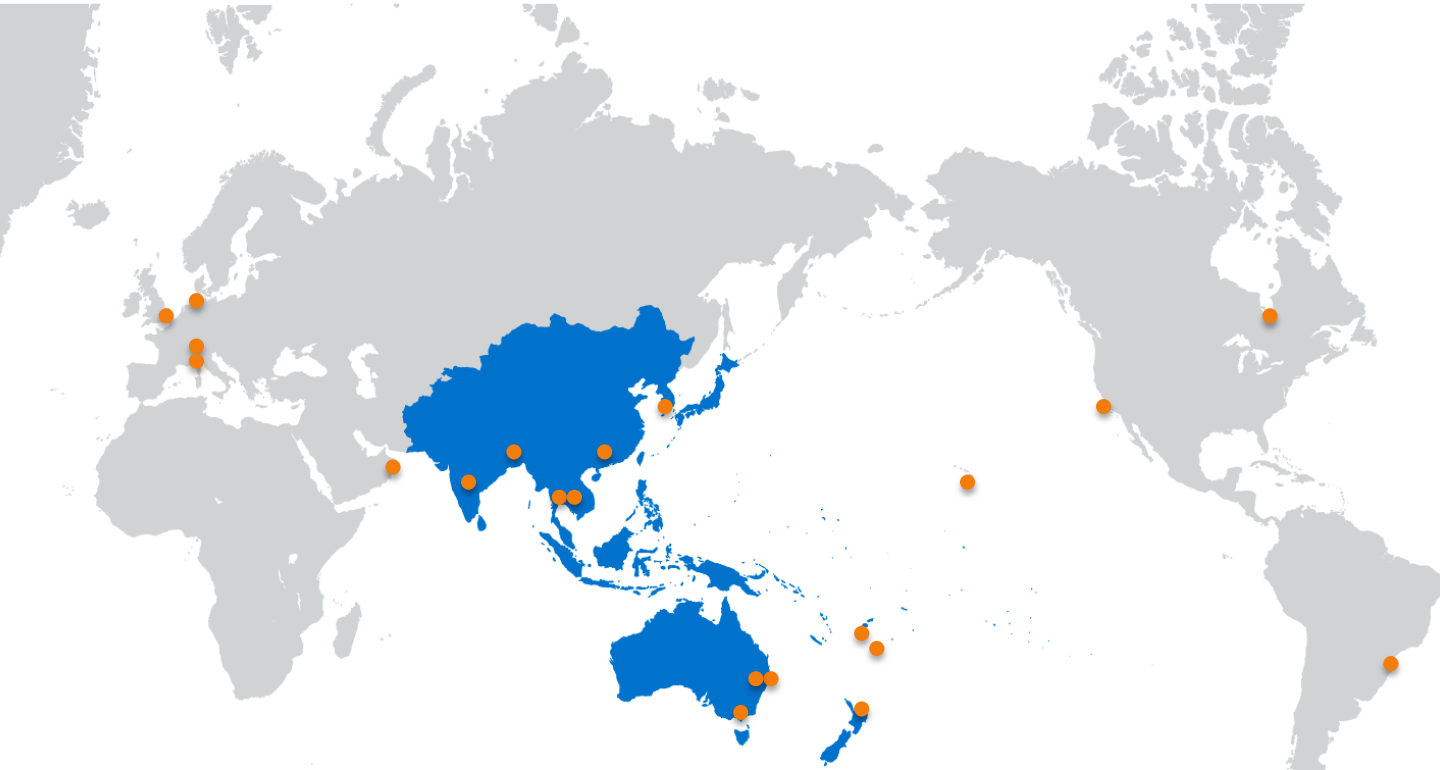


Serving

Supporting

Collaborating

Global Cooperation



IPv6 advocacy

Coordination with RIRs and Internet organizations

Engaging with government agencies in training and skills development

Supporting IANA Stewardship Transition

Promoting the RIR model

IANA Stewardship Transition



APNIC
COMMUNITY



COMMUNITY DRIVEN PROCESS FOR IANA STEWARDSHIP TRANSITION

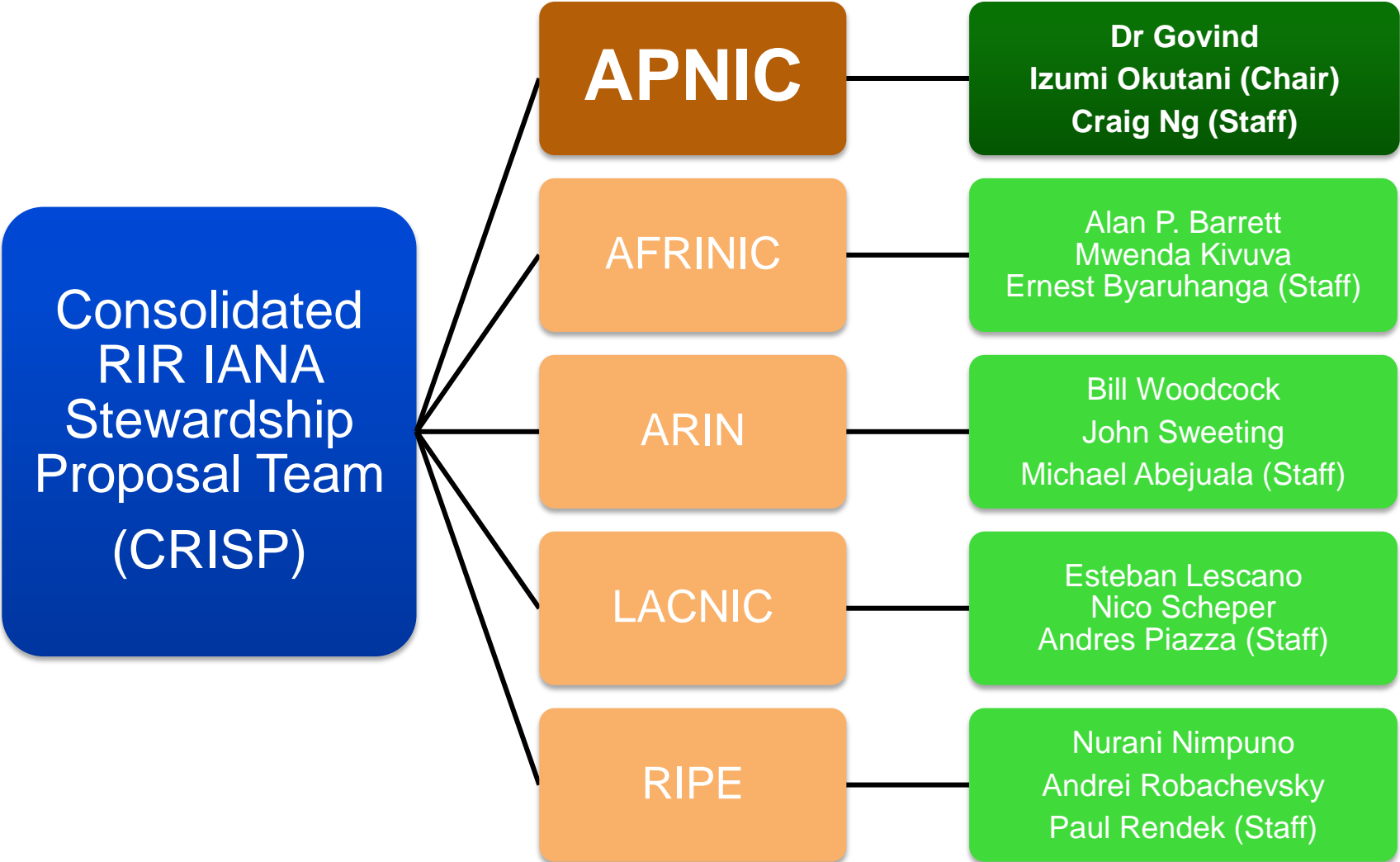
APRIL 2014

JANUARY 2015

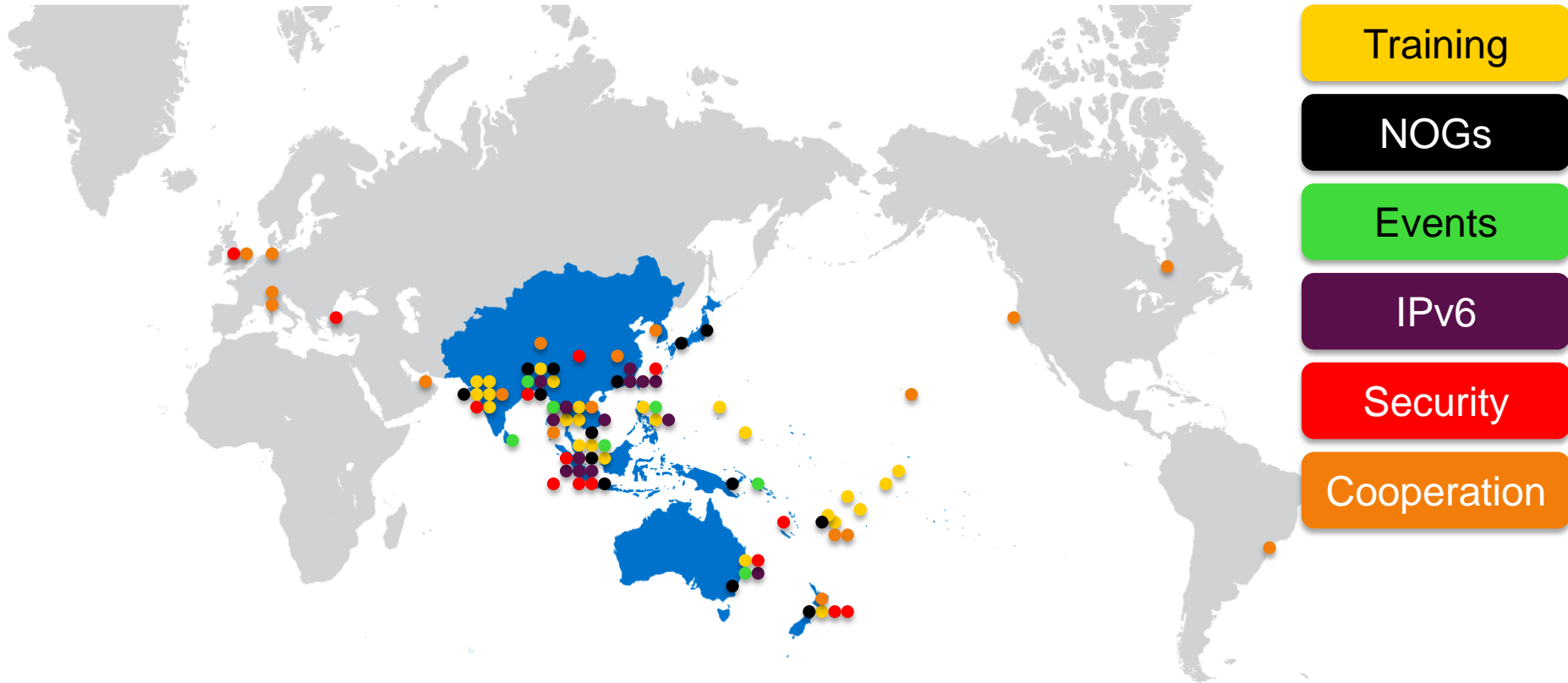
- Public mailing list (ianaxfer@apnic.net)
- Dedicated website (apnic.net/ianaxfer)
- Two public sessions on IANA (APNIC 37 and APNIC 38)
- Virtual conference rooms
- 16 updates at the APNIC Blog (blog.apnic.net)
- APNIC DG on ICG
- APNIC Legal Counsel on CRISP

APNIC SUPPORT
TO COMMUNITY

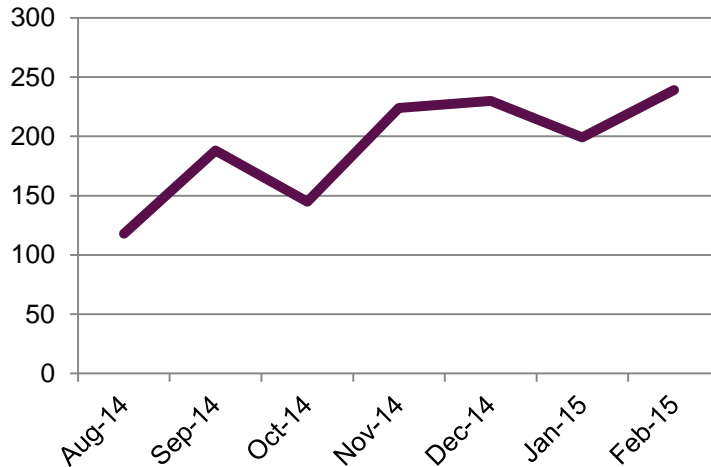
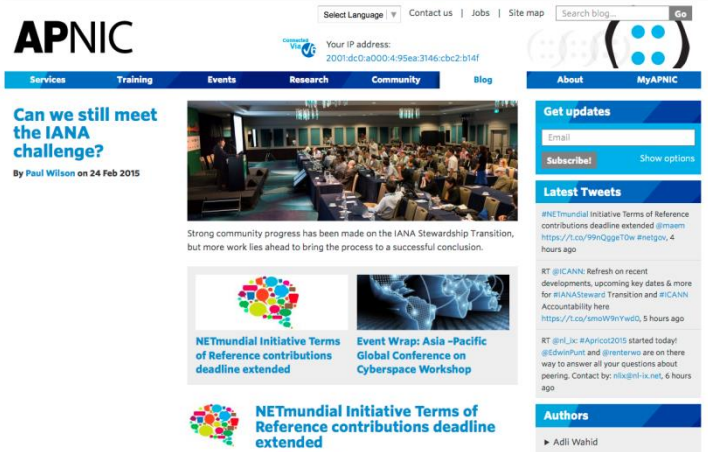
CRISP Team



Community Engagement



blog.apnic.net



APNIC Blog launched in August 2014 to simplify APNIC communication

Simple and more engaging format

Total of 232 Posts

33 bloggers – including 12 guest community bloggers

39,000+ views – ave 239/day

Improving Communication



‘Event wraps’ for clear reporting of APNIC event activities

More active social media

Twitter: 1,182 new followers (↑ 45%)

Facebook: 163,438 people reached organically (↑ 126%)

Weibo: established 2014

Updated APNIC video library

YouTube: 10,605 views (↑ 84%)

Website refresh – more to come!

You're Invited!



APNIC 40, Jakarta, Indonesia
3-10 September 2015

conference.apnic.net/40

Thank you

2015 Strategic Plan Update

Nov-Dec 2014 staff meeting

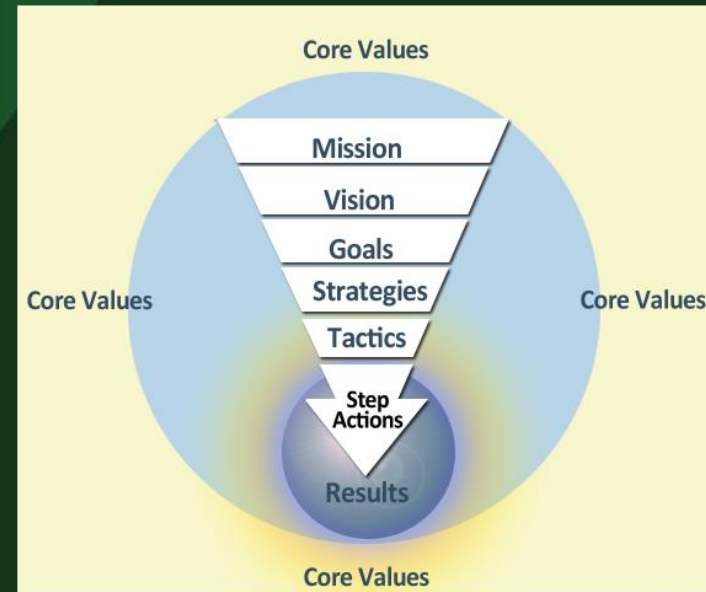
Overview

- 5-year strategic plan (2013 – 2017)
 - Changes in 2015
- 2015 priorities

5 year strategic plan

2015 update

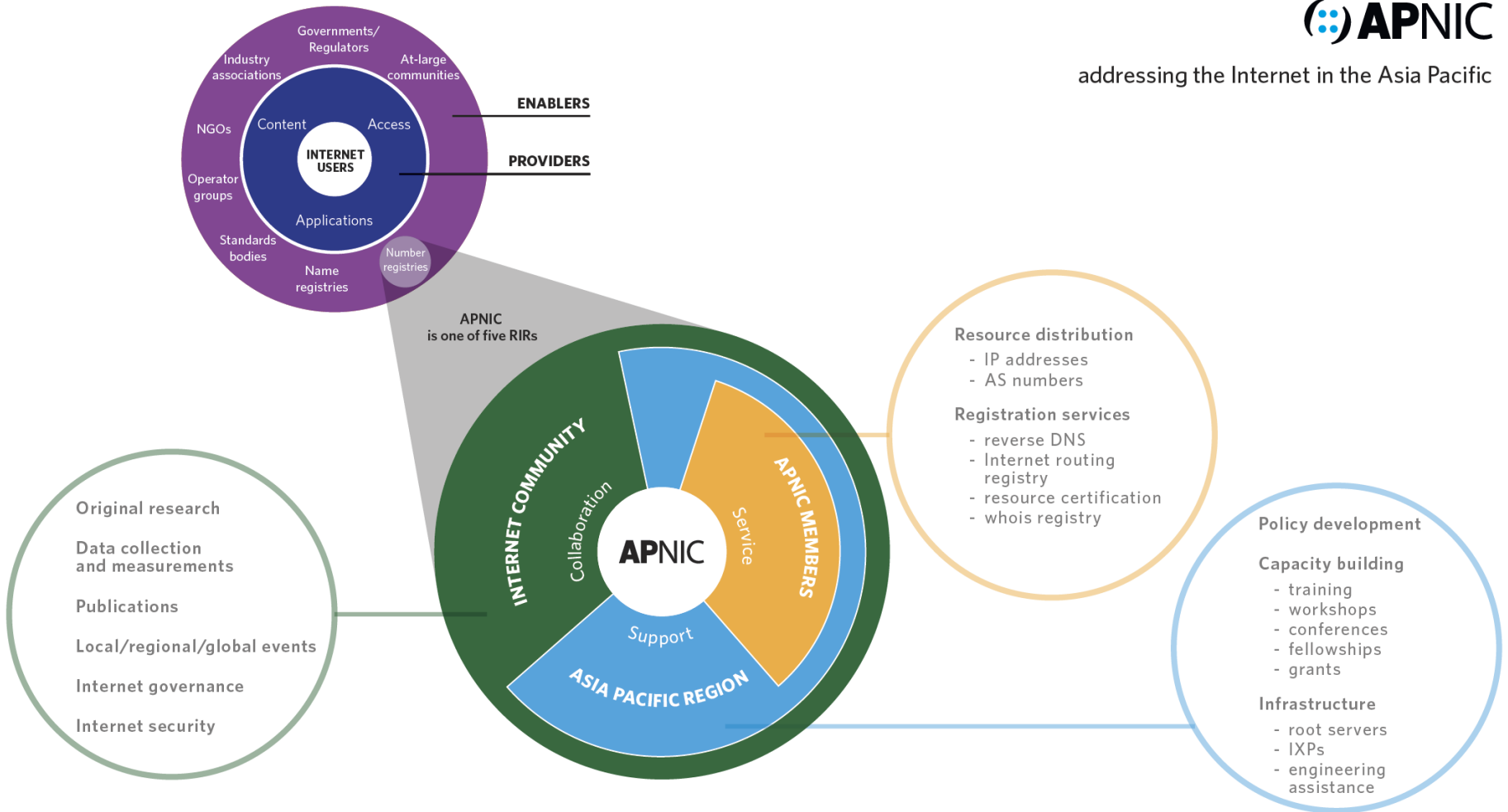
APNIC



APNIC activities



addressing the Internet in the Asia Pacific



Changes in 2015

- Improvement in terminology
 - Goals
 - Strategy
 - Objectives
 - Programs
 - Activities
- 5 goals (replacing 2014's 7 long term goals)
 - Strategy for each goal
 - Measurable objectives for each goal

Serving Members

Goal #1: Ensure that APNIC services are widely known and used by all who need them

Goal #2: Maintain and improve core registry services

Supporting the AP region

Goal #3: Develop cost effective and sustainable ways to support AP Internet infrastructure and human capacity development

Collaborating with the global Internet community

Goal #4: Promote and strengthen open, multi-stakeholder, bottom-up and transparent Internet governance model and policy development processes

Corporate support

Goal #5: Create a resilient organisation to meet APNIC's obligations

2015 Priorities

(being fine tuned)

Serving Members				
Goals	Activities	Start	Due	Resp. Area
1. Ensure that APNIC services are widely known and used by all who need them	Implement billing support SLA	Q1	Q1	Services/Business
	Review web content and establish APNIC services charter	Q1	Q2	Services/Comms
2. Maintain and Improve core registry services	RPKI development work	Q1	Q3	Services/Labs
	RPKI promotion	Q1	Q4	Services
	Instant feedback system implementation	Q1	Q4	Services
	ARMS v3 development	Q1	Q4	Services/Tech
	MyAPNIC improvements	Q1	Q4	Services/Tech
	Publication of new resource statistics	Q2	Q4	Services/Labs
	Combined APNIC & NIR membership: 10,000	Q1	Q4	Services
	Implement flexible billing cycles	Q3	Q4	Business
	Training needs assessment	Q1	Q1	Development
	Technical Assistance business model and implementation	Q1	Q1	Development
	Curriculum revamp and accreditation system development	Q1	Q3	Development
	South-East Asia Membership Outreach campaign	Q1	Q4	Communications
	Website improvements: home page, IPv6 pages, Services pages	Q1	Q4	Communications
	Backup on SAN infrastructure	Q2	Q2	Technical
	Whois v4 for update	Q2	Q2	Technical
	Monitoring included in configuration management	Q3	Q4	Technical
	Adopt ISO 27001:2013 Information Security Standard	Q1	Q4	Technical

Supporting the AP region				
Goal	Activities	Start	Due	Resp. Area
3. Develop cost effective and sustainable ways to support AP Internet infrastructure and human capacity development	Regional community development strategy	Q1	Q1	Development
	Finalise a plan for APNIC foundation	Q1	Q4	Development
	Introduce APNIC conferences delegate networking and mobile app at APRICOT 2015	Q1	Q1	Communications
	APRICOT 2015	Q1	Q1	Communications
	Review of future APNIC meeting program	Q1	Q3	Communications
	APNIC 40	Q2	Q3	Communications
	Cooperation SIG establishment and support structure	Q1	Q1	SE
	Development of national registries and statistics	Q1	Q2	SE

Collaborating with the Global Internet community

Goal	Activities	Start	Due	Resp. Area
4. Promote and strengthen open, multi-stakeholder, bottom-up and transparent Internet governance model and policy development processes	Labs website improvements	Q1	Q1	Labs/ <u>Comms</u>
	Economy-based data extraction tool	Q1	Q1	Labs/Services
	Community tools for Internet address analysis	Q3	Q4	Labs/Services
	Enhanced-cooperation with RIR	Q1	Q4	Labs/Tech
	IANA transition plan	Q1	Q4	SE
	I*, ICANN & NRO engagements	Q1	Q4	SE

Corporate support

Goal	Activities	Start	Due	Resp. Area
5. Create a resilient organization to meet APNIC's obligations	Review banking service providers	Q2	Q2	Business
	Review travel providers	Q2	Q2	Business
	Facilities review	Q2	Q3	Business
	Implement 2015 organisation structure	Q1	Q1	HR
	Systematic management of contractors and consultants	Q1	Q1	HR
	Requisite organisation audit and development	Q1	Q2	HR
	KPI measurement improvements	Q3	Q3	HR/DG

Questions?

Cooperation SIG EC Update

Duncan Macintosh

Agenda

- Mailing Lists
- Web pages
- Closure of PPAC
- Draft Charter
- Elections
- Agenda
- Promotion
- Meeting details

Cooperation SIG Mailing Lists

- Mailing Lists
 - Cooperation-sig@apnic.net
 - Cooperation-sig-chairs@apnic.net
- Mailing list archive
 - <http://mailman.apnic.net/mailling-lists/sig-cooperation/>
 - Chairs list is archived, but not public
- Mailing List Announcement
 - Mon, 2 Feb 2015
 - apnic-talk@lists.apnic.net
 - ppac@apnic.net
 - sig-cooperation@apnic.net
 - Subscriptions on 15 February
 - 21 including staff and EC members



Build SIG Web Pages

- Cooperation SIG Web page
 - <https://www.apnic.net/cooperation-sig>
- SIG Action Items

Cooperation SIG Open Actions

[Tweet](#) 0

Action Item	Description	Status
coop-38-01	Secretariat to establish SIG mailing lists.	To be completed prior to the first SIG meeting at APNIC 39.
coop-38-02	Elect Cooperation SIG Chair and Co-Chair(s). The term of the inaugural Acting Co-Chairs will end at the first meeting of the SIG in Fukuoka, Japan during APNIC 39 on 3 March 2015.	Elections to be added as the first agenda item at Cooperation SIG Meeting at APNIC 39.

Cooperation SIG

[Tweet](#) 0

Chair and Co-Chair Elections

During the first Cooperation SIG meeting during APNIC 39 in Fukuoka, Japan and Co-Chair(s).

The APNIC Secretariat seeks nominations from community volunteers with skills described in the APNIC SIG Guidelines.

Nominees, including self-nominees, should lodge their interest using the APNIC SIG Guidelines, the election will be conducted by a show of hands from those present.

