

APNIC EC Meeting Minutes

Face-to-Face Meeting, Jakarta, Indonesia

Monday, 7 September 2015, 9:05 – 17:00

Meeting Start: 9:05 (UTC+7)

Present

Akinori Maemura
Che-Hoo Cheng
Gaurab Raj Upadhaya
Jessica Shen
Kenny Huang
Ma Yan
Paul Wilson

Craig Ng
Richard Brown
Sanjaya
Connie Chan

Apologies

James Spenceley

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. Financial Report
 7. DG Report
 8. Election results announcement
 9. Future NIR framework
 10. Strategic plan preparation
 11. Survey planning
 12. Risk register update
 13. IANA transition update
 14. RIR accountability review
 15. Inter-RIR transfer update
 16. APNIC Foundation update
 17. APNIC 42, 44 and 46 update
 18. NRO Number Council election procedures
 19. 2016 NRO NC appointment
 20. Any other business
 21. Next EC meeting
-

Minutes

1. Opening of meeting and declaration of quorum

The Chair of the Executive Council declared the meeting open at 9:05 (UTC+7) on Monday, 7 September 2015 and noted that a quorum was present.

Kenny Huang was appointed as Chair of the Meeting.

2. Agenda Bashing

The Chair called for comments. There were no changes to the agenda.

3. Declaration of interests

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

Akinori Maemura has declared that he is a member of the APIA Fellowship Committee.

Gaurab Raj Upadhaya finished his three-year term on the ICANN Fellowship Committee. He has also declared that he is a director of the Nepal Research and Education Network (NREN).

No other declarations of interest were noted.

Action item 2015-04: The Secretariat will update the Register of Interest.

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 25 June 2015, the EC resolved that Taichung be the city selected for APNIC 44, to be announced to the community during APNIC 40 Jakarta.

On 31 August 2015, the EC resolved to adopt the minutes of the EC meetings held on 14 June 2015.

5. Matters arising from the last meeting

The following matters were completed:

Action item 2015-03: The Secretariat will carry out further investigations and provide the EC with options and recommendations for the NIR framework a month before the APNIC 40 in Jakarta.

There were no outstanding actions from previous meetings.

6. Financial report

The EC considered the Monthly Financial Report for July 2015 and the Investment Fund Management Report (attached). The EC noted that APNIC is solvent and able to meet all current debts.

The current projected operating surplus for 2015 is \$1.78M, which is higher than forecast in the budget. Membership growth continues to be higher than the budget forecast (tracking at 2% over budget) and expenses are tracking at 2% under budget forecasts.

Membership growth in 2015 continues to be in line with budget. As at the end of July 2015, APNIC had a total of 5,002 Members serving 54 economies, representing a net gain of 384 new Members for the year to date.

APNIC taxation status was discussed. The Secretariat is working with KPMG to submit the new Private Ruling Application in September 2015.

7. DG report

The DG reported on the activities of the Secretariat (attached).

8. Election results announcement

The EC discussed the disclosure requirements for election results. The EC agreed that during both APNIC EC and NRO NC elections, the Election chair would announce the result of the election as follows:

- Total paper ballots counted
- Total valid paper ballots counted
- Total invalid paper ballots counted
- Total vote count for each candidate
- Total aggregate count for online votes
- Total aggregate count for onsite votes

9. Future NIR framework

The EC discussed the future NIR framework.

[Confidential information redacted]

10. Strategic plan preparation

The EC discussed the timeline, method and process of the strategic plan (attached). In addition to the SWOT analysis, it is suggested that other assessment tools could further help assess and adjust the organization's direction in response to a changing environment.

11. Survey planning

The EC was briefed on the progress of the APNIC survey (attached). The next APNIC Survey is due to be launched in February 2016. The survey process and logistical arrangements will be reviewed and approved by the EC during the EC Retreat in December 2015.

12. Risk register update

The EC was briefed on the current work undertaken to date with regards to the APNIC Risk Registry.

A comprehensive review of the Risk Register will be undertaken as part of the EC retreat in December 2015. Craig will be leading the Risk Register workshop.

13. IANA transition update

The DG provided an update of the IANA Stewardship Transition.

The ICG's first transition plan is complete and is open for public review until 8 September. CRISP has produced a response that is also open for public review.

The Review Committee Charter has been drafted which specifies the composition and role of the committee. The Review Committee is expected to be established by the end of 2015, although it will not be required to take action until after the transition.

A second version of the SLA with ICANN has been produced, taking into account comments from the first round of public consultations, and published for a second consultation period.

It is agreed that the Numbers community was well prepared to move forward in the process.

14. RIR accountability review

Craig Ng gave an update on the review of RIR accountability assessment.

[Confidential information redacted]

15. Inter-RIR transfer update

The EC was briefed on the Inter RIR transfer policy discussions and current implementation status.

2015-15: The EC resolved to lift the temporary moratorium on inter RIR transfers with RIPE NCC.

Motion proposed by Che-Hoo Cheng, seconded by Akinori Maemura. Passed unanimously.

16. APNIC Foundation update

Duncan Macintosh gave an update on the APNIC Foundation Hong Kong Strategic Rationale Concept Note and legal opinion on governance and tax implications for the establishment of an APNIC Foundation in Hong Kong (attached).

The EC will review the legal documents for the establishment of the APNIC Foundation Hong Kong and consider the implementation and budget plan during the EC Retreat in December 2015.

17. APNIC 42, 44, and 46 update

Tony Smith gave an update on the budget and logistics arrangements being made for APNIC 42 and APNIC 44 (attached).

The EC also discussed a proposal for APNIC 46. As per the APNIC Conference Location Selection procedures, the EC will decide the location of APNIC 46 during APNIC 42 in Dhaka.

18. NRO Number Council election procedures

The EC was briefed on the procedures to be followed for the conduct of the NRO NC Election (attached).

2015-16: The EC resolved to appoint Ms Sylvia Sumarlin as Election Chair, Mr George Kuo and Ms Connie Chan of the APNIC Secretariat as Election Officers, and Mr Wita Laksono and Mr Zen Ng as Election Tellers and endorsed the NRO NC Election procedures, as described.

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

19. 2016 NRO NC appointment

2015-17: The EC resolved to reappoint Aftab Siddiqui to the NRO Number Council for 2016.

Motion proposed by Paul Wilson, seconded by Gaurab Raj Upadhaya. Passed unanimously.

20. Any other business

- a. Treasurer's report during AMM

In the absence of the Treasurer, James Spenceley, Kenny Huang will deliver the Treasurer's report during the AMM on 10 September 2015.

21. Next EC meeting

The EC Retreat will be held in conjunction with PacNOG 18/ARM in Guam on 30 November to 2 December 2015.

Meeting adjourned at 17:00

Attachments:

- A. Register of interest**
- B. July 2015 financial report**
- C. July 2015 investment report**
- D. Financial reporting presentation**
- E. DG report**
[Confidential material redacted]
- G. Strategic planning update**
- H. Survey planning update**
[Confidential material redacted]

- L. APNIC Foundation update**
- M. Conferences update**
- N. NRO NC election procedures**

Agenda Item 3

Declaration of Interests

EC Register of Interests

Declaration of interests of EC members

This register records the interests of EC members, which may conflict with the EC members' duties to APNIC. This register is accurate as at 23 March 2015.

Akinori Maemura declared that he currently holds the following positions:

- Director of JPCERT Coordination Center
- Member of APRICOT-APAN 2015 Japan Executive Committee
- Employee of JPNIC as General Manager, Internet Development Department

James Spenceley declared that he currently holds the following positions:

- Chief Executive Officer and director of Vocus Communications Limited
- Director of FX Networks
- He also has an equity interest in [AmCom](#) ?

Che-Hoo Cheng declared that he currently holds the following positions:

- Secretary of APIX Steering Committee
- Member of the HKNOG Program Committee
- Employee of the Chinese University of Hong Kong as Associate Director (Infrastructure) of IT Services
- Company Secretary of the Hong Kong Internet Exchange Limited

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

- Member of the APRICOT Program Committee
- Member of the ICANN Fellowship Committee
- Employee of Limelight Networks as Director, Network Strategy and Interconnect

Kenny Huang declared that he currently holds the following positions:

- Member of IP Committee of TWNIC
- Board of Director, ISOC Taiwan Chapter
- Member of the Advisory Council of [DotAsia](#) Organization
- Director of Mind Extension Inc.

MA Yan declared that he currently holds the following positions:

- Co-Chair of APAN IPv6 Working Group
- Member of Technical Board, CERNET

Jessica Shen declared that she currently holds the following positions:

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

Paul Wilson declared no conflict of interests.

Agenda Item 6

Finance report

Monthly Financial Report

(in AUD)

July 2015

Table of Contents

1	Statement of Financial Position	3
1.1	Notes to Financial Position	3
2	Statement of Income.....	4
2.1	Revenue	4
2.2	Expenses	5
2.3	Operating Surplus/ Deficit	6
3	Capital Expenditure	6
4	Activity Reporting	7
4.1	Expense by Activity Code	7
4.2	Capital Expenditure by Activity Code	9
5	APNIC Reserve	10
5.1	Cash Flow Statement	10
5.2	APNIC Capital Reserve	11
5.3	APNIC Investment Policy	11
5.4	APNIC's Equity and Reserves	11
6	Membership	12
6.1	Membership Statistics	12
6.2	Membership by Category	12
6.3	Membership by Economy	12
6.4	Membership Growth	13
6.5	Year-to-Date Membership Movement by Economy	14

1 Statement of Financial Position

	31/07/2015	Year-End 2014	% Change from 31/12/2014
CURRENT ASSETS			
Cash/Term deposits	5,544,988	5,420,158	2%
Receivables	1,061,119	923,332	15%
Others	789,816	472,950	67%
TOTAL CURRENT ASSETS	7,395,923	6,816,440	9%
NON-CURRENT ASSETS			
Other financial assets	19,232,924	17,924,950	7%
Property, plant and equipment	8,033,640	7,905,732	2%
Deferred tax assets/ liabilities	157,749	157,749	0%
TOTAL NON-CURRENT ASSETS	27,424,312	25,988,431	6%
TOTAL ASSETS	34,820,236	32,804,871	6%
CURRENT LIABILITIES			
Payables	881,231	1,513,519	-42%
Provisions	1,169,406	1,074,692	9%
Unearned revenue	8,614,716	8,301,739	4%
TOTAL CURRENT LIABILITIES	10,665,353	10,889,951	-2%
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities	284,963	284,963	0%
Provisions	317,091	241,459	31%
TOTAL NON-CURRENT LIABILITIES	602,054	526,423	14%
TOTAL LIABILITIES	11,267,408	11,416,374	-1%
NET ASSETS	23,552,828	21,388,497	10%
EQUITY			
Share capital	1	1	0%
Reserves other financial assets investment	1,006,310	614,663	64%
Retained earnings	20,773,833	17,684,724	17%
Net Income	1,772,684	3,089,109	-43%
TOTAL EQUITY	23,552,828	21,388,497	10%

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 10% compared to the end of last year.

The Reserves other financial assets investment shows an increase of \$392k over the balance at the end last year, representing the capital growth of the Investment portfolio in 2015.

2 Statement of Income

This report incorporates the approved 2015 budget, July expenses are compared to the figures for the YTD Budget and the same period last year. The Forecast figures have been derived from a detailed review of the expected revenues, committed and planned expenditure for 2015, to compare with the budget.

2.1 Revenue

REVENUE (AUD)	YTD Actual July 2015	YTD Actual July 2014	Variance %	Forecast 2015	Budget 2015	Forecast Variation to Budget \$	Forecast Variation to Budget %
IP Resource application fees	-18,375	822,500	-102%	-18,375	0	-18,375	0%
Investment income	560,604	529,723	6%	856,362	855,000	1,362	0%
Membership fees	9,724,780	9,161,407	6%	16,862,000	16,450,000	412,000	3%
Non-members fees	143,233	148,973	-4%	243,090	232,000	11,090	5%
Reactivation fees	22,200	38,100	-42%	32,200	24,000	8,200	34%
Sign-Up fees	256,000	0	0%	431,000	380,000	51,000	13%
Transfer fees	37,821	48,846	-23%	62,821	75,000	-12,179	-16%
Sundry income	58,454	79,920	-27%	160,954	246,000	-85,046	-35%
Foreign exchange gain/(loss)	25,692	-12,893	-299%	0	0	0	0%
TOTAL REVENUE	10,810,409	10,816,577	-0%	18,630,052	18,262,000	368,052	2%

Table 2 Revenue

Notes to Revenue:

- **IP Resource application fees** – These credits are related to the reversal of fees charged under the old fee schedule.
- **Investment Income** – A review of the Credit Suisse forecast of investment income and interest on cash deposits will see the final results for 2015 being just above budget estimates. This forecast has been reduced based on more recent updates from the investment advisor.
- **Membership Income** – Membership growth continues to be higher than budget, with members joining at higher tiers than anticipated in the budget and existing members increasing the size of their resource holdings. Based on estimates of the impact of the new fee schedule and increased new member activity, revenue from membership fees is estimated to be \$412k above budget.
- **Non-members Fees** – Although difficult to accurately predict, growth in Non-member accounts is forecast to result in a positive variance of over \$11k in 2015.
- **Signup Fees** – Sign-Up Fees are anticipated to be above budget by the end of the year as new membership growth is tracking slightly above the target of 800 set out in the budget. Based on more recent analysis, new members will likely to achieve close to 900 in 2015.
- **Transfer Fees** – The fees derived from Transfers of APNIC resources will be close to \$12k below budget by the end of 2015 based on the activity so far this year.
- **Sundry Income** – Income budgeted from training receipts and income from meeting registration for APNIC meetings will be well below budget.

2.2 Expenses

EXPENSES (AUD)	YTD Actual July 2015	YTD Actual July 2014	Variance %	Forecast 2015	Budget 2015	Forecast Variation to Budget \$	Forecast Variation to Budget %
Bank charges	85,102	80,584	6%	144,352	151,950	-7,598	-5%
Communication expenses	324,512	273,359	19%	539,762	537,940	1,822	0%
Computer expenses	308,398	341,862	-10%	524,693	642,172	-117,479	-18%
Depreciation expense	442,787	452,310	-2%	761,646	762,266	-620	-0%
Doubtful debt expenses	-33,870	20,332	-267%	0	20,000	-20,000	-100%
ICANN contract fee	165,368	153,889	7%	284,161	282,835	1,326	0%
Insurance expense	74,051	77,026	-4%	136,395	136,900	-505	-0%
Meeting and training expenses	110,665	123,142	-10%	395,081	519,400	-124,319	-24%
Membership fees	25,107	33,717	-26%	48,639	64,435	-15,796	-25%
Office operating expenses	174,059	167,033	4%	304,645	305,107	-462	-0%
Postage & delivery	24,403	20,426	19%	52,903	50,000	2,903	6%
Printing & photocopy	21,792	26,395	-17%	39,292	44,840	-5,548	-12%
Professional fees	591,356	610,580	-3%	1,267,300	1,267,300	0	0%
Recruitment expense	65,035	69,240	-6%	102,535	90,000	12,535	14%
Salaries and personnel expenses	5,373,708	4,858,772	11%	9,460,248	9,460,248	0	0%
Sponsorship and Publicity expenses	79,060	79,154	-0%	651,063	649,900	1,163	0%
Staff training/ Conference expenses	84,682	92,401	-8%	152,763	155,000	-2,237	-1%
Translation expenses	570	11	5,034%	25,000	25,000	0	0%
Travel expenses	1,120,941	1,205,651	-7%	1,854,008	1,900,000	-45,992	-2%
TOTAL EXPENSES	9,037,725	8,685,884	4%	16,744,486	17,065,293	-320,807	-2%

Table 3 Expenses

Notes to Expenses:

It is forecast that expenses will be less than the original budget approved for 2015. Major variances are:

- **Computer expenses** – The variance in this expenses results from the utilisation of funding from Comcast and ICANN, which will be used to offset expenses incurred by research and development activities.
- **Doubtful debts expenses** – includes a significant write-back of accounts that were outstanding at the end 2014. This credit is offset by a reduction in the Membership Fee income where accounts have been credited and closed.
- **Meeting and training expenses** – Actual costs incurred for the APNIC39 meeting were less than budgeted by nearly \$35k and the use of local hosts to reduce venue and catering costs for training (budgeted at \$72k) have all contributed to this variance.
- **Membership fees expenses** – The ISOC annual membership was reduced from Gold to Silver membership this year resulting in a variance of \$13k.
- **Professional fees** – Professional Fees are not incurred evenly across the year, and it is anticipated that the actuals for the end of the year will be close to budget.
- **Recruitment expenses** – based on recent recruitment activity this stage this expense is forecast to be \$12k more than budget.

