

Investment management discussion

For meeting with CCWG Auction Proceeds

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CCWG AP call

10 August 2017 – 14:00 UTC



Agenda

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Current Auction
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Illustrative scenarios

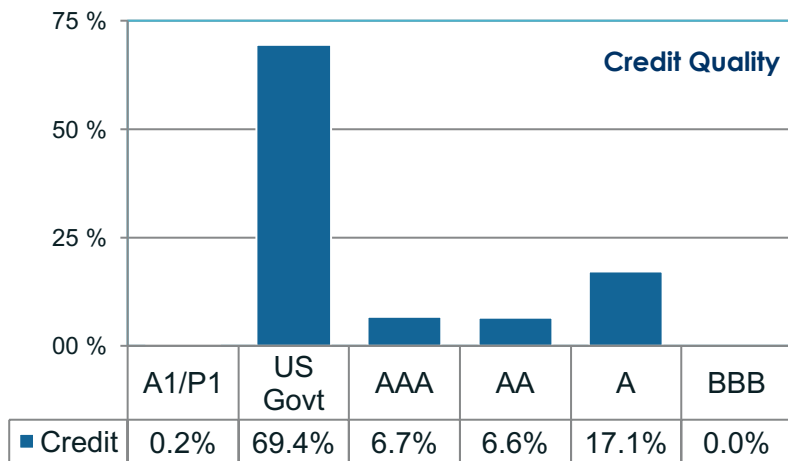
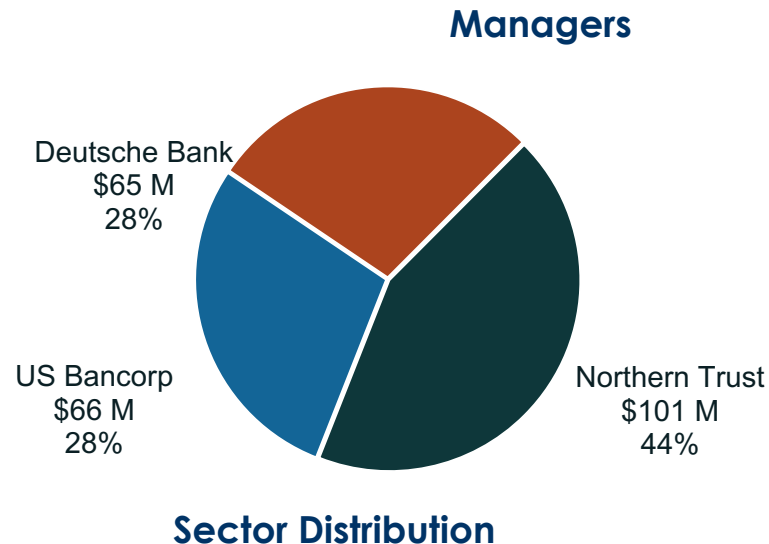
Introduction

- ⊙ Principle: ICANN only applies conservative investment policies
 - As a steward of public funds
 - In the best interest of the organization to deliver its mission.
- ⊙ Investment strategies are designed to support the objectives assigned to the funds
 - Investment managers will tailor investments to fit the objectives set for the funds.
- ⊙ Financial returns are generally a function of:
 - The desired level of risk
 - The time horizon for the availability of the funds
- ⊙ The investment policy will include guidelines and requirements that allow to limit risk to the desired level.

Current Auction Proceeds investments

As of March 31, 2017

Portfolio Characteristics	
Portfolio Market Value (USD)*	\$231.9 Million
Average Credit Quality	AA / Aa2 / AA
Weighted Average Maturity	0.36 Years
Total Return Inception to Date (Northern Trust)	1.10%



Illustrative investment scenarios

Illustrative investment scenarios	"Money market" scenario	"new gTLD program" scenario	"Reserve Fund" scenario
Time horizon	Very short term ("weeks to months")	Short to mid term ("months up to 3 years")	Long term ("perpetuity")
Level of risk	Conservative Fixed rate only	Conservative mix of fixed and floating rates	Conservative mix of fixed and floating rates
Possible nature of investments	Government issued obligations	Highly rated instruments	highly rated index funds
Range of possible returns (net of costs)	0.30% - 0.50%	~1%	5% - 7%