Cooperation SIG

Acting Chairs

- Dr Govind
- Aftab Siddiqui
- Dr Kenny Huang

Draft Charter

- The Cooperation SIG is a forum for discussing APNIC Policy and Internet Governance, which are issues that affect all of us, and which involve governments, other organizations and the public.
- The Secretariat will report to the SIG about the progress of the Charter.

Close PPAC

- No community guidelines to direct procedure
- PPAC Mailing Lists Closed
 - Mon 02 Feb 2015
 - ppac@apnic.net
 - wg-ppac-subcom@apnic.net (Charter Sub-Committee)
 - Archive publicly maintained
 - <http://mailman.apnic.net/mailling-lists/ppac/>
- PPAC information removed from website
 - No clear location for it (it is not a dissolved SIG)



Draft Cooperation SIG Charter

- Email sent Monday, 9 February
 - <http://mailman.apnic.net/mailling-lists/sig-cooperation/archive/2015/02/msg00003.html>
 - No mailing list activity
 - Must be endorsed at first SIG meeting
- Proposal based on RIPE NCC Cooperation Working Group
- Current draft presented as at AMM
 - Includes community input collated by Masato Yamanishi
- Draft follows on next slide



Draft Cooperation SIG Charter

- The Cooperation SIG is a forum for discussion about broader Internet issues like Public Policy and Internet Governance which are related to APNIC community interests, but which involve governments, other organizations or communities.
- The Secretariat will report to the SIG about APNIC's outreach activities and see advice and guidance on future activities.
- The SIG will act as a forum to develop and clarify the APNIC community's position on issues of relevance to the public sector, or on matters for which a community position has been sought.
- The SIG should focus on information sharing, outreach, capacity building, and other activities that will advance APNIC's vision for a global, open, stable, and secure Internet.



Chair / Co-Chair Elections

- Terms of the Acting Co-Chairs expire
 - SIG Guidelines say term lasts until 1st meeting
 - Election is first agenda item (Acting Chairs should not run meeting)
- Acting Co-Chairs
 - Dr Govind
 - Aftab Siddiqui
 - Dr Kenny Huang
- Call for Nominations is a Secretariat responsibility
 - Email sent: Monday, 2 February
 - apnic-talk@lists.apnic.net
 - sig-cooperation@apnic.net
 - Reminder sent: Tuesday, 17 February



Call for Presentations

- Co-Chairs Call for Presentations
 - Monday, 9 Feb 2015
 - In-line with the Draft Charter
 - Sent to sig-cooperation@apnic.net
 - Tuesday, 15 February
 - Sent to apnic-talk@apnic.net by Secretariat
- Deadlines
 - Proposals: Friday, 20 February 2015
 - Slides: Friday, 27 February 2015
- Expressions of Interest
 - ITU Regional Office – Sameer Sharma
 - IGF MAG – Izumi Okutani
 - ICANN - George Sadowski, Kuo-Wei Wu, Rinalia Abdul Rahim
 - NetMundial Initiative – Akinori Maemura



Promotion

- Blog Post
 - <http://bit.ly/1vMdnHi>
 - Tweets



APNIC

Services Training Events Research

APNIC Cooperation SIG Update

By Adam Gosling on 6 Feb 2015

Category: Policy

Tags: APNIC 39, Internet Governance,

During APNIC 38, the APNIC Member M...
a new APNIC Special Interest Group (SI...
for the discussion of Public Policy and I...
relevant to our community.

Cooperation SIG Mailing List

The three acting Co-Chairs recently iss...
participate in the new SIG by subscrib...

- Participate by joining the [Coopera...](#)

 APNIC @apnic · Feb 12

Interested in presenting at the #APNIC Coop
SIG at #apricot2015? Send your proposal in
by 20/2 to: sig-cooperation-chair@apnic.net

 APNIC retweeted






 Adam Gosling @bout_policy · Feb 9

APNIC Cooperation SIG Update | APNIC Blog bit.ly/193Jt6V

  1 

 APNIC @apnic · Feb 8

Calling for nominations for #APNIC Cooperation SIG Chair & Co-Chair at
#apricot2015. Nominate by 2/3 (23:59 (UTC+10): ow.ly/IHAXk

  1   



Cooperation SIG Meeting Essentials

- **First SIG Meeting APNIC**
 - Fukuoka, Japan during APNIC 39.
 - 11:00 (UTC+9) on Tuesday, 3 March 2015
 - Room 412
 - Remote participation
 - Scribed
- **Background Resources**
- Read about the Cooperation SIG BoF
 - <http://bit.ly/1KZMgfh/>
- Watch video of the APNIC 38 BoF
 - <http://bit.ly/1CthwhE>



Policy SIG EC Update

Sanjaya

Overview

- Activities at APNIC 39
 - Three sessions
 - Four proposals
 - Four informational presentations
 - Introduction to PDP
 - Video interviews of participants
- Encouraging participation

prop-112 On demand expansion of IPv6 address allocation size in legacy IPv6 space

- Author: Tomohiro Fujisaki
- Proposal
 - Affects 'Legacy' IPv6 block holders
 - Extend up to a /29
 - No Utilization rate criteria or additional documentation
- Implementation assessment
 - Proposal has no impact on pool management
 - As this is 'by request', Secretariat may implement this manually
 - Implementation cost negligible



prop-113 Modification in the IPv4 eligibility criteria

- Authors: Aftab Siddiqui, Skeeve Stevens
- Proposal
 - New criteria for IPv4 (assignments)
 - Currently multi-homed, or
 - Inter-connected with provider addresses, or
 - Demonstrates plan to advertise prefixes within 3 months
- Implementation assessment
 - Significantly lowers criteria for IPv4 space
 - Staff training and procedure changes are minimal
 - Changes to request forms are minor
 - Possible impacts on free pool and routing table



prop-114 Modification in the ASN eligibility criteria

- Authors: Aftab Siddiqui, Skeeve Stevens
- Proposal
 - ASN eligibility criteria
 - Multihoming removed as absolute requirement
 - Replaced with “planning to use it within next 6 months”
- Implementation assessment
 - Almost completely removes needs assessment for ASNs
 - Staff training and procedure changes are minimal
 - Changes to request forms are minor
 - Possible impacts on 16-bit free pool



prop-115 Registration of detailed assignment information in whois DB

- Authors: Ruri Hiromi, Tomohiro Fujisaki
- Proposal
 - More specific assignment data in Whois
 - Support fine grained filtering
 - For IPv4: add 'port range'
 - For IPv6: add 'assignment prefix size'
 - Access control: records could be available only to operators
- Implementation assessment
 - Significant changes required to Whois
 - Privacy and security concerns
 - Whois access control contrary to protocol design



Informational Reports

- IRT inaccuracy in Whois
 - Aftab Siddiqui
- Effect of transfers on Whois accuracy
 - Geoff Huston
- IPv4 transfer & delegation trends
 - Guangliang Pan
- APNIC IPv6 pools and delegation practice
 - Guangliang Pan
- RIPE transfer policy update
 - Andrea Cima (TBC)



Draft Agenda

- Session 1: 09:00 - 10:30
 - 10 min - Chair election (Secretariat)
 - 10 min - SIG Administration (New Chair) (new short version)
 - 20 min - Whois IRT object inaccuracy (Aftab Siddiqui)
 - 20 min - From policy to practice: addressing and routing in 2014 (Geoff Huston)
 - 30 min - prop-115: Registration of detailed assignment information in Whois DB (Tomohiro/Ruri)
- Session 2: 11:00 - 12:30
 - 10 min - IPv4 transfer & delegation trend (Guangliang Pan)
 - 40 min - prop-113: Modification in the IPv4 eligibility criteria (Skeeve/Aftab)
 - 40 min - prop-114: Modification in the ASN eligibility criteria (Skeeve/Aftab)
- Session 3: 14:00 - 15:30
 - xx min - Complete prop-113/114 consensus call (after lunch break discussions)
 - 15 min - APNIC IPv6 pools and delegation practice (Guangliang Pan)
 - 40 min - prop-112: On demand expansion of IPv6 address allocation size in legacy IPv6 space (Tomohiro)
 - xx min - RIPE transfers proposal



Encouraging participation

- Intro to policy SIG session
- Develop promotional program
 - Communications program
 - Blogs, tweets, emails, etc
 - Redevelop web pages
 - Resources for first-time proposal authors
 - More visibility of call to participate
- Policy Champions
 - Volunteers from NOG communities
 - Volunteers from ICANN APRALO communities
 - Work with APNIC fellowship program
 - Work with the NIRs
- At APNIC 39
 - Gather informal suggestions/feedback
 - Record participant videos promoting the PDP
- Ongoing CONFER development





FUKUOKA, JAPAN 24 February – 6 March 2015



APRICOT 2015

APAN 39

APNIC 39

#apricot2015

"The EC invited the Director of Development to develop a proposal for a developmental funding foundation for further EC consideration, including consideration of developmental needs in the region, and the means and methods for fulfilling those needs, noting that APNIC is committed to providing no lesser level of developmental support than is the case today."

Concept Paper

The APNIC Foundation

***Supporting a global, open, stable, and secure Internet
that serves the entire Asia Pacific community***

Executive Summary

This Concept Note seeks support from the Executive Council to contact the appropriate government agencies in Hong Kong/China and Singapore to assess the level of official support for the establishment of an APNIC Foundation in either nation. This process will also include an assessment of the potential for other financial and in-kind support outside of the government agencies contacted.

Governments and related agencies will be asked to provide financial support for the cost of setting up and running the foundation for the first five (5) years including:

- The establishment of a legal entity
- Office rent
- Staff salaries
- Other legal, administrative and travel costs

Official (political) support will also be requested for the registration and other administrative procedures required for the setting up of a foundation that can provide the full range of Development services to the Asia Pacific region¹. The EC will be informed of the responses from China/Hong Kong and Singapore at the next EC meeting.

Introduction

In support of its vision of a global, open, stable, and secure Internet that serves the entire Asia Pacific community, APNIC responds to the needs of its members, and the wider Internet community, by providing a range of development services including:

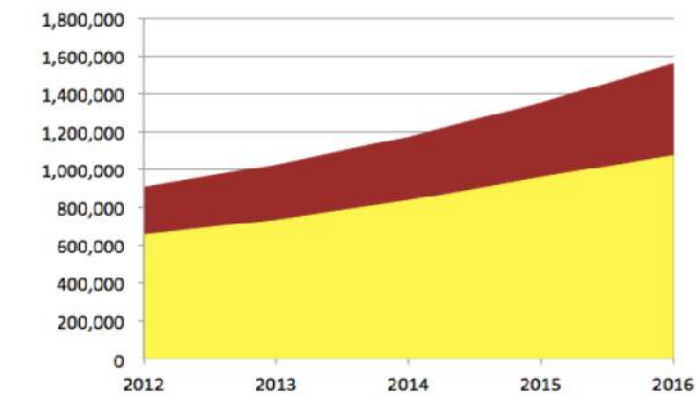
- Training (face to face and on-line)
- Technical assistance (including support for the deployment of root servers and IXPs)
- Fellowships (not just for APNIC conferences, but for other events and activities)
- Community development (support for Network Operator Groups (NOGs) and other regional events, activities and organisations)

¹ No special budget request is required from the EC as the cost of engaging China and Singapore can be carried by the Development section's budget for 2015.

- And, support for community activities (such as the ISIF grants and awards program) that highlight the positive social impact of APNIC members and the Internet in general.

However – at a time of rapid growth in the demand for networking skills - a major challenge is how to ensure these services are readily available to all those who need them in the 56 economies of the region (see Figure 1).

Total Networking Skills Demand and Supply Trends in Asia/Pacific, 2012–2016



Source: IDC, 2013

Figure 1
(Demand is brown. Yellow is supply)

In response to this challenge, APNIC is focused on carefully managed and sustainable growth in its development services that is supported – wherever possible – by resources in addition to its own. Such growth though, poses a number of important questions including: How best to handle growth without impacting APNIC’s core registry services? How best to manage the additional financial and human resources required? And, how best to manage the risks involved in such expansion?

This Concept Paper (CP) seeks to answers not only to these key questions, but most importantly respond to the EC resolution requesting a proposal on how to support the continued growth and development of these services in a sustainable manner.

Rationale

APNIC can use – and is already using – several different strategies to support the continued growth and expansion of its development services. In addition to the careful and appropriate use of its own limited resources, APNIC also actively seeks to partner and collaborate with a wide range of agencies, companies and organisations including (for example) NSRC, the ITU, DotAsia, ICANN, and Google. For its training programs, APNIC also partners (via sponsorships) with its members and other agencies on a regular basis to ensure its training reaches as many people as possible. In addition to this partnering and collaboration, APNIC also seeks - and receives - direct financial support for activities including its conferences and the ISIF grants and awards program.

APNIC’s success so far in partnering and seeking financial support for its activities demonstrate the potential of both these strategies to support the further expansion of its Development services.

APNIC has four important assets that further support its efforts to partner, collaborate and seek financial support. They are:

- 1) Its strong technical focus and knowledge.
- 2) Its financial strength and transparency
- 3) Its robust regional networks and relationships
- 4) Its established and respected reputation

However, in addition to APNIC's own strengths, experience and community, it is also important to better understand the potential to engage the larger development and philanthropic communities and the private sector. Here are some examples of the type of support available from each community.

In the development community, the Asian Development Bank (ADB) provides a good example of the priorities and scale of the investments being made that APNIC could consider connecting to. From 2000 to 2013, the ADB invested US\$17.67 billion in 547 ICT-related projects as follows²:

- \$28.18 million - projects supported by ICT-specific funds (e-Asia and Knowledge Partnership Fund and Japan Fund for Information and Communication Technology)
- \$786.62 million - ICT-led projects whose outputs are mainly telecom and ICT-related infrastructure, policy and strategy, and knowledge sharing activities.
- \$17.16 billion - ICT-supported projects that use ICT as a component to support projects in key ADB sectors (e.g., public sector management, education, health etc.)

In the philanthropic community, Google in 2013 awarded US\$3.1 million to NSRC to provide local network engineering expertise to universities and national research and education networks (NRENs). Google awarded an additional US\$1.3 million to the Internet Society to create and improve Internet exchange points (IXP) in emerging markets³.

Finally, in the private sector substantial opportunities for support exist under the Corporate Social Responsibility (CSR) programs of large IT firms such as Cisco, Microsoft and IBM all of whom have collaborative programs in areas such as training, technical assistance and community development.

Project Description

The EC response in Brisbane seeks information on three key issues or activities as follows:

- 1) *"a proposal for a developmental funding foundation"*

The production of a full proposal for a developmental funding foundation is a major undertaking requiring considerable research, a detailed implementation plan and budget, and the provision of legal, financial and governance advice on a range of issues. With this in mind, at the December 2014 EC meeting the following roadmap was presented and agreed on (with a go/no-go at each stage):

² From the ADB website: <http://www.adb.org/sectors/ict/projects/summary>

³ The Philanthropy News Digest: <http://philanthropynewsdigest.org/news/google.org-awards-grants-totaling-4.4-million-to-expand-internet-access>

- Feb 2015 (Fukuoka) Presentation of Concept Paper
- May 2015 (EC meeting, TBD) Presentation of options identified
- Aug 2015 (Jakarta) Proposal for EC approval
- Nov 2015 (EC meeting, TBD) Implementation plan and budget approval

Therefore, this CP presents two possible options for a developmental funding foundation for consideration by EC. They are:

1.1) The APNIC Foundation (Australia)⁴

The advantages of this option are considerable and largely self-evident. First and foremost, the APNIC Foundation (Australia) would operate in legal and financial jurisdictions that APNIC has considerable experience and expertise in. Governance and transparency would also be robust and assured, again because of APNIC's established position in the Australian community.

It's also likely that the investment needed to establish a foundation in Australia would be considerably less than the investment needed to establish a foundation in another country. One reason for this is that it may be optimal for APNIC to use mechanisms such as trust accounts to manage and run its development services instead of investing in the creation of a completely separate organisation. Other expenses could also be mitigated via the use of existing APNIC resources.

At the same time, the potential disadvantages of the APNIC Foundation (Australia) are also notable. They include the possible reinforcement of APNIC's image as an Australian-centric organisation; missed collaborative opportunities because of a less visible Asian presence; and, most importantly, an inability to access resources available in the Asia Pacific because of a reduced ability to network and connect.

1.2) The APNIC Foundation (Hong Kong)⁵

The advantages of this option include: A more visible presence in Asia (thus reducing any concerns about APNIC being an Australian-centric organisation); increased collaborative opportunities because staff would be based in the region and more directly engaged with local communities; and, improved access to resources to support APNIC's Development services.

However, there are also at least two important disadvantages to this option. While both can be mitigated - if not completely overcome - by careful planning, they are still substantial and should be noted. The first is that there will clearly be additional costs involved. Not only is it likely to cost more money to set up and run a foundation in Asia than Australia, but it will also cost more in terms of staff time. The second disadvantage is that it will require APNIC to learn and operate in new legal and financial jurisdictions.

⁴ The name "The APNIC Foundation" is only a descriptive, temporary name for the proposed "developmental funding foundation".

⁵ The name "The APNIC Foundation (Hong Kong)" is only a descriptive, temporary name for the proposed "developmental funding foundation".

This includes the challenge of building a governance structure that ensures APNIC remains in control of the foundation, especially over the long term after the first generation of leadership has departed.

But these disadvantages also provide an opportunity for APNIC. It is recommended that APNIC contact relevant governments to seek their possible support for the establishment of an APNIC Foundation. In the case of the APNIC Foundation (Hong Kong), this would be the Chinese government and/or the relevant government agency (CNNIC or the Ministry). If the government agrees to provide support (financial, human or other) – especially if it is substantial – then this would remove or reduce the disadvantages involved in this option. In fact, this could provide APNIC with an important new strategic alliance in the region.

2) *“consideration of developmental needs in the region”*

In addition to its training activities, APNIC is committed to providing a range of development services to its members and the wider Asia Pacific Internet community. These services include direct technical assistance to members; support for the NOG community via sponsorships and presentations; fellowships (not just for APNIC conferences but also to other relevant technical events); and a community grants and awards program that promotes the positive impact of the Internet.

APNIC provides these services in direct response to the development needs of the region. Despite these efforts research, not just by APNIC, has shown that the Asia Pacific region suffers a serious shortfall in the technical skills and resources needed for the Internet’s continued development.

A report⁶ commissioned by Cisco and released by the consultancy IDC in June 2013 said: “Access to the types of skills needed to keep pace with changes in technology and maintain an IT team’s high level of performance will increasingly become a key strategic advantage. The Asia Pacific trends show an increasing need for people with network skills in emerging technologies and for well-trained teams that focus on higher value-added activities...”

The IDC report estimates that at the end of 2012 there was a shortage of just over 250,000 professionals with networking skills in the Asia Pacific (excluding Greater China and Japan). IDC predicts this shortage will grow to more 450,000 networking professionals by the end of 2016 and then from there continue to expand.

Closer to home, in the 2014 APNIC Survey training jumped from 5th to 2nd place in how members prioritised APNIC services. In past surveys many respondents, particularly from the developing economies (such as China and India), also emphasized the importance of broader training opportunities through workshops, online/webinar trainings, regional trainings and conferences, as well as engaging with groups and institutions outside of APNIC.

In response to this continuing demand for more training from its members, APNIC is presently implementing a Training Needs Assessment (TNA) for the Asia Pacific region.

⁶ “The Evolution of the Networking Skills Gap in the Asia/Pacific”. William Lee PhD. June, 2013

The results of this assessment will provide detailed information on the developmental training needs of the region

3) *“and the means and methods for fulfilling those needs”*

In addition to using its own resources, APNIC is having good success in developing new means and methods to support its development and other services. These additional resources have included government funding from Canada and Sweden for its community grants and awards program and private sector sponsorships of its conferences. It also operates – with some success - its training on a cost recovery basis, seeking sponsorships from local hosts.

Looking ahead, there are six sectors that APNIC should focus its efforts on to develop additional resources. These are:

1. Development agencies (ADB, WB, JICA, KOICA)

APNIC’s strong existing relationships with Canada’s IDRC and Sweden’s SIDA – both globally respected development agencies in their own right – provide an important foundation on which to build new relationships not only with other national development agencies such as the Japan International Cooperation Agency (JICA) and the Korea International Cooperation Agency (KOICA), but also multilateral development agencies such as the Asia Development Bank (ADB) and the World Bank (WB).

2. Philanthropy

Initial research by APNIC on philanthropic foundations in the US that support Internet-related development in Asia has identified a small number of possibilities such as the Hewlett and Packard foundations. However, a higher priority would be to identify and engage philanthropic foundations in Asia that support Internet development. This will be more challenging, but offers opportunities because of APNIC’s strong technical focus and knowledge; financial strength and transparency; robust regional networks and relationships; and, established and respected reputation

3. The private sector (including member CSR programs)

APNIC has been engaged with and receiving support from many companies for some time, much of it via conference and event sponsorships but also for activities such as research. These companies include Cisco, Microsoft, and Google.

In addition to further developing these existing relationships, APNIC has a number of members (e.g. Singtel, Telstra et al) that operate large CSR and sustainability programs that could provide additional opportunities for support.

4. National Governments (ministries and agencies)

While many governments in Asia may be willing to support APNIC's development services in their own countries, few may be willing to support these services in other countries. The exceptions are Australia, China, India, Japan, Korea, New Zealand and to a lesser extent Singapore. All these nations operate (some type of) Official Development Assistance (ODA) programs that support the type of training and technical assistance activities that APNIC provides.

5. The Internet community (ICANN, ISOC, DotAsia et al)

Like the private sector, APNIC has established relations with a number of agencies in the Internet community that provide support to Development services (e.g. ICANN, ISOC and DotAsia support for ISIF). It seems reasonable to expect this support to continue, however it is difficult to assess if it can be increased in any substantial way.

6. Retail (the Internet and individuals)

Development services includes a number of activities – such as fellowships – which are well suited to what's known as retail or on-line fund raising. This involves smaller donations for specific items or activities (such as \$1,000 for one fellowship). While it would be difficult for APNIC as a registry to process and manage a large number of such small donations, the APNIC Foundation would be in a better position. For example, it could install a "Donate Now" button on its website seeking individual donations.

Without further research it is difficult to prioritise this list, however, APNIC has an established track record with two leading development agencies – IDRC and SIDA – that would suggest it is in a strong position to successfully engage other development agencies.

APNIC Foundation Update 2*

EC meeting - Fukuoka

* “Update 1” was in Singapore

APNIC



The Brisbane Proposal

"The EC invited the Director of Development to develop a proposal **for a developmental funding foundation** for further EC consideration, **including consideration of developmental needs in the region**, and **the means and methods for fulfilling those needs**, noting that APNIC is committed to providing no lesser level of developmental support than is the case today."

The Singapore Road Map

- Nov 2014 (Singapore)
 - This presentation to APNIC EC*
- Feb 2015 (Fukuoka)
 - Presentation of Concept Paper*
- May 2015 (EC meeting, TBD)
 - Presentation of options identified*
- Aug 2015 (Jakarta)
 - Proposal for EC approval*
- Nov 2015 (EC meeting, TBD)
 - Implementation plan and budget approval*

* With go/no-go at each stage

The Concept Paper

- Introduction
 - Outlines APNIC's development services and the expected demand for those services
- Rationale
 - Outlines APNIC's competitive advantage(s) and the resources that are available for APNIC to possibly access
- Proposal
 - Responds to the Brisbane meeting by proposing some possible next steps for the EC to consider.

The proposal

Seeks EC support to contact the appropriate government agencies in Hong Kong/China and Singapore to assess the level of official support for the establishment of an APNIC Foundation in either nation.

This process will also include an assessment of the potential for other financial and in-kind support outside of the government agencies contacted.

The Singapore Road Map

- Nov 2014 (Singapore)
 - This presentation to APNIC EC*
- Feb 2015 (Fukuoka)
 - Presentation of Concept Paper*
- May 2015 (EC meeting, TBD)
 - Presentation of options identified*
- Aug 2015 (Jakarta)
 - Proposal for EC approval*
- Nov 2015 (EC meeting, TBD)
 - Implementation plan and budget approval*

* With go/no-go at each stage

Thank you

Executive Summary – Financial Reporting

This report provides a summary of the 2014 Year-end Accounts, the Investment report, the 2014 Audit report, and finally the January Finance report.

Financial Performance 2014

The final result for the full year 2014 was a surplus of \$3,089,109 compared to the budget of \$1,967,806 resulting in a surplus of \$1,121,303.

The primary driver for this was an overachievement on revenue of \$528,725 and a saving in expenditure of \$592,578.

Major contributors to the positive revenue variance:

- Investment fund returning \$589k of income and cash investments achieving a \$166k in interest totalling \$135k above budget.
- Membership fees achieved \$275k above budget primarily due to a much smaller migration of members to IRINN than anticipated. (24 actual vs. 205 budget provision)

Major contributors to the expense savings:

- Professional fees down by \$269k saved in engineering assistance, Human resource projects, PR engagement, and fees capitalised where possible.
- Travel expense below budget by \$95k, representing savings from APNIC38 being held in Brisbane
- Sponsorship fees below budget, \$51k written back from Bali IGF, reduced expenditure on Membership development activities
- Meeting and Training below budget by \$50k primarily as a result of savings in venue costs for training by utilising Hosts.
- APNIC recorded a tax benefit of \$35k contributing to APNIC's future tax benefit in the balance sheet of \$473k

Financial Position 2014

The 2014 surplus increased net equity by 20% to \$21.4m, and the number of months expenses covered by equity has increased to 16.5 months ensuring that APNIC's balance sheet remains in a very strong position.

Investment Funds 2014

During 2014 a total of \$3M was transferred to the Investment account, \$1.5M in July, \$500k in August and \$1.0M in December. Investment earnings for 2014 are reported at \$589k and capital growth for the year was \$681k.