- **Travel expenses** – Travel expenses are expected to be slightly below budget at the end of 2015 based on current travel activity planned for the remainder of the year.

2.3 Operating Surplus/ Deficit

REVENUE and EXPENSES (AUD)	YTD Actual July 2015	YTD Actual July 2014	Variance %	Forecast 2015	Budget 2015	Forecast Variation to Budget \$	Forecast Variation to Budget %
Total Revenue	10,810,409	10,816,577	0%	18,630,052	18,262,000	368,052	2%
Total Expenses	9,037,725	8,685,884	4%	16,744,486	17,065,293	-320,807	-2%
OPERATING SURPLUS/(DEFICIT)	1,772,684	2,130,693	-17%	1,885,566	1,196,707	688,859	58%

Table 4 Operating Surplus/ Deficits

3 Capital Expenditure

Table below provide the overview of budget remaining on capital expenditure as of July 2015. Capital expenditure is anticipated to finish 2015 close to the budget estimates.

CAPITAL (AUD)	YTD Actual July 2015	Budget 2015	Utilized %	Budget Remaining \$
Equipment & Software	556,403	1,215,883	46%	-659,480
Office Furniture & Fittings	14,291	28,500	50%	-14,209
TOTAL CAPITAL EXPENDITURE	570,695	1,244,383	46%	-673,688

Table 5 Capital Expenditure

4 Activity Reporting

4.1 Expense by Activity Code

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 table/charts provide an analysis of the expenses for each activity against budget.

EXPENSES (AUD)	YTD Actual July 2015	YTD Budget July 2015	Budget Variance \$	Variance %
Facilities	262,175	253,753	8,422	3%
Finance & Administration	781,685	753,431	28,254	4%
Human Resource Management	526,982	541,422	-14,440	-3%
Legal & Governance	360,154	409,189	-49,035	-12%
Total - Corporate	1,930,996	1,957,795	-26,799	-1%
Global Research	213,515	202,175	11,340	6%
Global Technical Community	544,311	405,769	138,542	34%
Inter-governmental Outreach	264,675	255,381	9,294	4%
Total - Global Collaboration	1,022,501	863,325	159,176	18%
APNIC Conferences	602,742	633,308	-30,566	-5%
Community Engagement	660,609	696,437	-35,828	-5%
Regional Technical Development	467,136	530,445	-63,309	-12%
Total - Regional Development	1,730,487	1,860,190	-129,703	-7%
Registration Services	632,652	732,724	-100,072	-14%
Customer Service	1,594,405	1,742,332	-147,927	-8%
Member Training	515,511	599,193	-83,682	-14%
Technical Infrastructure	1,611,174	1,628,292	-17,118	-1%
Total - Serving Members	4,353,741	4,702,541	-348,800	-7%
TOTAL EXPENSES	9,037,725	9,383,851	-346,126	-4%

Table 6 Expense by Activity Code

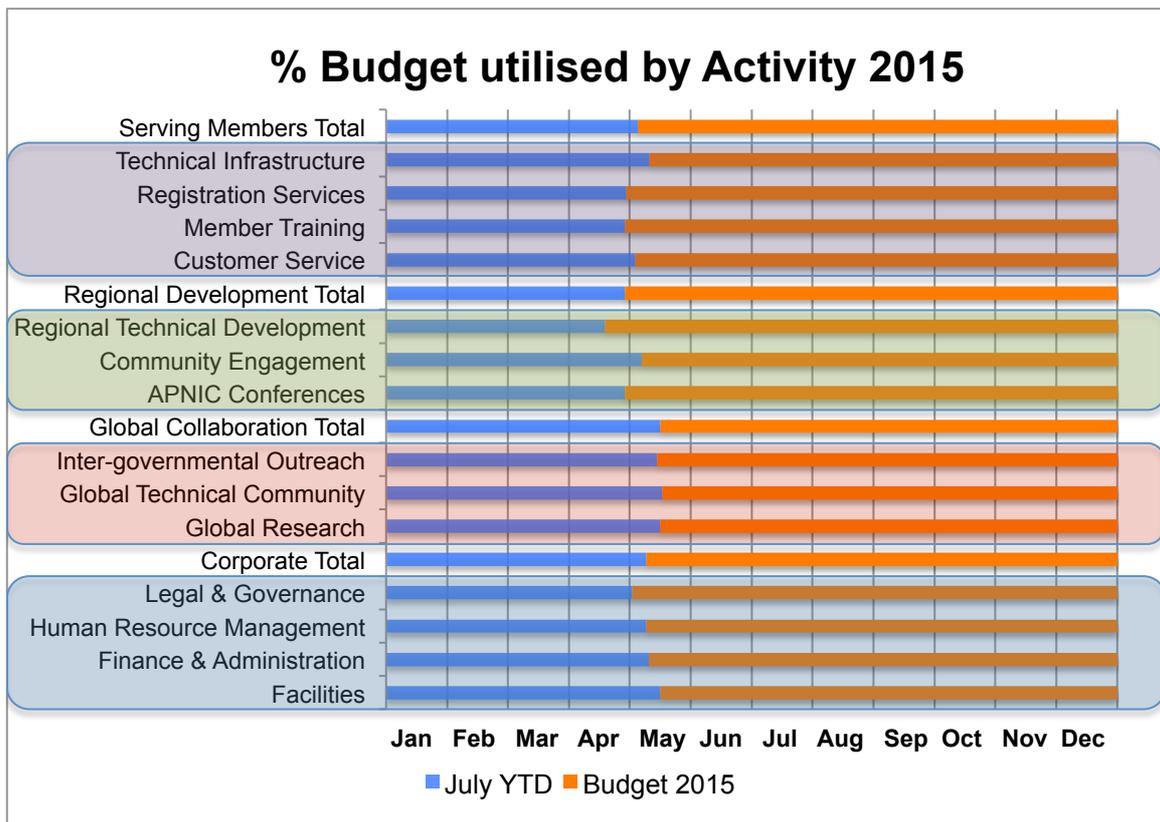
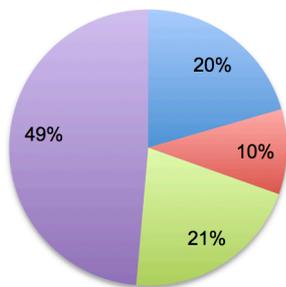


Figure 4.1 Expenses by Activity Code

Budget Expenses 2015



■ Corporate ■ Global Collaboration ■ Regional Development ■ Serving Members

July YTD Actual Expenses

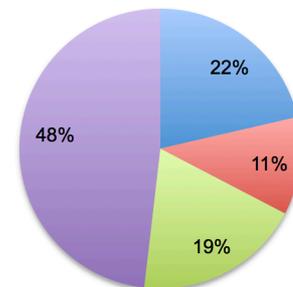


Chart Area

■ Corporate ■ Global Collaboration ■ Regional Development ■ Serving Members

4.2 Capital Expenditure by Activity Code

CAPITAL (AUD)	YTD Actual July 2015	YTD Budget July 2015	Budget Variance \$	Variance %
Facilities	14,291	16,625	-2,334	-14%
Finance & Administration	2,028	3,500	-1,472	-42%
Total - Corporate	16,319	20,125	-3,806	-19%
Global Research	33,004	46,375	-13,371	-29%
Global Technical Community	754	0	754	0%
Total - Global Collaboration	33,758	46,375	-12,617	-27%
APNIC Conferences	10,190	16,044	-5,854	-36%
Regional Technical Development	21,527	105,000	-83,473	-79%
Total - Regional Development	31,717	121,044	-89,327	-74%
Registration Services	6,218	3,500	2,718	78%
Customer Service	89,173	44,919	44,254	99%
Member Training	12,106	40,831	-28,725	-70%
Technical Infrastructure	381,404	449,106	-67,702	-15%
Total - Serving Members	488,901	538,356	-49,455	-9%
TOTAL CAPITAL EXPENDITURE	570,695	725,900	-155,205	-21%

Table 7 Capital Expenditure by Activity Code

5 APNIC Reserve

5.1 Cash Flow Statement

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

Accounts	YTD July 2015
Operating Activities	
Net Income	1,772,684
Adjustments to Profit/(Loss)	
Accounts Receivable	-46,647
Other Current Asset	-408,006
Accounts Payable	-62,284
Sales Tax Payable	-12,042
Other Current Liabilities	-150,271
Total Adjustments to Profit/(Loss)	-679,250
Total Operating Activities	1,093,434
Investing Activities	
Fixed Asset	-127,908
Other Asset	-1,307,974
Total Investing Activities	-1,435,882
Financing Activities	
Long Term Liabilities	75,631
Other Equity	391,647
Total Financing Activities	467,278
Net Change in Cash for Period	124,830
Cash at Beginning of Period	5,420,158
Cash at End of Period	5,544,988

Table 8 Cash Flow Statement

5.2 APNIC Capital Reserve

The APNIC Reserve is diversified between Cash Investments, Investment Portfolio, and Property (APNIC Office). At the end of July, APNIC maintained \$5.5M in cash reserves, \$19.2M has been invested in the investment portfolio, and \$6.5M invested in the APNIC Property. Figure 5.1 below tracks the value and the allocation of these reserves over time and also tracks the operating expenses for each year for comparison:

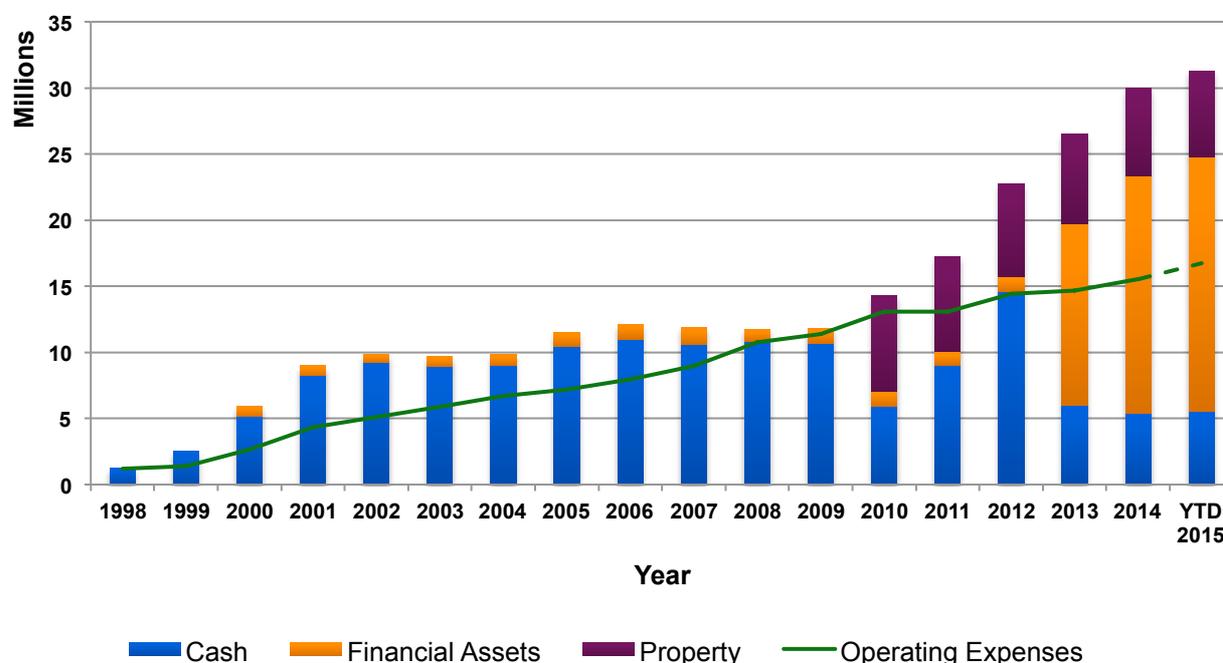


Figure 5.1 Reserve

5.3 APNIC Investment Policy

The amount of \$19.2M comprising invested funds, capital growth and reinvested returns invested in the Credit Suisse investment management account at the end of July. \$500k of cash surplus in the operating account was transferred to the investment portfolio in July. Please refer to the attached investment report outlining the portfolio.

5.4 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:

	31/07/2015	2014	2013
Total Equity	\$23,552,828	\$21,388,497	\$17,826,296
% Equity covered by Cash and/or Equivalent	113.1%	115.7%	119.0%
Forecast/Actual Daily Operating Expenses	\$45,875	\$42,558	\$39,959
Number of Months of expenses covered by Equity	16.88	16.52	14.67

6 Membership

6.1 Membership Statistics

As at the end of July 2015, APNIC had a total of 5,002 Members serving 54 economies.

6.2 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 Jun-15	New Jul-15	Reactivate Jul-15	(Closed) Jul-15	Size Change Jul-15	Total YTD Jul-15	% Total
Extra Large	21	0	0	0	0	21	0%
Very Large	42	0	0	0	0	42	1%
Large	140	0	0	0	0	140	3%
Medium	415	0	0	0	3	418	8%
Small	1,716	40	1	-11	39	1,785	36%
Very Small	2,071	53	3	-16	24	2,135	43%
Associate	526	4	0	-3	-66	461	9%
TOTAL	4,931	97	4	-30	0	5,002	100%

Table 9 Membership by Category

6.3 Membership by Economy

Figure 6.1 illustrates the APNIC membership distribution by economy.

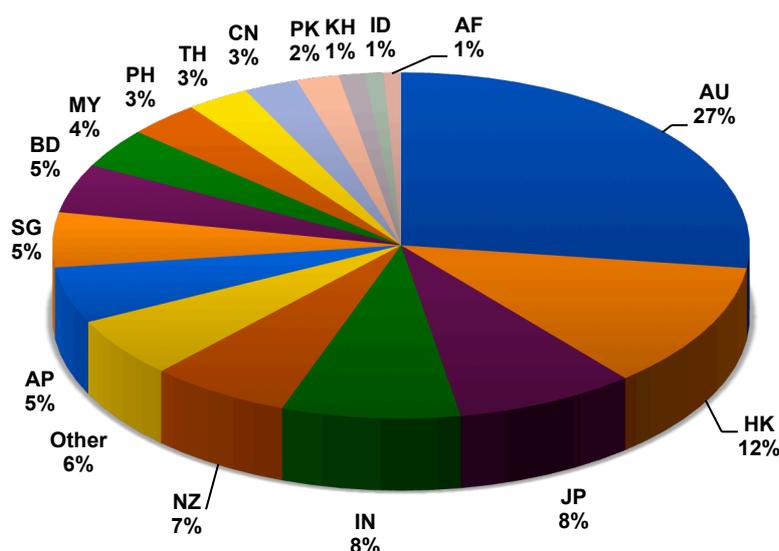


Figure 6.1 Membership by Economy

6.4 Membership Growth

APNIC membership monthly movements are illustrated at Figure 6.2 below. Membership growth budgeted for 2015 has been incorporated in this graph to track monthly growth against monthly budget growth. There were 97 new members in July and APNIC's membership reached a milestone of 5000 members.

