

Julie Bisland:Welcome to the CCWG New gTLD Auction Proceeds call on Thursday, 10 August 2017 at 14:00 UTC

Julie Bisland:Agenda wiki page: https://urldefense.proofpoint.com/v2/url?u=https-3A_community.icann.org_x_YmzwAw&d=DwlCaQ&c=FmY1u3PJP6wrcrwlI3mSVzgfkbPSS6sJms7xcl4I5cM&r=QIF-05YzARosRvTYd84AB_UYInlydmFcjNmBM5XgySw&m=OC3mYJI3yNhfrTL7SefvIN3wufDdqwXS0hz9xhD9uAs&s=OOQ05n7FcHljuZlItk5ACRJfb3h1GvTf1XL2Vk24h4g&e=

Vanda Scartezini:hi everyone., for someone in vacation, enjoy the break.

Pablo Rodriguez:Hello Everyone

Hadia Elminiawi:hello all

Dietmar Stefitz:Hi all from Valencia, Spain

Erika Mann:Hello everyone!

Marc Gauw:Hello from Amsterdam

Alan Greenberg:Waiting to get on bridge

Nadira AL-Araj:Hello everyone

Ching Chiao:Hi everyone

Ching Chiao:I am dialing in

Manal Ismail:Hello everyone :) !!

Wale Bakare:Hi all. Good morning/afternoon

Asha Hemrajani:Good evening

Sylvia Cadena:Good night everyone

Carolina Caeiro:Hi all

Asha Hemrajani:I will only be on the adobe and not able to speak.

Erika Mann:I saw it Asha!

Asha Hemrajani:Thanks Erika

Xavier Calvez:Hello everyone.

Julie Bisland:Hello Xavier!!!

Julie Bisland:Do you have audio?

Pablo Rodriguez:I do not see any slides

Kavouss Arasteh:Are the slides available some where

Joke Braeken:the slides are posted here as well : https://urldefense.proofpoint.com/v2/url?u=https-3A_community.icann.org_display_CWGONGAP_2017-2D08-2D10-2BCCWG-2BNew-2BgTLD-2BAuction-2BProceeds-2Bcall&d=DwlCaQ&c=FmY1u3PJP6wrcrwlI3mSVzgfkbPSS6sJms7xcl4I5cM&r=QIF-05YzARosRvTYd84AB_UYInlydmFcjNmBM5XgySw&m=OC3mYJI3yNhfrTL7SefvIN3wufDdqwXS0hz9xhD9uAs&s=cP-MrAERq734KP2w68bZzgz1GO5DgS9JVw1aFO3CWPI&e=

Marika Konings:if you cannot see the slides, please try to log out / log in to Adobe Connect again.

Vanda Scartezini:II am seeing

Pablo Rodriguez:I can see them now thank you!! ;)

Erika Mann:Perfect Pablo!

Erika Mann:Kavouss can you see the slides now?

enoss:fixed my adobe problems. now here as regular (ignore my email)

Erika Mann:Vanda, hi, great that you can see it

Kavouss Arasteh:Xavier, That is perfect and cautionary approach

Erika Mann:Great Elliott

Kavouss Arasteh:Xavier, it is a result- based management which is quite right

Julie Bisland:Thank you, Elliot.

Wale Bakare:I can see that the ICANN's objective is mainly focusing on the strategic capabilities

Wale Bakare:Are we on the next slide?

Vanda Scartezini:Elliot is not able to access adobe as he sent by email, is in the audio bridge only
judith hellerstein:Sorry I was late, by earlier call ran late

Erika Mann>Welcome Judith

Erika Mann:Elliot ... do you need a call from an operator?

Erika Mann:... Vanda, saw you're email cc Elliot! Thanks!

Stephanie Perrin:Question for Xavier, if not too off-topic. I find the idea of topping up the reserve fund, which was discussed on tist, not quite right. What are his views on this? Seems to be a violation of our charter and of the circumstances under which the funds were collected.

Alan Greenberg:@Stephanie, I support the concept but agree that if we decide this is a good use of funds, it may require a charter revision (as I said in my e-mail yesterday).

Wale Bakare:@Alan +1

Jon Nevelt:@stephanie how would it be a violation of our charter? Maybe I missed an email on that point.