Membership Growth 2014

Membership Growth in 2014 continued to be strong with a total membership of 4,618 at the end of Dec, a net growth of 567 or 14%, this growth is concentrated in the Associate, Very Small, and to a lesser extent the Small tiers as a result of the last /8 policy. Strong net growth in Australia (162), Hong Kong(131), and Japan(66) contributed a great portion of the increase in membership.

Taxation Status

Included in the documents for the Executive Council meeting is the advice from KPMG in relation to APNIC's taxation status. Based on this advice APNIC continues to prepare accounts based on the previous taxation ruling that provides APNIC with "mutuality status".

Audit of Financial Accounts 2014

As set out in APNIC's audit rotation policy, each 5 years APNIC is required to appoint new auditors. 2014 was the end of the term for Ernst & Young and the secretariat undertook a process to engage new Auditors for the full year 2014 Audit. Price Waterhouse Coopers undertook the audit and their findings are set out in the Report to the Board of Directors,

Whilst the auditors were happy to provide an unqualified audit report and identified no significant issues of concerns they made some recommendations to strengthen the control environment, they recommended considering the following issues:

- A review of cash handling in relation to training and workshop receipts
- Greater control in the authorisation of Credit notes and manual Journals
- Consider changing the effective life for some assets from the tax effective rates to useful life.

These issues will be considered in detail, and where practical, improvements will be implemented.

Finance Report - January 2015

The new fee schedule was implemented effective from January 1, 2015, but it will take a full 12 months for the impact of these changes to be reflected in Membership Revenue.

Overall performance in January resulted in a reported surplus of \$374k above budget, with Revenue being higher than anticipated by \$57k, and Expenses being lower by \$316k.

Financial Performance

Major contributors to the positive revenue variance:

- Investment income was \$44k higher than anticipated with a strong last quarter in 2014 providing solid returns reflected in payment of dividends in January.
- Membership Fees were slightly higher than anticipated, but member growth continues on trend and appears largely unaffected by the introduction of the new fee schedule.

Major contributors to the expense savings:

- Doubtful Debts Expenses includes a significant write-back of accounts that were outstanding at the end 2014, this is offset by a reduction in the Membership Fee income
- The variance in Salaries and Personnel of \$64k is caused by the delay in implementing the annual salary increases for staff. These changes will be implemented in February and backdated to Jan 1.
- Sponsorship and Publicity Expenses are below budget by \$43k, and relates to the timing of APNIC's sponsorship activities during the year and APNIC's contribution to the NRO expenses.

Expense by Activity Codes:

A new section has been included in the finance report demonstrate the allocation of actual expenses under the new activity reporting framework against those in the approved 2015 budget.

The report shows that at the end of January there is close alignment between the allocation of actual expenses compared to the budget activity plan.

Financial Position

Net equity increased by 4% to \$22.2M from \$21.4M at the end of January, and the number of months expenses covered by equity has reduced slightly from 16.52 to 15.64 at the end of January, reflecting the increase in budget expenses in 2015 over the 2014 actuals.

Investment Funds:

The amount invested in the APNIC investment fund has increased to \$18.36M from \$17.92M at the end of January. January recorded investment income of over \$100k from the investment fund. The equity markets performed strongly in January and the total capital growth in the portfolio since inception is \$955k.

Membership Growth:

Membership Growth in January continued to be strong with a total membership of 4,669 at the end of January, a net growth of 51. This growth is in line with budget forecasts of 47 per month in 2015.

- There were 60 new members for the month, the budget assumed 67 new members per month but allowed for 20 closures each month based on previous years activity.
- Growth remains strongest in Australia, Hong Kong and Japan.
- There were no transfers to NIR's in January, with the majority of the 15 closed accounts being closed because the member was not able to be contacted or the business was no longer operating or wished to discontinue membership.

Annual Financial Report

(in AUD)

2014

APNIC



Table of Contents

1	Statement of Financial Position	3
2	Statement of Income.....	5
2.1	Expenses	5
2.2	Revenue	7
2.3	Operating Surplus/ Deficit	8
3	APNIC Reserve	8
3.1	Cash Flow Statement	8
3.2	APNIC Capital Reserve	9
3.3	APNIC Investment policy	9
3.4	APNIC's Equity and Reserves	9
4	Membership	9
4.1	Membership Statistics	10
4.2	Membership by Category	10
4.3	Membership by Economy	10
4.4	Membership Growth	11
4.5	Year-to-Date Membership Movement by Economy	12
4.6	India Membership NIR Transfer Analysis	13

Table of Figures

Figure 3.1	Reserve	9
Figure 4.1	Membership by Economy	11
Figure 4.2	Monthly Growth Analysis	11
Figure 4.3	Total membership.....	11
Figure 4.4	New and Closed Members Analysis	12
Figure 4.5	Closure Analysis.....	12

Table of Tables

Table 1	Statement of Financial Position	3
Table 2	Expenses.....	5
Table 3	Revenue	7
Table 4	Operating Surplus/ Deficits	8
Table 5	Cash Flow Statement.....	8
Table 6	Membership by Category	10
Table 7	India Membership NIR Transfer Analysis	13

1 Statement of Financial Position

	Year-End 2014	Year-End 2013	% Change from 31/12/2013
CURRENT ASSETS			
Cash/ Term deposits	5,420,158	6,002,531	-10%
Receivables	923,332	935,741	-1%
Others	472,950	538,735	-12%
TOTAL CURRENT ASSETS	6,816,440	7,477,007	-9%
NON-CURRENT ASSETS			
Other financial assets	17,924,950	13,736,690	30%
Property, plant and equipment	7,905,732	8,000,431	-1%
Deferred tax assets/ liabilities	157,749	127,006	24%
TOTAL NON-CURRENT ASSETS	25,988,431	21,864,127	19%
TOTAL ASSETS	32,804,871	29,341,134	12%
CURRENT LIABILITIES			
Payables	1,513,519	2,296,356	-34%
Provisions	1,074,692	1,060,908	1%
Unearned revenue	8,301,739	7,810,665	6%
TOTAL CURRENT LIABILITES	10,889,951	11,167,929	-2%
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities	284,963	81,187	251%
Provisions	241,459	265,723	-9%
TOTAL NON-CURRENT LIABILITIES	526,423	346,910	52%
TOTAL LIABILITIES	11,416,374	11,514,839	-1%
NET ASSETS	21,388,497	17,826,296	20%
EQUITY			
Share capital	1	1	0%
Reserves other financial assets investment	614,663	141,571	334%
Retained earnings	17,684,724	14,701,221	20%
Net Income	3,089,109	2,983,503	4%
TOTAL EQUITY	21,388,497	17,826,296	20%

Table 1 Statement of Financial Position

Notes to Financial Position

The Statement of Financial Position shows that APNIC's net position has increased by 20% compared to December 2013. The major variance to last year are summarised below:

Current Assets:

- Cash balance when compared to the end of last year has decreased due to grant payments of \$369k from the SIDA grant fund, and short-term deposits of \$215k were transferred to the investment portfolio. Surplus operating cash of \$3m was transferred to the fund progressively through the year.
- Compared to 2013, there was a reduction in the value of prepaid deferred expenses of \$55k.

Non-Current Assets

- Other financial assets which includes the Investment portfolio have increased by \$4.2m, comprising transfers from the operating account and increases in the value of investments. A total of \$3m was transferred from the operating surplus, capital growth reported was \$681k and \$589k in investment distributions was reinvested. Consulting fees of \$90k were deducted directly from the investment account.

Current Liabilities

- Payables have reduced by \$783k; the primary contributor to this variance is the distribution of funds under the grants programs.
- Unearned Revenue that represents the prepaid portion of annual membership fees was \$491k above the December 2014 balance reflecting increased in membership fees.

Equity

- APNIC's equity position has increased by 20% from \$17.8m to \$21.4m over the period, including the operating surplus of \$3.1m at the end of 2014.

2 Statement of Income

2.1 Expenses

This is the final audited financial statement for 2014. The 12 months to December 2014 actual figures are compared to the 2013 actuals and the 2014 budget.

EXPENSES (AUD)	Actual 2014	Actual 2013	Variance %	Budget 2014	Budget Variance \$	Budget Variance %
Bank charges	145,823	138,337	5%	145,950	-127	-0%
Communication expenses	483,803	490,600	-1%	502,772	-18,969	-4%
Computer expenses	572,528	548,748	4%	584,632	-12,104	-2%
Depreciation expense	765,548	753,032	2%	769,800	-4,252	-1%
Doubtful debt expenses	34,259	30,990	11%	20,000	14,259	71%
ICANN contract fee	260,333	136,732	90%	225,000	35,333	16%
Income tax expense/ (benefit)	-34,609	-96,166	-64%	0	-34,609	0%
Insurance expense	129,971	126,751	3%	134,350	-4,379	-3%
Meeting and training expenses	374,850	332,819	13%	424,835	-49,985	-12%
Membership fees	55,611	48,294	15%	64,485	-8,874	-14%
Miscellaneous expenses	0	-376,729	-100%	0	0	0%
Office operating expenses	312,744	300,757	4%	306,195	6,549	2%
Postage & delivery	22,071	45,269	-51%	51,500	-29,429	-57%
Printing & photocopy	48,508	36,586	33%	44,200	4,308	10%
Professional fees	1,052,757	1,246,373	-16%	1,321,800	-269,043	-20%
Recruitment expense	144,423	89,472	61%	90,000	54,423	60%
Salaries and personnel expenses	8,731,164	8,298,111	5%	8,768,981	-37,817	-0%
Sponsorship and publicity expenses	340,946	319,623	7%	426,700	-85,754	-20%
Staff training/conference expenses	135,996	163,053	-17%	172,200	-36,204	-21%
Translation expenses	1,623	15,255	-89%	23,000	-21,377	-93%
Travel expenses	1,955,471	1,937,230	1%	2,050,000	-94,529	-5%
TOTAL EXPENSES	15,533,822	14,585,138	7%	16,126,400	-592,578	-4%

Table 2 Expense

Notes to Expenses:

Similar to previous month report, it is forecast that expenses will be less than the original budget approved for 2014, the major variances are explained below:

- **ICANN contract fees** were above budget because the formula used to calculate APNIC's share of the NRO expenses for the budget did not reflect the final NRO agreed calculation resulting in a variance to budget of \$35k.
- **Income tax expense** was calculated at \$35k tax benefit based on the advice from KPMG as part of the tax effect accounting calculation.
- **Meeting and training expenses** were below budget by \$50k, the majority of this variance relates to the use of hosts to provide training venues. The relocation of the APRICOT and APNIC meetings provided a small saving on the budget estimates.
- **Postage and delivery expenses** were below budget because the budget allocated for the shipping of conference equipment to Noumea was not required. **Professional fees** end the year \$269k below budget. A number of budgeted items were underspent during the year including; Engineering assistance, consulting planned for Human resource projects, PR engagement and some budgeted professional fees related to system implementation were able to be capitalised.
- **Recruitment expense** exceeded budget in 2014. There were costs related to the appointment of replacement staff during the year and two recent replacements involved migration and relocation costs.
- **Salary and personnel expenses** ended the year close to budget. There has been a continued focus on ensuring that leave balance are effectively managed and salary increments were in line with the budget submission.
- **Sponsorship and publicity expenses** ended 2014 below budget. Some planned expenditure on Membership development did not occur and APNIC was able to write back the allowance made in 2013 to cover outstanding costs for the Bali IGF meeting.
- **Staff training expenses** ended 2014 below budget with a focus on providing in-house training and capitalising technical training as part of the implementation costs.
- **Translation expenses** – costs for translation were in line with forecast but well below budget in 2014.
- **Travel expenses** were below budget at the end of 2014. This is mainly due to the reduced costs in staff flight and accommodation resulting from the relocation of the APNIC meeting to Brisbane.

2.2 Revenue

REVENUE (AUD)	Actual 2014	Actual 2013	Variance %	Budget 2014	Budget Variance \$	Budget Variance %
IP Resource application fees	1,323,250	1,420,625	-7%	1,241,625	81,625	7%
Investment income	754,563	585,522	29%	620,000	134,563	22%
Membership fees	15,903,111	15,074,781	5%	15,627,681	275,430	2%
Non-members fees	254,706	240,225	6%	245,000	9,706	4%
Reactivation fees	67,800	37,050	83%	32,400	35,400	109%
Transfer fees	81,304	61,339	33%	75,000	6,304	8%
Sundry income	207,304	112,320	85%	252,500	-45,196	-18%
Other Income	4,265	2,812	52%	0	4,265	0%
Foreign exchange gain/(loss)	26,629	33,968	-22%	0	26,629	0%
TOTAL REVENUE	18,622,931	17,568,641	6%	18,094,206	528,725	3%

Table 3 Revenue

Notes to Revenue:

- **Investment income** – Investment income achieved well above budget estimates with the Investment fund returning \$589k of income and cash investments achieving \$166k in interest for the 2014 year.
- **Membership income** – Membership fees achieved \$275k above budget by the end of 2014. The prime driver for this variance was that the budget made a provision for 50% of the remaining Indian members to transition to the NIR during 2014. Details of the actual movement are below at section 4.6, showing that only 24 of the estimated 205 members had transitioned up until the end of December.
- **Sundry income** – There was no reported income from cost recovery training in 2014, this was budgeted at \$54k.

2.3 Operating Surplus/ Deficit

REVENUE and EXPENSES (AUD)	Actual 2014	Actual 2013	Variance %	Budget 2014	Budget Variance \$	Budget Variance %
Total Revenue	18,622,931	17,568,641	6%	18,094,206	528,725	3%
Total Expenses	15,533,822	14,585,138	7%	16,126,400	-592,578	-4%
OPERATING SURPLUS/(DEFICIT)	3,089,109	2,983,503	4%	1,967,806	1,121,303	57%

Table 4 Operating Surplus/Deficit

3 APNIC Reserve

3.1 Cash Flow Statement

This report shows the draft cash flow status for the year as at the end of December.

Accounts	2014
Operating Activities	
Net Income	3,089,109
Adjustments to Profit/(Loss)	
Accounts Receivable	-102,844
Other Current Asset	150,296
Accounts Payable	-51,860
Sales Tax Payable	105,786
Other Current Liabilities	-128,127
Total Adjustments to Profit/(Loss)	-26,750
Total Operating Activities	3,062,360
Investing Activities	
Fixed Asset	94,699
Other Asset	-4,188,260
Total Investing Activities	-4,093,561
Financing Activities	
Long Term Liabilities	-24,263
Other Equity	473,092
Total Financing Activities	448,829
Net Change in Cash for Period	-582,373
Cash at Beginning of Period	6,002,531
Cash at End of Period	5,420,158

Table 5 Cash Flow Statement

3.2 APNIC Capital Reserve

The APNIC Reserve is diversified between Cash Investments, Investment Portfolio, and Property (APNIC Office). At the end of December, APNIC maintained \$5.4M in cash reserves, \$17.9M has been invested in the investment portfolio, and \$6.6M invested in the APNIC Property. Figure 3.1 below tracks the value and the allocation of these reserves over time and also tracks the operating expenses for each year for comparison:

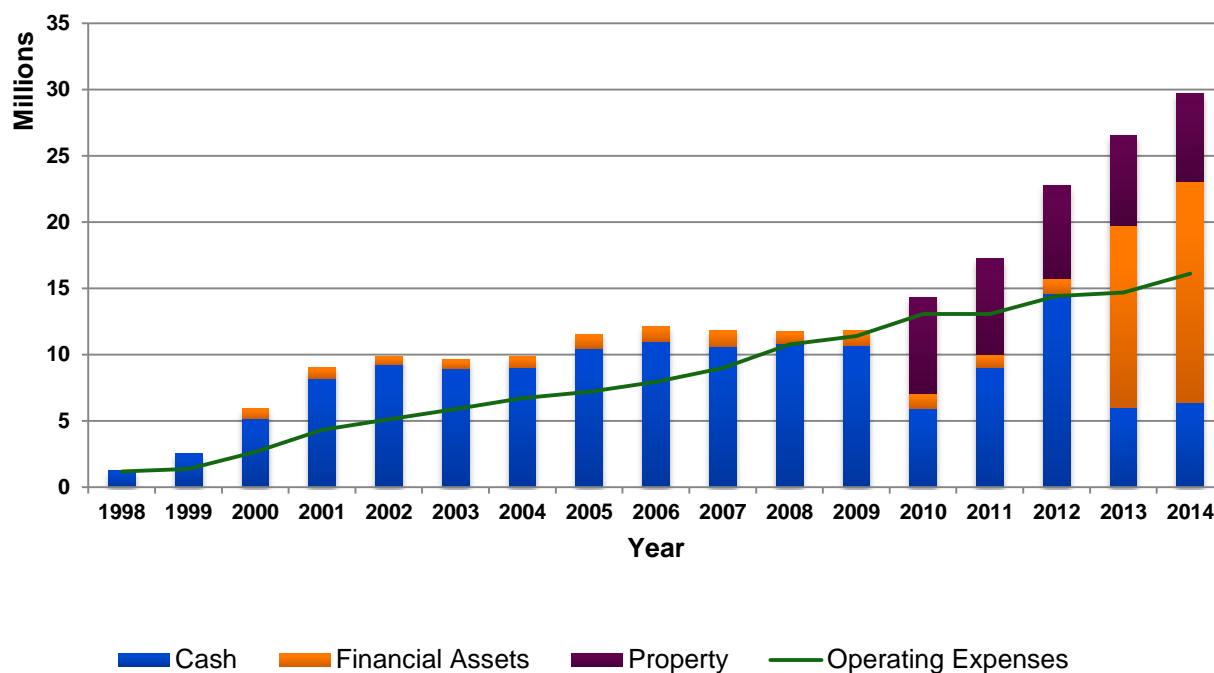


Figure 3.1 Reserve

3.3 APNIC Investment policy

The amount of \$17.9M is invested in the Credit Suisse investment management account at the end of December. Please refer to the attached investment report outlining the portfolio. \$3M of APNIC's surplus cash was transferred to the investment portfolio in 2014.

3.4 APNIC's Equity and Reserves

By comparing APNIC's Total Equity (including Retained earnings and unrealised capital gains) to the daily operating costs, the number of month's coverage of operational expenses is set out below:

	Year-End 2014	2013	2012
Total Equity	\$21,388,497	\$17,826,296	\$14,808,757
% Equity covered by Cash and/or Equivalent	115.7%	119.0%	105.7%
Actual Daily Operating Expenses	\$42,558	\$39,864	\$39,461
Number of Months of expenses covered by Equity	16.52	14.70	12.34

4 Membership

4.1 Membership Statistics

As at the end of December 2014, APNIC had a total of 4,618 Members serving 54 economies, representing a net growth of 555 members in 2014.

4.2 Membership by Category

The table below provides progressive membership data for the past six years. Strong membership growth continued in 2014, with an average increase of 47 new members per month.

Membership	2009	2010	2011	2012	2013	2014
Extra Large	13	16	21	20	20	21
Very Large	31	33	41	45	43	40
Large	106	141	145	144	147	142
Medium	276	324	378	402	392	402
Small	823	867	970	1,114	1,198	1,388
Very Small	472	637	817	1,021	1,294	1,701
Associate	449	503	575	788	957	924
TOTAL	2,170	2,521	2,947	3,534	4,051	4,618
New	478	507	615	832	813	805
Close	163	156	189	245	296	238
Net Gain	315	351	426	587	517	567
Average Monthly Net Gain	26	29	36	49	43	47

Table 6 Membership by Category

4.3 Membership by Economy

Figure 4.1 illustrates the APNIC membership distribution by economy.

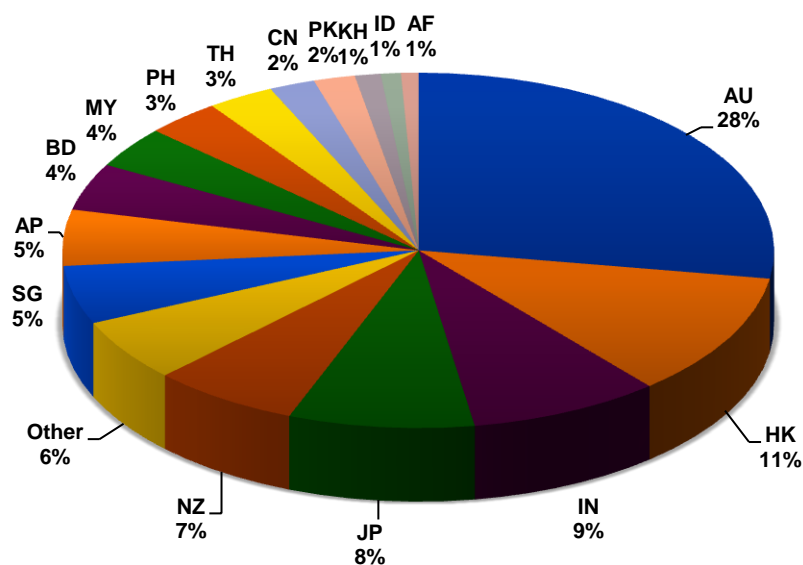


Figure 4.1 Membership by Economy

4.4 Membership Growth

APNIC membership monthly movements are illustrated at Figure 4.2 below. Monthly membership growth for 2014 has been incorporated in this graph to track monthly growth against budget growth.

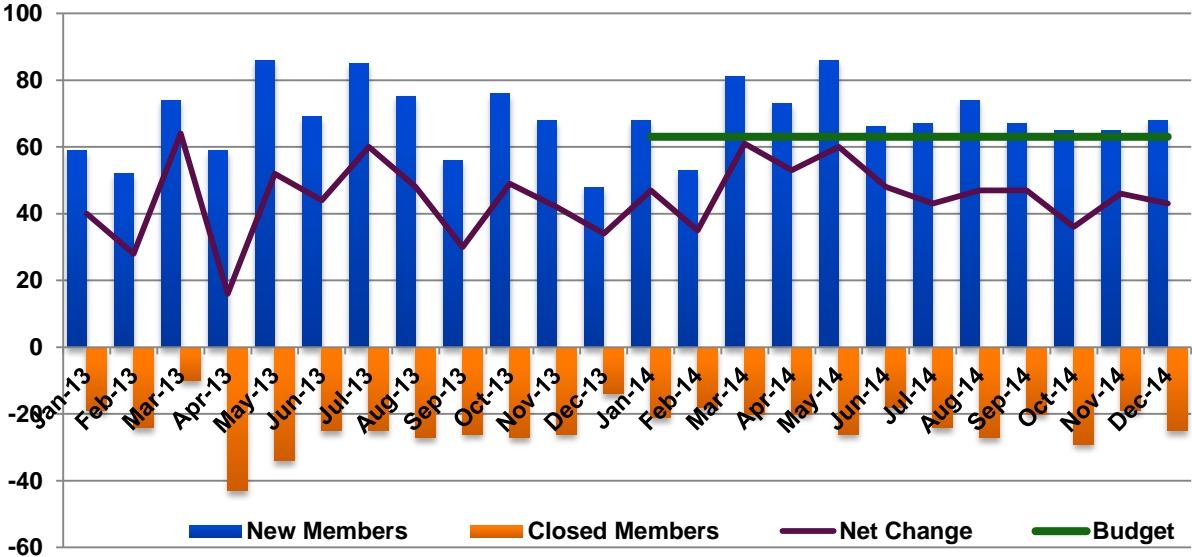


Figure 4.2 Monthly Growth Analysis

Figure 4.3 below illustrates APNIC membership growth by membership tier:

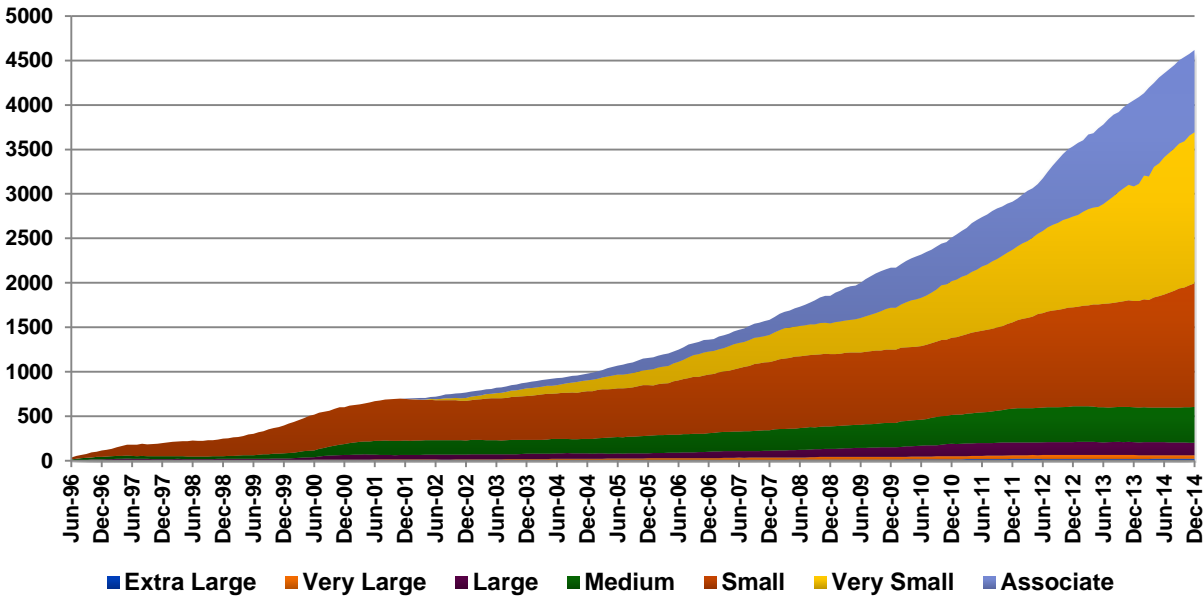


Figure 4.3 Total membership

4.5 Year-to-Date Membership Movement by Economy

Figure 4.4 below shows new and closed membership movement by economy as at end of December 2014.