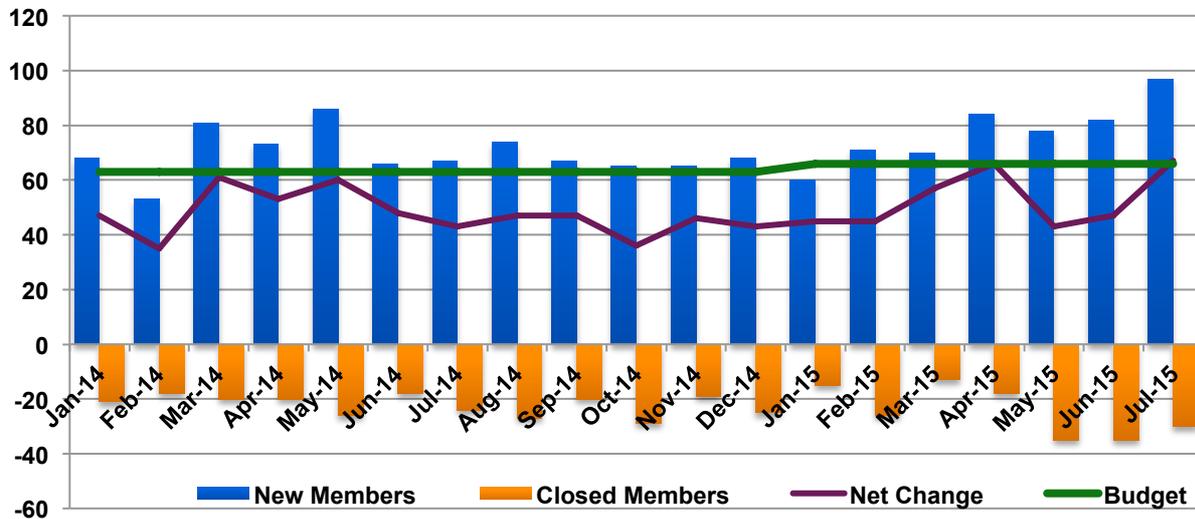


Figure 6.2 Monthly Growth Analysis

Figure 6.3 below illustrates APNIC membership growth by membership tier:

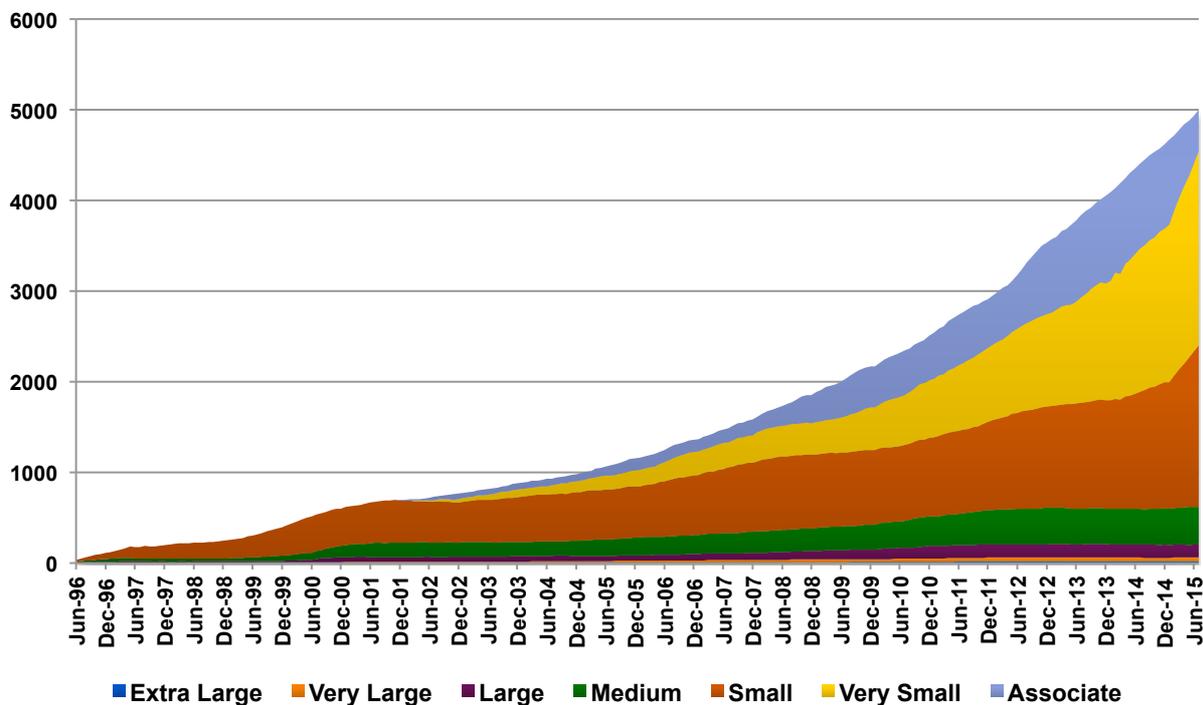


Figure 6.3 Total membership

6.5 Year-to-Date Membership Movement by Economy

Figure 6.4 below shows new and closed membership movement by economy as at end of July 2015.

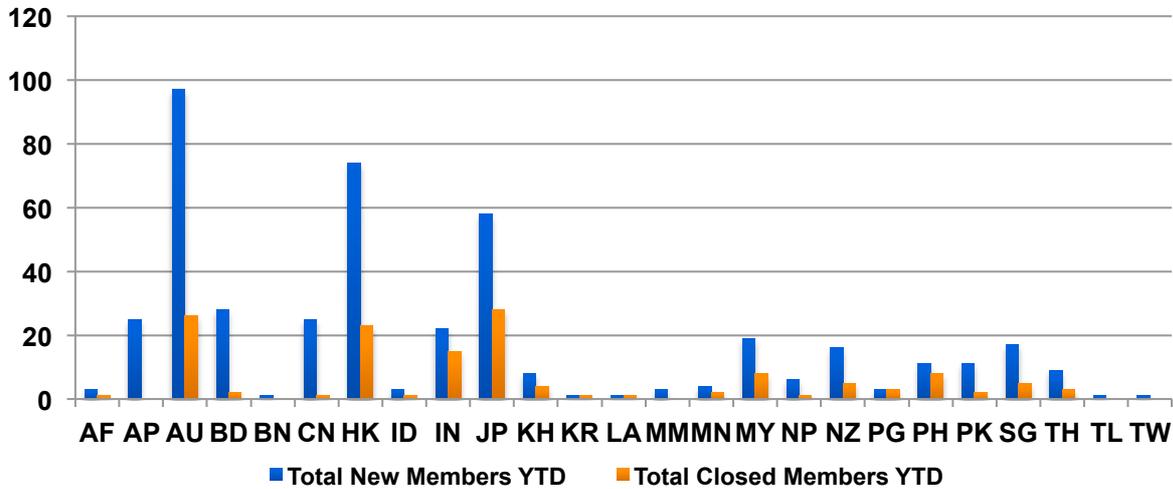


Figure 6.4 New and Closed Members Analysis

Figure 6.5 below provides an analysis of the 168 Membership closures as at the end of July. There were 4 members transfer to NIR in July, 72% 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.

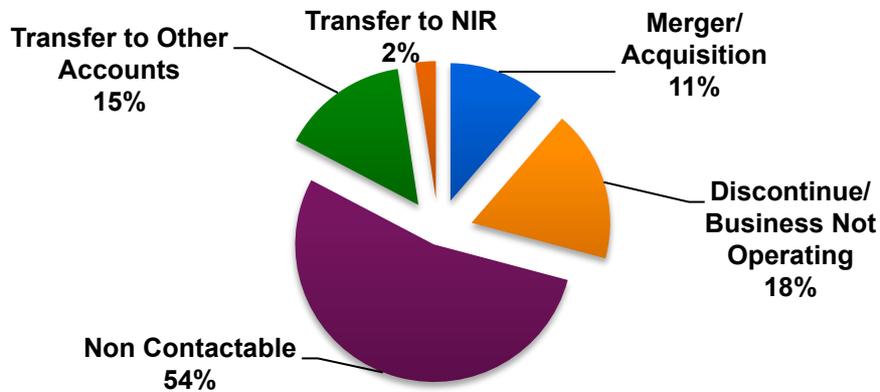


Figure 6.5 Closure Analysis

APNIC PTY LTD
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AUSTRALIA

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Private Banking

Investment Report 1.7.2015 – 31.7.2015

APNIC PTY LTD

Portfolio Group: 3000039

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Private Banking

Investment Report 1.7.2015 – 31.7.2015

Portfolio Group 3000039
 In the Name of APNIC PTY LTD
 Produced on 1.8.2015
 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

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1/17

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Scope of Analysis as of 31.7.2015

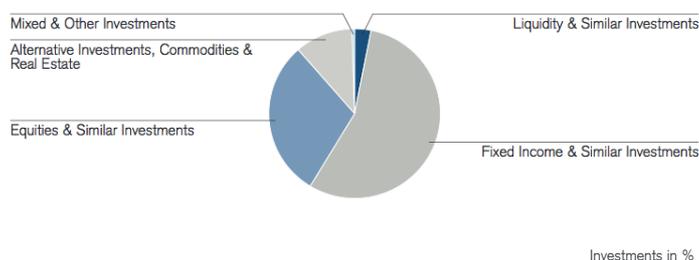
Components	Portfolio	Asset Value in AUD	Discretionary Mandate	Opened	Closed
Portfolio Group: 3000039					
Investment related Positions					
AUD Portfolio	3000039-10	208		16.08.2013	
AUD Portfolio	3000039-70	19,232,924	Yes	16.08.2013	
Total Investments		19,233,133			
Total Wealth		19,233,133			

1. Overview

1.1. Asset Allocation

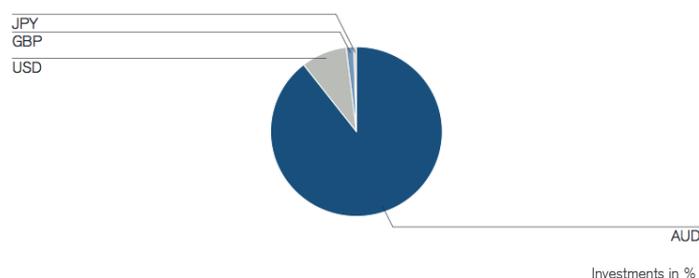
Asset Allocation by Asset Category
 Period 1.7.2015 - 31.7.2015

	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ Liquidity & Similar Investments	634,410	-42,637	591,773	3.08%
■ Fixed Income & Similar Investments	10,348,245	343,421	10,691,666	55.59%
■ Equities & Similar Investments	5,230,892	524,782	5,755,674	29.93%
■ Alternative Investments, Commodities & Real Estate	2,174,514	-76,323	2,098,191	10.91%
■ Mixed & Other Investments	0	95,829	95,829	0.50%
Total Investments	18,388,060		19,233,133	100.00%



Asset Allocation by Currency
 Period 1.7.2015 - 31.7.2015

	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ AUD - Australian Dollar	16,520,331	696,369	17,216,700	89.52%
■ USD - US Dollar	1,542,809	121,882	1,664,691	8.66%
■ GBP - Pound Sterling	245,166	23,610	268,776	1.40%
■ JPY - Japanese Yen	79,754	3,212	82,966	0.43%
Total Investments	18,388,060		19,233,133	100.00%



1.2. Income and Activity

Income Summary
 Period 1.7.2015 - 31.7.2015

	Current Period in AUD	Year to Date in AUD
Cash Dividend	155,799	464,820
Coupon Received/Paid	0	0
Interest Earned/Paid	1,387	7,371
Net Income	157,185	472,191

Activity Summary
 Period 1.7.2015 - 31.7.2015

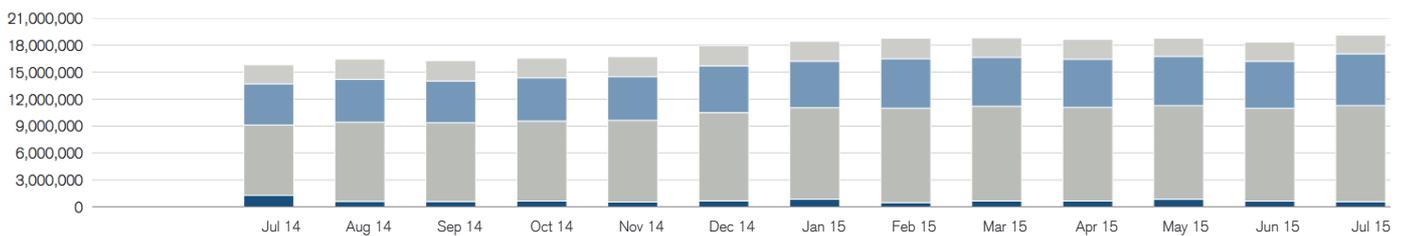
	Current Period in AUD	Year to Date in AUD
Asset Inflows	1,000,000	1,000,000
Asset Outflows	-500,000	-500,000
Total Asset Flows	500,000	500,000

2. Analyses

2.1. Asset Allocation

Asset Allocation by Asset Category Details Period 1.7.2014 - 31.7.2015

	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15
■ Liquidity & Similar Investments	1,273,716	616,970	604,392	648,839	552,517	680,838	852,037	487,490	666,637	657,060	846,920	643,932	591,773
■ Fixed Income & Similar Investments	7,841,238	8,811,784	8,764,441	8,904,622	9,084,191	9,814,453	10,184,183	10,499,138	10,536,651	10,423,981	10,430,579	10,330,930	10,691,666
■ Equities & Similar Investments	4,587,248	4,759,789	4,645,388	4,808,850	4,841,350	5,202,209	5,180,053	5,482,236	5,442,791	5,355,023	5,473,674	5,230,585	5,755,674
■ Alternative Investments, Commodities & Real Estate	2,103,287	2,244,925	2,262,399	2,184,297	2,239,957	2,239,223	2,200,904	2,305,215	2,158,797	2,198,991	2,022,874	2,142,334	2,098,191
■ Mixed & Other Investments													95,829
Total Ending Market Value in AUD	15,805,489	16,433,468	16,276,620	16,546,609	16,718,015	17,936,723	18,417,176	18,774,080	18,804,876	18,635,055	18,774,047	18,347,781	19,233,133



Investments in AUD

3. Positions

3.1. Investment Related Positions as of 31.7.2015

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	208.32	Current Account -2300003910945 AUD Portfolio: 3000039-10	1.000		208		
AUD	591,238.46	Current Account -2300003970945 AUD Portfolio: 3000039-70	1.000		591,238		
						3.07%	
GBP	0.43	Current Account -2300003970089 AUD Portfolio: 3000039-70	1.000		1		
			2.1395 GBP/AUD				
USD	237.70	Current Account -2300003970780 AUD Portfolio: 3000039-70	1.000		325	0	-0.15%
			0.7297 AUD/USD			0	-0.15%
Total Liquidity & Similar Investments					591,773		
					3.08%		
Fixed Income & Similar Investments							
Fixed Income & Similar Investments AUD							
AUD	3,500,630.19	UNITS BLACKROCK INDEXED AUSTRALIAN BOND FUND AUD Portfolio: 3000039-70	AU60BGL01056 2244170	1.025	1.045 BID 30.07.2015	3,657,623	70,202 1.96%
						19.02%	70,202 1.96%
AUD	2,018,699.05	UNITS ABERDEEN AUSTRALIAN FIXED INCOME FUND AUD Portfolio: 3000039-70	AU60CRS00041 1739745	1.144	1.170 NAV 30.07.2015	2,362,484	53,458 2.32%
						12.28%	53,458 2.32%

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 1,367.857	UNITS PIMCO AUSTRALIAN BOND FUND CLASS -A- AUD Portfolio: 3000039-70	AU60ETL01152 3432899	1,111.324	1,125.685 NAV 30.07.2015	1,539,777 8.01%	19,644 19,644	1.29% 1.29%	
AUD 171,323.45	UNITS GOLDMAN SACHS GLOBAL STRATEGIC BOND FUND AUD Portfolio: 3000039-70	AU60JBW00976 23326554	1.025	1.007 BID 29.07.2015	172,471 0.90%	-3,206 -3,206	-1.83% -1.83%	
AUD 2,592,249.24	UNITS VANGUARD AUSTRALIAN FIXED INTEREST INDEX FUND AUD Portfolio: 3000039-70	AU60VAN00014 1653500	1.123	1.142 NAV 30.07.2015	2,959,312 15.39%	48,163 48,163	1.65% 1.65%	
Total Fixed Income & Similar Investments					10,691,666	55.59%		

Equities & Similar Investments

Equities & Similar Investments AUD

AUD 6,266	SHS AMP LIMITED AUD Portfolio: 3000039-70	AU000000AMP6 917234 AMP.AX	6.479	6.610 CLO 31.07.2015	41,418 0.22%	818 818	2.02% 2.02%
AUD 4,906	SHS AUSTRALIA & NEW ZEALAND BANKING GROUP LTD AUD Portfolio: 3000039-70	AU000000ANZ3 640139 ANZ.AX	31.884	32.680 CLO 31.07.2015	160,328 0.83%	3,903 3,903	2.50% 2.50%
AUD 5,774	STAPLED SECURITY APA GROUP AUD Portfolio: 3000039-70	AU000000APA1 1083439 APA.AX	6.352	9.070 CLO 31.07.2015	52,370 0.27%	15,692 15,692	42.78% 42.78%
AUD 4,656	SHS BHP BILLITON LTD AUD Portfolio: 3000039-70	AU000000BHP4 640390 BHP.AX	33.965	26.450 CLO 31.07.2015	123,151 0.64%	-34,990 -34,990	-22.13% -22.13%