Stephanie Perrin:we are supposed to disperse the funds.

John R Levine:I don't think the charter lets us support stuff ICANN would do anyway

Stephanie Perrin:(I mean come up with a framework for the organization that will disperse, not us disperse them)

John R Levine:This is rather different from the per-fund investment policy that Xavier is talking about

Wale Bakare:With this presentation, the charter would need to be redrafted, if not totally but major parts

Stephanie Perrin:I did recognize that the question is off topic. just want to take advantage of him being here.

Nadira AL-Araj:Is the average Credit Quality is synonyms to risk rating?

Marika Konings:@Alan - the charter does include the following question: "To what extent (and, if so, how) could ICANN, the Organization or a constituent part thereof, be the beneficiary of some of the auction funds?"

Erika Mann:@Wale Why do you think this?

John R Levine:@Nadira yes, it is

Alan Greenberg:@Jon, in my mind, it is hard to classify a significant contribution to the reserve as a "project" and if we mangle our objectives to include it, I think we will open doors we should not.. IOF this group believes it is a good use of the funds, we probably need to be allowed to carve that out before we make the rest of the funds available for projects.

Nadira AL-Araj:@John, thanks

Stephanie Perrin:Marika, so no change in charter required?

Jon Nevelt:@Xavier At the pace we are moving, maybe performance is more important than liquidity . .

Jon Nevelt:Thanks Alan

Marika Konings:@Stephanie - that is not necessarily my call to make, but that specific charter question does seem to open the door to a response that could include ICANN should or shouldn't be a beneficiary in the form of a contribution to the reserve fund?

John R Levine:@Jon, performance = risk, we do not want to lose principal in this fund

John R Levine:@jon, and 1% with a four month maturity is doing really well in this environment

Nadira AL-Araj:Is the current interest rate covers the devaluation of US dollars?

Ching Chiao:@Jon @Xavier -- i think it's a good point , but how liquid the fund is / will be -- would be an issue. Let's say if we need to put 10M / 100M USD to use, how soon the money can be moved?

Alan Greenberg:@Jon, I agree. It is not clear that VERY conservative is the right answer depending on how long we expect the dispersal period to be. I think it is a discussion we should be having and not taken as a given.

Stephanie Perrin:Thanks Marika, very helpful. I think my objection is a moral one more than a technical one.

John R Levine:@Nadira, I'm planning to ask but I think this is all denominated in USD, exchange rates don't affect it

John R Levine:@alan, how much principal loss are you willing to accept? I hope for this fund it's none.

Alan Greenberg:WEll, it matters to the extent that we use non-US investments.

John R Levine:@Alan we should ask if there are any non-US

Wale Bakare:@Erika, the funds would only be used for projects that align with ICANN's mission but the charter did capture few according to the investment management presentation

Jon Nevelt:@John, I understand -- Xavier said that the rank was preservation, liquidity and then performance.

Asha Hemrajani:I am unable to see all the comments because my adobe froze for a while...regarding the use of the auction proceeds to top up the Reserve Fund...there could be two possibilities: one is carve out some amount in advance of the disbursement and the second that ICANN would need to apply for funds from the eventual organization (like any other applicant). Not expressing any preference here, just observing that these could possibly be the scenarios

Wale Bakare:Would it not better to have the Net Present Value (NPV) of each project proposal?

Vanda Scartezini:the negative for second column is average form other investments brought to today or it is an estimative for the future?

Nadira AL-Araj:Is the CCWG-Auctionproceeds to determine the value to be invested in each basket? Or it is ICANN financial consultant who will be do that?

Jon Nevelt:@John preservation is #1, so no one suggesting that we risk losing any of the fund. We could balance liquidity and risk without jeopardizing preservation. I'm sure that Xavier has this covered and rely on his expertise.

John R Levine:@vanda, I think that's a tilde as in approximately 1%

John R Levine:@Jon, remember that in 2009 the ICANN reserve dropped by over 20%. I hope we're not going to make that mistake again.

Vanda Scartezini:ok thanks John

Pablo Rodriguez:@Xavier, Please identify the average credit quality of each investment illustrated in the pie chart.

Alan Greenberg:For clarity, it would also be good to know the expected worst case variation on the 3rd scenario.