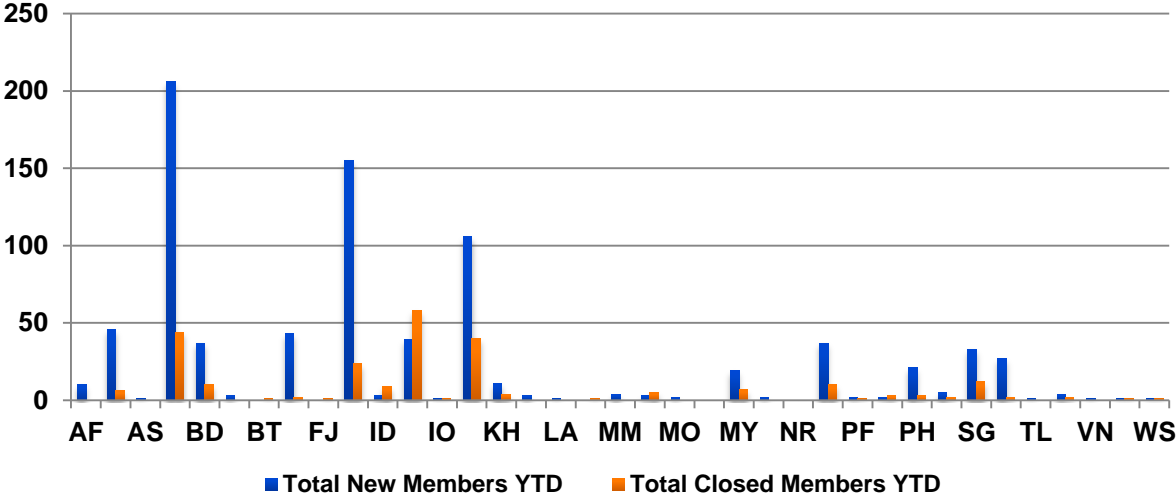


Figure 4.4 New and Closed Members Analysis

Figure 4.5 below provides an analysis of the Membership closures as at the end of December. 11% of the closures (28 out of 259 total) are due to account transfers to NIRs, and 68% of the accounts closures relate to accounts closed due to the failure to establish contact or the business is no longer operating and resource holdings are returned to APNIC.

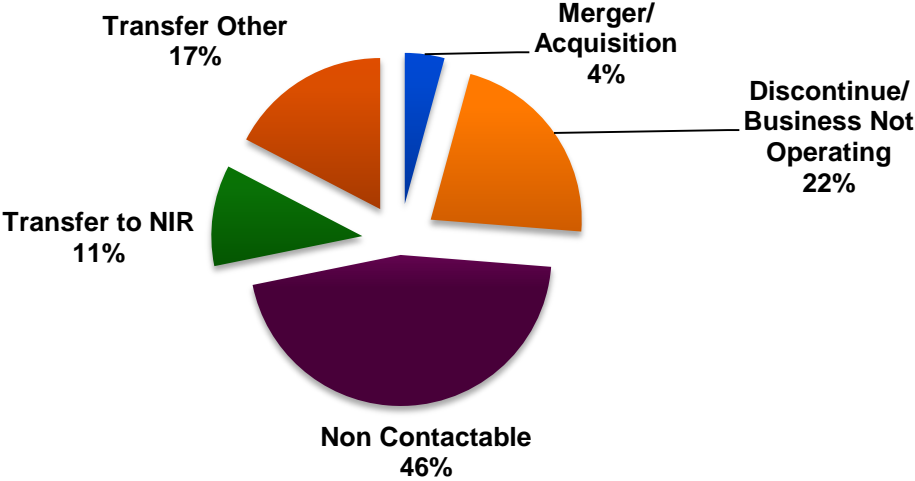


Figure 4.5 Closure Analysis

4.6 India Membership NIR Transfer Analysis

By the end of December 2014, the APNIC membership had 58 account closures from the Indian economy, 24 of these are due to transfers to IRINN. Others were closed due to non-payment and discontinued APNIC membership. There were 405 Indian members as at the end of 2013, and the 2014 budget assumes that around 50% of these members will transfer to IRINN during 2014.

Transfers to IRINN are well below that anticipated in the budget for 2014.

The table below provides analysis of India Memberships transferred to the NIR.

India Membership	Actual 2014	Budget 2014	YTD Variance
Extra Large	0	1	-1
Very Large	1	5	-4
Large	2	8	-6
Medium	3	13	-10
Small	10	51	-41
Very Small	7	120	-113
Associate	1	7	-6
TOTAL	24	205	-181

Table 7 India Membership NIR Transfer Analysis

Monthly Financial Report

(in AUD)

Jan 2015

APNIC



Table of Contents

1	Statement of Financial Position	3
1.1	Notes to Financial Position	3
2	Statement of Income.....	4
2.1	Expenses	4
2.2	Expenses by Activity Codes	5
2.3	Revenue	6
2.4	Operating Surplus/ Deficit	6
3	APNIC Reserve	7
3.1	Cash Flow Statement	7
3.2	APNIC Capital Reserve	8
3.3	APNIC Investment policy	8
3.4	APNIC's Equity and Reserves	8
4	Membership.....	9
4.1	Membership Statistics	9
4.2	Membership by Category	9
4.3	Membership by Economy	9
4.4	Membership Growth	10
4.5	Year-to-Date Membership Movement by Economy	11

1 Statement of Financial Position

	31/01/2015	Year-End 2014	% Change from 31/12/2014
CURRENT ASSETS			
Cash/ Term deposits	5,672,602	5,420,158	5%
Receivables	1,001,696	923,332	8%
Others	592,413	472,950	25%
TOTAL CURRENT ASSETS	7,266,711	6,816,440	7%
NON-CURRENT ASSETS			
Other financial assets	18,366,756	17,924,950	2%
Property, plant and equipment	7,897,750	7,905,732	-0%
Deferred tax assets/ liabilities	157,749	157,749	0%
TOTAL NON-CURRENT ASSETS	26,422,255	25,988,431	2%
TOTAL ASSETS	33,688,966	32,804,871	3%
CURRENT LIABILITIES			
Payables	1,894,478	1,513,519	20%
Provisions	1,037,319	1,074,692	-3%
Unearned revenue	7,970,674	8,301,739	-4%
TOTAL CURRENT LIABILITES	10,902,471	10,889,951	-1%
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities	284,963	284,963	0%
Provisions	260,497	241,459	8%
TOTAL NON-CURRENT LIABILITIES	545,460	526,423	4%
TOTAL LIABILITIES	11,447,931	11,416,374	-0%
NET ASSETS	22,241,035	21,388,497	4%
EQUITY			
Share capital	1	1	0%
Reserves other financial assets investment	955,000	614,663	55%
Retained earnings	20,773,833	17,684,724	17%
Net Income	512,201	3,089,109	-83%
TOTAL EQUITY	22,241,035	21,388,497	4%

Table 1 Statement of Financial Position

1.1 Notes to Financial Position

The Statement of Financial Position shows that APNIC's net position has increased by 4% compared to the end of last year.

2 Statement of Income

2.1 Expenses

This report incorporates the approved 2015 budget, January expenses are compared to the figures for the same period last year and January 2015 budget.

EXPENSES (AUD)	Actual Jan 2015	Actual Jan 2014	Variance %	Budget Jan 2015	Budget Variance \$	Budget Variance %
Bank charges	10,538	10,788	-2%	12,662	-2,124	-17%
Communication expenses	41,348	38,823	7%	44,827	-3,479	-8%
Computer expenses	47,069	59,804	-21%	53,517	-6,448	-12%
Depreciation expense	64,262	66,409	-3%	63,522	740	1%
Doubtful debt expenses	-53,633	0	0%	1,667	-55,300	-3,317%
ICANN contract fee	23,570	22,100	7%	23,570	0	0%
Income Tax Expenses	0	0	0%	0	0	0%
Insurance expense	10,589	10,216	4%	11,108	-519	-5%
Meeting and training expenses	388	448	-13%	21,783	-21,395	-98%
Membership fees	3,003	4,921	-39%	5,368	-2,365	-44%
Miscellaneous Expenses	0	0	0%	0	0	0%
Office operating expenses	21,941	23,192	-5%	25,427	-3,486	-14%
Postage & delivery	100	2,434	-96%	500	-400	-80%
Printing & photocopy	4,379	1,197	266%	2,904	1,475	51%
Professional fees	65,831	77,989	-16%	100,734	-34,903	-35%
Recruitment expense	5,864	21,691	-73%	7,500	-1,636	-22%
Salaries and personnel expenses	696,628	542,597	28%	760,973	-64,345	-8%
Sponsorship and Publicity expenses	8,903	5,389	65%	51,615	-42,712	-83%
Staff training/conference expenses	3,009	5,889	-49%	12,917	-9,908	-77%
Translation expenses	92	0	0%	2,083	-1,991	-96%
Travel expenses	80,760	64,395	25%	148,419	-67,659	-46%
TOTAL EXPENSES	1,034,642	958,282	8%	1,351,096	-316,454	-23%

Table 2 Expenses

Notes to Expenses:

Where appropriate the budget for major expenses has been allocated based on when expenditure is likely to occur, all other expenses are allocated evenly across the year. Major variances are:

- **Doubtful Debts Expenses** – includes a significant write-back of accounts that were outstanding at the end of 2014. This credit is offset by a reduction in the Membership Fee income where accounts have been credited and closed.
- **Salaries and Personnel Expenses** – This variance is caused by the delay in implementing the annual salary increases for staff. These changes will be implemented in February and backdated to Jan 1.

- **Sponsorship and Publicity Expenses** – this variance results from the timing relating to APNIC’s sponsorship activities during the year and APNIC’s contribution to the NRO expenses.

2.2 Expenses by Activity Codes

The APNIC budget for 2015 was complimented with a detailed Activity Plan, breaking down APNIC’s core activities into Activity Codes. The actual figures have been allocated to these codes and the following charts provide an analysis of the expenses for each activity against budget:

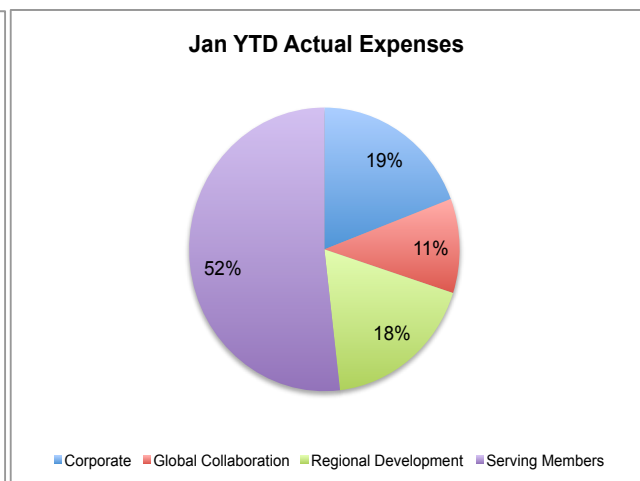
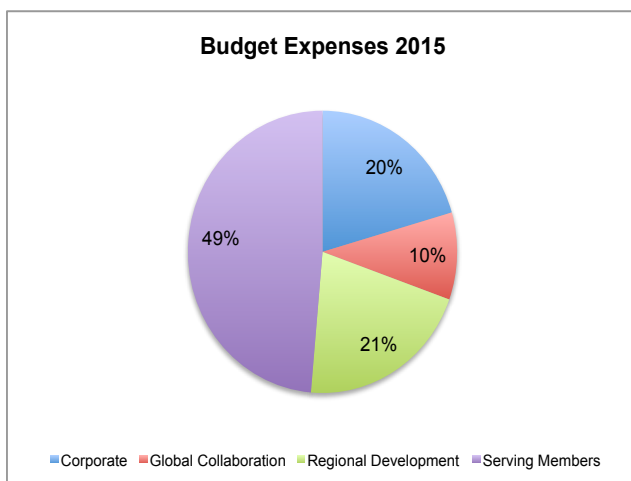
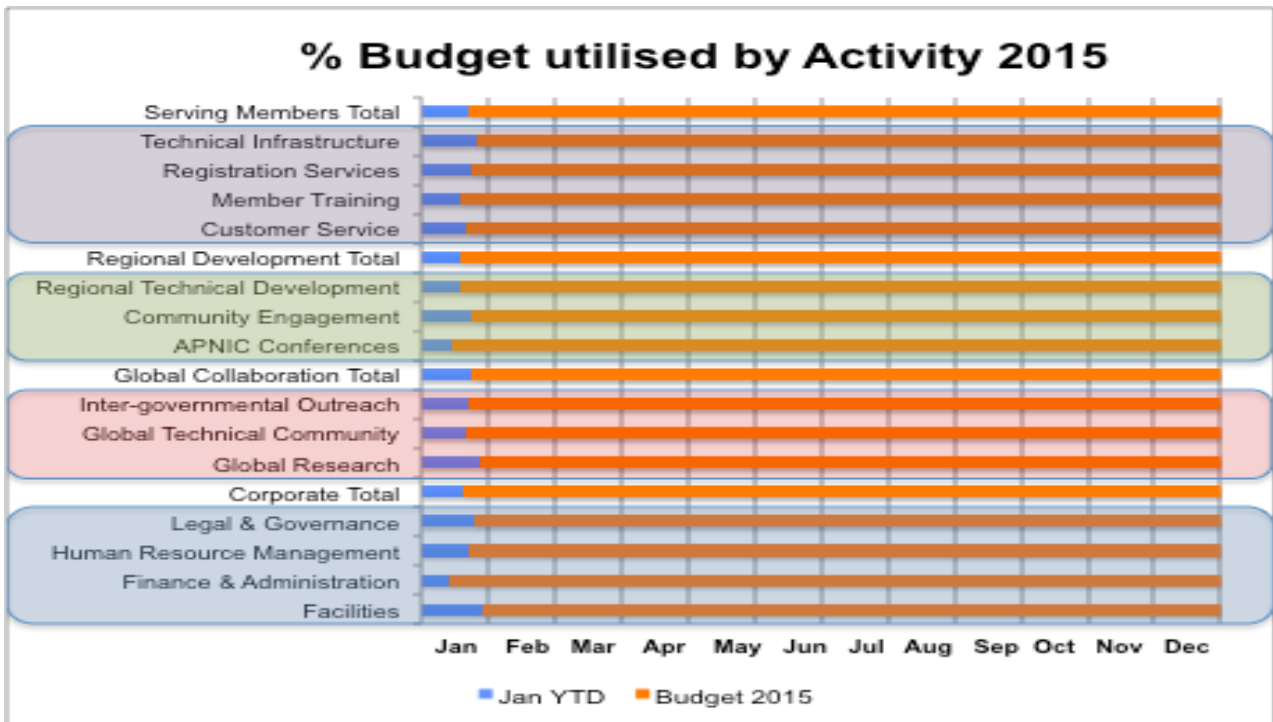


Table 3 Expenses by Activity Codes

2.3 Revenue

REVENUE (AUD)	Actual Jan 2015	Actual Jan 2014	Variance %	Budget Jan 2015	Budget Variance \$	Budget Variance %
IP Resource application fees	-9,625	98,000	-110%	0	-9,625	0%
Investment income	114,940	97,162	18%	71,250	43,690	61%
Membership fees	1,356,895	1,281,767	6%	1,338,203	18,692	1%
Non-members fees	20,951	20,213	4%	19,333	1,618	8%
Reactivation fees	6,000	2,700	122%	2,000	4,000	200%
Sign-Up Fee - Member	34,500	0	0%	31,667	2,833	9%
Reactivation fees	3,438	3,397	1%	6,250	-2,812	-45%
Sundry income	2,795	7,750	-64%	20,500	-17,705	-86%
Other Income	0	0	0%	0	0	0%
Foreign exchange gain/(loss)	16,950	3,786	348%	0	16,950	0%
TOTAL REVENUE	1,546,843	1,514,775	2%	1,489,203	57,640	4%

Table 4 Revenue

Notes to Revenue:

- **Investment Income** – Income from the investment portfolio and interest income is higher than anticipated in the budget, and includes over \$100k in investment income.

2.4 Operating Surplus/ Deficit

REVENUE and EXPENSES (AUD)	Actual Jan 2015	Actual Jan 2014	Variance %	Budget Jan 2015	Budget Variance \$	Budget Variance %
Total Revenue	1,546,843	1,514,775	2%	1,489,203	57,640	4%
Total Expenses	1,034,642	958,282	8%	1,351,096	-316,454	-23%
OPERATING SURPLUS/(DEFICIT)	512,201	556,493	-8%	138,107	374,094	271%

Table 5 Operating Surplus/ Deficits

3 APNIC Reserve

3.1 Cash Flow Statement

This report shows the draft cash flow status for the year as at the end of January.

Accounts	Jan 2015
Operating Activities	
Net Income	512,201
Adjustments to Profit/(Loss)	
Accounts Receivable	-24,684
Other Current Asset	-173,144
Accounts Payable	103,942
Sales Tax Payable	-8,623
Other Current Liabilities	-82,798
Total Adjustments to Profit/(Loss)	-185,307
Total Operating Activities	326,894
Investing Activities	
Fixed Asset	7,982
Other Asset	-441,806
Total Investing Activities	-433,824
Financing Activities	
Long Term Liabilities	19,037
Other Equity	340,337
Total Financing Activities	359,374
Net Change in Cash for Period	252,444
Cash at Beginning of Period	5,420,158
Cash at End of Period	5,672,602

Table 6 Cash Flow Statement

3.2 APNIC Capital Reserve

The APNIC Reserve is diversified between Cash Investments, Investment Portfolio, and Property (APNIC Office). At the end of January, APNIC maintained \$5.7M in cash reserves, \$18.3M has been invested in the investment portfolio, and \$6.6M invested in the APNIC Property. Figure 3.1 below tracks the value and the allocation of these reserves over time and also tracks the operating expenses for each year for comparison:

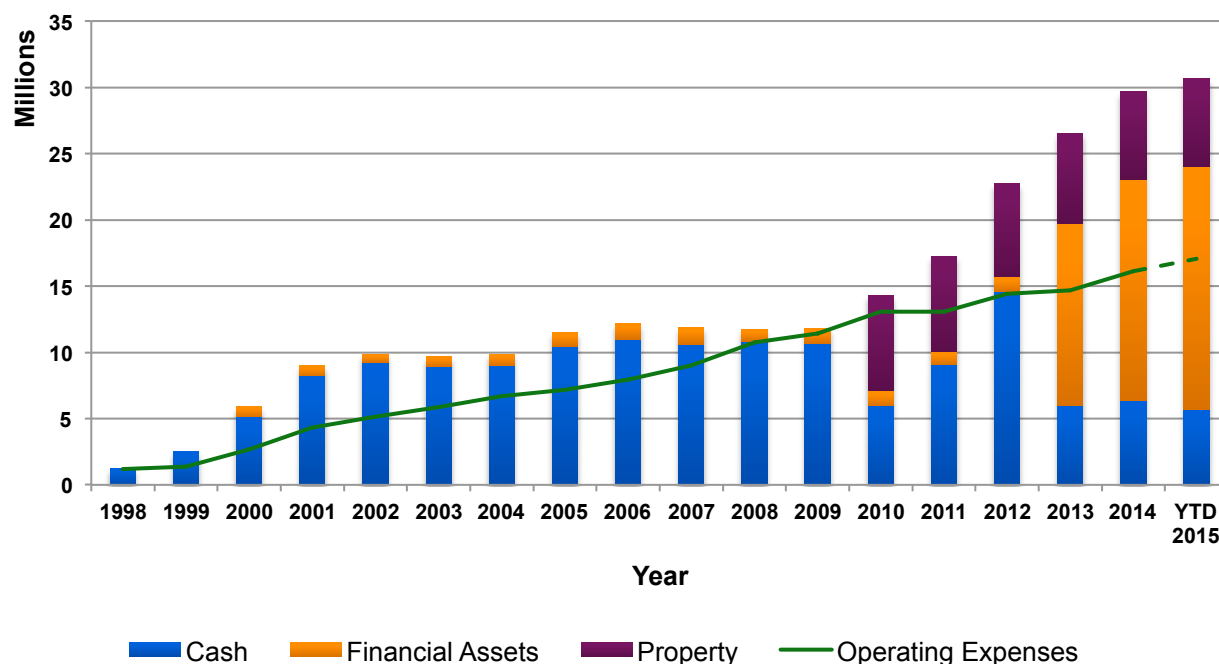


Figure 3.1 Reserve

3.3 APNIC Investment policy

The amount of \$18.3M is invested in the Credit Suisse investment management account at the end of January. Please refer to the attached investment report outlining the portfolio.

3.4 APNIC's Equity and Reserves

By comparing APNIC's Total Equity (including Retained earnings and unrealised capital gains) to the daily operating costs, the number of month's coverage of operational expenses is set out below:

	31/01/2015	2014	2013	2012
Total Equity	\$22,241,035	\$21,388,497	\$17,826,296	\$14,808,757
% Equity covered by Cash and/or Equivalents	115.3%	115.7%	119.0%	105.7%
Forecast/Actual Daily Operating Expenses	\$46,754	\$44,182	\$39,864	\$39,461
Number of Months of expenses covered by Equity	15.64	16.52	14.70	12.34

4 Membership

4.1 Membership Statistics

As at the end of January 2015, APNIC had a total of 4,669 Members serving 54 economies.

4.2 Membership by Category

The table below shows the monthly changes in membership. Majority of APNIC Members remain in the Very Small and Small membership tiers. It is anticipated that the majority of Associate members will transition to higher tiers by the end of 2015.

Membership	Total Dec-14	New Jan-15	Reactivate Jan-15	(Closed) Jan-15	Size Change Jan-15	Total Jan-15	% Total
Extra Large	21	0	0	-1	0	20	0%
Very Large	40	0	0	0	0	40	1%
Large	142	0	0	0	0	142	3%
Medium	402	0	0	-1	0	401	9%
Small	1,388	21	1	-7	-9	1,394	30%
Very Small	1,701	29	5	-5	9	1,739	37%
Associate	924	10	0	-1	0	933	20%
TOTAL	4,618	60	6	-15	0	4,669	100%

Table 7 Membership by Category

4.3 Membership by Economy

Figure 4.1 illustrates the APNIC membership distribution by economy.

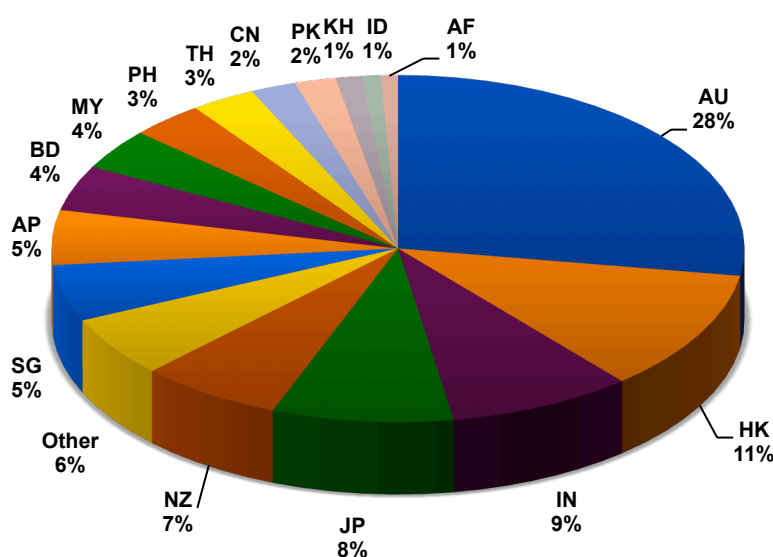


Figure 4.1 Membership by Economy

4.4 Membership Growth

APNIC membership monthly movements are illustrated at Figure 4.2 below. Membership growth budgeted for 2015 has been incorporated in this graph to track monthly growth against monthly budget growth.