3. Positions / 3.1. Investment Related Positions

7/17

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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 8,782	SHS BORAL LTD AUD Portfolio: 3000039-70	AU000000BLD2 1050991 BLD.AX	5.501	6.640 CLO 31.07.2015	58,312 0.30%	10,004 10,004	20.71% 20.71%
AUD 9,457	SHS BRAMBLES LTD AUD Portfolio: 3000039-70	AU000000BXB1 2373150 BXB.AX	8.786	10.880 CLO 31.07.2015	102,892 0.53%	19,799 19,799	23.83% 23.83%
AUD 2,421	SHS COMMONWEALTH BANK OF AUSTRALIA AUD Portfolio: 3000039-70	AU000000CBA7 646758 CBA.AX	76.577	87.560 CLO 31.07.2015	211,983 1.10%	26,591 26,591	14.34% 14.34%
AUD 1,260	SHS CSL LTD AUD Portfolio: 3000039-70	AU000000CSL8 241548 CSL.AX	68.486	98.960 CLO 31.07.2015	124,690 0.65%	38,397 38,397	44.50% 44.50%
AUD 790	SHS FLIGHT CENTRE TRAVEL GROUP LTD AUD Portfolio: 3000039-70	AU000000FLT9 90307 FLT.AX	48.119	35.620 CLO 31.07.2015	28,140 0.15%	-9,874 -9,874	-25.97% -25.97%
AUD 2,513	STAPLED SECURITIES LEND LEASE GROUP AUD Portfolio: 3000039-70	AU000000LLC3 641373 LLC.AX	15.604	15.590 CLO 31.07.2015	39,178 0.20%	-36 -36	-0.09% -0.09%
AUD 131,764	STAPLED SECURITY MIRVAC GROUP AUD Portfolio: 3000039-70	AU000000MGR9 821911 MGR.AX	1.760	1.890 CLO 31.07.2015	249,034 1.29%	17,162 17,162	7.40% 7.40%
AUD 1,766	SHS MACQUARIE GROUP LTD AUD Portfolio: 3000039-70	AU000000MQG1 3422370 MQG.AX	55.326	82.150 CLO 31.07.2015	145,077 0.75%	47,371 47,371	48.48% 48.48%

3. Positions / 3.1. Investment Related Positions

8/17

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Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
AUD	3,557 SHS NATIONAL AUSTRALIA BANK LTD AUD Portfolio: 3000039-70	AU000000NAB4 641643 NAB.AX	34.370	34.770 CLO 31.07.2015	123,677 0.64%	1,421 1,421	1.16% 1.16%
AUD	13,207 SHS ORORA LTD AUD Portfolio: 3000039-70	AU000000ORA8 22750502 ORA.AX	2.234	2.330 CLO 31.07.2015	30,772 0.16%	1,263 1,263	4.28% 4.28%
AUD	893 SHS RAMSAY HEALTH CARE LTD AUD Portfolio: 3000039-70	AU000000RHC8 646740 RHC.AX	42.438	66.880 CLO 31.07.2015	59,724 0.31%	21,827 21,827	57.60% 57.60%
AUD	1,267 SHS RIO TINTO LTD AUD Portfolio: 3000039-70	AU000000RIO1 603520 RIO.AX	63.692	52.860 CLO 31.07.2015	66,974 0.35%	-13,724 -13,724	-17.01% -17.01%
AUD	2,616 CHESS DEPOSITARY INTERESTS RESMED INC ON A RATIO OF 10 CDIS PER ORD.SH AUD Portfolio: 3000039-70	AU000000RMD6 1058638 RMD.AX	5.509	8.000 CLO 31.07.2015	20,928 0.11%	6,515 6,515	45.20% 45.20%
AUD	74,136 STAPLED SECURITY SCENTRE GROUP AUD Portfolio: 3000039-70	AU000000SCG8 23931192 SCG.AX	3.470	3.960 CLO 31.07.2015	293,579 1.53%	36,291 36,291	14.11% 14.11%
AUD	101,527 STAPLED SECURITY SHOPPING CENTRES AUSTRALASIA PROPERTY GROUP AUD Portfolio: 3000039-70	AU000000SCP9 19791333 SCP.AX	1.593	2.140 CLO 31.07.2015	217,268 1.13%	55,501 55,501	34.31% 34.31%
AUD	38,446 UNITS SPDR S&P/ASX 200 LISTED PROPERTY FUND EXCHANGE TRADED FUND AUD Portfolio: 3000039-70	AU000000SLF1 1377855 SLF.AX	9.759	11.950 CLO 31.07.2015	459,430 2.39%	84,216 84,216	22.44% 22.44%

3. Positions / 3.1. Investment Related Positions

9/17

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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	9,514 UNITS SPDR S&P/ASX 200 FUND ETF AUSTRALIAN EQUITY EXCHANGE TRADED FUNDS AUD Portfolio: 3000039-70	AU000000STW9 1285707 STW.AX	51.615	53.160 CLO 31.07.2015	505,764 2.63%	14,700 14,700	2.99% 2.99%
AUD	4,221 SHS SUNCORP GROUP LTD AUD Portfolio: 3000039-70	AU000000SUN6 588679 SUN.AX	13.627	14.270 CLO 31.07.2015	60,234 0.31%	2,715 2,715	4.72% 4.72%
AUD	3,933 STAPLED SECURITY TRANSURBAN GROUP AUD Portfolio: 3000039-70	AU000000TCL6 444655 TCL.AX	7.793	9.970 CLO 31.07.2015	39,212 0.20%	8,562 8,562	27.93% 27.93%
AUD	22,170 SHS TELSTRA CORPORATION LTD AUD Portfolio: 3000039-70	AU000000TLS2 720464 TLS.AX	5.113	6.490 CLO 31.07.2015	143,883 0.75%	30,529 30,529	26.93% 26.93%
AUD	5,613 SHS WESTPAC BANKING CORP AUD Portfolio: 3000039-70	AU000000WBC1 642372 WBC.AX	32.959	34.860 CLO 31.07.2015	195,669 1.02%	10,668 10,668	5.77% 5.77%
AUD	1,166 SHS WESFARMERS LTD AUD Portfolio: 3000039-70	AU000000WES1 642397 WES.AX	44.613	42.450 CLO 31.07.2015	49,497 0.26%	-2,523 -2,523	-4.85% -4.85%
AUD	799 SHS WOOLWORTHS LTD AUD Portfolio: 3000039-70	AU000000WOW2 81350 WOW.AX	34.789	28.600 CLO 31.07.2015	22,851 0.12%	-4,945 -4,945	-17.79% -17.79%
AUD	931 SHS WOODSIDE PETROLEUM LTD AUD Portfolio: 3000039-70	AU000000WPL2 642429 WPL.AX	40.307	35.650 CLO 31.07.2015	33,190 0.17%	-4,336 -4,336	-11.55% -11.55%

3. Positions / 3.1. Investment Related Positions

10/17

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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	52,553.17980	UNITS ABERDEEN EMERGING OPPORTUNITIES FUND AUD Portfolio: 3000039-70	AU60ETL00329 2220820	2,121	2,412 NAV 30.07.2015	126,753 15,293 15,293	13.72% 13.72%
AUD	24,918.0863	UNITS IRONBARK KARARA AUSTRALIAN SMALL COMPANIES FUND CLASS -A- AUD Portfolio: 3000039-70	AU60PAT00021 2879000	2,843	2,968 BID 30.07.2015	73,962 3,116 3,116	4.40% 4.40%
AUD	74	SHS -PT (AUD)- ALLIANZ GLOBAL INVESTORS FUND SICAV - ALLIANZ EUROPE EQUITY GROWTH CAPITALISATION AUD Portfolio: 3000039-70	LU0757889166 18233884	1,444.994	2,052.120 NAV 31.07.2015	151,857 44,927 44,927	42.02% 42.02%
AUD	4,172	SHS OIL SEARCH LTD AUD Portfolio: 3000039-70	PG0008579883 809900 OSH.AX	8,284	7,470 CLO 31.07.2015	31,165 -3,395 -3,395	-9.82% -9.82%
Total Equities & Similar Investments AUD						4,042,961 21.02%	
Equities & Similar Investments GBP							
GBP	18,815	SHS ISHARES PLC - ISHARES CORE FTSE 100 UCITS ETF (DIST) EXCHANGE TRADED FUND GBP AUD Portfolio: 3000039-70	IE0005042456 1083749 ISF.L	6,612 1.7590 GBP/AUD	6,687 OFF 31.07.2015	268,775 49,964 3,028 46,937	22.83% 1.14% 21.70%
Total Equities & Similar Investments GBP						268,775 1.40%	

3. Positions / 3.1. Investment Related Positions

11/17

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Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
Equities & Similar Investments JPY							
JPY	359	UNITS NIKKEI 225 EXCHANGE TRADED FUND AUD Portfolio: 3000039-70	JP3027650005 1264151 1321.T	15,265.142 93.6016 AUD/JPY	20,930.000 CLO 31.07.2015	82,966 24,418 22,455 1,962	41.71% 37.11% 4.60%
Total Equities & Similar Investments JPY						82,966 0.43%	
Equities & Similar Investments USD							
USD	369	ACCUM.PTG.SH S 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	251.250 CLO 31.07.2015	126,868 52,580 33,381 19,200	70.78% 35.71% 35.07%
USD	426	SHS -I- VONTOBEL FUND SICAV - EMERGING MARKETS EQUITY CAPITALISATION AUD Portfolio: 3000039-70	LU0278093082 2870698	163.174 0.9246 AUD/USD	165.730 NAV 29.07.2015	96,612 21,432 1,490 19,942	28.51% 1.57% 26.94%
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	42.630 CLO 31.07.2015	105,238 34,740 15,820 18,921	49.28% 17.69% 31.59%
USD	4,321	SHS DBX ETF TRUST DEUTSCHE X-TRACKERS MSCI EUROPE HEDGED EQUITY ETF AUD Portfolio: 3000039-70	US2330518539 22178054 DBEU.P	28.368 0.8027 AUD/USD	27.980 CLO 31.07.2015	165,444 12,736 -2,295 15,031	8.34% -1.37% 9.71%
USD	974	SHS ISHARES GLOBAL HEALTHCARE ETF AUD Portfolio: 3000039-70	US4642873255 1352444 IXJ.P	93.648 0.9188 AUD/USD	112.860 CLO 31.07.2015	150,424 51,149 25,606 25,543	51.52% 20.51% 31.01%

3. Positions / 3.1. Investment Related Positions

12/17

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Number/ Nominal	Description	Identification ISIN Valoren Number Ticker	Cost Valuation Price Exchange Rate	Current Valuation Price/ Type Date	Value in AUD of which Accrued Interest Proportion in %	Profit/ Loss Unrealized in AUD of which Instrument of which Forex	P/L Unreal. in % Instr. in % FX in %
USD	2,487 TRUST UNITS SPDR S&P 500 ETF TRUST AUD Portfolio: 3000039-70	US78462F1030 45088 SPY,P	184.082 0.9077 AUD/USD	210.500 CLO 31.07.2015	716,386 3.72%	212,033 89,908 122,124	42.04% 14.35% 27.69%
Total Equities & Similar Investments USD					1,360,972 7.08%		
Total Equities & Similar Investments					5,755,674 29.93%		
Alternative Investments, Commodities & Real Estate							
Hedge Funds							
AUD	400,138.511 UNITS GMO SYSTEMATIC GLOBAL MACRO TRUST CLASS -B- AUD Portfolio: 3000039-70	AU60GMO00067 3375604	0.999	1.004 NAV 29.07.2015	401,619 2.09%	1,855 1,855	0.46% 0.46%
AUD	281,149.1 UNITS BLACKROCK GLOBAL ALLOCATION FUND (AUST) CLASS -D- WHOLESale AUD Portfolio: 3000039-70	AU60MAL00181 3379478	1.236	1.325 BID 28.07.2015	372,457 1.94%	24,892 24,892	7.16% 7.16%
AUD	232,578 RED.PTG.SHS -A1- AHL (CAYMAN) SPC AUD CLASS A EVOLUTION SEGREGATED PORTFOLIO AUD Portfolio: 3000039-70	KYG012291145 22393979	1.138	1.423 NAV 30.06.2015	330,935 1.72%	66,184 66,184	25.00% 25.00%
AUD	3,602 SHS -AUD E (ACC)- MERRILL LYNCH INVESTMENT SOLUTIONS SICAV - YORK EVENT-DRIVEN UCITS FUND CAPITALISATION 125 of which is pending settlement AUD Portfolio: 3000039-70	LU1150219159 26301179	104.480	100.660 NAV 29.07.2015	362,577 1.89%	-13,761 -13,761	-3.66% -3.66%
Total Hedge Funds					1,467,589 7.63%		

3. Positions / 3.1. Investment Related Positions

13/17

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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 %
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	141.710 CLO 31.07.2015	327,208 1.70%	11,359 11,359	3.60% 3.60%
USD	266 UBS ETC UBS AG, LONDON BRANCH 2007- OPEN END ON UBS BLOOMBER CICI COMPOSITE TOTAL RETURN AUD Portfolio: 3000039-70	CH0031794263 3179426 TCMCI.S	1,179.643 0.9255 AUD/USD	833.500 CLO 31.07.2015	303,394 1.58%	-35,662 -125,996 90,334	-10.52% -29.34% 18.82%
Total Commodities & Precious Metals					630,602 3.28%		
Total Alternative Investments, Commodities & Real Estate					2,098,191 10.91%		
Mixed & Other Investments							
AUD	958 PTG.SHS LEGG MASON GLOBAL FUNDS PLC - LEGG MASON WESTERN ASSET MACRO OPPORTUNITIES BOND FUND PREMIER CLASS DISTRIBUTING (S) HEDGED AUD AUD Portfolio: 3000039-70	IE00BYOZZ17 28828240	100.000	100.030 NAV 29.07.2015	95,829 0.50%	29 29	0.03% 0.03%
Total Mixed & Other Investments					95,829 0.50%		
Total Investments					19,233,133 100.00%		
of which Accrued Interest					0		

3. Positions / 3.1. Investment Related Positions

14/17

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4. Appendix

4.1. Explanations

Accrued Interest

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

Activity Summary

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

Analyses

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

Asset Classification

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

Cost Valuation Exchange Rates

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

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

Duration

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

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 31.7.2015

AUD 1.0000 = JPY 90.5660
 AUD 1.0000 = USD 0.7308
 GBP 1.0000 = AUD 2.1363

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.

Financial Performance

7 Months to July 2015



Statement of Income - Revenue

REVENUE (AUD)	YTD Actual July 2015	YTD Actual July 2014	Variance %	Forecast 2015	Budget 2015	Forecast Variation to Budget \$	Forecast Variation to Budget %
IP Resource application fees	-18,375	822,500	-102%	-18,375	0	-18,375	0%
Investment income	560,604	529,723	6%	856,362	855,000	1,362	0%
Membership fees	9,724,780	9,161,407	6%	16,862,000	16,450,000	412,000	3%
Non-members fees	143,233	148,973	-4%	243,090	232,000	11,090	5%
Reactivation fees	22,200	38,100	-42%	32,200	24,000	8,200	34%
Sign-Up fees	256,000	0	0%	431,000	380,000	51,000	13%
Transfer fees	37,821	48,846	-23%	62,821	75,000	-12,179	-16%
Sundry income	58,454	79,920	-27%	160,954	246,000	-85,046	-35%
Foreign exchange gain/(loss)	25,692	-12,893	-299%	0	0	0	0%
TOTAL REVENUE	10,810,409	10,816,577	-0%	18,630,052	18,262,000	368,052	2%

All amounts in AUD – Australian Dollars

Revenue Highlights:

Based on an analysis of current revenue trends, it is forecast that the actual revenue will achieve around \$368k above budget at the end of 2015. The major variances are:

- **IP Resource application fees** – These credits are related to the reversal of fees charged under the old fee schedule.
- **Investment Income** – A review of the Credit Suisse forecast of investment income and interest on cash deposits will see the final results for 2015 being just above budget estimates. This forecast has been reduced based on more recent updates from the investment advisor.
- **Membership Income** – Membership growth continues to be higher than budget, with members joining at higher tiers than anticipated in the budget and existing members increasing the size of their resource holdings. Based on estimates of the impact of the new fee schedule and increased new member activity, revenue from membership fees is estimated to be \$412k above budget.
- **Non-members Fees** – Although difficult to accurately predict, growth in Non-member accounts is forecast to result in a positive variance of over \$11k in 2015.
- **Signup Fees** – Sign-Up Fees are anticipated to be above budget by the end of the year as new membership growth is tracking slightly above the target of 800 set out in the budget. Based on more recent analysis, new members will likely to achieve close to 900 in 2015.
- **Transfer Fees** – The fees derived from Transfers of APNIC resources will be close to \$12k below budget by the end of 2015 based on the activity so far this year.
- **Sundry Income** – Income budgeted from training receipts and income from meeting registration for APNIC meetings will be well below budget.