Kavouss Arasteh:Xavier, at some time ,kindly indicate whether all money were invested in one single currency?, usually ,in the uncertain prevailing circumstances , as we are,many investors invest in multiple /mixed currency.

Joke Braeken:just a small reminder: Please state your name for transcription purposes when speaking

John R Levine:sorry, I'm John Levine

Joke Braeken:thank you John, it makes it easier to navigate through the audio recordings

Vanda Scartezini:kavouss , I am with you- a basket of currency will be more safe nowadays

Nadira AL-Araj:@Erika you can skip my question because they are covered and answered. Thank you.

Hadia Elminiawi:+1 Alan

Vanda Scartezini:YEAH

Erika Mann:@Nadira - thanks!

Asha Hemrajani:@Pablo, is your question on the credit quality of each investment - the bar chart on the bottom left of the slide on the screen now shows the % distribution. Is that what you are after?

Erika Mann:@John, do you want to come back after Alan with another question?

Erika Mann:... actually after Daniel!

Pablo Rodriguez:@Asha, I am interested in understanding which of the investments are AA and which is A2a

Dietmar Stefitz:Xavier, I think you made a great JOB ! Carry on like this. Secure and safe.

Erika Mann:@Alan - we could do what some investment firms are and say we only allocate max \$500 000 a year (for example)

Erika Mann:... and then the rest would have a longer time horizon to invest ...

enoss:term generally relates to return, not risk. I think alan was conflating higher return with higher risk

enoss:I understand that misconception

enoss:think about higher return correlating with higher risk FOR A GIVEN TERM

enoss:(I hope that helped and made sense)

Stephanie Perrin:It seems to me we should figure out how much we will spend in a year. Not much at the rate we are going. Therefore we might get a better rate if we locked in a year

Erika Mann:Exactly, this was the point I made

Stephanie Perrin:So what do we foresee needing this year.

Alan Greenberg:I guess from a personal point of view, I would like to know what the investments are that are VERY secure and conservative with zero risk that today yield 5-7% after investment fees.

matthew shears:It depends on over what period of time you wish to disburse the funds - the longer the timeline the longer the periods you can lock up funds

Wale Bakare:Exactly, @Stephanie

Stephanie Perrin:I think we should soon focus on that, a difference of .1% is a project for someone somewhere....

enoss:"I would like to know what the investments are that are VERY secure and conservative with zero risk that today yield 5-7% after investment fees." = none

enoss::-)

Alan Greenberg:@enoss, that is my point.

enoss:@alan I don't think the slide, or any comments, have said zero risk

enoss:but maybe I missed it

Stephanie Perrin:@Matthew yes but we are not likely to make that decision soon.....I think we should just instruct our investment managers to leave us 1 million this year and lock the rest for a year.

enoss:or missed it! :-)

Vanda Scartzini:enoss - no risk and 5-7% only if you invest in a total conservative here in Brazil but the dollar may be the risk, no no zero risk

Stephanie Perrin:Xavier just pointed out that there is no zero risk because of insurance default

matthew shears:it will also depend what kind of projects will be funded

Wale Bakare:What do we need the 1 million for this year, @Stephanie?

Ching Chiao:from my personal view, I do not prefer to start with coming up with how much we need each year. It will be an exercise that somehow waste time and energy

Alan Greenberg:Even very low risk (ie very conservative). If such things are readily available, I have picked the wrong investment councillors.

Ching Chiao:we should keep it simple -- x% goes to ICANN reserve, y% goes to projects over Z years

Alan Greenberg:But that is all pretty moot. Our task is to determine the use and thus the timeframe we expect, and then the finance people tell us what we can expect.

Stephanie Perrin:We don't really need a million, but it won't hurt to pick a number like that just in case we manage to agree to spend some funds on developing our framework, paying for expert advice in fund management, etc. adds up quick and we are not wasting that money, we are simply putting it in short term investments.

Stephanie Perrin:I would not want to slow down this process for financial reasons...

Ching Chiao:if we start with how much we need for the first year, would it be possible that the fund to be run out in the first year ? (not sure it's good or bad)

Ching Chiao:would it be too aggressive and risky ?