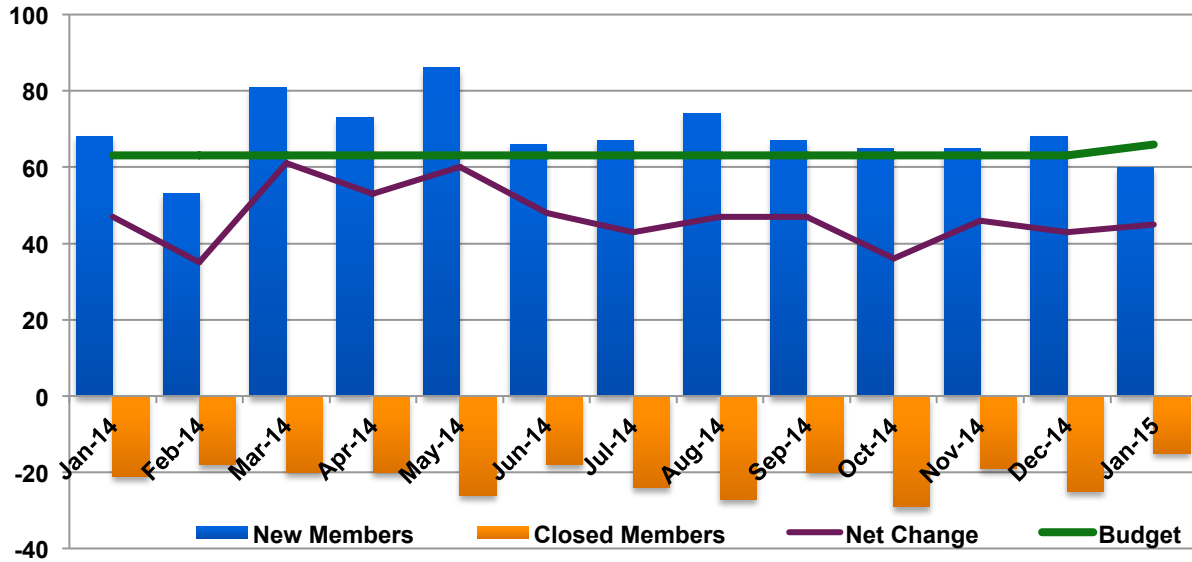


Figure 4.2 Monthly Growth Analysis

Figure 4.3 below illustrates APNIC membership growth by membership tier:

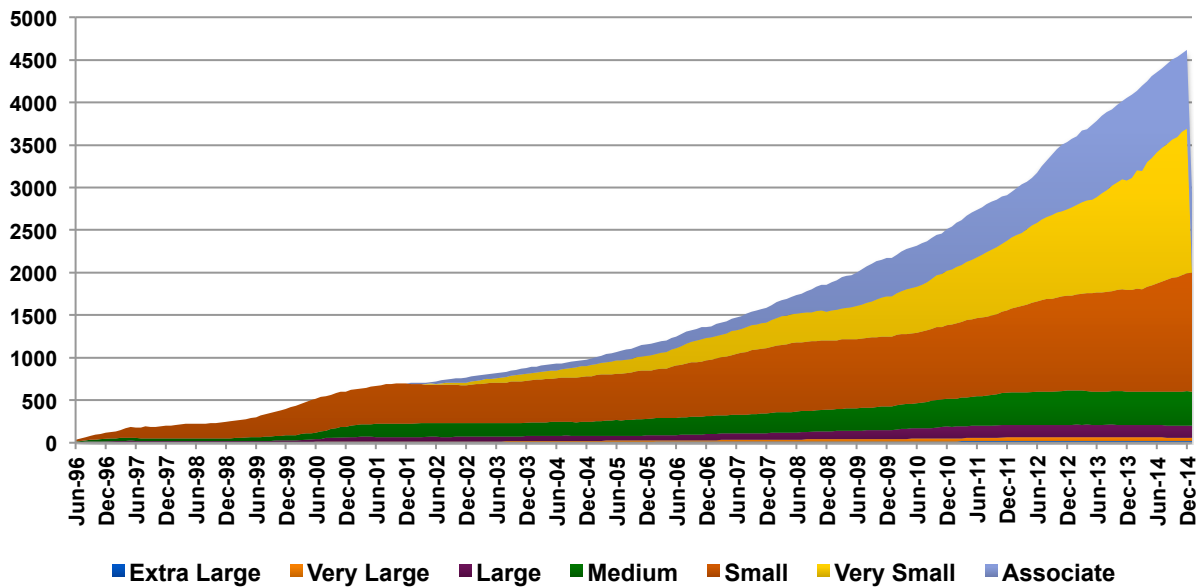


Figure 4.3 Total membership

4.5 Year-to-Date Membership Movement by Economy

Figure 4.4 below shows new and closed membership movement by economy as at end of January 2015.

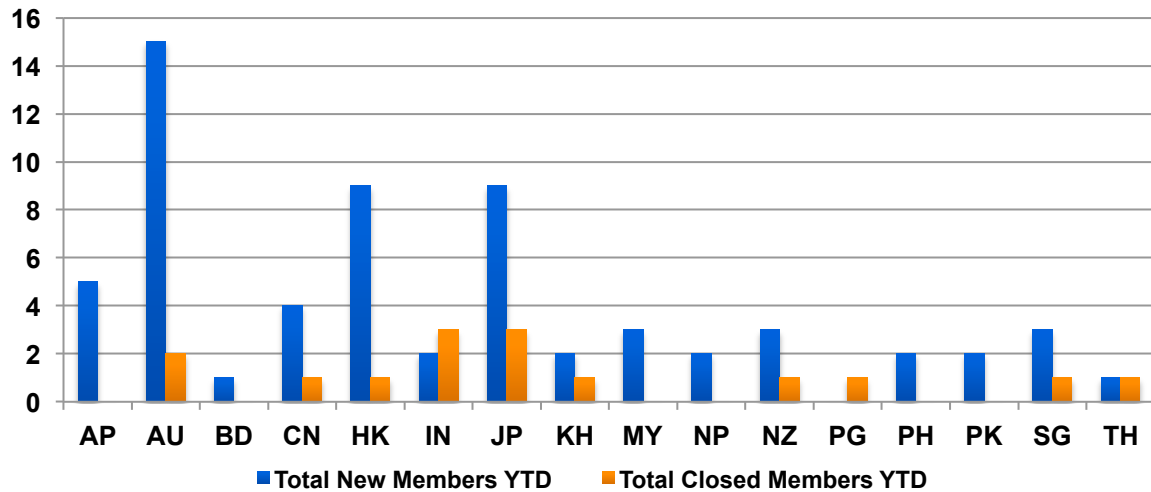


Figure 4.4 New and Closed Members Analysis

Figure 4.5 below provides an analysis of the Membership closures as at the end of January. There were no transfers to any NIR in January, 74% of the accounts closures relate to accounts closed due to the failure to establish contact or the business is no longer operating and resource holdings are returned to APNIC.

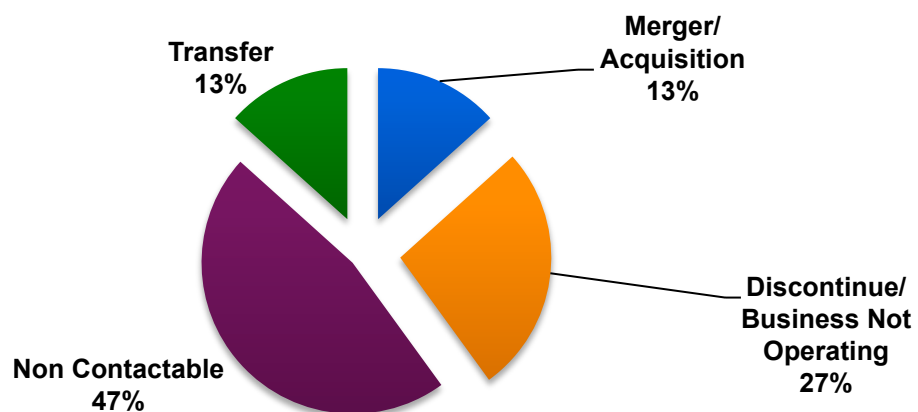


Figure 4.5 Closure Analysis



COPY

Private Banking

Investment Report 1.1.2014 – 31.12.2014

APNIC PTY LTD

Portfolio: 3000039-70



Private Banking

Investment Report 1.1.2014 – 31.12.2014



Portfolio 3000039-70
In the Name of APNIC PTY LTD

Produced on 2.1.2015
Reporting Currency AUD

Relationship Manager Nigel Renton
Phone +612 8205 4095

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

Table of Contents

	Page
1. Overview	
1.1. Asset Allocation	3
1.2. Income and Activity	4
2. Positions	
2.1. Investment Related Positions	5
3. Appendix	
3.1. Explanations	15
3.2. Legal Information	17

COPY

Scope of Analysis
as of 31.12.2014

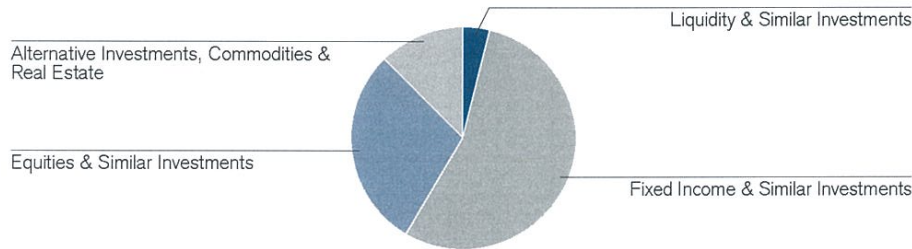
Components	Portfolio	Asset Value in AUD	Discretionary Mandate	Opened	Closed
Investment related Positions					
AUD Portfolio	3000039-70	17,924,950	Yes	16.08.2013	
Total Wealth		17,924,950			

1. Overview

1.1. Asset Allocation

Asset Allocation by Asset Category
 Period 1.1.2014 - 31.12.2014

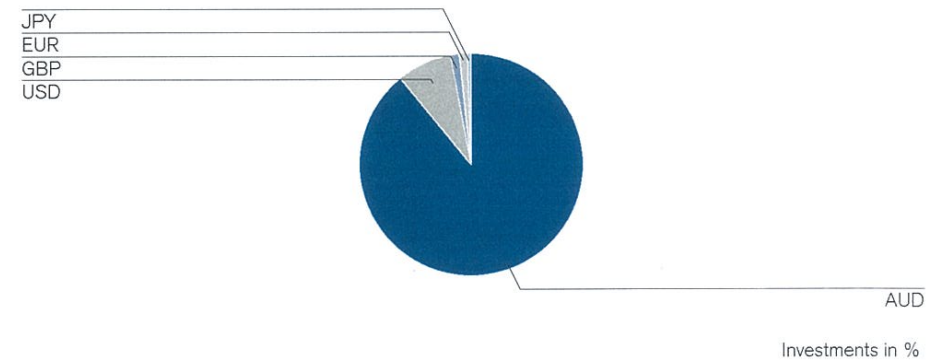
	Beginning Market Value in AUD	Change	Ending Market Value in AUD	Ending Market Value Prop.
■ Liquidity & Similar Investments	922,325	-241,488	680,838	3.80%
■ Fixed Income & Similar Investments	6,951,098	2,854,378	9,805,475	54.70%
■ Equities & Similar Investments	3,965,344	1,235,882	5,201,226	29.02%
■ Alternative Investments, Commodities & Real Estate	1,886,633	350,778	2,237,411	12.48%
Total Investments	13,725,401		17,924,950	100.00%



COPY

Asset Allocation by Currency
 Period 1.1.2014 - 31.12.2014

	Beginning Market Value in AUD	Change	Ending Market Value in AUD	Ending Market Value Prop.
■ AUD - Australian Dollar	12,165,678	3,821,505	15,987,183	89.19%
■ USD - US Dollar	1,070,692	361,611	1,432,304	7.99%
■ GBP - Pound Sterling	176,397	47,061	223,458	1.25%
■ EUR - Euro	250,491	-33,891	216,600	1.21%
■ JPY - Japanese Yen	62,142	3,264	65,406	0.36%
Total Investments	13,725,401		17,924,950	100.00%



COPY

1.2. Income and Activity

Income Summary

Period 1.1.2014 - 31.12.2014

	Current Period in AUD	Year to Date in AUD
Cash Dividend	569,897	569,897
Coupon Received/Paid	0	0
Interest Earned/Paid	18,956	18,956
Net Income	588,853	588,853

Activity Summary

Period 1.1.2014 - 31.12.2014

	Current Period in AUD	Year to Date in AUD
Asset Inflows	3,008,343	3,008,343
Asset Outflows	0	0
Total Asset Flows	3,008,343	3,008,343

2. Positions

2.1. Investment Related Positions

as of 31.12.2014

COPY

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	339,660.15	Current Account -2300003970945		1.000	339,660		
					1.89%		
GBP	1,259.75	Current Account -2300003970089		1.000 1.9081 GBP/AUD	2,391	-13	-0.55%
					0.01%	-13	-0.55%
USD	7,166.75	Current Account -2300003970780		1.000 0.8136 AUD/USD	8,739	-70	-0.80%
					0.05%	-70	-0.80%
Total Accounts					350,790		
					1.96%		
Call & Time Deposits							
AUD	330,000	2.66% Deposit - Fixed Term (MM1436300069) 29.12.2014 - 12.01.2015 Total interest at maturity: AUD 336.69		1.000	330,048		
					48		
					1.84%		
Total Call & Time Deposits					330,048		
					1.84%		
Total Liquidity & Similar Investments					680,838		
					3.80%		

COPY

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 %	
Fixed Income & Similar Investments								
Fixed Income & Similar Investments AUD								
AUD	3,248,091.47	UNITS BLACKROCK INDEXED AUSTRALIAN BOND FUND	AU60BGL01056 2244170	1.023	1.060 NAV 30.12.2014	3,444,211 123,004 123,004 19.21%	3.70% 3.70%	
AUD	1,918,203.98	UNITS ABERDEEN AUSTRALIAN FIXED INCOME FUND	AU60CRS00041 1739745	1.143	1.192 NAV 30.12.2014	2,286,116 94,226 94,226 12.75%	4.30% 4.30%	
AUD	1,299.069	UNITS PIMCO AUSTRALIAN BOND FUND CLASS -A-	AU60ETL01152 3432899	1,110.359	1,157.865 NAV 30.12.2014	1,504,147 61,715 61,715 8.39%	4.28% 4.28%	
AUD	171,323.45	UNITS GOLDMAN SACHS GLOBAL STRATEGIC BOND FUND	AU60JBW00976 23326554	1.025	1.022 BID 29.12.2014	175,127 -551 -551 0.98%	-0.31% -0.31%	
AUD	2,071,480.96	UNITS VANGUARD AUSTRALIAN FIXED INTEREST INDEX FUND	AU60VAN00014 1653500	1.115	1.157 NAV 30.12.2014	2,395,875 85,558 85,558 13.37%	3.70% 3.70%	
Total Fixed Income & Similar Investments					9,805,475			54.70%
Equities & Similar Investments								
Equities & Similar Investments AUD								
AUD	4,906	SHS AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	AU000000ANZ3 640139 ANZ.AX	31.884	32.090 CLO 31.12.2014	157,434 1,009 1,009 0.88%	0.64% 0.64%	
AUD	6,524	STAPLED SECURITY APA GROUP	AU000000APA1 1083439 APA.AX	6.352	7.450 CLO 31.12.2014	48,604 7,162 7,162 0.27%	17.28% 17.28%	

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	4,994 SHS BHP BILLITON LTD	AU000000BHP4 640390 BHP.AX	36.276	29.370 CLO 31.12.2014	146,674 0.82%	-34,488 -34,488	-19.04% -19.04%
AUD	8,782 SHS BORAL LTD	AU000000BLD2 1050991 BLD.AX	5.501	5.300 CLO 31.12.2014	46,545 0.26%	-1,764 -1,764	-3.65% -3.65%
AUD	9,457 SHS BRAMBLES LTD	AU000000BxB1 2373150 BxB.AX	8.786	10.630 CLO 31.12.2014	100,528 0.56%	17,434 17,434	20.98% 20.98%
AUD	2,421 SHS COMMONWEALTH BANK OF AUSTRALIA	AU000000CBA7 646758 CBA.AX	76.577	85.650 CLO 31.12.2014	207,359 1.16%	21,967 21,967	11.85% 11.85%
AUD	1,260 SHS CSL LTD	AU000000CSL8 241548 CSL.AX	68.486	86.680 CLO 31.12.2014	109,217 0.61%	22,925 22,925	26.57% 26.57%
AUD	551 SHS FLIGHT CENTRE TRAVEL GROUP LTD	AU000000FLT9 90307 FLT.AX	50.221	32.620 CLO 31.12.2014	17,974 0.10%	-9,698 -9,698	-35.05% -35.05%
AUD	1,804 STAPLED SECURITIES LEND LEASE GROUP	AU000000LLC3 641373 LLC.AX	15.335	16.400 CLO 31.12.2014	29,586 0.17%	1,922 1,922	6.95% 6.95%
AUD	126,064 STAPLED SECURITY MIRVAC GROUP	AU000000MGR9 821911 MGR.AX	1.755	1.780 CLO 31.12.2014	224,394 1.25%	3,152 3,152	1.42% 1.42%

COPY

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	2,508 SHS MEDIBANK PRIVATE LTD	AU000000MPL3 25835091 MPL.AX	2.140	2.410 CLO 30.12.2014	6,044 0.03%	676 676	12.60% 12.60%
AUD	1,766 SHS MACQUARIE GROUP LTD	AU000000MQG1 3422370 MQG.AX	55.326	58.290 CLO 31.12.2014	102,940 0.57%	5,234 5,234	5.36% 5.36%
AUD	3,557 SHS NATIONAL AUSTRALIA BANK LTD	AU000000NAB4 641643 NAB.AX	34.370	33.600 CLO 31.12.2014	119,515 0.67%	-2,740 -2,740	-2.24% -2.24%
AUD	893 SHS RAMSAY HEALTH CARE LTD RHC	AU000000RHC8 646740 RHC.AX	42.438	57.100 CLO 31.12.2014	50,990 0.28%	13,093 13,093	34.55% 34.55%
AUD	1,267 SHS RIO TINTO LTD	AU000000RIO1 603520 RIO.AX	63.692	58.000 CLO 31.12.2014	73,486 0.41%	-7,212 -7,212	-8.94% -8.94%
AUD	4,456 CHESSE DEPOSITARY INTERESTS RESMED INC ON A RATIO OF 10 CDIS PER ORD.SH	AU000000RMD6 1058638 RMD.AX	5.509	6.940 CLO 31.12.2014	30,925 0.17%	6,374 6,374	25.97% 25.97%
AUD	71,405 STAPLED SECURITY SCENTRE GROUP	AU000000SCG8 23931192 SCG.AX	3.453	3.500 CLO 31.12.2014	249,918 1.39%	3,322 3,322	1.35% 1.35%
AUD	96,597 STAPLED SECURITY SHOPPING CENTRES AUSTRALASIA PROPERTY GROUP	AU000000SCP9 19791333 SCP.AX	1.567	1.855 CLO 31.12.2014	179,187 1.00%	27,804 27,804	18.37% 18.37%

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	1,375 SHS SEEK LTD	AU000000SEK6 2128330 SEK.AX	17.126	17.270 CLO 31.12.2014	23,746 0.13%	198 198	0.84% 0.84%
AUD	35,713 UNITS SPDR S&P/ASX 200 LISTED PROPERTY FUND	AU000000SLF1 1377855 SLF.AX	9.599	11.020 CLO 31.12.2014	393,557 2.20%	50,749 50,749	14.80% 14.80%
AUD	7,936 UNITS SPDR S&P/ASX 200 FUND	AU000000STW9 1285707 STW.AX	51.028	50.030 CLO 31.12.2014	397,038 2.22%	-7,917 -7,917	-1.96% -1.96%
AUD	4,221 SHS SUNCORP GROUP LTD	AU000000SUN6 588679 SUN.AX	13.627	14.060 CLO 31.12.2014	59,347 0.33%	1,829 1,829	3.18% 3.18%
AUD	3,933 STAPLED SECURITY TRANSURBAN GROUP	AU000000TCL6 444655 TCL.AX	7.793	8.580 CLO 31.12.2014	33,745 0.19%	3,095 3,095	10.10% 10.10%
AUD	22,170 SHS TELSTRA CORPORATION LTD	AU000000TLS2 720464 TLS.AX	5.113	5.970 CLO 31.12.2014	132,355 0.74%	19,001 19,001	16.76% 16.76%
AUD	5,613 SHS WESTPAC BANKING CORP	AU000000WBC1 642372 WBC.AX	32.959	33.160 CLO 31.12.2014	186,127 1.04%	1,126 1,126	0.61% 0.61%
AUD	1,166 SHS WESFARMERS LTD	AU000000WES1 642397 WES.AX	44.613	41.720 CLO 31.12.2014	48,646 0.27%	-3,374 -3,374	-6.49% -6.49%

Number/ Nominal	Description	Identification ISIN Valören 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	1,158 SHS WOOLWORTHS LTD	AU000000WOW2 81350 WOW.AX	34.789	30.680 CLO 31.12.2014	35,527 0.20%	-4,758 -4,758	-11.81% -11.81%
AUD	931 SHS WOODSIDE PETROLEUM LTD	AU000000WPL2 642429 WPL.AX	40.307	38.010 CLO 31.12.2014	35,387 0.20%	-2,139 -2,139	-5.70% -5.70%
AUD	52,553.17980 UNITS ABERDEEN EMERGING OPPORTUNITIES FUND	AU60ETL00329 2220820	2.121	2.221 NAV 30.12.2014	116,715 0.65%	5,255 5,255	4.72% 4.72%
AUD	24,918.0863 UNITS IRONBARK KARARA AUSTRALIAN SMALL COMPANIES FUND CLASS -A-	AU60PAT00021 2879000	2.843	2.871 BID 30.12.2014	71,527 0.40%	681 681	0.96% 0.96%
AUD	74 SHS -PT (AUD)- ALLIANZ GLOBAL INVESTORS FUND SICAV - ALLIANZ EUROPE EQUITY GROWTH CAPITALISATION	LU0757889166 18233884	1,444.994	1,674.620 NAV 30.12.2014	123,922 0.69%	16,992 16,992	15.89% 15.89%
AUD	2,047 SHS OIL SEARCH LTD	PG0008579883 809900 OSH.AX	8.652	7.890 CLO 31.12.2014	16,151 0.09%	-1,560 -1,560	-8.81% -8.81%
Total Equities & Similar Investments AUD					3,575,109	19.94%	
Equities & Similar Investments EUR							
EUR	1,703 UNITS ISHARES EURO STOXX BANKS 30-15 UCITS ETF (DE)	DE0006289309 1232727 SX7EEX.DE	16.162 1.4489 EUR/AUD	13.665 OFF 30.12.2014	34,516 0.19%	-5,364 -6,307 944	-13.45% -15.45% 2.00%

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 %
EUR	5,702 SHS ISHARES II PLC - ISHARES MSCI EUROPE UCITS ETF (DIST) EXCHANGE TRADED FUND EUR	IE00B1YZSC51 3246398 IQQY.DE	20.479 1.4593 EUR/AUD	21.590 CLO 30.12.2014	182,084 1.02%	11,680 8,885 2,795	6.85% 5.13% 1.72%
Total Equities & Similar Investments EUR					216,600 1.21%		
Equities & Similar Investments GBP							
GBP	17,870 SHS ISHARES PLC - ISHARES FTSE 100 UCITS ETF (DIST) EXCHANGE TRADED FUND GBP	IE0005042456 1083749 ISFL	6.608 1.7403 GBP/AUD	6.519 OFF 31.12.2014	221,067 1.23%	15,561 -3,018 18,580	7.57% -1.35% 8.92%
Total Equities & Similar Investments GBP					221,067 1.23%		
Equities & Similar Investments JPY							
JPY	359 UNITS NIKKEI 225 EXCHANGE TRADED FUND	JP3027650005 1264151 1321.T	15,265,142 93.6016 AUD/JPY	17,850,000 CLO 30.12.2014	65,406 0.36%	6,858 9,471 -2,613	11.71% 16.93% -5.22%
Total Equities & Similar Investments JPY					65,406 0.36%		
Equities & Similar Investments USD							
USD	369 ACCUM.PTG.SHS ISHARES VII PLC - ISHARES NASDAQ 100 UCITS ETF EXCHANGE TRADED FUND USD	IE00B53SZB19 10737617 CSNDX.S	185.143 0.9196 AUD/USD	233.510 CLO 30.12.2014	105,067 0.59%	30,779 21,763 9,016	41.43% 26.12% 15.31%
USD	426 SHS -I- VONTOBEL FUND SICAV - EMERGING MARKETS EQUITY CAPITALISATION	LU0278093082 2870698	163.174 0.9246 AUD/USD	167.820 NAV 29.12.2014	87,174 0.49%	11,994 2,413 9,580	15.95% 2.85% 13.11%

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	1,804 SHS DBX ETF TRUST DEUTSCHE X-TRACKERS MSCI JAPAN HEDGED EQUITY ETF	US2330515071 13179474 DBJP.P	36.222 0.9269 AUD/USD	37.030 CLO 31.12.2014	81,456 0.45%	10,959 1,778 9,181	15.54% 2.23% 13.31%
USD	1,646 SHS DBX ETF TRUST DEUTSCHE X-TRACKERS MSCI EUROPE HEDGED EQUITY ETF	US2330518539 22178054 DBEU.P	27.630 0.8450 AUD/USD	26.050 CLO 31.12.2014	52,284 0.29%	-1,540 -3,171 1,631	-2.86% -5.72% 2.86%
USD	974 SHS ISHARES GLOBAL HEALTHCARE ETF	US4642873255 1352444 IXJ.P	93.648 0.9188 AUD/USD	99.560 CLO 31.12.2014	118,243 0.66%	18,968 7,021 11,947	19.11% 6.31% 12.79%
USD	2,709 TRUST UNITS SPDR S&P 500 ETF TRUST SERIES -1- ETF	US78462F1030 45088 SPY.P	182.847 0.9185 AUD/USD	205.500 CLO 31.12.2014	678,819 3.79%	139,562 74,830 64,732	25.88% 12.39% 13.49%
Total Equities & Similar Investments USD					1,123,043 6.27%		
Total Equities & Similar Investments					5,201,226 29.02%		
Alternative Investments, Commodities & Real Estate							
Hedge Funds							
AUD	380,462.814 UNITS GMO SYSTEMATIC GLOBAL MACRO TRUST CLASS -B-	AU60GMO00067 3375604	0.998	1.019 NAV 29.12.2014	387,692 2.16%	7,828 7,828	2.06% 2.06%
AUD	361,936.29 UNITS BLACKROCK GLOBAL ALLOCATION FUND (AUST) CLASS -D- WHOLESALE	AU60MAL00181 3379478	1.231	1.331 NAV 30.12.2014	481,735 2.69%	36,115 36,115	8.10% 8.10%
AUD	292,717.799 RED.PTG.SH5 -A1- AHL (CAYMAN) SPC AUD CLASS A EVOLUTION SEGREGATED PORTFOLIO	KYG012291145 22393979	1.138	1.387 NAV 30.11.2014	406,117 2.27%	72,907 72,907	21.88% 21.88%

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	184.596	RED.PTG.SH5 -JD- PERSISTENT EDGE ASIA PARTNERS LTD SERIES JANUARY 2012 NON NEW ISSUE	XD0146211822 14621182	1,306.500	1,328.910 NAV 31.10.2014	245,311 1.37%	4,137 4,137 1.72%
AUD	30	RED.PTG.SH5 -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES JANUARY 2014 NON NEW ISSUES	XD0232843918 23284391	1,000.647	989.560 NAV 31.10.2014	29,687 0.17%	-333 -333 -1.11%
AUD	32	RED.PTG.SH5 -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES JUNE 2014 NON NEW ISSUE	XD0245413006 24541300	1,000.430	1,002.620 NAV 31.10.2014	32,081 0.18%	67 67 0.21%
AUD	31	RED.PTG.SH5 -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES SEPTEMBER 2014 NON NEW ISSUE	XD0253504324 25350432	1,000.225	979.410 NAV 31.10.2014	30,362 0.17%	-645 -645 -2.08%
Total Hedge Funds						1,612,984 9.00%	
Commodities & Precious Metals							
AUD	2,309	ETC SECURITY ETFS METAL SECURITIES AUSTRALIA LTD 2003-WITHOUT FIXED MATURITY ON GOLD COMMODITY	AU00000GOLD7 1583458 GOLD.AX	136.791	140.280 CLO 31.12.2014	323,907 1.81%	8,057 8,057 2.55%

Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Profit/ Loss		P/L Unreal. in % Instr. in % FX in %
					Value in AUD of which Accrued Interest Proportion in %	Unrealized in AUD of which Instrument of which Forex	
USD	255 UBS ETC UBS AG, LONDON BRANCH 2007- OPEN END ON UBS BLOOMBER CMCI COMPOSITE TOTAL RETURN	CH0031794263 3179426 TCMCI.S	1,193.368 0.9327 AUD/USD	966.500 CLO 30.12.2014	300,521 1.68%	-25,750 -70,542 44,792	-7.89% -19.01% 11.12%
Total Commodities & Precious Metals					624,428 3.48%		
Total Alternative Investments, Commodities & Real Estate					2,237,411 12.48%		
Total Investments					17,924,950 100.00%		
of which Accrued Interest					48		

3. Appendix

3.1. Explanations

COPY

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.