Statement of Income - Expenses

EXPENSES (AUD)	YTD Actual July 2015	YTD Actual July 2014	Variance %	Forecast 2015	Budget 2015	Forecast Variation to Budget \$	Forecast Variation to Budget %
Bank charges	85,102	80,584	6%	144,352	151,950	-7,598	-5%
Communication expenses	324,512	273,359	19%	539,762	537,940	1,822	0%
Computer expenses	308,398	341,862	-10%	524,693	642,172	-117,479	-18%
Depreciation expense	442,787	452,310	-2%	761,646	762,266	-620	-0%
Doubtful debt expenses	-33,870	20,332	-267%	0	20,000	-20,000	-100%
ICANN contract fee	165,368	153,889	7%	284,161	282,835	1,326	0%
Insurance expense	74,051	77,026	-4%	136,395	136,900	-505	-0%
Meeting and training expenses	110,665	123,142	-10%	395,081	519,400	-124,319	-24%
Membership fees	25,107	33,717	-26%	48,639	64,435	-15,796	-25%
Office operating expenses	174,059	167,033	4%	304,645	305,107	-462	-0%
Postage & delivery	24,403	20,426	19%	52,903	50,000	2,903	6%
Printing & photocopy	21,792	26,395	-17%	39,292	44,840	-5,548	-12%
Professional fees	591,356	610,580	-3%	1,267,300	1,267,300	0	0%
Recruitment expense	65,035	69,240	-6%	102,535	90,000	12,535	14%
Salaries and personnel expenses	5,373,708	4,858,772	11%	9,460,248	9,460,248	0	0%
Sponsorship and Publicity expenses	79,060	79,154	-0%	651,063	649,900	1,163	0%
Staff training/ Conference expenses	84,682	92,401	-8%	152,763	155,000	-2,237	-1%
Translation expenses	570	11	5,034%	25,000	25,000	0	0%
Travel expenses	1,120,941	1,205,651	-7%	1,854,008	1,900,000	-45,992	-2%
TOTAL EXPENSES	9,037,725	8,685,884	4%	16,744,486	17,065,293	-320,807	-2%

All amounts in AUD – Australian Dollars

Expenses Highlights:

It is forecast that expenses will be less than the original budget approved for 2015 resulting in a favourable variance of around \$321k. Major expenses variances are:

- **Computer expenses** – The variance in this expenses results from the utilisation of funding from Comcast and ICANN, which will be used to offset expenses incurred by research and development activities.
- **Doubtful debts expenses** – includes a significant write-back of accounts that were outstanding at the end 2014. This credit is offset by a reduction in the Membership Fee income where accounts have been credited and closed.
- **Meeting and training expenses** – Actual costs incurred for the APNIC39 meeting were less than budgeted by nearly \$35k and the use of local hosts to reduce venue and catering costs for training (budgeted at \$72k) have all contributed to this variance.
- **Membership fees expenses** – The ISOC annual membership was reduced from Gold to Silver membership this year resulting in a variance of \$13k.
- **Professional fees** – Professional Fees are not incurred evenly across the year, and it is anticipated that the actuals for the end of the year will be close to budget.
- **Recruitment expenses** – based on recent recruitment activity this stage this expense is forecast to be \$12k more than budget
- **Travel expenses** – Travel expenses are expected to be slightly below budget at the end of 2015 based on current travel activity planned for the remainder of the year.

Operating Surplus

REVENUE and EXPENSES (AUD)	YTD Actual July 2015	YTD Actual July 2014	Variance %	Forecast 2015	Budget 2015	Forecast Variation to Budget \$	Forecast Variation to Budget %
Total Revenue	10,810,409	10,816,577	0%	18,630,052	18,262,000	368,052	2%
Total Expenses	9,037,725	8,685,884	4%	16,744,486	17,065,293	-320,807	-2%
OPERATING SURPLUS/(DEFICIT)	1,772,684	2,130,693	-17%	1,885,566	1,196,707	688,859	58%

Surplus for 2014 reported at \$3,089k

All amounts in AUD – Australian Dollars

Capital Expenditure

CAPITAL (AUD)	YTD Actual July 2015	Budget 2015	Utilized %	Budget Remaining \$
Equipment & Software	556,403	1,215,883	46%	-659,480
Office Furniture & Fittings	14,291	28,500	50%	-14,209
TOTAL CAPITAL EXPENDITURE	570,695	1,244,383	46%	-673,688

Capital expenditure is anticipate to finish 2015 close to the budget estimates

All amounts in AUD – Australian Dollars

Statement of Financial Position

	31/07/2015	Year-End 2014	% Change from 31/12/2014
CURRENT ASSETS			
Cash/Term deposits	5,544,988	5,420,158	2%
Receivables	1,061,119	923,332	15%
Others	789,816	472,950	67%
TOTAL CURRENT ASSETS	7,395,923	6,816,440	9%
NON-CURRENT ASSETS			
Other financial assets	19,232,924	17,924,950	7%
Property, plant and equipment	8,033,640	7,905,732	2%
Deferred tax assets/ liabilities	157,749	157,749	0%
TOTAL NON-CURRENT ASSETS	27,424,312	25,988,431	6%
TOTAL ASSETS	34,820,236	32,804,871	6%
CURRENT LIABILITIES			
Payables	881,231	1,513,519	-42%
Provisions	1,169,406	1,074,692	9%
Unearned revenue	8,614,716	8,301,739	4%
TOTAL CURRENT LIABILITIES	10,665,353	10,889,951	-2%
NON - CURRENT LIABILITIES			
Deferred Tax Liabilities	284,963	284,963	0%
Provisions	317,091	241,459	31%
TOTAL NON-CURRENT LIABILITIES	602,054	526,423	14%
TOTAL LIABILITIES	11,267,408	11,416,374	-1%
NET ASSETS	23,552,828	21,388,497	10%
EQUITY			
Share capital	1	1	0%
Reserves other financial assets investment	1,006,310	614,663	64%
Retained earnings	20,773,833	17,684,724	17%
Net Income	1,772,684	3,089,109	-43%
TOTAL EQUITY	23,552,828	21,388,497	10%

All amounts in AUD – Australian Dollars

Statement of Financial Position

Current Assets:

- Increase in cash from membership renewals of \$674k compared to Dec 2014
- APNIC USD Bank account reduced from \$327k in Dec to \$92k at the end of July
- Payments from the SIDA Trust account reduced the Dec balance by \$331k to \$304k at the end of July.
- Compared to 2014, there was a increase in the value of prepaid deferred expenses of \$318k.

Non-Current Assets

- Other financial assets which includes the Investment portfolio have increased by \$1.3M since the end of 2014, comprising transfers from the operating account and increases in the value of investments.
 - A total of \$500k was transferred from the operating surplus, capital growth reported was \$392k and \$499k in investment distributions was reinvested.

Current Liabilities

- Payables have reduced by \$632k since the end of 2014; the primary contributor to this variance is the distribution of funds under the grants programs for SIDA(\$335k), and IDRC(\$134k).
- Unearned Revenue that represents the prepaid portion of annual membership fees was \$313k above the December 2014 balance reflecting increases in APNIC's membership and the timing of membership renewals during the calendar year.

Equity

- APNIC's equity position has increased by 10% from \$21.4M to \$23.6M over the period, including the operating surplus of \$1.78M reported for the year to date July 2015.

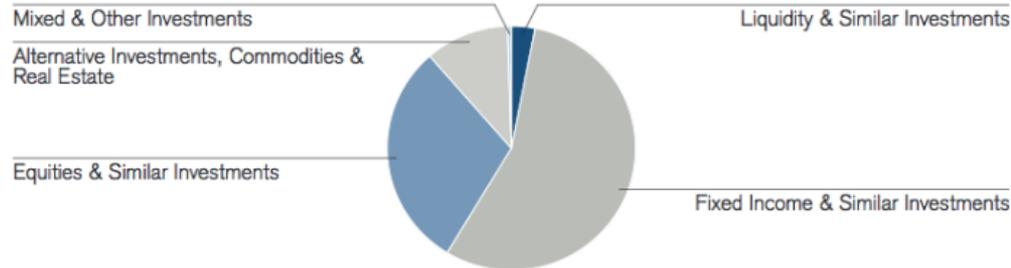
APNIC's Investment funds

- The amount of \$19.2M invested in the Credit Suisse investment management account at the end of July compared to \$17.9M at the end of 2014.
- \$500k of cash surplus in the operating account was transferred to the investment portfolio in July.
- Capital growth reported was \$392k and up until the end of July there was \$499k in investment distributions
- Please refer to the attached investment report outlining the portfolio.

APNIC's Investment funds

Asset Allocation by Asset Category
Period 1.7.2015 - 31.7.2015

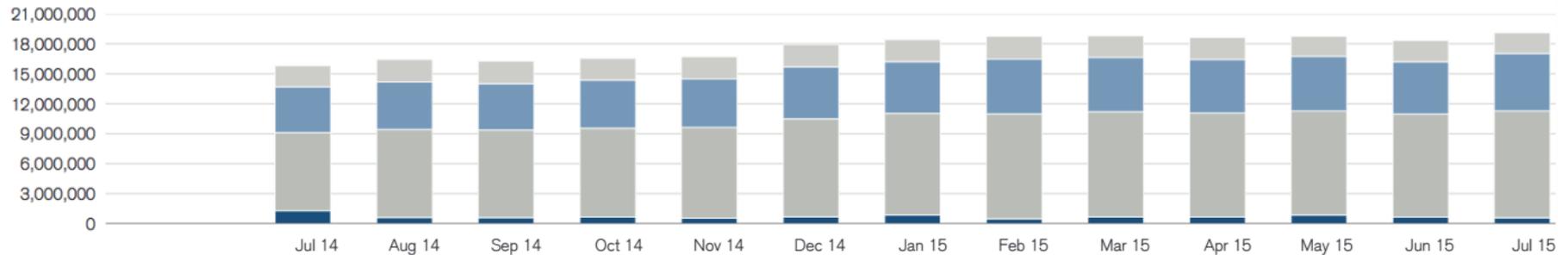
	Beginning of Period in AUD	Change	End of Period in AUD	End of Period Proportion
■ Liquidity & Similar Investments	634,410	-42,637	591,773	3.08%
■ Fixed Income & Similar Investments	10,348,245	343,421	10,691,666	55.59%
■ Equities & Similar Investments	5,230,892	524,782	5,755,674	29.93%
■ Alternative Investments, Commodities & Real Estate	2,174,514	-76,323	2,098,191	10.91%
■ Mixed & Other Investments	0	95,829	95,829	0.50%
Total Investments	18,388,060		19,233,133	100.00%



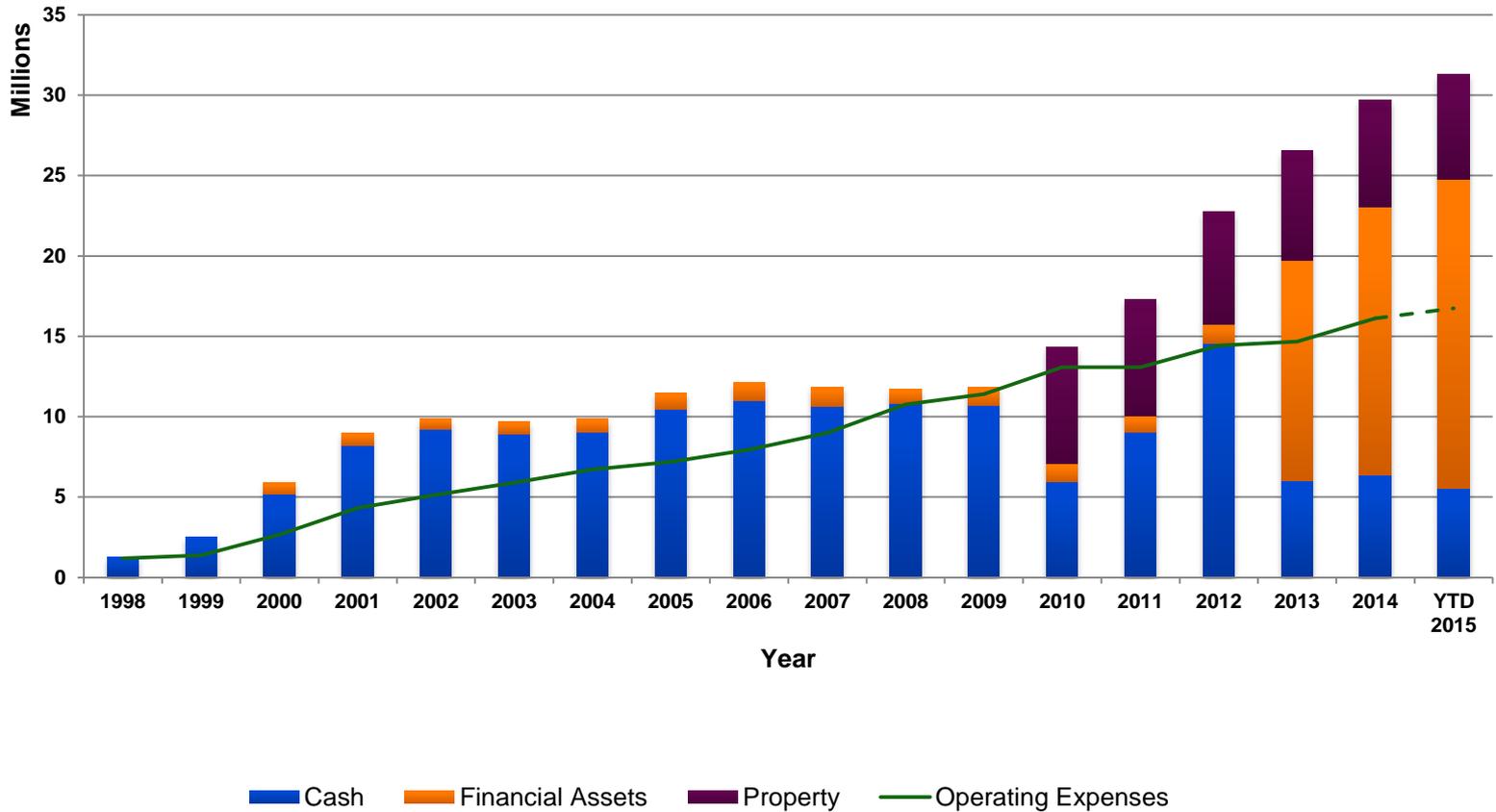
APNIC's Investment funds

Asset Allocation by Asset Category Details
Period 1.7.2014 - 31.7.2015

	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15
■ Liquidity & Similar Investments	1,273,716	616,970	604,392	648,839	552,517	680,838	852,037	487,490	666,637	657,060	846,920	643,932	591,773
■ Fixed Income & Similar Investments	7,841,238	8,811,784	8,764,441	8,904,622	9,084,191	9,814,453	10,184,183	10,499,138	10,536,651	10,423,981	10,430,579	10,330,930	10,691,666
■ Equities & Similar Investments	4,587,248	4,759,789	4,645,388	4,808,850	4,841,350	5,202,209	5,180,053	5,482,236	5,442,791	5,355,023	5,473,674	5,230,585	5,755,674
■ Alternative Investments, Commodities & Real Estate	2,103,287	2,244,925	2,262,399	2,184,297	2,239,957	2,239,223	2,200,904	2,305,215	2,158,797	2,198,991	2,022,874	2,142,334	2,098,191
■ Mixed & Other Investments													95,829
Total Ending Market Value in AUD	15,805,489	16,433,468	16,276,620	16,546,609	16,718,015	17,936,723	18,417,176	18,774,080	18,804,876	18,635,055	18,774,047	18,347,781	19,233,133



APNIC's Reserve



All amounts in AUD – Australian Dollars

Financial Stability Measure

	31/07/2015	2014	2013
Total Equity	\$23,552,828	\$21,388,497	\$17,826,296
% Equity covered by Cash and/or Equivalents	113.1%	115.7%	119.0%
Forecast/Actual Daily Operating Expenses	\$45,875	\$42,558	\$39,959
Number of Months of expenses covered by Equity	16.88	16.52	14.67