Manal Ismail:I think if we manage to agree finally on the objectives it would be easier to start deciding on the amounts, timeframe,

matthew shears:+ 1 Manal

jian Zhang:+ 1 Manal

Joke Braeken:here is the link to the quarterly stakeholder calls and related info:

https://urldefense.proofpoint.com/v2/url?u=https-3A_www.icann.org_quarterlyreports&d=DwlCaQ&c=FmY1u3Pjp6wrcrwlI3mSVzgfkbPSS6sJms7xcl4I5cM&r=QiF-05YzARosRvTYd84AB_UYInlydmFcjNmBM5XgySw&m=OC3mYJI3yNhfrTL7SefvIN3wufDdqwXS0hz9xD9uAs&s=VI91ifVEluVJ61d-TczLUMhfRCDm2Lb0tD5JUOb25G8&e=

Asha Hemrajani:Well said Manal

Asha Hemrajani:I need to drop off this call for about 10minutes.

Erika Mann:Until next time, Asha! ... sleep well!

Nadira AL-Araj:@Alan, determining the timeframe will help the financial consultant to re-schedule the investment to the best benefits

Alan Greenberg:@Nadira. Yes. Exactly. That is why our determining the type of grants and expected cashflow/disperment period are what we need to focus on, but the investment options.

Erika Mann:We might need the full time to talk today Xavier. I hope you are okay with this.

Wale Bakare:I think this group should dissect the three scenarios properly, and against the objectives of Auction Proceeds then determine how much would be needed, when the funds would be needed.

Wale Bakare:Maybe, this year or next year. I agree with Alan

Carolina Caeiro:is there an official request to consider the reserve fund replenishment? Also, what amount? The full 80 million are one third of the auction proceeds

Alan Greenberg:@Erika, perhaps but we are SO far from a 1-yes reserve that I think the "not need it" is not very likely.

Manal Ismail:Should we agree to top the reserve fund, is there a prerceived way to decide how much ?

Jacob Odame-Baiden>Hello everyone

Vanda Scartezini:+ 1 Alan. we will need to separate reserve amount for sure, in my opinion

Alan Greenberg:@Carolina, I think the ammount that has been informally tossed around as a contribution is \$40-50m or so. What has been taken out of the reserve to fund the Accountability measures and other recent expenses.

Carolina Caeiro:@Alan, I see, thanks

Alan Greenberg:10 minutes left.

Erika Mann:Alan, indeed

Carolina Caeiro:I agree with Alan, too

Pablo Rodriguez:@@Xavier, So each bank has a combination of instruments @ various avg credit quality ratings. Thank you!

judith hellerstein:@stephanie I agree with you

John R Levine:@stephanie, agree 100%

Wale Bakare:I agree with you Stephanie

Stephanie Perrin:So then the question is, is it legal and ethical because of the terms of the original guidebook?

Alan Greenberg:AERika, we WILL have to come back to this, so I will defer.

matthew shears:Great queston Stephanie that needs much greater discussion

Wale Bakare:Reserved funds vs. Action Proceeds

Wale Bakare:*Auction*

Vanda Scartezini:yes we will need to may be have another meeting sooner

Hadia Elminiawi:Thanks Xavier and all

Carolina Caeiro:thank you Xavier!

Ching Chiao:thank you Xavier. Very helpful and constructive

Vanda Scartezini:thanks to Xavier. very clear presentation..

Manal Ismail:Thanks Xavier, very informative ..

Nadira AL-Araj:Thank Erika, thank you Xavier for the informative session.

Xavier Calvez:Very happy to answer follow up questions later.

Wale Bakare:Thank Xavier for the presentation

matthew shears:thanks all

Ching Chiao:thanks everyone!

Xavier Calvez:Thank you. Good bye.

Wale Bakare:Thanks, bye

Hadia Elminiawi:Bye

Jacob Odame-Baiden:thanks everyone

Brad Verd (RSSAC):thank you

Maureen Hilyard:Thanks Xavier and everyone

Pablo Rodriguez:Have a good day everyone

Marc Gauw:Bye bye , thanks

Vanda Scartezini:thanks to all kisses

Manal Ismail:Thanks Erika, Marika and all ..

Dietmar Stefitz:Bye Bye

enoss:bye all. thanks

judith hellerstein:thnaks for correcting the time