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.

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.

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.

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.

COPY

Abbreviations

BID = Bid Price
CLO = Closing 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 31.12.2014

AUD 1.0000 = JPY 97.9747
AUD 1.0000 = USD 0.8201
EUR 1.0000 = AUD 1.4832

GBP 1.0000 = AUD 1.8977

COPY

3.2. 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.

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

This page is intentionally left blank.

Private Banking

Investment Report 1.1.2015 – 31.1.2015

APNIC PTY LTD

Portfolio Group: 3000039

001970938 012 058

Private Banking

Investment Report 1.1.2015 – 31.1.2015

Portfolio Group **3000039**
 In the Name of APNIC PTY LTD
 Produced on 31.1.2015
 Reporting Currency AUD
 Relationship Manager Andrew Page
 Phone +61 2 8205 4416

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

Table of Contents

	Page
1. Overview	
1.1. Asset Allocation	3
1.2. Income and Activity	4
2. Analyses	
2.1. Asset Allocation	5
3. Positions	
3.1. Investment Related Positions	6
4. Appendix	
4.1. Explanations	15
4.2. Legal Information	17

 Melbourne Office: Level 41, 101 Collins Street, Melbourne, VIC 3000
 Tel: +613 9280 1808 Fax: +613 9280 1809

1/17

001970938 012 058

Scope of Analysis
 as of 31.1.2015

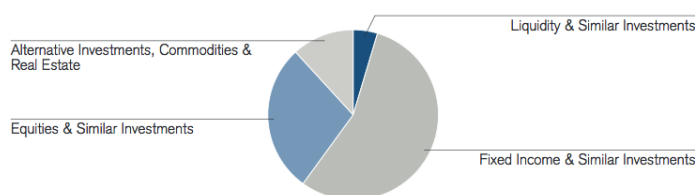
Components	Portfolio	Asset Value in AUD	Discretionary Mandate	Opened	Closed
Portfolio Group: 3000039					
Investment related Positions					
AUD Portfolio	3000039-10	0		16.08.2013	
AUD Portfolio	3000039-70	18,366,756	Yes	16.08.2013	
Total Investments		18,366,756			
Total Wealth		18,366,756			

1. Overview

1.1. Asset Allocation

Asset Allocation by Asset Category Period 1.1.2015 - 31.1.2015

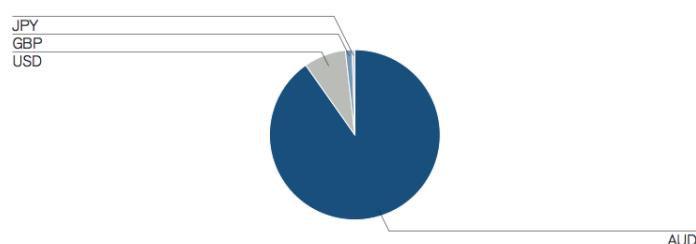
	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ Liquidity & Similar Investments	680,838	167,841	848,679	4.62%
■ Fixed Income & Similar Investments	9,805,475	366,581	10,172,056	55.38%
■ Equities & Similar Investments	5,201,226	-19,005	5,182,221	28.22%
■ Alternative Investments, Commodities & Real Estate	2,237,411	-73,610	2,163,801	11.78%
Total Investments	17,924,950		18,366,756	100.00%



Investments in %

Asset Allocation by Currency Period 1.1.2015 - 31.1.2015

	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ AUD - Australian Dollar	15,987,183	606,999	16,594,182	90.35%
■ USD - US Dollar	1,432,304	35,892	1,468,195	7.99%
■ GBP - Pound Sterling	223,458	10,327	233,785	1.27%
■ JPY - Japanese Yen	65,406	5,188	70,594	0.38%
■ EUR - Euro	216,600	-216,600	0	
Total Investments	17,924,950		18,366,756	100.00%



Investments in %

1.2. Income and Activity

Income Summary

Period 1.1.2015 - 31.1.2015

	Current Period in AUD	Year to Date in AUD
Cash Dividend	99,945	99,945
Coupon Received/Paid	0	0
Interest Earned/Paid	1,524	1,524
Net Income	101,469	101,469

Activity Summary

Period 1.1.2015 - 31.1.2015

	Current Period in AUD	Year to Date in AUD
Asset Inflows	0	0
Asset Outflows	0	0
Total Asset Flows	0	0

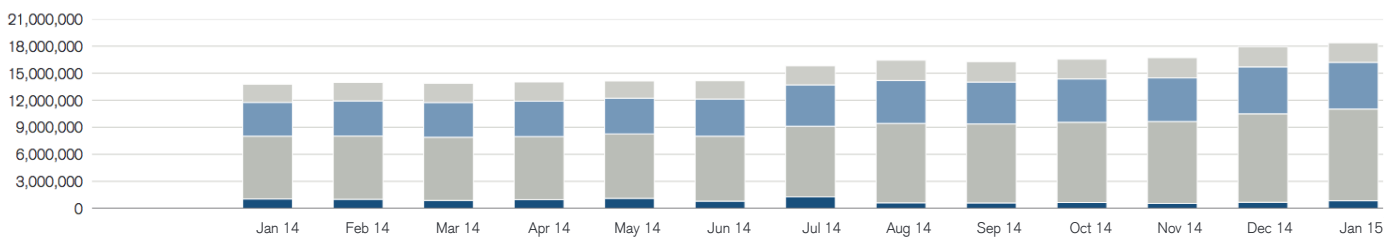
2. Analyses

2.1. Asset Allocation

Asset Allocation by Asset Category Details

Period 1.1.2014 - 31.1.2015

	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15
■ Liquidity & Similar Investments	1,046,036	1,009,590	884,592	971,721	1,114,067	804,330	1,273,716	616,970	604,392	648,839	552,517	680,838	848,679
■ Fixed Income & Similar Investments	6,964,586	7,012,744	7,007,937	6,997,029	7,146,569	7,202,651	7,841,238	8,811,784	8,764,441	8,904,622	9,084,191	9,814,453	10,172,056
■ Equities & Similar Investments	3,747,390	3,897,294	3,854,490	3,916,919	3,967,091	4,126,990	4,587,248	4,759,789	4,645,388	4,808,850	4,841,350	5,202,209	5,182,221
■ Alternative Investments, Commodities & Real Estate	2,012,274	2,052,877	2,126,632	2,134,480	1,900,664	2,020,735	2,103,287	2,244,925	2,262,399	2,184,297	2,239,957	2,239,657	2,163,801
Total Ending Market Value in AUD	13,770,286	13,972,505	13,873,650	14,020,149	14,128,391	14,154,705	15,805,489	16,433,468	16,276,620	16,546,609	16,718,015	17,937,156	18,366,756



Investments in AUD

3. Positions

3.1. Investment Related Positions

as of 31.1.2015

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	837,029.18	Current Account -2300003970945 AUD Portfolio: 3000039-70	1.000		837,029		
					4.56%		
GBP	1,260.01	Current Account -2300003970089 AUD Portfolio: 3000039-70	1.000		2,440	36	1.49%
			1.9081 GBP/AUD		0.01%	36	1.49%
USD	7,166.81	Current Account -2300003970780 AUD Portfolio: 3000039-70	1.000		9,209	400	4.54%
			0.8136 AUD/USD		0.05%	400	4.54%
Total Liquidity & Similar Investments					848,679		
					4.62%		
Fixed Income & Similar Investments							
Fixed Income & Similar Investments AUD							
AUD	3,351,618.47	UNITS BLACKROCK INDEXED AUSTRALIAN BOND FUND AUD Portfolio: 3000039-70	AU60BGL01056 2244170	1.024	1.068 NAV 29.01.2015	3,579,009	147,788 147,788 4.31%
					19.49%		
AUD	1,918,203.98	UNITS ABERDEEN AUSTRALIAN FIXED INCOME FUND AUD Portfolio: 3000039-70	AU60CRS00041 1739745	1.143	1.197 NAV 29.01.2015	2,296,666	104,776 104,776 4.78%
					12.50%		
AUD	1,299.069	UNITS PIMCO AUSTRALIAN BOND FUND CLASS -A- AUD Portfolio: 3000039-70	AU60ETL01152 3432899	1,110.359	1,158.664 NAV 29.01.2015	1,505,184	62,752 62,752 4.35%
					8.20%		

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 171,323.45	UNITS GOLDMAN SACHS GLOBAL STRATEGIC BOND FUND AUD Portfolio: 3000039-70	AU60JBW00976 23326554	1.025	1.002 BID 28.01.2015	171,632 0.93%	-4,046 -4,046	-2.30% -2.30%
AUD 2,256,300.85	UNITS VANGUARD AUSTRALIAN FIXED INTEREST INDEX FUND AUD Portfolio: 3000039-70	AU60VAN00014 1653500	1.118	1.161 NAV 29.01.2015	2,619,565 14.26%	96,891 96,891	3.84% 3.84%
Total Fixed Income & Similar Investments					10,172,056	55.38%	

Equities & Similar Investments

Equities & Similar Investments AUD

AUD 4,906	SHS AUSTRALIA & NEW ZEALAND BANKING GROUP LTD AUD Portfolio: 3000039-70	AU000000ANZ3 640139 ANZ.AX	31.884	33.000 CLO 30.01.2015	161,898 0.88%	5,473 5,473	3.50% 3.50%
AUD 6,524	STAPLED SECURITY APA GROUP AUD Portfolio: 3000039-70	AU000000APA1 1083439 APA.AX	6.352	8.120 CLO 30.01.2015	52,975 0.29%	11,533 11,533	27.83% 27.83%
AUD 4,656	SHS BHP BILLITON LTD AUD Portfolio: 3000039-70	AU000000BHP4 640390 BHP.AX	36.276	29.260 CLO 30.01.2015	136,235 0.74%	-32,666 -32,666	-19.34% -19.34%
AUD 8,782	SHS BORAL LTD AUD Portfolio: 3000039-70	AU000000BLD2 1050991 BLD.AX	5.501	5.600 CLO 30.01.2015	49,179 0.27%	871 871	1.80% 1.80%
AUD 9,457	SHS BRAMBLES LTD AUD Portfolio: 3000039-70	AU000000BXB1 2373150 BXB.AX	8.786	10.600 CLO 30.01.2015	100,244 0.55%	17,151 17,151	20.64% 20.64%

3. Positions / 3.1. Investment Related Positions

7/17

001970938 012 058

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 2,421	SHS COMMONWEALTH BANK OF AUSTRALIA AUD Portfolio: 3000039-70	AU000000CBA7 646758 CBA.AX	76.577	89.330 CLO 30.01.2015	216,268 1.18%	30,876 30,876	16.65% 16.65%
AUD 1,260	SHS CSL LTD AUD Portfolio: 3000039-70	AU000000CSL8 241548 CSL.AX	68.486	87.950 CLO 30.01.2015	110,817 0.60%	24,525 24,525	28.42% 28.42%
AUD 551	SHS FLIGHT CENTRE TRAVEL GROUP LTD AUD Portfolio: 3000039-70	AU000000FLT9 90307 FLT.AX	50.221	37.810 CLO 30.01.2015	20,833 0.11%	-6,839 -6,839	-24.71% -24.71%
AUD 2,513	STAPLED SECURITIES LEND LEASE GROUP AUD Portfolio: 3000039-70	AU000000LLC3 641373 LLC.AX	15.604	16.680 CLO 30.01.2015	41,917 0.23%	2,703 2,703	6.89% 6.89%
AUD 126,064	STAPLED SECURITY MIRVAC GROUP AUD Portfolio: 3000039-70	AU000000MGR9 821911 MGR.AX	1.755	1.930 CLO 30.01.2015	243,304 1.32%	22,061 22,061	9.97% 9.97%
AUD 2,508	SHS MEDIBANK PRIVATE LTD AUD Portfolio: 3000039-70	AU000000MPL3 25835091 MPL.AX	2.140	2.380 CLO 30.01.2015	5,969 0.03%	601 601	11.20% 11.20%
AUD 1,766	SHS MACQUARIE GROUP LTD AUD Portfolio: 3000039-70	AU000000MOG1 3422370 MOG.AX	55.326	62.150 CLO 30.01.2015	109,757 0.60%	12,051 12,051	12.33% 12.33%
AUD 3,557	SHS NATIONAL AUSTRALIA BANK LTD AUD Portfolio: 3000039-70	AU000000NAB4 641643 NAB.AX	34.370	35.630 CLO 30.01.2015	126,736 0.69%	4,480 4,480	3.66% 3.66%

3. Positions / 3.1. Investment Related Positions

8/17

001970938 012 058

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	893 SHS RAMSAY HEALTH CARE LTD RHC AUD Portfolio: 3000039-70	AU000000RHC8 646740 RHC.AX	42.438	59.450 CLO 30.01.2015	53,089 0.29%	15,192 15,192	40.09% 40.09%
AUD	1,267 SHS RIO TINTO LTD AUD Portfolio: 3000039-70	AU000000RIO1 603520 RIO.AX	63.692	57.560 CLO 30.01.2015	72,929 0.40%	-7,769 -7,769	-9.63% -9.63%
AUD	4,456 CHESS DEPOSITARY INTERESTS RESMED INC ON A RATIO OF 10 CDIS PER ORD.SH AUD Portfolio: 3000039-70	AU000000RMD6 1058638 RMD.AX	5.509	8.080 CLO 30.01.2015	36,004 0.20%	11,454 11,454	46.66% 46.66%
AUD	71,405 STAPLED SECURITY SCENTRE GROUP AUD Portfolio: 3000039-70	AU000000SCG8 23931192 SCG.AX	3.453	3.800 CLO 30.01.2015	271,339 1.48%	24,743 24,743	10.03% 10.03%
AUD	96,597 STAPLED SECURITY SHOPPING CENTRES AUSTRALASIA PROPERTY GROUP AUD Portfolio: 3000039-70	AU000000SCP9 19791333 SCP.AX	1.567	1.930 CLO 30.01.2015	186,432 1.02%	35,048 35,048	23.15% 23.15%
AUD	1,375 SHS SEEK LTD AUD Portfolio: 3000039-70	AU000000SEK6 2128330 SEK.AX	17.126	17.850 CLO 30.01.2015	24,544 0.13%	996 996	4.23% 4.23%
AUD	35,713 UNITS SPDR S&P/ASX 200 LISTED PROPERTY FUND AUD Portfolio: 3000039-70	AU000000SLF1 1377855 SLF.AX	9.599	11.740 CLO 30.01.2015	419,271 2.28%	76,462 76,462	22.30% 22.30%
AUD	7,073 UNITS SPDR S&P/ASX 200 FUND AUD Portfolio: 3000039-70	AU000000STW9 1285707 STW.AX	51.028	51.820 CLO 30.01.2015	366,523 2.00%	5,604 5,604	1.55% 1.55%

3. Positions / 3.1. Investment Related Positions

9/17

001970938 012 058

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	4,221 SHS SUNCORP GROUP LTD AUD Portfolio: 3000039-70	AU000000SUN6 588679 SUN.AX	13.627	14.720 CLO 30.01.2015	62,133 0.34%	4,615 4,615	8.02% 8.02%
AUD	3,933 STAPLED SECURITY TRANSURBAN GROUP AUD Portfolio: 3000039-70	AU000000TCL6 444655 TCL.AX	7.793	9.210 CLO 29.01.2015	36,223 0.20%	5,573 5,573	18.18% 18.18%
AUD	22,170 SHS TELSTRA CORPORATION LTD AUD Portfolio: 3000039-70	AU000000TLS2 720464 TLS.AX	5.113	6.500 CLO 30.01.2015	144,105 0.78%	30,751 30,751	27.13% 27.13%
AUD	5,613 SHS WESTPAC BANKING CORP AUD Portfolio: 3000039-70	AU000000WBC1 642372 WBC.AX	32.959	34.460 CLO 30.01.2015	193,424 1.05%	8,423 8,423	4.55% 4.55%
AUD	1,166 SHS WESFARMERS LTD AUD Portfolio: 3000039-70	AU000000WES1 642397 WES.AX	44.613	43.590 CLO 30.01.2015	50,826 0.28%	-1,193 -1,193	-2.29% -2.29%
AUD	1,158 SHS WOOLWORTHS LTD AUD Portfolio: 3000039-70	AU000000WOW2 81350 WOW.AX	34.789	31.780 CLO 30.01.2015	36,801 0.20%	-3,484 -3,484	-8.65% -8.65%
AUD	931 SHS WOODSIDE PETROLEUM LTD AUD Portfolio: 3000039-70	AU000000WPL2 642429 WPL.AX	40.307	34.280 CLO 30.01.2015	31,915 0.17%	-5,611 -5,611	-14.95% -14.95%
AUD	52,553.17980 UNITS ABERDEEN EMERGING OPPORTUNITIES FUND AUD Portfolio: 3000039-70	AU060ETL00329 2220820	2.121	2.409 NAV 29.01.2015	126,585 0.69%	15,125 15,125	13.57% 13.57%

3. Positions / 3.1. Investment Related Positions

10/17

001970938 012 058

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	24,918.0863	UNITS IRONBARK KARARA AUSTRALIAN SMALL COMPANIES FUND CLASS -A- AUD Portfolio: 3000039-70	AU60PAT00021 2879000	2,843	2.895 BID 29.01.2015	72,125 0.39%	1,279 1.81% 1,279 1.81%
AUD	74	SHS -PT (AUD)- ALLIANZ GLOBAL INVESTORS FUND SICAV - ALLIANZ EUROPE EQUITY GROWTH CAPITALISATION AUD Portfolio: 3000039-70	LU0757889166 18233884	1,444.994	1,804.240 NAV 30.01.2015	133,514 0.73%	26,584 24.86% 26,584 24.86%
AUD	2,047	SHS OIL SEARCH LTD AUD Portfolio: 3000039-70	PG0008579883 809900 OSH.AX	8,652	7.770 CLO 30.01.2015	15,905 0.09%	-1,806 -10.20% -1,806 -10.20%
Total Equities & Similar Investments AUD						3,709,818 20.20%	
Equities & Similar Investments GBP							
GBP	17,870	SHS ISHARES PLC - ISHARES FTSE 100 UCITS ETF (DIST) EXCHANGE TRADED FUND GBP AUD Portfolio: 3000039-70	IE0005042456 1083749 ISF.L	6.608 1.7403 GBP/AUD	6.685 OFF 30.01.2015	231,344 1.26%	25,839 1.17% 2,664 11.41% 23,174
Total Equities & Similar Investments GBP						231,344 1.26%	
Equities & Similar Investments JPY							
JPY	359	UNITS NIKKEI 225 EXCHANGE TRADED FUND AUD Portfolio: 3000039-70	JP3027650005 1264151 1321.T	15,265.142 93.6016 AUD/JPY	18,060.000 CLO 30.01.2015	70,594 0.38%	12,046 20.58% 10,925 18.31% 1,122 2.27%
Total Equities & Similar Investments JPY						70,594 0.38%	

3. Positions / 3.1. Investment Related Positions

11/17

001970938 012 058

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	369	ACCUM.PTG.SHS ISHARES VII PLC - ISHARES NASDAQ 100 UCITS ETF EXCHANGE TRADED FUND USD AUD Portfolio: 3000039-70	IE00B53SZB19 10737617 CSNDX.S	185.143 0.9196 AUD/USD	227.200 CLO 30.01.2015	107,732 0.59%	33,444 45.02% 19,942 22.72% 13,502 22.30%
USD	426	SHS -I- VONTOBEL FUND SICAV - EMERGING MARKETS EQUITY CAPITALISATION AUD Portfolio: 3000039-70	LU0278093082 2870698	163.174 0.9246 AUD/USD	178.300 NAV 28.01.2015	97,604 0.53%	22,424 29.83% 8,280 9.27% 14,144 20.56%
USD	1,804	SHS DBX ETF TRUST DEUTSCHE X-TRACKERS MSCI JAPAN HEDGED EQUITY ETF AUD Portfolio: 3000039-70	US2330515071 13179474 DBJP.P	36.222 0.9269 AUD/USD	37.030 CLO 30.01.2015	85,842 0.47%	15,345 21.77% 1,874 2.23% 13,471 19.53%
USD	1,646	SHS DBX ETF TRUST DEUTSCHE X-TRACKERS MSCI EUROPE HEDGED EQUITY ETF AUD Portfolio: 3000039-70	US2330518539 22178054 DBEU.P	27.630 0.8450 AUD/USD	27.100 CLO 30.01.2015	57,320 0.31%	3,496 6.49% -1,121 -1.92% 4,617 8.41%
USD	974	SHS ISHARES GLOBAL HEALTHCARE ETF AUD Portfolio: 3000039-70	US4642873255 1352444 IXJ.P	93.648 0.9188 AUD/USD	101.940 CLO 30.01.2015	127,589 0.69%	28,314 28.52% 10,378 8.85% 17,936 19.67%
USD	2,709	TRUST UNITS SPDR S&P 500 ETF TRUST SERIES -1- ETF AUD Portfolio: 3000039-70	US78462F1030 45088 SPY.P	182.847 0.9185 AUD/USD	199.470 CLO 30.01.2015	694,377 3.78%	155,120 28.77% 57,868 9.09% 97,252 19.67%
Total Equities & Similar Investments USD						1,170,464 6.37%	
Total Equities & Similar Investments						5,182,221 28.22%	

3. Positions / 3.1. Investment Related Positions

12/17

001970938 012 058

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 %
Alternative Investments, Commodities & Real Estate							
Hedge Funds							
AUD	380,462.814	UNITS GMO SYSTEMATIC GLOBAL MACRO TRUST CLASS -B- AUD Portfolio: 3000039-70	AU60GMO00067 3375604	0.998	1.082 NAV 28.01.2015	411,813 31,949 2.24%	8.41% 31,949 8.41%
AUD	268,325.29	UNITS BLACKROCK GLOBAL ALLOCATION FUND (AUST) CLASS -D- WHOLESALE AUD Portfolio: 3000039-70	AU60MAL00181 3379478	1.231	1.350 NAV 28.01.2015	362,318 31,953 1.97%	9.67% 31,953 9.67%
AUD	292,718	RED.PTG.SHS -A1- AHL (CAYMAN) SPC AUD CLASS A EVOLUTION SEGREGATED PORTFOLIO AUD Portfolio: 3000039-70	KYG012291145 22393979	1.138	1.373 NAV 31.12.2014	402,019 68,809 2.19%	20.65% 68,809 20.65%
AUD	184.596	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES JANUARY 2012 NON NEW ISSUE AUD Portfolio: 3000039-70	XD0146211822 14621182	1,306.500	1,344.090 NAV 28.11.2014	248,114 6,939 1.35%	2.88% 6,939 2.88%
AUD	30	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES JANUARY 2014 NON NEW ISSUES AUD Portfolio: 3000039-70	XD0232843918 23284391	1,000.647	1,000.870 NAV 28.11.2014	30,026 7 0.16%	0.02% 7 0.02%
AUD	32	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES JUNE 2014 NON NEW ISSUE AUD Portfolio: 3000039-70	XD0245413006 24541300	1,000.430	1,011.870 NAV 28.11.2014	32,380 366 0.18%	1.14% 366 1.14%

3. Positions / 3.1. Investment Related Positions

13/17

001970938 012 058

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	31	RED.PTG.SHS -JD- PERSISTENT EDGE ASIA PARTNERS LTD AUD SERIES SEPTEMBER 2014 NON NEW ISSUE AUD Portfolio: 3000039-70	XD0253504324 25350432	1,000.225	990.810 NAV 28.11.2014	30,715 -292 0.17%	-0.94% -292 -0.94%
Total Hedge Funds					1,517,384 8.26%		
Commodities & Precious Metals							
AUD	2,309	ETC SECURITY ETFS METAL SECURITIES AUSTRALIA LTD 2003-WITHOUT FIXED MATURITY ON GOLD COMMODITY AUD Portfolio: 3000039-70	AU00000GOLD7 1583458 GOLD.AX	136.791	155.000 CLO 30.01.2015	357,895 42,045 1.95%	13.31% 42,045 13.31%
USD	255	UBS ETC UBS AG, LONDON BRANCH 2007- OPEN END ON UBS BLOOMBER CMCI COMPOSITE TOTAL RETURN AUD Portfolio: 3000039-70	CH0081794263 3179426 TCMCI.S	1,193.368 0.9327 AUD/USD	880.500 CLO 30.01.2015	288,522 -37,749 -102,520 64,771 1.57%	-11.57% -26.22% 14.65%
Total Commodities & Precious Metals					646,417 3.52%		
Total Alternative Investments, Commodities & Real Estate					2,163,801 11.78%		
Total Investments					18,366,756 100.00%		
of which Accrued Interest					0		

3. Positions / 3.1. Investment Related Positions

14/17

001970938 012 058

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 against the instrument currency and portfolio currency. For the Transactions section, the cost valuation exchange rate displayed is always between the instrument currency and reporting currency.