Target of 18 months of Operating expenses

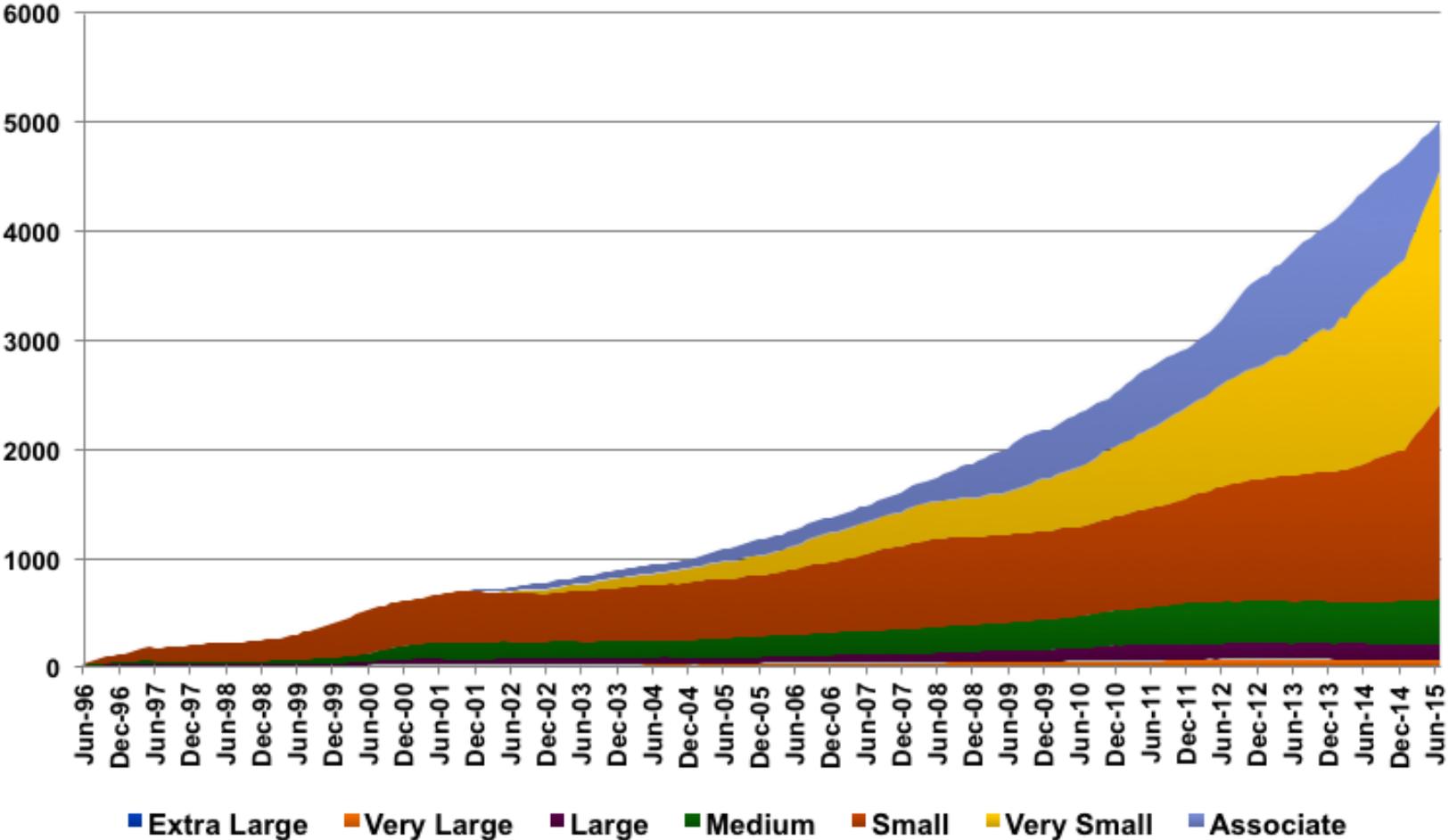
All amounts in AUD – Australian Dollars

Membership Growth

Membership	2009	2010	2011	2012	2013	2014	YTD Jul 2015	F'cast 2015
Extra Large	13	16	21	20	20	21	21	21
Very Large	31	33	41	45	43	40	42	42
Large	106	141	145	144	147	142	140	140
Medium	276	324	378	402	392	402	418	418
Small	823	867	970	1,114	1,198	1,388	1,785	2,069
Very Small	472	637	817	1,021	1,294	1,701	2,135	2,445
Associate	449	503	575	788	957	924	461	130
TOTAL	2,170	2,521	2,947	3,534	4,051	4,618	5,002	5,265
New	478	507	615	832	813	805	543	931
Close	163	156	189	245	296	250	159	273
Net Gain	315	351	426	587	517	555	384	658
Average Monthly Net Gain	26	29	36	49	43	46	55	55

- Membership Growth in 2015 continues to be strong with a total membership of 5,002 at the end of July, a net growth of 384, averaging 78 new members per month with around 23 members closing their accounts.
- Strongest growth is seen in; Australia (97), Hong Kong(74), and Japan(58)

Membership Growth



Activity Reporting

Year to July 2015

APNIC

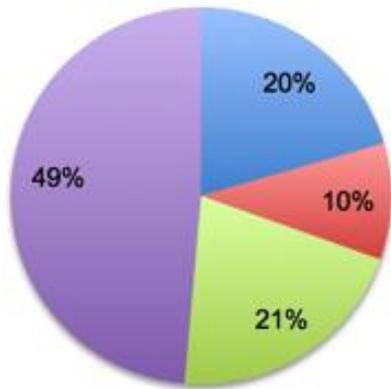
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Revision: [xx]



YTD July Expenses – By Activity

Budget Expenses 2015



■ Corporate ■ Global Collaboration ■ Regional Development ■ Serving Members

July YTD Actual Expenses

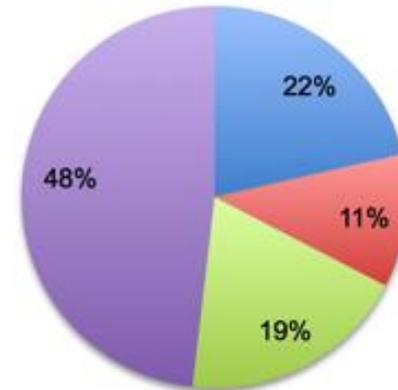


Chart Area

■ Corporate ■ Global Collaboration ■ Regional Development ■ Serving Members

YTD July Expenses – By Activity

EXPENSES (AUD)	YTD Actual July 2015	YTD Budget July 2015	Budget Variance \$	Variance %
Facilities	262,175	253,753	8,422	3%
Finance & Administration	781,685	753,431	28,254	4%
Human Resource Management	526,982	541,422	-14,440	-3%
Legal & Governance	360,154	409,189	-49,035	-12%
Total - Corporate	1,930,996	1,957,795	-26,799	-1%
Global Research	213,515	202,175	11,340	6%
Global Technical Community	544,311	405,769	138,542	34%
Inter-governmental Outreach	264,675	255,381	9,294	4%
Total - Global Collaboration	1,022,501	863,325	159,176	18%
APNIC Conferences	602,742	633,308	-30,566	-5%
Community Engagement	660,609	696,437	-35,828	-5%
Regional Technical Development	467,136	530,445	-63,309	-12%
Total - Regional Development	1,730,487	1,860,190	-129,703	-7%
Registration Services	632,652	732,724	-100,072	-14%
Customer Service	1,594,405	1,742,332	-147,927	-8%
Member Training	515,511	599,193	-83,682	-14%
Technical Infrastructure	1,611,174	1,628,292	-17,118	-1%
Total - Serving Members	4,353,741	4,702,541	-348,800	-7%
TOTAL EXPENSES	9,037,725	9,383,851	-346,126	-4%

YTD July CAPEX – By Activity

CAPITAL (AUD)	YTD Actual July 2015	YTD Budget July 2015	Budget Variance \$	Variance %
Facilities	14,291	16,625	-2,334	-14%
Finance & Administration	2,028	3,500	-1,472	-42%
Total - Corporate	16,319	20,125	-3,806	-19%
Global Research	33,004	46,375	-13,371	-29%
Global Technical Community	754	0	754	0%
Total - Global Collaboration	33,758	46,375	-12,617	-27%
APNIC Conferences	10,190	16,044	-5,854	-36%
Regional Technical Development	21,527	105,000	-83,473	-79%
Total - Regional Development	31,717	121,044	-89,327	-74%
Registration Services	6,218	3,500	2,718	78%
Customer Service	89,173	44,919	44,254	99%
Member Training	12,106	40,831	-28,725	-70%
Technical Infrastructure	381,404	449,106	-67,702	-15%
Total - Serving Members	488,901	538,356	-49,455	-9%
TOTAL CAPITAL EXPENDITURE	570,695	725,900	-155,205	-21%

2016 Outlook

August 2015

APNIC

Issue Date: [Date]

Revision: [xx]



High Level 2016 Forecast

Revenue	Forecast 2015	Budget 2015	Variance	Var %	F'cst 2016	Variance to 2015	Var %
Investment Income	856,362	855,000	1,362	0%	894,347	37,985	4%
Membership Fees Income	16,862,000	16,450,000	412,000	3%	17,444,751	582,752	3%
Non - Member Fees Income	243,091	232,000	11,091	5%	245,000	1,909	1%
Reactivation Fees	32,200	24,000	8,200	34%	33,000	800	2%
IP Resource Application Fee	- 18,375	-	- 18,375	-1%	-	18,375	100%
Sign-Up Fee	431,000	380,000	51,000	13%	483,000	52,000	12%
Transfer Fees	62,821	75,000	- 12,179	-16%	75,000	12,179	19%
Sundry Income	160,954	246,000	- 85,046	-35%	160,954	-	
Gross Revenue	18,630,052	18,262,000	368,052	2.0%	19,336,052	706,000	4%
Expenses							
Bank Service Fees	144,352	151,950	7,598	-5%	148,200	3,848	3%
Communication Expenses	539,762	537,940	- 1,822	0%	459,021	- 80,741	-15%
Computer Expenses	524,693	642,172	117,479	-22%	592,000	67,307	13%
Depreciation Expenses	761,646	762,266	620	0%	785,256	23,610	3%
ICANN Contract Fees	284,161	282,835	- 1,326	0%	284,161	-	
Sponsorship and Publicity Expense	651,063	649,900	- 1,163	0%	681,870	30,807	5%
Doubtful Debt Expenses	0	20,000	20,000	-100%	-	-	
Insurance Expenses	136,395	136,900	505	0%	139,895	3,500	3%
Meeting and Training Expenses	395,081	519,400	124,319	-31%	386,290	- 8,791	-2%
Membership Fees	48,639	64,435	15,797	-32%	51,966	3,327	7%
Office Operating Expenses	304,645	305,107	462	0%	312,339	7,695	3%
Postage & Delivery	52,903	50,000	- 2,903	5%	54,403	1,500	3%
Printing & Photocopy	39,292	44,840	5,548	-14%	39,292	-	
Professional Fees	1,267,300	1,267,300	0	0%	1,301,629	34,329	3%
Recruitment Expense	102,535	90,000	- 12,535	12%	107,661	5,127	5%
Salaries and Personnel Expenses	9,460,248	9,460,248	- 0	0%	10,392,005	931,756	10%
Staff Training Expense	152,763	155,000	- 2,237	1%	159,263	6,500	4%
Translation Expense	25,000	25,000	0	0%	25,570	570	2%
Travel Expenses	1,854,008	1,900,000	45,992	-2%	1,959,008	105,000	6%
Total Expenses	16,744,486	17,065,293	320,807	-2%	17,879,829	1,135,343	7%
Surplus	1,885,566	1,196,707	688,859	58%	1,456,223	- 429,344	-23%

Taxation Status

August 2015

APNIC

Issue Date: [Date]

Revision: [xx]



Taxation status

KPMG are in the final stages of preparation for the lodging of APNIC's private ruling application.

The application is expected to take the full 56 days as set out in the ATO's guidelines. The outcome should be available by late October, early November.

Agenda Item 7

DG report

APNIC Secretariat Report

APNIC EC meeting, 7 September 2015
Draft v 1

This is a report of Secretariat activities for the APNC EC meeting to be held on 7 September 2015, in Jakarta, Indonesia. It covers activities during the period since the last EC meeting, but statistics in most cases apply to the calendar year to date, from 1 January 2015.

1 Services Area

1.1 Service Metrics

Statistics for membership growth, IP resource allocations and transfers, and other activities are contained in the attached presentation file, and will be presented during APNIC 40.

1.2 Projects

1.2.1 Instant Feedback

We are developing mechanisms to collect customer feedback after delivery of most (and eventually all) APNIC service transactions. In March 2014, we implemented an automatic email follow-up of all completed RT Helpdesk tickets, allowing customers to choose to fill in a brief survey.

In a 4-week period, we received 311 responses which rated the services received as follows:

- Overall service quality: 94.4% above average or excellent
- On staff knowledge: 91.6% above average or excellent
- On whether the problem was resolved: 90.0% answered "Yes"

In every case that survey a response indicates any dissatisfaction, Member Services staff follow up to try to resolve any issues or complaints.

1.2.2 Services Roadmap

The following projects on the Services Roadmap have been completed:

1. New web pages for APNIC Services
2. MyAPNIC Survey
3. Training Survey
4. Whois Data Quality Improvement
5. Statistics web page improvements
6. Skype/VOIP phone integration
7. Toll free number investigation

1.2.3 Toll Free Number

There is no single service for toll-free calls in the AP region, and many economies do not support international toll-free calling. All developed economies have a toll-free service, however most LDCs do not.

A Telstra-based service covering 16 economies would cost \$132,000 per year; while services covering fewer economies may cost at least \$30,000 per year.

It is not acceptable that a toll-free service would be offered only to some countries, while those most in need would miss out and effectively subsidise the others.

Therefore the toll-free number will not be pursued. Instead we will continue to promote use of VOIP (and now Skype), and provide an opportunity for members to request a phone call from APNIC if that is needed (for instance through the online chat facility).

2 Communications Area

2.1 Events

2.1.1 APNIC Conferences

APNIC 42: the new dates for APNIC 42 were confirmed as 29 Sep - 6 Oct, and announced publicly. APTLD has indicated it may not join APNIC 42 in Bangladesh as .bd is not a member of APTLD.

APNIC 44: TWNIC has agreed to be the host for APNIC 44 and the city has been confirmed as Taichung, although this has not yet been announced (the plan is to announce this at APNIC 40).

2.1.2 Regional Meetings

The second ARM for 2015 was held in Manila on 15 June, alongside the EC meeting. The remaining ARMs for 2015 are tentatively scheduled for Mongolia (28 Sep), Laos (2 Nov), and Guam (30 Nov - with PACNOG).

2.2 Publications

2.2.1 Website

There are currently two major improvement projects underway for www.apnic.net: a review and revamp of the Member Services section, and a redesign of the website home page. The aim is to continue improving the user experience on the APNIC website. Both projects are progressing well and expected to be finalised in early Q4. Further website improvements will continue in Q4 and beyond.

2.2.2 Blog

The APNIC Blog celebrated its first birthday in August and has exceeded 100,000 views in 2015, averaging 9,000-13,000 views per month. The top ten economies for blog visitors (in order) being US, AU, TH, JP, MY, BD, ID, IN, UK, and PH. In the lead up to APNIC 40, we have run a series of interviews with Indonesian tech community identities ("ID Series"), which has been well-received.

3 Technical Area

3.1 Software

3.1.1 MyAPNIC enhancements

- 1) 2-Factor Authentication provides easier secure access to certain MyAPNIC features such as voting and RPKI.

- 2) Automation of the NC (Number Council) nominations process reducing workload with a more efficient workflow.
- 3) Whois database “cleanup” to remove unreferenced contacts. This will be completed before APNIC 40 meeting.

3.1.2 APNIC Resource Management System (ARMS)

The current ARMS, written in Perl, is becoming difficult to maintain and is not scalable. The next generation ARMS will be based on the Message Bus architecture, and refactored in Java, moving away from Perl. This high performance system is based on best practise design methodology making it easy to maintain and scale.

The first of three back-end modules have been completed and is currently in system test.

A number of “quick wins” tasks have been identified to help streamline and optimize the resource management process from a user experience perspective. The majority of these tasks have been delivered, with the remaining items to be completed by the end of August.

3.1.3 CONFER

CONFER allows local and remote members to participate in consensus calls in real time. Based on the success at the APNIC39 conference, the tool is being enhanced for APNIC40.

3.1.4 Information Security Management System (ISMS)

Using the ISO27001 specification as reference, APNIC is developing an internal ISMS to make sure all processes and policies are in line with the latest security principles. This project has begun with a goal to develop the framework by the end of this year.

3.2 Infrastructure Services

3.2.1 Registration Data Access Protocol (RDAP)

The RDAP service, solving a number of limitations of WHOIS, was deployed in June 2015. This allows members to query registration data in a way that is consistent across all RIRs, and a standardized query format making it ideal for automated queries. It also supports redirection capabilities to allow seamless referrals to other registries, along global queries to be answered by APNIC’s whois.

3.2.2 Backup Infrastructure

A new SAN (Storage Attached Network) Backup system is being deployed by end September to replace the current storage system which is at end-of-life. The new system is based on best design practices, providing full data recovery of all APNIC internal and external services.

3.2.3 Enhanced cooperation with RIRs

The APNIC tech team recently assisted AFRNIC with test and debug systems, and advice on deployment of RDAP.

We also have advised LACNIC on designing their 2FA service and will share our design and code, and provide tech support where required.

4 Strategic Engagement

4.1 Major events

4.1.1 Mobile World Congress

In July I delivered a keynote presentation on IPv6 at the Internet of Things Summit during the Mobile World Congress Shanghai. It is a very big conference and exhibition of the mobile industry, expected to rival the annual GSMA event in Barcelona that gathers more than 90,000 participants.

<http://blog.apnic.net/2015/07/28/connecting-mobile-community-to-ipv6-gsma>

4.1.2 Cybersecurity events

At the 27th Annual FIRST Conference, APNIC's Adli Wahid was re-elected as a member of the Board of Directors, charged with overseeing FIRST outreach and fellowships.

I presented on APNIC's Security activities in the Pacific at the Pacific ICT Ministerial meeting in Tonga

APNIC staff conducted training at the Asia-Pacific Information Security Center in Seoul, funded by KrCERT/CC.

We presented on cybersecurity issues at the APriGF and TWCSIRT conferences.

4.1.3 WSIS+10

The two-day high level (intergovernmental) WSIS+10 meeting will be held in December in New York, to discuss questions including the renewal of the IGF. The exact scope of the WSIS+10 review remains to be defined, but there is a risk of moving to a more closed, intergovernmental process. Akinori participated in the first consultation meeting in New York, held on 1 July. The next consultation will be on 19 October, same week of the ICANN meeting in Dublin.

A civil-society-led consultation will be held in Bangkok just prior to APNIC 40 and is being supported by APNIC.

<http://unpan3.un.org/wsis10>

4.1.4 IGF related meetings

The APriGF was held in Macau at the beginning of July, with a good program and good participation. This year's APriGF produced a consensus outcome document, which will hopefully become a regular output of the APriGF and help to drive regional discussions. I continue to be the chairs of the MSG. Elections are coming up to renew the Chair of the MSG. The APriGF still needs strong efforts to remain as a standing annual event for the AP region.

NetHui (New Zealand IGF) was held in Auckland New Zealand on 8-10 July, it is a very good example of an active community and the IGF process can learn a lot from its format and dynamics.

Preparations for the 2015 IGF are ongoing, with some workshops proposed by the NRO, including an NRO Open Forum, and a Best Practice Forum on IPv6 deployment.

4.2 IANA transition

The implementation of the CRISP proposal is proceeding with:

- The Review Committee Charter has been drafted and almost agreed after a first round of consultations.

- A second version of the SLA with ICANN has been produced, taking into account comments from the first round of public consultations, and published for a second consultation period.

The ICG's first transition plan is complete and is open for public review until 8 September. CRISP has produced a response which is also open for public review, and the NRO will encourage RIR members to express support for the CRISP response.

APNIC has been very active within the NRO, at EC and CCG level, to provide leadership on the IANA transition work.

APNIC is leading development of IANA services business process mapping (using BPMN), in collaboration with other RIRs and IANA.

Several podcasts have been recorded as part of communications with our community.

<http://soundcloud.com/apnicuser>

4.3 External Relations Program

ER will have a stronger and more efficient framework under new manager, Klée Aiken, succeeding Connie's role which was performed on a 50% basis. Full-time support for ER will improve coordination, improve preparation for all external engagements, and make APNIC ER more strategic, transparent and accountable.

In 2015 the ER programme has overseen APNIC staff participation in 85 events so far, excluding training events, of which 57 were held in 20 economies of the AP region.

Region	Events	Economies
APNIC	57	20
Other	28	16
Total	85	36

5 Development Area

5.1 Training

5.1.1 Training in 2015

This table shows Training activity levels so far in 2015 (to 17 August), compared with totals for 2014. On most measures, totals for 2015 will exceed those for 2014.

	Workshops & Tutorials	eLearning
Courses	49 (76)	98 (141)
Days	105 (219)	24 (39)
Locations	19 cities (29) 17 economies (22)	N/A
Participants	1,356 (2,352)	483 (534)
YouTube channel	265,276 views + 3,749 subscribers (up 89,276 + 1,049 in 2015)	

5.1.2 Course Development

In response to previous feedback on outdated course materials, the training team has reviewed all materials in 2015, and updated those for IRR, RPKI, Network Security, and DNS & DNSSEC.

In addition, the RPKI course has been updated with hands-on exercises, and routing training updated with Juniper-based materials and a Juniper training lab.

5.1.3 eLearning

The eLearning timetable and content has been updated with the result of significantly increased participation – so far in 2015 we have exceeded total 2014 attendance.

The 'core' APNIC topics are also being professionally recorded and edited for YouTube channel

Looking at incentives to encourage participation and feedback (e.g. periodic draw for online store vouchers)

Planning collaboration with RIPE NCC to develop self-paced online courses, initially Whois Database and Internet Governance

5.2 Community Development

So far in 2015 APNIC has contributed to 11 NOG events, 3 IGF events, and 5 other ICT events.

25 fellowships have been approved for APNIC 40, from a total fellowship fund of \$51,000. In addition, APJII, NIXI and JPNIC are supporting their own fellowship funds for the meeting, giving APNIC 40 the highest fellowship attendance of any APNIC meeting.

APNIC is assisting RIPE NCC in deploying Atlas anchors and probes. So far in 2015, we have supported or coordinated the deployment of 8 anchors (servers located in various IXPs and datacentres) and over 100 probes (distributed during various NOG events).

5.3 Technical Assistance

5.3.1 Activities since June 2015

TAS mission to Bangkok, Thailand in July 2015. Ten APNIC member organizations were visited by an Internet technical expert Dean Pemberton and an APNIC Internet Resource Analyst, Tuan Nguyen.

Collaboration with NSRC on IXP workshops in New Caledonia and Samoa in 2015, on cost-sharing basis. The event in New Caledonia was the first attempt to have an open and multi-stakeholder discussion over an IXP by community members. The workshop in Samoa helped the community preparing the launch of an IXP in Samoa (currently waiting for fiber connectivity before the final launch).

Managing APNIC's support for new root servers, on request from community members. We recently signed an updated MoU with two new hosts:

- Samoa L-Root server procurement (CSL, Samoa)
- Philippines K-Root server procurement (ASTI, Philippines)

Both are currently processing the procurement of hardware.

Maintaining support for APNIC's IPv6 deployment activities, including:

- Developed and coordinated highly participated programs at APRICOT2015/APNIC39
- Collaboration with ITU on IPv6 capacity development in developing economies (ongoing over the past 5 years)
- Coordinating IPv6 related program for APNIC40

5.4 Partnerships

5.4.1 Meetings

We have presented development activities in meetings with the following potential funding partners:

- The Asian Venture Philanthropy conference, Singapore
- Philanthropic foundations in Hong Kong
- The Asian Development Bank, Manila
- Japanese companies and organizations in Tokyo
- The China Foundation Center, Beijing

5.4.2 Financial support

During 2015, the Development Area has had success in raising financial support from:

- World Bank and the Japan International Cooperation Agency (Security workshops)
- ITU (IPv6 workshops and Myanmar technical workshop)

- OPT, New Caledonia (training sponsorship)
- ISOC, Bangalore (training sponsorship)
- PITA (training sponsorship)
- Cook Islands Government (training sponsorship)
- APJII (training sponsorship)
- National Communications Authority, Timor Leste (training sponsorship)

5.4.3 APNIC Foundation

Work is continuing on investigation options and feasibility of candidate locations. Hong Kong is currently being reviewed as the most suitable location so far, and will be presented to the EC in Jakarta.

In addition we are working on an “APNIC Prospectus” brochure to present APNIC’s Internet Development activities to audiences in the development sector.

6 Business Area

In 2015 we have implemented the new Member Fee schedule, and also the new schedule of activity codes for finance reporting to members.

We have needed an Insurance review for coverage of events with large numbers of staff and EC members.

The Netsuite ERM now has a new Fixed Assets module, we are reviewing its Adaptive Planning module for 2016 budget preparation and forecast

We have implemented a new “e-Way” merchant facility, providing support for recurring/flexible billing

Our second annual ISO9001 Audit was passed in July 2015, with positive feedback.

The Following activities are still underway, due for completion in 2015:

- Review of banking service providers
- Review of travel providers
- Review of APNIC office facilities, with 5 to 10 year plan
- Finalisation of SIDA and IDRC Grant Program
- Planning and scoping for 2016 APNIC Survey
- Implement flexible billing cycles/Payment Options
- Mutuality private ruling application with KPMG

7 Human Resources

[Confidential information redacted]

Agenda Item 10

Strategic planning update

Strategic planning update

2016 – 2019

APNIC

Issue Date: Sep 15

Revision: 01



Revised Strategic Planning Cycle

		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

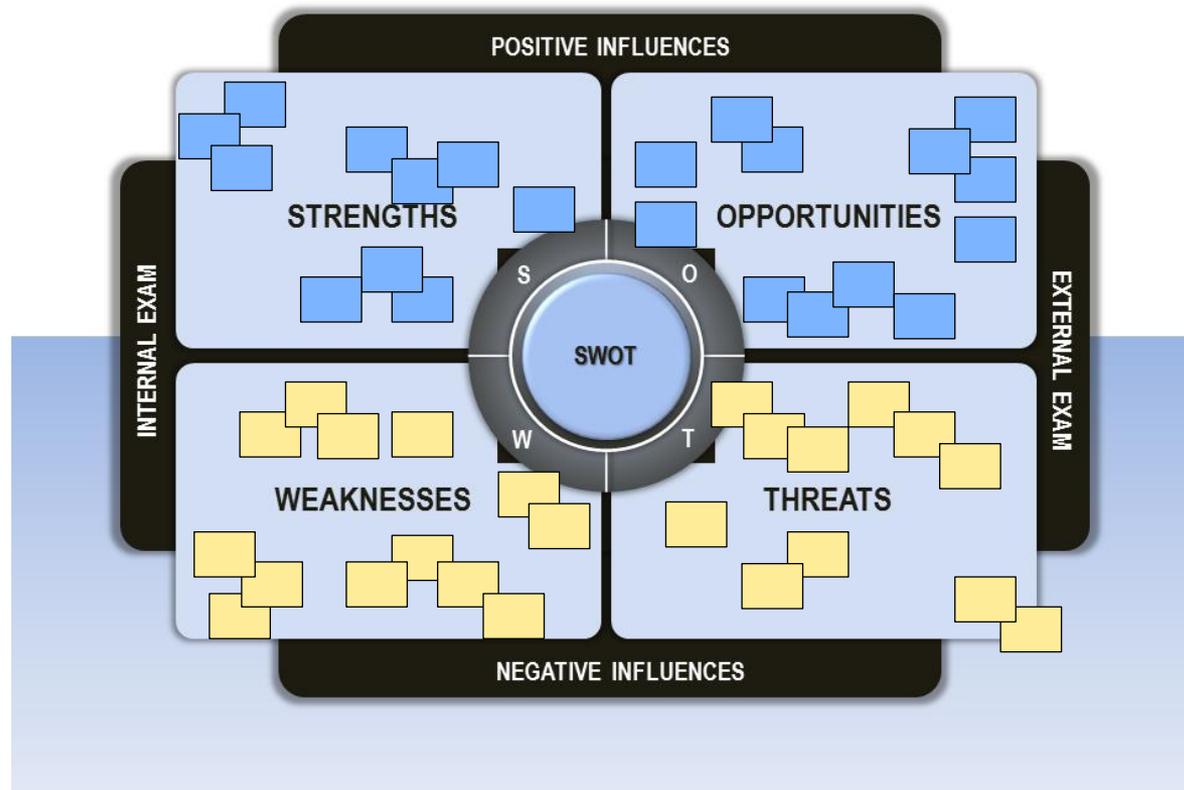
Timeline

Date	Planning session	Facilitator
August	Area level	Sanjaya
End September	Managers/Leaders	External
2 November	Executive Leadership Team	External
28 November	Executive Council	Craig Ng

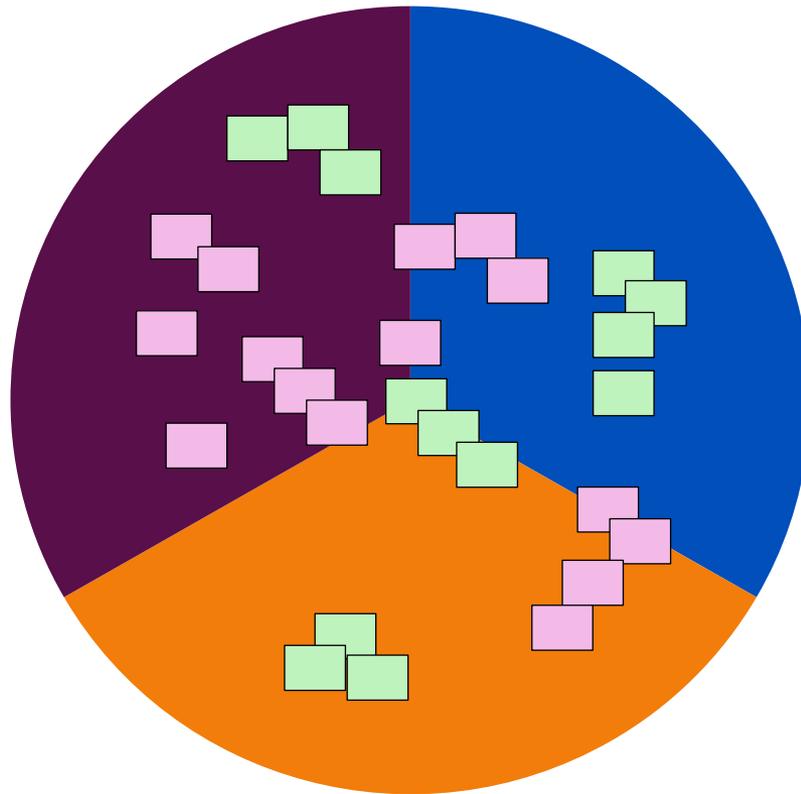
Area level planning

- 2-hour sessions per area, working lunch from 12 to 2pm
- Schedule
 - Technical 11 Aug ✓
 - Services 13 Aug ✓
 - Comms/ER 14 Aug ✓
 - Business 25 Aug ✓
 - Development 27 Aug ✓
 - HR+ 28 Aug ✓
- Focus on
 - SWOT analysis on the Area's area of expertise
 - Coming up with improvements and innovation ideas

SWOT Analysis

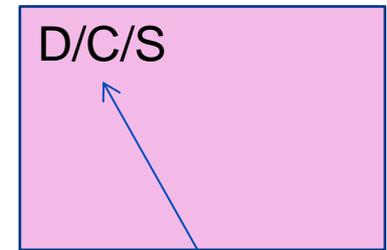


Innovation and improvement ideas



- Serving Members
- AP Internet Development
- Global Collaboration

Improvement card



Examples of involved area



Innovation card

Next workshops

Draft agenda: Managers/leaders workshop

	Welcome, overview of process
Morning A	Review previous strategic plan Discuss performance relative to plan and identify and celebrate major achievements
	Break
Morning B	Key forces impacting APNIC Integrate and consolidate Area-level SWOT analyses
	Lunch
Afternoon A	Strategic initiatives Consider and prioritise improvement and innovation ideas
	Break
Afternoon B	Project planning and next steps Develop initial project plan for each priority idea including title, basic objective, scope, delivery timeframe and resource requirements
	Summary of outcomes and next steps

Draft agenda: ELT workshop



	Welcome, overview of process
Morning A	Review previous strategic plan Discuss performance relative to plan and identify and celebrate major achievements
	Break
Morning B	Review key forces and identify potential strategic goals Review and validate Managers/leaders SWOT analyses
	Develop potential goals/objectives for APNIC, based on inputs submitted by members of the ELT prior to the workshop
	Lunch
Afternoon A	Align strategic initiatives with potential goals Identify priority FY16 projects based on a review of improvement and innovation idea project plan summaries
	Break
Afternoon B	Update the Risk Register Review the APNIC risk register to consider impact associated with the proposed strategic goals and projects
	Summary of outcomes and next steps

EC planning session

- Full day workshop at the November meeting in Guam
- Focus on
 - Validating SWOT input by the Secretariat
 - Review and approve updated Risk Register
 - Reviewing and adding to the list of improvement and innovation ideas
 - Setting strategic goals for the 2016 – 2019 period
 - Identifying themes and key issues to explore in the 2016 APNIC survey
- Agenda
 - TBD

Agenda Item 11

Survey planning

APNIC Survey 2016

APNIC 40 EC meeting update
7 September 2015



Overview

- Tentative schedule
- Interviews & focus groups
- Online survey
- Coordination with RIPE
- Coordination with NIRs
- 2014 survey retrospective

Tentative schedule

- Nov 15 – Survey themes and issues set by the EC
- Dec 15 – Appoint consultants & survey analyst
- Mar 16 – Announcement at APRICOT 2016
- Mar/Apr 16 – Interviews & focus groups
- Apr 16 – Design online survey
- May 16 – Interviews & Focus groups draft report submitted
- May 16 – Run online survey
- Jun 16 – Online survey draft report submitted
- Jul 16 – Combined report draft report submitted
- Aug 16 – Final report submitted
- Sep 16 – Final report presented at APNIC 42 Dhaka

Interviews and focus groups

- Individual interviews
 - Targeted at influential Individuals in all 4 sub-regions
 - Individual interviews report will be submitted to the Secretariat and the EC only
- Focus groups
 - APNIC liaison team will help to identify and invite the participants
 - A separate focus group report will be published to complement the online survey report
- In the process of finding interviewers/facilitators

Online survey

- Currently investigating prospective online survey partners
 - May raise an RFP if more than one suitable candidates found
- Their primary role is to conduct the online survey in a neutral and professional manner, and to produce the analysis and final report
- Promotion will be done by the APNIC Secretariat

Coordination with RIPE

- APNIC 2016 will coincide with RIPE-NCC's survey
- Possible opportunities
 - Resource sharing
 - Collaboration in survey design and development of questionnaire
- Possible issues
 - Survey timing
 - Scheduling of shared resources
- Serge and Fergal from RIPE-NCC will visit APNIC on the week of 2 Nov 2015

Coordination with NIRs

- Will present a heads-up at the APNIC 40 NIR-SIG
- More detailed information sharing at the APNIC 40 NIR hostmaster/technical workshop (invitation only)
- Things to be considered
 - How to involve NIR members
 - Opportunity to translate survey into other languages
 - NIR input to the survey themes and issues
 - Coordinated effort with the NIRs to promote the survey
 - Reporting the survey result back to the NIR's communities

Next steps

- Finalise survey project plan
 - Schedule & deliverables
 - Interview & focus group facilitators
 - Online survey consultant
- Seek EC approval and obtain EC's input on the themes/issues to be covered in the survey, at the meeting in Guam

Agenda Item 16

APNIC Foundation update

APNIC Foundation Update 4*

EC meeting - Jakarta

* “Update 1, 2 and 3” were in Singapore, Fukuoka and Manila

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*
- Jun 2015 (EC meeting, Manila)
 - Presentation of options identified* (HK or Singapore)
- Sep 2015 (Jakarta)
 - Proposal for EC approval*
- Nov 2015 (EC meeting, TBD)
 - Implementation plan and budget approval*

* With go/no-go at each stage

The Fukuoka 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.”