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.

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.

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
 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 31.1.2015

AUD 1.0000 = JPY 91.8421
 AUD 1.0000 = USD 0.7782
 GBP 1.0000 = AUD 1.9366

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.

Report to the Board of Directors

APNIC Pty Ltd

*Report to the Board of
Directors*

4 February 2015

pwc

*What would
you like to grow?*



Board of Directors
C/- Irene Chan
APNIC Pty Ltd
6 Cordelia Street
South Brisbane
QLD 4101

4 February 2015

Dear Directors

We have substantially completed our audit of APNIC Pty Ltd for the year ended 31 December 2014 and are pleased to report that we anticipate issuing an unqualified audit opinion.

We enclose our report to the Board of Directors, which we prepared to communicate key auditing and accounting issues along with internal control weaknesses and recommendations that came to our attention while performing our audit.

This report is intended solely for the use of the Board of Directors and senior management and should not be used for any other purpose or disclosed to anyone else without our prior written consent. We note the matters included in this report are those deemed to be of governance interest which have come to our attention during the performance of the audit.

Our audit approach consisted of understanding and evaluating the internal controls over key business cycles such as sales, purchases and payroll in conjunction with substantive audit procedures performed over all balances considered material to the financial statements.

I look forward to the opportunity of discussing any aspects of this report with you.

Yours faithfully

Andrew Weeden

Partner

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, GPO BOX 150, BRISBANE QLD 4001
DX 77 Brisbane, Australia
T +61 7 3257 5000, F +61 7 3257 5999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation

Contents

1	Status of outstanding audit matters	3
2	Audit Area of Focus	4
3	Assessment of Control Environment	5
4	Other required Audit Committee communications	9
	Appendix 1 – Statement of Independence	10
	Appendix 2 – Summary of audit differences	11
	Appendix 3 – Audit procedures with regard to fraud risk	12
	Appendix 4 – Professional scepticism	13

1 Status of outstanding audit matters

The following items are currently outstanding at the date of this report:

- Additional information on costs incurred by LACNIC and AFRINIC in relation to SIDA grant, and
- Review of the KPMG tax work papers by PwC tax specialists.

The above items are subject to review by PricewaterhouseCoopers audit engagement team. This may or may not impact the disclosed findings as reported below.

2 Audit Areas of Focus

We identified the certain audit risks in our audit proposal. Below is the summary of work done and conclusion on those audit risks:

	Audit risk	Audit work and conclusion
1	Existence and valuation of investments	<p>Our audit approach comprised:</p> <ul style="list-style-type: none"> Gaining an understanding of relevant controls through walkthroughs Substantively testing the existence and valuation of investments at year end <p>We obtained confirmations from Credit Suisse and agreed it to the closing balance. We also reconciled the fair value movement to Statement of Comprehensive Income. We identified no exceptions in our audit of investments.</p>
2	Revenue recognition	<p>Our audit approach comprised:</p> <ul style="list-style-type: none"> Gaining an understanding of relevant controls through walkthroughs Substantively testing the initial revenue transaction to cash Substantively testing the earning of a sample of individual revenue transactions Independent reperformance of a proof of deferred revenue at year end, based on a complete set of invoicing data. <p>We identified no exceptions in our audit of revenues. The majority of revenue is earned evenly over 12 months which is consistent with the term of membership.</p>
3	Capitalisation of costs	<p>We raised capitalisation of assets as an audit risk based on our understanding of the industry in which APNIC operates in. However, we noted no instances of any capitalised project costs during our audit.</p> <p>We also considered capitalisation of costs in our audit of other financial statement line items and focused in particular on the appropriate recognition of prepayments.</p> <p>Based on work done, we identified no instances of inappropriate capitalisation of costs.</p>
4	Risk of fraud	<p>Refer to Appendix 3 for discussion of how we addressed risk of fraud</p> <p>We did not identify any instance of fraud during our audit work. During our inquiries, management advised us that one instance of suspected fraud was identified during the year. We understand that was investigated in accordance with company policy and it was determined that no fraud had occurred.</p>
5	Tax position	<p>PwC review of tax being finalised.</p> <p>We understand APNIC had a private binding ruling (PBR) issued by the ATO confirming the mutuality agreement which expired on 30 June 2012. However ATO had not made any public announcement on mutuality principle since then. We further understand that KPMG had discussion with ATO that until a new interpretation is issued, APNIC will have reasonably arguable position to continue to apply the mutuality principle. The tax numbers for the year ended 31 December 2014 is based on the mutuality principle. There is a risk that ATO may not allow the mutuality principle going forward given level of operating surpluses and investments. [We have accepted the tax balances in the financial report.]</p>

3 Assessment of Control Environment

Management focus

We have found that there is a strong focus placed by management on ensuring processes and controls are effective. The controls in place are generally well thought out and contribute to the production of accurate financial records. We understand that management are seeking to broaden a program of internal audit in the coming year, which can serve to further strengthen the systems and procedures in place.

Oversight of end-to-end process

The organisation has made effective use of NetSuite to ensure processes are integrated and can be easily tracked. This has facilitated a strong control environment.

Financial statement close process

The finance team appears to be adequately resourced and experienced. The team was well-prepared for the year-end audit, and all accounting issues were well understood and discussed with the audit team upfront. Key period-end reconciliations were performed and reconciling items were appropriately supported.

Overall the financial statement close process for year-end ran smoothly.

Internal controls

In accordance with ASRE 2410, we obtained an understanding of the controls supporting the processes which generate material financial statement balances.

For each process, we performed a walkthrough to understand how the material balance is initiated, processed, recorded and reported, as well as the key controls supporting those balances. These walkthroughs were completed through a mix of techniques including making enquiries of APNIC personnel, observing the activities and examining supporting documentation.

In each walkthrough we considered whether there was a deficiency in the design of the control procedure that would result in a significant risk that one or more of the balances could be materially misstated.

We have not identified any design weaknesses that could materially affect the preparation and reporting of the financial statements however we did identify areas where controls could be improved to be in line with industry best practices.

Internal Control Cycle Assessment

We have performed substantive testing rather than control testing during the current year, and as such have not obtained control reliance for the Revenue & Receivable, Purchases & Payable, and Financial Statement Close Process cycles. For payroll cycle, we obtained audit evidence via combination of test of controls and substantive testing. From our understanding and evaluation of Revenue & Receivables and Financial Statement Close Process we have identified some minor weaknesses, which are highlighted in the next few pages. We have not identified any weaknesses in relation to the Purchase & Payable and Payroll cycles.

What control recommendations can we share to strengthen your control environment?

The control environment establishes the tone of the organisation. It influences the control consciousness of its people and is the foundation for all other components of internal control.

The work performed highlighted areas where controls could be improved and strengthened. Internal control recommendations have been detailed in the table below.

Impact – Possible effect of the internal control weakness

Threat – Likelihood that the internal control weakness will lead to financial loss

Effort – Amount of effort required to implement the recommendation

We have categorised risks according to three levels of priority

Risk definitions	
High (H)	A significant weakness which could compromise internal control and should be addressed as a matter of some urgency.
Medium (M)	A control weakness which can undermine the system of internal control and should be addressed, but with a lower priority than high.
Low (L)	A weakness which does not seriously detract from the system of internal control but which should nevertheless be addressed.
None (N)	The controls are working effectively, & no weaknesses need to be addressed which compromise internal controls.

Prioritised internal control recommendations and implementation plan

	Key issues and potential risk	Recommendation	Risk Rating			Management Comments
			Impact	Threat	Effort	
1	<p>Cash Handling</p> <p>We have noted that course providers are collecting cash from attendees and using this to reimburse expenses of other staff. A balance is then remitted to APNIC.</p>	<p>We recommend that all course attendees be required to pay for the course in advance by a method other than cash.</p> <p>We also recommend that course providers do not pay out expenses in cash. All expense claims should be managed through the head office with payments made by secure transfer, subject to the normal controls, such as double signatories.</p>	H / M / L	H / M / L	H / M / L	
2	<p>Revenue – Credit notes</p> <p>We have noted that all accounts staff are able to raise credit notes without authorisation or review procedures in place. There is a risk that inappropriate credit notes could be raised or errors made when invoices are credited and re-issued.</p>	<p>We recommend a review of this procedure to consider whether an effective review process for credit notes raised on a periodic basis could be implemented.</p>	M	M	M	
3	<p>Evidence of controls</p> <p>We understand that as part of month end</p>	<p>We recommend that the procedures performed be recorded so that there is a</p>	L	L	L	

	procedures reconciliations and journals posted to the system are reviewed, however, evidence of this review is not documented.	trail of evidence as to which balances and journal entries have been reviewed. This will also provide practical assistance in the event of changes in staff.				
4	<p>Property, Plant and Equipment</p> <p>We have noted a large amount of assets within the fixed asset register are fully depreciated. These assets have a cost of \$1,016,266.</p> <p>Although having no effect on the net assets, continuing to recognise these assets means the cost of assets in use by the business is overstated within the notes to the accounts.</p>	<p>We understand that an annual stock take and review of assets already takes place, whereby any obsolete asset identified is disposed of.</p> <p>It would be good to identify these fully written off assets and assess whether they are still in use. If they are still in use, then management needs to assess the usefulness applied to future additions.</p>	L	L	L	

4 Other required Audit Committee communications

What other information do you need to know?

In accordance with Australian Auditing Standards, we are required to report certain matters to “those charged with governance”. The table below provides a summary of the matters usually communicated at the completion of our audit.

Matters for PwC to consider	How matters were addressed
Material risks and disclosures.	We have not identified any new material risks during the FY14 audit. The disclosures in the financial reports have been reviewed and are in accordance with the <i>Corporations Act 2001</i> .
Uncorrected misstatements.	We have not noted any misstatements which remain uncorrected in the financial statements.
Material uncertainties and going concern.	No conditions or events were identified, either individually or in aggregate, that would cast significant doubt about APNIC’s ability to continue as a going concern for 12 months from the date of our report. We have addressed our perspectives and insights over the going concern assumption in detail in <i>Section 6</i> of this report.
Disagreements with management.	During our audit, we received full cooperation from management and had no unresolved disagreements over the application of accounting principles, the scope of our audit or disclosures to be included in the financial statements.
Professional scepticism	We have applied professional scepticism throughout the audit. Refer to Appendix 4.
Compliance with laws and regulations.	We have not identified any instances of non-compliance with laws and regulations.
Significant control deficiencies.	Refer to Section 3 – <i>Assessment of control environment</i> of this report for a summary of control weaknesses. We have not identified any matters which we consider to represent significant control deficiencies.
Matters significant to related parties.	We have not identified any unusual related party transactions during the audit.
Other matters significant to the oversight of the financial report.	No other significant matters in relation to the financial reporting process were identified during the audit.
Fraud and illegal acts.	We have made enquiries of management regarding: <ul style="list-style-type: none"> • knowledge of any fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial report. • Knowledge of any allegations of fraud, or suspected fraud, affecting APNIC’s financial information. Refer to Appendix 3. We did not become aware of any fraud or illegal acts during our audit.
Modification to the auditor’s report.	We anticipate issuing an unqualified audit opinion on the financial statements.

Appendix 1 – Statement of Independence

How have we complied with independence requirements?

As your auditor, we are required to be independent of APNIC and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by APNIC and all applicable regulatory and professional pronouncements.

At the date of this report, to the best of our knowledge we are independent of APNIC on the basis set out above.

Declarations

In accordance with Section 307C of the Corporations Act 2001, we will provide you with an independence declaration which is to be included in the directors' report in the financial statements.

In addition, there is a requirement for the firm to communicate annually on matters relating to independence generally. We will submit this communication separately to APNIC.

Appendix 2 – Summary of audit differences

What audit differences were identified this year?

Summary of adjusted differences

Description	Income Statement DR/(CR)	Balance Sheet DR/(CR)
DR Prepayments		67,359
CR Accrued expenses		(67,359)
<i>Being reclassification of prepaid salary within accrued expenses.</i>		
Total Adjusted Misstatements	-	-

Summary of unadjusted differences

We did not identify any misstatements that have not been corrected in the financial statements.

Appendix 3: Audit procedures with regard to fraud risk

What have we done to address the risk of fraud?

We as your auditor have a statutory responsibility to consider the risk of fraud within the entity.

To address our responsibilities, we performed the following audit procedures during our year-end audit:

- Considered conditions generally present that may lead to fraud.
- Evaluated the risk of fraud (including fraudulent financial reporting, misappropriation of assets and other areas susceptible to fraud).
- Made enquiries of management and others within the entity.
- Evaluated the business rationale for significant unusual transactions.
- Reviewed current and retrospective accounting estimates for biases.
- Maintained an appropriate level of professional scepticism throughout the audit process.
- Reviewed the appropriateness of journal entries and year-end accounting adjustments.
- Incorporated unpredictable audit procedures into our audit plan and testing.

Based on work done, we are not aware of any perceived or actual fraud during the year.

Appendix 4: Professional scepticism

Professional scepticism is fundamental to delivering an independent audit opinion based on sufficient and appropriate audit evidence. Auditing standards require auditors to maintain “*an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence*” (ASA 200).

In addition to compliance with the auditing standard, a challenging audit approach provides you with the value you expect from your audit.

Key areas where our team members have applied professional scepticism

Exercising professional scepticism at APNIC has been particularly important in the audit of the areas that have involved management assumptions or estimates. For the audit of APNIC such balances and transactions have included the following:

Description of key areas	Examples where we have demonstrated professional scepticism and how we have done that
Balances which our audit team perceived to have significant and elevated risks based on our risk assessment.	We have applied increased scepticism when dealing with the following key audit risks: Presumed significant risks under auditing standards: <ol style="list-style-type: none"> 1. Fraud in Revenue Recognition; 2. Management override of controls.
Balances identified as vulnerable to fraud, theft or manipulation.	We have examined journal entries that relate to entertainment and gift expenses. As part of our understanding of internal controls we have observed access rights to computer systems and signatories for online banking.
Balances containing significant high volume transactions and material balances.	Our audit approach included detailed substantive testing on a sample basis of the following: Revenues / Payroll / Purchasing.
Situations whereby third party specialists or experts were engaged by management.	None identified.
Situations whereby management was relied upon due to a lack of third party evidence.	None identified.
Situations whereby contradictory or conflicting audit evidence existed.	None identified.
Situations whereby complex accounting treatments requiring management estimates and judgement existed.	None identified.
Areas which had a history of prior year errors.	N/A
Areas which had a change in accounting systems or personnel critical to executing key controls.	None identified.

pwc.com.au

Report to the Board of Directors

APNIC Pty Ltd

*Report to the Board of
Directors*

4 February 2015

pwc

*What would
you like to grow?*

APNIC Pty Ltd

ABN 42 081 528 010

**Special purpose financial report
for the year ended 31 December 2014**

APNIC Pty Ltd ABN 42 081 528 010
Special purpose financial report - 31 December 2014

Contents

Director's report	Page
Financial statements	1
Independent auditor's report to the members	4
	22

Director's report

Your director presents his report on APNIC Pty Ltd (hereafter referred to as the "Company") for the year ended 31 December 2014.

Director

The following person was a director of APNIC Pty Ltd during the whole of the financial year and up to the date of this report:

Paul Byron Wilson

Principal activities

The Company's principal continuing activity during the year was to act as a non-profit internet registry organisation for the Asia-Pacific region.

There was no significant change in the nature of the activity of the Company during the year.

Dividends

The Company does not pay or declare dividends due to its non-profit status as determined by its constituent documents.

Review of operations

The profit from ordinary activities after income tax amounted to \$3,089,110 (2013: \$2,983,503).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

Likely developments and expected results of operations

In the foreseeable future it is expected that the Company will continue its principal activity as described above.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

Insurance of officers

During the financial year, APNIC Pty Ltd paid a premium of \$23,800 (2013: \$23,800) to insure the director, officeholders (including executive council) and staff of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Auditor

PricewaterhouseCoopers was appointed on 23 September 2014 and continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Paul Byron Wilson
Director

Brisbane
6 February 2015



Auditor's Independence Declaration

As lead auditor for the audit of APNIC Pty Ltd for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'AW', with a horizontal line extending to the right.

Andrew Weeden
Partner
PricewaterhouseCoopers

Brisbane
6 February 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

APNIC Pty Ltd ABN 42 081 528 010
Special purpose financial report - 31 December 2014

Contents

	Page
Financial statements	
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Director's declaration	21
Independent auditor's report to the members	22
Operating statement	23

These financial statements are the financial statements of APNIC Pty Ltd as an individual entity. The financial statements are presented in the Australian currency.

A description of the nature of the entity's operations and its principal activities is included in the director's report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the director on 6 February 2015. The director has the power to amend and reissue the financial statements.

APNIC Pty Ltd
Statement of comprehensive income
For the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Revenue from continuing operations	2	19,529,654	18,277,404
Other income	3	26,629	410,697
Employee benefits expense		(8,867,160)	(8,461,167)
Professional fees		(1,052,757)	(1,246,371)
Travel expenses		(1,955,471)	(1,937,230)
Depreciation expense		(765,548)	(753,033)
Communications and meeting expenses		(676,015)	(754,508)
Computer expenses		(572,528)	(548,748)
Contributions to ICANN		(260,333)	(136,732)
Insurance		(129,971)	(126,751)
Membership fees		(55,375)	(47,031)
Occupancy costs		(367,664)	(369,071)
Loss on disposal of property, plant and equipment		(11,937)	(7,747)
Other expenses		(1,787,023)	(1,412,375)
Profit before income tax		3,054,501	2,887,337
Income tax benefit		34,609	96,166
Profit for the year		3,089,110	2,983,503
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets	17(a)	473,092	34,036
Other comprehensive income for the year, net of tax		473,092	34,036
Total comprehensive income for the year		3,562,202	3,017,539
Total comprehensive income for the year is attributable to:			
Owners of APNIC Pty Ltd		3,562,202	3,017,539

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

APNIC Pty Ltd
Statement of financial position
As at 31 December 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,062,097	943,980
Trade and other receivables	5	5,335,670	6,070,694
Other current assets	6	486,032	471,135
Total current assets		<u>6,883,799</u>	<u>7,485,809</u>
Non-current assets			
Available-for-sale financial assets	7	17,924,950	13,736,690
Property, plant and equipment	8	7,905,733	8,000,431
Deferred tax assets	9	157,749	127,006
Total non-current assets		<u>25,988,432</u>	<u>21,864,127</u>
Total assets		<u>32,872,231</u>	29,349,936
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,215,729	2,093,431
Provisions	11	1,374,701	1,202,791
Unearned income	12	8,366,881	7,880,508
Total current liabilities		<u>10,957,311</u>	<u>11,176,730</u>
Non-current liabilities			
Deferred tax liabilities	13	284,963	81,187
Provisions	14	241,459	265,723
Total non-current liabilities		<u>526,422</u>	<u>346,910</u>
Total liabilities		<u>11,483,733</u>	11,523,640
Net assets		<u>21,388,498</u>	17,826,296
EQUITY			
Contributed equity	16	1	1
Other reserves	17(a)	614,663	141,571
Retained earnings	17(b)	20,773,834	17,684,724
Total equity		<u>21,388,498</u>	17,826,296

The above statement of financial position should be read in conjunction with the accompanying notes.

APNIC Pty Ltd
Statement of changes in equity
For the year ended 31 December 2014

	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 January 2013	1	107,535	14,701,221	14,808,757
Profit for the year	-	-	2,983,503	2,983,503
Other comprehensive income	-	34,036	-	34,036
Total comprehensive income for the year	-	34,036	2,983,503	3,017,539
Balance at 31 December 2013	1	141,571	17,684,724	17,826,296
Balance at 1 January 2014	1	141,571	17,684,724	17,826,296
Profit for the year	-	-	3,089,110	3,089,110
Other comprehensive income	-	473,092	-	473,092
Total comprehensive income for the year	-	473,092	3,089,110	3,562,202
Balance at 31 December 2014	1	614,663	20,773,834	21,388,498

The above statement of changes in equity should be read in conjunction with the accompanying notes.

APNIC Pty Ltd
Statement of cash flows
For the year ended 31 December 2014

	2014	2013
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	18,712,686	19,039,340
Payments to suppliers and employees (inclusive of goods and services tax)	(16,195,699)	(16,871,025)
Grants received	875,783	1,031,673
Interest received	3,392,770	3,199,988
Income taxes received	179,033	643,500
	-	118,422
Net cash inflow from operating activities	3,571,803	3,961,910
Cash flows from investing activities		
Redemption of short term deposits	214,795	9,163,950
Payments for property, plant and equipment	(707,464)	(751,006)
Proceeds from sale of property, plant and equipment	24,678	2,982
Redemption of available-for-sale financial assets	-	1,427,249
Purchase of available-for-sale financial assets	(3,008,343)	(13,500,000)
Net cash (outflow) from investing activities	(3,476,334)	(3,656,825)
Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the financial year	95,469	305,085
Effects of exchange rate changes on cash and cash equivalents	943,980	614,385
	22,648	24,510
Cash and cash equivalents at end of year	1,062,097	943,980

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity APNIC Pty Ltd.

(a) Basis of preparation

(i) *Special purpose financial report*

In the director's opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared at the request of the Executive Council for the interest of the APNIC members and for the purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. It contains the disclosures that are mandatory under the Accounting Standards and those considered necessary by the director to meet the needs of the members. The Company is a not-for-profit entity for the purpose of preparing the financial report.

(ii) *New and amended standards adopted by the Company*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements* effective 1 January 2014 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(iii) *Early adoption of standards*

The Company has not elected to apply any pronouncements before their operative date in the financial year beginning 1 January 2014.

(iv) *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

(b) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is APNIC Pty Ltd's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

(i) Member fees

Member fees are recognised on an accruals basis over the period of membership. Member fees received in advance of the service being provided are classified as unearned income. Application and reactivation fees are recognised at the time the service is provided and the fee has been earned.

(ii) Interest income

Interest income is recognised when control of a right to receive consideration for the provision of, or investment in, assets has been attained.

(d) Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

APNIC has self-assessed that the "principle of mutuality" applies to its affairs and has calculated its income tax using this principle for the year ended 31 December 2014.

1 Summary of significant accounting policies (continued)

(f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Investments and other financial assets

Classification

Classification AASB139(45),(60) The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

Available-for-sale financial assets, comprising principally units in managed investment funds, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long-term.