Hong Kong visit – 16/4

Met with lawyer specialising in non-profits and charities (information sheets provided):

- Recommended a charity focused on education
- Set-up a non-profit first (company limited by guarantee) and then register as a charity
- 12 to 18 month process to do both
- APNIC Foundation is an acceptable name
- Recommended that EC is provided a legal opinion on governance, tax and other implications

Manila EC

- The EC agreed to obtain a legal opinion on governance and tax implications for the establishment of an APNIC Foundation in Hong Kong.
- Also provided is “The APNIC Foundation Hong Kong Strategic Rationale Concept Note”

Beijing visit – 2-6/8

The visit clearly confirmed there is support and interest in China for APNIC's Development services and, once it is established, possibly the APNIC Foundation

1) Met with China Foundation Center:

- About 4,000 foundations holding about 100 billion Chinese yuan (A\$21.6 billion) in assets.
- Most – more than half – are focused on education and poverty alleviation.
- Only 20 to 30 give money outside of China.

2) The China Internet Development Foundation

Jakarta documents

1. The APNIC Foundation Hong Kong Strategic Rationale
Concept Note
2. Legal opinion on governance and tax implications for the
establishment of an APNIC Foundation in Hong Kong

Why a Foundation?

- More flexibility to raise and/or manage resources.
- Perform transactions in a more competitive and expeditious manner.
- Manage assets while minimizing risks to APNIC
- Donors assured of mission and focus
- Opportunity to involve business leaders and others in supporting APNIC's goals.

Why the “APNIC” Foundation?

APNIC has:

- Strong technical focus and knowledge.
- Financial strength and transparency
- Robust regional networks and relationships
- Established and respected reputation

Why Hong Kong?

- A more visible presence in Asia
- Increased collaborative opportunities
- Improved access to resources

Jakarta proposal

That APNIC management develop for EC consideration in Guam the necessary legal documents for the establishment of the APNIC Foundation Hong Kong including:

- Memorandum of Association
- Articles of Association
- Business Plan (including budget)

Thank you

The APNIC Foundation Hong Kong Strategic Rationale Concept Note

Introduction

At the APNIC38 EC meeting it was agreed – based on a “Concept Paper - The APNIC Foundation” - to further investigate the establishment of a “developmental funding foundation” that could support the expansion of APNIC’s development services including:

- Training
- Technical assistance
- Support for community development and engagement activities including NOGs, fellowships and engagement with and support for other AP Internet organizations etc.)
- Infrastructure deployment (root servers, IXPs, anchors and probes)
- Information Society Innovation Fund (ISIF)
- And possibly research (although this falls outside of the development section)

Since then, work has continued successfully on developing new sources of support for these development activities with the World Bank, JICA and the ITU providing either new support or increased levels of support.

In addition to this, trips have also been made to Singapore, Hong Kong and China to gather information on foundations and funding and the legal situation if APNIC was to decide to establish a foundation in any of these places. Efforts also continued to assess the level of support around the region for APNIC’s development activities via events such as the Credit Suisse philanthropy forum, the Asian Venture Philanthropy Network annual conference and visits to Beijing, Manila and Tokyo to meet with a range of organizations.

All of these activities over the past year, have confirmed there is interest and support for APNIC development activities. Based on this work – and acknowledging the legal opinion that will also be provided to the EC at APNIC40 – this Concept Note seeks to answer three key strategic questions:

- 1) Why a foundation?
- 2) Why the APNIC Foundation?
- 3) Why Hong Kong?

Why a foundation?

Foundations have been set up by universities, companies, organizations and (usually wealthy) individuals for many years in many different economies. They are an accepted, established and successful mechanism for managing resources and achieving strategic goals that generally provide greater flexibility and efficiency that can be provided by a parent organization. That a successful organization such as APNIC is considering establishing a foundation to better manage its resources and

achieve its development goals would be considered by many development professionals as an entirely appropriate and timely step.

There are a range of reasons why organizations consider the establishment of foundations including:

- As tax-exempt organizations, institutionally-related foundations can have more flexibility to raise and/or manage resources than their parent organizations.
- Depending on their structure, they can perform business transactions in a more competitive and expeditious manner.
- They can manage assets that contribute to the mission and resources of the parent organization while minimizing the risks to the parent organization that may be associated with such investments.
- Some donors feel more assured that their support to a foundation will be more appropriately invested, distributed for the intended purposes, and not become confused with the activities of a parent organization.
- A foundation provides an opportunity for a parent organization to involve prominent business leaders, well known community figures and other successful individuals who are willing to commit their time, resources and talent in order to support shared goals.
- Foundation boards can also provide useful long-term perspectives on the needs and priorities of parent organizations without direct involvement or responsibilities.
- Foundation resources can provide a stable and secure source of funding for the parent organization, free of other influences that can shift over time, depending on the business environment of the parent organization.

These are some of the most common reasons for organizations to establish a foundation. There are others that can be specific to an organization (for example, the management of specific assets or gifts). It will be important for APNIC to clearly identify the specific strategic reasons for it to establish a foundation and ensure the foundation is able to satisfy these reasons.

Based on this information, for the APNIC Foundation five strategic reasons are proposed:

1. As a tax-exempt organization with a different legal status to APNIC, the APNIC foundation will have more flexibility to raise and/or manage resources.
2. Depending on its structure, the APNIC foundation should be able to perform business transactions in a more competitive and expeditious manner.
3. The APNIC Foundation should be able to manage assets that contribute to the mission and resources of APNIC while minimizing the risks to APNIC that may be associated with such investments.
4. Some donors will feel more assured that their support to the APNIC foundation will be more appropriately invested, distributed for the intended purposes, and will not become confused with the activities of APNIC.

5. The APNIC foundation will provide an opportunity for APNIC to involve prominent business leaders, well known community figures and other successful individuals who are willing to commit their time, resources and talent in order to support APNIC's goals.

Why the APNIC Foundation?

Once the decision has been made to establish a foundation and its activities have been clearly defined, another key strategic question is what to call it, as its name will help define who it is. Over the past 12 months, we have used the name the APNIC Foundation and it is recommended that this continue and remain the name of the foundation.

To understand why it should be called the APNIC Foundation, it is important to understand why APNIC will be receiving support for its development services. For most development agencies and organizations, there are two important steps in deciding what they will support:

- 1) Clearly define what problem they are trying to solve, or the issue they are trying to address
- 2) Identify suitable partners they can work with, or invest in to help them solve these problems or address these issues

Based on this rationale, the APNIC Foundation must be seen as a mechanism that will facilitate support, it will not be the main reason or the motivation for any support. The most important reason that APNIC will receive support is because it is trying to solve the same problems as those that provide the support.

Having said that, the "Concept Paper - The APNIC Foundation" provided to the EC in Brisbane gave four additional reasons why APNIC receives support:

- 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

It is very important that the APNIC Foundation has direct and clear access to these APNIC assets at all times. Without them, it is unlikely the APNIC Foundation will be able to maximize its support. In summary: APNIC is the brand and the foundation must maximize the use of this brand for its success

Why Hong Kong

The "Concept Paper - The APNIC Foundation" presented in Brisbane suggested the following advantages for basing the APNIC Foundation in Hong Kong:

"A more visible presence in Asia (thus reducing any concerns about APNIC being an Australian-centric organization); increased collaborative opportunities ... and, improved access to resources to support APNIC's Development services."

These remain the most important strategic reasons for establishing a foundation in Hong Kong.

However, the opinions on legal, governance and tax issues being provided to the EC on the APNIC Foundation will provide other important information on where a foundation should be based. For example, it maybe that one economy has higher costs, or a better tax environment, than another.

With this in mind, and to better understand the strategic benefits of a foundation in Hong Kong in more detail, here is a brief summary of the key points:

- *A more visible presence in Asia:* The most important element of this strategic advantage is that it is supported by a strong, clearly focused communications strategy. That the APNIC Foundation is clearly and firmly branded as the APNIC Foundation Hong Kong.

Because it is unlikely the APNIC Foundation Hong Kong would have any offices or staff in Hong Kong, the only way its Hong Kong identity can be conveyed is via communications.

The benefits of such a communications campaign include that Hong Kong is recognized as a low tax, efficient and productive place of work that is centrally located in Asia. It is also seen from within China as being part of China.

- *Increased collaborative opportunities:* Being based in Hong Kong will obviously give the foundation a higher profile than not being based in Hong Kong, as well as China. This profile will be supported by a number of activities ranging from requirements to register as a foundation, to joining events and activities in Hong Kong as a local organization with a regional focus.

Less tangible will be organizations who have a mandate to partner with Asian-based agencies so they can partner with the APNIC Foundation Hong Kong, but not the APNIC Foundation Australia.

- *Improved access to resources to support APNIC's Development services:* While it will take some time to establish the APNIC Foundation as being based in Hong Kong, once it is recognized as a Hong Kong organization, it will be have better access to resources in economies such as China, Japan and Taiwan as well as South East Asia because it is in the region.

Agenda Item 17

Conference update

Conferences Update

APNIC 42 – 44

APNIC 42

APNIC



APNIC 42, Dhaka

- 29 September – 6 October 2016
- Conference / Workshop Venue: Pan-Pacific Dhaka
- ISPAB confirmed as Host Sponsor
- Co-located events
 - Confirmed: BDN OG 6
 - Potential: FIRST TC
 - Potential: DNS-OARC Workshop



Update on Key Event Criteria

Criteria	Projected	Actual	Notes
Air Route / Ease of Travel	Yellow	Yellow	Major air hubs – HK, SG, BKK – service Dhaka. Traffic in Dhaka is terrible so central location needed for venue and hotel
Internet Infrastructure	Yellow	Green	ISPAB will secure connectivity/bandwidth sponsors from their members
Travel Advisory	Green	Yellow	Travel advisories remain cautious following January political violence
Political Stability	Green	Yellow	Travel advisories remain cautious following January political violence
Visa Requirement	Yellow	Yellow	No change

Update on Key Event Criteria

Criteria	Projected	Actual	Notes
Venues	Yellow	Green	Pan Pacific Sonargaon booked for conference and workshops. Central location
Budget	Yellow	Yellow	Negotiation on venue and accommodation underway
Suppliers	Yellow	Yellow	No change. Host will assist
Sponsorship Opportunity	Red	Yellow	ISPAB confirmed as host. Will provide connectivity, on-site assistance, assist with sponsorship, visas
Ease of arranging event	Yellow	Yellow	No change. Dates changed to avoid Eid al-Adha

APNIC 44

APNIC



APNIC 44, Taichung

- 7-14 September 2017
- Conference / Workshop Venue: TBC
- TWNIC confirmed as Host Sponsor
- Potential co-located events
 - APTLD
 - FIRST TC
- APAN 44 may also be a potential co-located event – would require moving APNIC 44 to August

Update on Key Event Criteria

Criteria	Projected	Actual	Notes
Air Route / Ease of Travel	Green	Green	Direct flights from HK, CN, VN, KR. High speed train from Taipei (which is served by many major airlines)
Internet Infrastructure	Green	Green	TWNIC will arrange connectivity / bandwidth sponsor
Travel Advisory	Green	Green	Low risk
Political Stability	Green	Green	Low risk
Visa Requirement	Green	Green	Visa-free for many economies

Update on Key Event Criteria

Criteria	Projected	Actual	Notes
Venues	Green	Green	Venue TBC (but options available to meet requirements)
Budget	Green	Green	Costs are cheaper outside of Taipei
Suppliers	Green	Green	No issues foreseen
Sponsorship Opportunity	Green	Green	City of Taichung will sponsor opening reception, and TWNIC will assist in promotion to potential local sponsors
Ease of arranging event	Green	Green	TWNIC will assist

Agenda Item 18

NRO NC election procedures

APNIC 40

NRO Number Council Election



JAKARTA, INDONESIA

3-10 September 2015

#apnic40

Overview

- About the NRO NC election
- Online voting
- On-site voting
- Counting procedure
- Declaration of result
- Dispute resolution

Composition of NRO NC

- Defined by NRO MoU
- Three members from each region
 - One member appointed by Board of each RIR
 - Two members selected via regional policy forum of each RIR
- Selection process decided by each RIR
 - <http://www.nro.net/documents/nro-memorandum-of-understanding>

NRO NC Selection – APNIC

- As determined by the APNIC EC
- One member appointed by the APNIC EC annually, for a one-year term
- Two members elected during the APNIC Policy day
 - One member elected each year, for a two-year term (staggered)
 - Election not governed by the APNIC By-laws, but to be conducted in the general manner described there

2015 NRO NC Election

- One vacant seat on NRO NC
 - Two-year term from 1 January 2016 to 31 December 2017
- Call for nominations ended 5 Aug 2015
 - <https://blog.apnic.net/2015/06/10/nominations-now-open-for-number-resource-organization-number-council/>
- Online and on-site voting available
 - <https://blog.apnic.net/2015/08/19/online-voting-for-nro-nc-election-opens-today/>

Election Chair

- Ms Sylvia Sumarlin, Chair, Indonesia IT Federation
- Responsibilities:
 - Oversee the election process
 - Appoint the Election Scrutineers
 - Resolve disputes
 - Declare the election results

Election Officers

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

Election Tellers

- Wita Laksono and Zen Ng
 - Appointed by the APNIC EC
 - Selected from APNIC Secretariat staff
- Responsibilities:
 - Supervise the ballot box
 - Issue ballot papers on site
 - Validate and count the votes
 - Report the results to the Election Chair

Election Scrutineers

- TBC
 - Appointed by the Election Chair
 - 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

Online Voting

- Voting period
 - Started: Monday, 19 August 2015
 - Ended: 9:00 (UTC +7) Tuesday, 8 September 2015
- Online voting is accessible via MyAPNIC
 - Each APNIC Member organization is entitled to one vote 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 +7) Thursday, 10 September 2015
 - Each registered APNIC 40 attendee is entitled to one vote, as an individual

On-site Voting Logistics

- The Voting Desk is set up outside the Policy SIG meeting room
- The ballot box is placed at the Voting Desk after the Election Chair announces the opening of on-site voting
- Election Tellers supervise the ballot box 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 one box is marked
 - It has ambiguous marking
 - It does not bear a validation stamp

Voting Ballot Paper

Counting Procedure

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

Declaration of Result

- The Election Chair will announce the election results at around 15:00 (UTC +10) today, 10 September 2015
- This declaration will include:
 - The name and total vote count received by each candidate
 - The total number of valid and invalid 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 be lodged by:
 - Members through their authorized voting representatives
 - Candidates directly with the Election Chair

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

APNIC 40



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JAKARTA, INDONESIA

3-10 September 2015