1 Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

Measurement

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investment revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by obtaining independent valuation statements or by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Impairment

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets acquired are calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Buildings	2.5%
- Plant and equipment	5 - 40%
- Office furniture and fittings	5 - 20%
- Computer equipment	5 - 40%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1 Summary of significant accounting policies (continued)

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, bonus, time-in-lieu, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(n) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB9

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. The Company is yet to assess its full impact and has not yet decided when to adopt AASB 9.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 Revenue

	2014 \$	2013 \$
From continuing operations		
Membership fees		
Non-membership fees	15,903,111	15,074,781
IP resource application fees	254,706	240,225
Member reactivation fees	1,323,250	1,420,625
Non-member reactivation fees	64,800	31,050
Grant income	3,000	6,000
	<u>933,351</u>	<u>742,731</u>
	<u>18,482,218</u>	<u>17,515,412</u>
<i>Other revenue</i>		
Interest income		
Investment distribution income	165,710	546,252
Sundry income	588,853	39,269
	<u>292,873</u>	<u>176,471</u>
	<u>1,047,436</u>	<u>761,992</u>
	<u>19,529,654</u>	<u>18,277,404</u>

3 Other income

	2014 \$	2013 \$
Net gain on sale of available-for-sale financial assets		
Foreign exchange gains (net)	-	376,729
	<u>26,629</u>	<u>33,968</u>
	<u>26,629</u>	<u>410,697</u>

4 Current assets - Cash and cash equivalents

	2014 \$	2013 \$
Petty cash		
Cash at bank	400	400
	<u>1,061,697</u>	<u>943,580</u>
	<u>1,062,097</u>	<u>943,980</u>

5 Current assets - Trade and other receivables

	2014 \$	2013 \$
Trade receivables	907,354	804,510
Provision for impairment of receivables	(91,090)	(56,831)
	816,264	747,679
Other receivables		
Interest receivable	107,067	188,061
Goods and services tax (GST) receivable	54,278	67,600
	-	8,803
	161,345	264,464
Cash restricted or pledged	758,061	1,243,756
Short term deposits	3,600,000	3,814,795
	4,358,061	5,058,551
	5,335,670	6,070,694

6 Current assets - Other current assets

	2014 \$	2013 \$
Prepayments		
Prepaid taxes	466,133	454,151
Other assets	19,899	16,979
	-	5
	486,032	471,135

7 Non-current assets - Available-for-sale financial assets

	2014 \$	2013 \$
Unlisted securities		
Units in managed investment funds - at fair value	17,924,950	13,736,690
	17,924,950	13,736,690

8 Non-current assets - Property, plant and equipment

	Property related assets \$	Computer equipment \$	Total \$
At 1 January 2013			
Cost			
Accumulated depreciation	7,715,511	4,396,771	12,112,282
Net book amount	(619,383)	(3,480,477)	(4,099,860)
	<u>7,096,128</u>	<u>916,294</u>	<u>8,012,422</u>
Year ended 31 December 2013			
Opening net book amount			
Additions	7,096,128	916,294	8,012,422
Disposals	89,911	661,096	751,007
Depreciation charge	(6,899)	(3,067)	(9,966)
Closing net book amount	(216,982)	(536,050)	(753,032)
	<u>6,962,158</u>	<u>1,038,273</u>	<u>8,000,431</u>
At 31 December 2013			
Cost			
Accumulated depreciation	7,788,845	3,231,874	11,020,719
Net book amount	(826,687)	(2,193,601)	(3,020,288)
	<u>6,962,158</u>	<u>1,038,273</u>	<u>8,000,431</u>
Year ended 31 December 2014			
Opening net book amount			
Additions	6,962,158	1,038,273	8,000,431
Disposals	31,728	675,736	707,464
Depreciation charge	(91)	(36,523)	(36,614)
Closing net book amount	(212,225)	(553,323)	(765,548)
	<u>6,781,570</u>	<u>1,124,163</u>	<u>7,905,733</u>
At 31 December 2014			
Cost			
Accumulated depreciation	7,820,391	3,666,489	11,486,880
Net book amount	(1,038,821)	(2,542,326)	(3,581,147)
	<u>6,781,570</u>	<u>1,124,163</u>	<u>7,905,733</u>

9 Non-current assets - Deferred tax assets

	2014 \$	2013 \$
Deferred tax assets expected to be recovered within 12 months	12,129	13,629
Deferred tax assets expected to be recovered after more than 12 months	145,620	113,377
	<u>157,749</u>	<u>127,006</u>

10 Current liabilities - Trade and other payables

	2014 \$	2013 \$
Trade payables		
Goods and services tax (GST) payable	426,977	497,927
Accrued expenses	13,091	-
Grants payable (note 15)	70,466	351,748
	<u>705,195</u>	<u>1,243,756</u>
	<u>1,215,729</u>	<u>2,093,431</u>

11 Current liabilities - Provisions

	2014 \$	2013 \$
Employee benefits		
	<u>1,374,701</u>	<u>1,202,791</u>

12 Current liabilities - Unearned income

	2014 \$	2013 \$
Deferred grant revenue (note 15)		
Unearned member and non-member fees	65,142	69,843
Unearned sponsorship income	8,261,839	7,810,665
	<u>39,900</u>	<u>-</u>
	<u>8,366,881</u>	<u>7,880,508</u>

13 Non-current liabilities - Deferred tax liabilities

	2014 \$	2013 \$
Deferred tax liabilities expected to be settled within 12 months	16,647	20,514
Deferred tax liabilities expected to be settled after more than 12 months	268,316	60,673
	<u>284,963</u>	<u>81,187</u>

14 Non-current liabilities - Provisions

	2014 \$	2013 \$
Employee benefits - long service leave		
	<u>241,459</u>	<u>265,723</u>

15 Grant agreements

The Company entered into various grant agreements with the Swedish International Cooperation Agency (SIDA) and the International Development Research Centre (IDRC) to undertake various activities and projects in connection with the Seed Alliance program, which aims to contribute to the development of the information societies in Asia-Pacific, Africa and Latin America by funding research projects and by rewarding and recognising innovative approaches in the use of information technology for development. Under the agreements, the Company is entitled to receive grant monies for SIDA and IDRC to be used in these projects.

The balance of the unspent grant monies as at 31 December are as follows:

	2014	2013
	\$	\$
Grants payable (note 10)	705,195	1,243,756
Deferred grant revenue (note 12)	65,142	69,843
	770,337	1,313,599

The movement in the unspent grant monies received under each agreement are as follows:

	ISIF ICT Grant Fund	ISIF IDRC Project Admin Fund	ISIF IDRC IGF Project Admin Fund	ISIF SIDA Contribution Fund	Total
Opening balance	122,029	189,562	15,457	986,551	1,313,599
Grant monies received	73,458	96,896	7,506	228,073	405,933
Grant monies paid/spent	(112,229)	(218,385)	(22,963)	(579,774)	(933,351)
Reimbursements	-	7,353	-	(23,197)	(15,844)
Closing balance	83,258	75,426	-	611,653	770,337

16 Contributed equity

(a) Share capital

	2014 Shares	2013 Shares	2014 \$	2013 \$
Ordinary shares - fully paid	1	1	1	1

(b) Ordinary shares

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

17 Other reserves and retained earnings

(a) Other reserves

	2014	2013
	\$	\$
Available-for-sale financial assets	614,663	141,571
	2014	2013
	\$	\$

Movements:

	2014	2013
<i>Available-for-sale financial assets</i>		
Opening balance	141,571	107,535
Revaluation - net of tax	473,092	368,857
Reclassification adjustments - Transfer to profit or loss (gross)	-	(334,821)
Balance 31 December	614,663	141,571

(b) Retained earnings

Movements in retained earnings were as follows:

	2014	2013
	\$	\$
Balance 1 January		
Net profit for the year	17,684,724	14,701,221
Balance 31 December	3,089,110	2,983,503
	20,773,834	17,684,724

(c) Nature and purpose of other reserves

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income as described in note 1(i) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

18 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity, its related practices and non-related audit firms:

(a) PricewaterhouseCoopers

	2014	2013
	\$	\$
<i>Audit and other assurance services</i>		
Audit of financial statements	34,500	-
Total remuneration of PricewaterhouseCoopers	34,500	-

18 Remuneration of auditors (continued)

(b) Non-PricewaterhouseCoopers related audit firms

	2014 \$	2013 \$
<i>Audit and other assurance services</i>		
Audit of financial statements	-	33,500

19 Commitments and contingencies

The Company had no commitments nor contingent liabilities at 31 December 2014 (2013: nil).

20 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

21 Reconciliation of profit after income tax to net cash inflow from operating activities

	2014 \$	2013 \$
Profit for the year	3,089,110	2,983,503
Depreciation	765,548	753,032
Net (gain) loss on sale of non-current assets	11,937	7,747
Investment management fees	89,671	-
Net (gain)/loss on sale of available-for-sale financial assets	-	(376,729)
Investment distribution income	(588,853)	(43,142)
Net exchange differences	(22,648)	(24,510)
Change in operating assets and liabilities:		
(Increase) decrease in trade and other receivables	25,732	283,346
(Increase) decrease in restricted cash	485,695	(340,106)
(Increase) decrease in income tax receivable	-	48,892
(Increase) decrease in deferred tax assets	(30,742)	1,065
(Increase) decrease in other operating assets	(14,897)	(287,778)
(Decrease) increase in trade and other creditors	(873,603)	625,808
(Decrease) increase in unearned income	491,074	228,068
(Decrease) increase in deferred tax liabilities	(3,867)	(29,065)
(Decrease) increase in other provisions	147,646	131,779
Net cash inflow (outflow) from operating activities	3,571,803	3,961,910

As stated in note 1(a) to the financial statements, in the director's opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 1.

In the director's opinion:

- (a) the financial statements and notes set out on pages 4 to 20 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2014 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Paul Byron Wilson
Director

Brisbane
6 February 2015



Independent auditor's report to the members of APNIC Pty Ltd

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of APNIC Pty Ltd (the company), which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion, the financial report of APNIC Pty Ltd is in accordance with the *Corporations Act 2001*, including:

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1, to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of APNIC Pty Ltd.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Andrew Weeden', with a long horizontal line extending to the right.

Andrew Weeden
Partner

Brisbane
6 February 2015

APNIC Pty Ltd
Operating statement
For the year ended 31 December 2014

	2014	2013
	\$	\$
Revenue		
Membership fees	15,903,111	15,074,781
Non-membership fees	254,706	240,225
IP resource application fees	1,323,250	1,420,625
Member reactivation fees	64,800	31,050
Non-member reactivation fees	3,000	6,000
Grant income	933,351	742,731
Interest income	165,710	546,252
Investment distribution income	588,853	39,269
Sundry income	292,873	176,471
Net gain on sale of available-for-sale financial assets	-	376,729
Foreign exchange gains (net)	26,629	33,968
	19,556,283	18,688,101
 Less expenses		
Administration expenses (refer schedule)	(16,501,782)	(15,800,764)
 Profit before income tax	3,054,501	2,887,337

The above operating statement does not form part of the audited financial report.

APNIC Pty Ltd
 Operating statement
 For the year ended 31 December 2014
 (continued)

	2014	2013
	\$	\$
Schedule of administration expenses		
Salaries and wages	(7,129,664)	(6,866,676)
Travel	(1,955,471)	(1,937,230)
Professional fees - consulting	(809,547)	(1,036,568)
Depreciation	(765,548)	(753,033)
Superannuation contributions - employes	(705,397)	(643,147)
Computer costs - other	(572,528)	(548,748)
ISIF grant expense	(485,708)	(390,808)
Communication expenses	(483,803)	(490,601)
Employee entitlements	(395,217)	(320,184)
Payroll tax	(394,612)	(369,253)
ICANN	(260,333)	(136,732)
Donations	(219,251)	(80,579)
FIRE grant expense	(218,446)	(150,882)
FRIDA grant expense	(206,136)	(147,173)
Meeting expenses	(192,212)	(263,907)
Office expenses	(151,855)	(135,964)
Bank charges - general	(145,823)	(138,337)
Recruitment	(144,423)	(89,472)
Staff training	(135,996)	(163,053)
Deductible entertainment	(135,266)	(34,421)
Professional fees - legal	(133,330)	(129,088)
Insurance	(129,971)	(126,751)
Sponsorship fees	(63,988)	(175,844)
Professional fees - accountancy/management	(63,130)	(80,715)
Printing and stationery	(59,638)	(53,888)
Electricity	(57,429)	(58,979)
Staff amenities	(55,971)	(51,876)
Membership fees	(55,375)	(47,031)
Gifts and promotions	(48,681)	(63,200)
Equipment hire	(47,373)	(34,492)
Training workshop fees	(46,750)	-
Cleaning	(39,820)	(40,536)
Fringe benefits tax	(39,376)	(33,959)
Repairs and maintenance	(36,850)	(34,432)
Doubtful debts	(34,259)	(30,990)
IDRC grant expense	(23,061)	(53,867)
Postage	(22,071)	(45,269)
Loss on sale of fixed assets	(11,937)	(7,747)
Worker's compensation	(10,927)	(13,019)
Advertising expense	(9,027)	-
Books and periodicals	(3,723)	(5,796)
Translation expenses	(1,623)	(15,255)
Administration fees	(236)	(1,262)
Total expenses	(16,501,782)	(15,800,764)

The above operating statement does not form part of the audited financial report.

APNIC 44 – East Asia

Candidate Economies

Economy	Previous APNIC Meetings Held
China	2013, 2009
Hong Kong	2011, 1997
Japan	2015, 2005, 2002
Korea	2011, 2003, 2000
Macau	No previous APNIC meeting
Mongolia	No previous APNIC meeting
North Korea	No previous APNIC meeting
Taiwan	2008, 2006, 2003, 2001

Candidate Economies

Economy	Previous APNIC Meetings Held
China	2013, 2009
Hong Kong	2011, 1997
Japan	2015, 2005, 2002
Korea	2011, 2003, 2000
Macau	No previous APNIC meeting
Mongolia	No previous APNIC meeting
North Korea	No previous APNIC meeting
Taiwan	2008, 2006, 2003, 2001

Proposed Dates		7 - 14 September 2017				
Proposed Economy		Hong Kong	Macau	Taiwan		
Proposed City		Hong Kong	Macau	Taipei	Tainan	Kaohsiung
1	Population	7.188 million (2013)	572 075	23.34 million (2013)		
2	Commercial Hub	Green	Yellow	Green	Yellow	Green
Destination information						
3	Flight Availability / Ease of Travel	Green	Green	Green	Yellow	Yellow
4	Internet Infrastructure	Green	Yellow	Green	Green	Green
5	Travel Advisory	Green	Green	Green	Green	Green
6	Political Stability	Yellow	Green	Green	Green	Green
7	Visa Requirement	Green	Green	Green	Green	Green
Conference venues						
8	Venues	Green	Green	Green	Yellow	Green
9	Budget	Red	Yellow	Red	Green	Green
10	Suppliers	Green	Yellow	Green	Green	Green
11	No. of APNIC direct Members in the region	548	6	32		
12	Major ISPs/large members	18	1 major, 3 small ISPs	11		
13	Potential sponsorship opportunity	Yes	Yes	Yes	Yes	Yes
14	Previous meetings held	Yes - 2011	No	Yes - 2001, 2003, 2006 & 2008		
15	Presence of NIR/NIR Members	No	No	Yes - No. of NIR members: 61		
APNIC Administration						
16	Ease of organizing event - rated by APNIC Secretariat	Green	Green	Green	Yellow	Yellow

Recommendations

Conference	1 st Preference	Rationale	2 nd Preference / Backup
APNIC 44	Taiwan (Kaohsiung or Tainan)	<ul style="list-style-type: none">▪ Good potential for strong attendance▪ Recommendation of Kaohsiung or Tainan as locations – cheaper delegate packages than Taiwan and a city that has not held a conference▪ Access is not onerous – either by air or high speed train from Taipei▪ Good potential for sponsorship▪ Language may be an issue for event arrangements▪ We would seek and welcome support from TWNIC to make the event a success	Hong Kong

APNIC 44 – East Asia

Backup Locations for APNIC Conferences

2014 was a challenging year for conference locations with both default backup locations – Kuala Lumpur (for APRICOT 2014) and Brisbane (for APNIC 38) – needing to be used.

While both conferences were successful, the Brisbane meeting was challenging for the Secretariat and the APNIC community. The Secretariat has conducted its usual post-event debrief and following this, recommends to the EC that the default backup location for stand-alone APNIC conferences be revised.

APNIC 38 - Challenges

There were a number of challenges related to holding APNIC 38 in Brisbane:

- **Venue, AV, catering and supplier costs** – holding the event in Brisbane saved on travel and shipping costs. However, the costs for other meeting items such as venue hire, AV, catering, social events and other supplier costs were higher than in most other locations in Asia. This meant that the Secretariat either had to pay more for suppliers than usual, or stick to the budget and accept lower quality / less choice.
- **Travel for APNIC Members** – Australia's location means it is an unavoidably long (and more expensive) journey for Members from Asia to attend a conference in Brisbane (note: this would also have been a problem in Noumea for Members from Asia). The length of the trip, combined with the expense, seemed to cause a reduction in attendance.
- **Visas** – Australia's strict visa rules (and visa processing times) made it difficult for some Members to obtain visas to visit the country. Several Members could not obtain visas and appealed to the Secretariat for assistance, and while this increases workload, there is only a limited amount the Secretariat can do. One Workshop trainer was denied a visa which meant the other trainers needed to cover additional classes.
- **Costs for APNIC Members** – Australia has become a relatively expensive country, so the cost of visiting Australia for up to a week can be prohibitive. Some delegates remarked that for the prices paid they would have enjoyed higher quality accommodation in Asia.
- **Business opportunities** – many attendees to APNIC meetings in Asia justify their trips by also holding private business meetings during the event. It seems that Brisbane does not provide the same opportunities as other Asian cities, making it harder for delegates to justify this travel.

These challenges contributed to a lower attendance than expected and less speaker submissions than hoped for, among other impacts.

Recommendation

The Secretariat proposes to update the meeting selection process as follows.

1. The EC will provide the Secretariat with some suggested locations (say three) for the future meeting, in the eligible sub-region (under the rotation policy).
2. The Secretariat will identify specific options (locations and venues) and assess them against selection criteria to give recommendations to the EC.
3. The EC will choose its preferred location, **as well as a second preference location**, which would be considered as the backup location (but not announced).
4. If, for any reason, the meeting location should become untenable six months or more before the date of the conference, the second preference would be announced as the new location for the meeting.
5. If the backup location is not available or becomes untenable for any reason within six months from the date of the conference, then the EC would need to consider emergency location options, such as Singapore or Malaysia, for hosting the meeting.

Note: this proposal does not apply to APRICOT, however the EC may suggest that APIA adopt this approach, in order to preserve the regional rotation system.

APNIC 40

Conference Update



JAKARTA, INDONESIA

3-10 September 2015

#apnic40

APNIC 40, Jakarta

- 3-10 September 2015
- Conference Venue: Ritz-Carlton Mega Kuningan
- Workshops Venue: Puri Denpasar
- APJII confirmed as Host Sponsor



Update on Key Event Criteria

Criteria	Projected	Actual	Notes
Air Route / Ease of Travel	Green	Green	Still fine
Internet Infrastructure	Yellow	Green	APJII has assured us that their members will provide connectivity
Travel Advisory	Yellow	Yellow	<ul style="list-style-type: none">• No major changes to Indonesia travel advisory• Note: conference venue was subject to terrorist attack 2009
Political Stability	Green	Green	New government is stable
Visa Requirement	Green	Green	Visa on arrival available for many nationalities

Update on Key Event Criteria

Criteria	Projected	Actual	Notes
Venues	Green	Green	Contract signed with conference venue. Workshop venue contract to be signed by end February
Budget	Yellow	Green	Strong negotiation on delegate package will help balance projected registration revenue shortfall (detail following slide)
Suppliers	Green	Green	No issues at this stage
Sponsorship Opportunity	Green	Green	APJII will sponsor \$10k, committed to generate \$50k from local sponsors
Ease of arranging event	Green	Green	Good assistance from APJII

Budget Update

APNIC 40 Expenses

Description	Approved Budget	Forecast	Change
APNIC 40 Workshop week - venue hire + catering	22,000	22,000	-
APNIC 40 Conference week - venue hire and catering	58,500	72,500	-14,000
APNIC 40 Conference AV rental	20,000	20,000	-
APNIC 40 social events (workshops + conference)	50,500	29,500	21,000
APNIC 40 Shipment costs + insurance	25,800	25,800	-
APNIC 40 Professional fees (stenographers, Photographer, videographer)	25,500	25,500	-
APNIC 40 Marketing collaterals and signage costs	27,000	27,000	-
APNIC 40 Others	2,500	2,500	-
			-
Total expenses	231,800	224,800	7,000

APNIC 40 Revenue

Description	Approved budget	Forecast	Change
APNIC 40 Workshop and conference Registration Income	35,000	21,000	-14,000
APNIC 40 Sponsorship (international and APJII local sponsors)	75,000	75,000	-
Total revenue	110,000	96,000	-14,000

Total	121,800	128,800	-7,000
--------------	----------------	----------------	---------------

Note: APNIC Staff & EC accommodation costs negotiated lower - \$185 / night (compared to normal budget \$220-230 / night). This saving will balance shortfall

APJII Contribution

APJII will provide the following:

- Sponsorship of the APNIC 40 Conference to the value of AUD10,000
- Raise local sponsorship (financial and in-kind) to the value of AUD50,000
- Internet connectivity for the workshop and conference weeks – in collaboration with APJII Member/s (Telco operators)
- Active assistance in identifying suitable venues required for the Event, including the Conference itself, accommodation, social events and other activities
- Provision of staff to assist as required before, during and after the Event
- Assistance in promoting the Event
- Encourage and support the local IDNOG to be part of APNIC 40
- Visa application assistance

APNIC 40



JAKARTA, INDONESIA

3-10 September 2015

#apnic40

APNIC Executive Council (EC) Election

APNIC EC Elections

APNIC By-laws set out:

- The composition of the Executive Council (EC)
- The powers and functions of the EC
- The terms of service of each EC member
- How officeholders (chair, treasurer, secretary) are elected



APNIC EC Elections

- The EC comprises seven members (By-law 31)
- The Director General acts as ex-officio member of the EC (By-law 54(i))
- EC members serve two years term, and are eligible for re-election (By-law 33)

2015 APNIC EC Election

- Four vacant seats on the APNIC EC
 - Two-year term starting from being elected on 6 March 2015
- Call for nominations: 12 January to 16 February 2015
- Online and on-site voting available to APNIC Members only
 - <https://2015.apricot.net/elections>
- The APNIC EC is responsible for the counting of votes in such manner as it considers appropriate in the circumstances, and may for this purpose appoint two or more persons to serve as tellers

2015 APNIC EC Election

- Election Chair appointed by the APNIC EC
 - Professor Koji OKAMURA
 - Research Institute for Information Technology, Kyushu University
 - Member of APRICOT-APAN 2015 Japan ExCo
- Responsibilities
 - Oversee the election process
 - Appoint the Election Scrutineers
 - Declare the election results
 - Resolve disputes



2015 APNIC EC Election

- Election Officers appointed by the APNIC EC
 - Connie Chan and George Kuo
 - Selected from APNIC Secretariat
- Responsibilities
 - Administer the call for nominations
 - Manage the online and on-site voting processes
 - Supervise the ballot paper collection
 - Perform the vote count with the Election Tellers
 - Retrieve the online voting reports



2015 APNIC EC Election

- Election Tellers appointed by the APNIC EC
 - Anna Mulingbayan and George Odagi
 - Selected from APNIC Secretariat
- Responsibilities
 - Supervise the ballot box
 - Issue ballot papers on site
 - Validate and count the votes
 - Report the results to the Election Chair



2015 APNIC EC Election

- Election Scrutineers appointed by the Election Chair
 - TBA
 - Selected from staff of other RIRs, ICANN, and ISOC who are on site
 - Do not vote and must be independent from any APNIC Member, or candidate
- Responsibilities
 - Observe the Election Tellers in counting the votes
 - Not handle or touch the ballot papers
 - Notify the Election Chair in case any anomaly or issue is identified

Voting Entitlement

- Only current Member's Corporate Contacts, and authorized contacts with voting rights can vote
- The number of votes are determined by the Membership tiers

Membership Tier	Votes
Associate	1 vote
Very Small	2 votes
Small	4 votes
Medium	8 votes
Large	16 votes
Very Large	32 votes
Extra Large	64 votes



Online Voting

- Voting period
 - Started: 18 February 2015
 - Ended: 09:00 (UTC +9) Wednesday, 4 March 2015
- Online voting is accessible via MyAPNIC
- The system preserves anonymity, storing a record of who has voted and a separate record of votes cast

On-site Voting

- Voting period
 - Starts: As announced by the Election Chair
 - Ends: 14:00 (UTC +9) Friday, 6 March 2015
- Corporate Contacts, contacts with voting rights, or appointed proxies can collect ballot papers from the Voting desk until 14:00 (UTC +9) Friday, 6 March 2015



Proxy Appointment

- Proxy appointment period
 - Started: 18 February 2015
 - Ended: 09:00 (UTC +9) Wednesday, 4 March 2015
- Proxy holders are appointed by Corporate Contacts to vote on the Member's behalf on site
- Proxy holders need not be from the Member organization but must be registered for the Annual General Meeting (AGM)



On-site Voting Logistics

- The Voting desk is set up outside the APNIC General Meeting (AGM) room
- The ballot box is placed at the Voting desk after the Election Chair announces the opening of on-site voting
- The ballot box is supervised by the Election Tellers at all times
- Enquiries should be directed to the Election Officers at the Voting desk



Voting Ballot Paper

- Voting ballot papers provide clear voting instructions and are marked with a unique stamp
- A ballot paper is invalid if:
 - No boxes are marked
 - More than four boxes are marked
 - It has ambiguous marking
 - It does not bear a validation stamp

Voting Ballot Paper

- Ballot papers with 1, 2, 4, 8, and 16 votes are used
- Members who wish to split their vote may exchange their ballot paper at the Voting desk for a set of single-vote papers equal to the Member's total voting entitlement



Voting Ballot Paper



Counting Procedure

- The entire process is observed by the Election Scrutineers
- Votes are counted by the Election Tellers
- All ballot papers are checked
- Tally forms are used to count, record, and verify the total number of check marks for each candidate
 - They are validated and checked by multiple Tellers
- Online voting reports are printed during the vote count
- The total votes for each candidate are calculated by combining the total votes from online and on-site votes



Declaration of Result

- The result of the election will be announced by the Election Chair at the scheduled time - 15:15 today
- This declaration will include:
 - The name and total vote count received by each candidate in the election
 - The total number of valid and invalid paper ballots
 - Notice of any disputes and resolutions
 - Disclosure of any communication from the Election Scrutineers regarding any anomaly or issue



Notice of Dispute

- Any complaint regarding the conduct of the election must be lodged in writing with the Election Chair at the Conference
- Such notices must be lodged no later than one hour before the scheduled Declaration of the Election
- Notices may only be lodged by Nominees or Members through their authorized voting representatives



Resolving Disputes

- The Election Chair shall resolve the dispute at his discretion
- The Election Chair shall provide notice of all lodged disputes and the Chair's decision at the Declaration of the Election

Questions?

Strategic planning cycle

Planning Cycle Option #1

			2016-2019 strategic plan				2020-2023 strategic plan			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q1										
Q2	Survey		Survey		Survey		Survey		Survey	
Q3										
Q4		Planning		Review		Planning		Review		Planning

- 4-year strategic plan cycle
- Better alignment with the 2-yearly survey
- Mid-period review for plan adjustments as needed
- If approved, December 2015 EC retreat will include strategic planning session



Planning Cycle Option #2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q1										
Q2	Survey		Survey		Survey		Survey		Survey	
Q3										
Q4		Planning		Planning		Planning		Planning		Planning

- n-year strategic plan refreshed every 2 year
- Better alignment with the 2-yearly survey
- If approved, December 2015 EC retreat will include strategic planning session, and every 2 year after



Proposal

- Have a strategic planning session at the EC meeting on Nov/Dec 2015 (1 full day?)
 - Environment scan
 - Visioning
 - SWOT analysis
 - Review of survey result and actioned items
 - Strategic goal setting