

Investment Policy

POLICY: Investment Policy

VERSION: 1.0

DATE IN FORCE: 1 March 2020

PLANNED REVIEW: 31 March 2022

Purpose

InternetNZ endeavours to hold investments which generate consistent returns while carrying prudent levels of risk.

InternetNZ therefore outlines below an appropriate framework to monitor and manage investments, to ensure returns are maximised whilst avoiding any threat to financial security.

Financial Guidelines

InternetNZ financial strategy is based on the following guidelines/principles

- InternetNZ's role is long term. We should assume the organisation has a role at least for the next decade and possibly longer.
- Our risk appetite is varied - for prepaid domain name fees it is low/conservative, and for other assets it is medium/moderate.
- we take an ethical investment approach.

Investment Framework

InternetNZ has defined its investment framework as follows

<i>Investment Category</i>	Type	Performance reporting period	Management
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<i>Operational Reserves</i>	Cash at bank	Monthly	Internal
<i>Funds Held on Trust</i>	Cash Fund	6 months	Single Product Basis
<i>Discretionary Reserves</i>	Growth Fund	Annual	

Investment Categories

- 1, Operational Reserves - funds set aside to stabilize a nonprofit's finances by providing a "rainy day savings account" for unexpected cash flow shortages, expense or losses.
2. Funds held on Trust - funds INZ holds fees for pre-paid services (a registration of up to ten years). It recognises the income as the service is consumed in accordance with standard financial practice.
3. Discretionary Reserves - funds that INZ have available to investment that are not allocated to Operational Reserves or Funds in Trust. As these funds are no direct

Types of Investment

Cash at Bank - funds that have been placed on deposit with a financial institution. Cash at bank is considered a highly liquid form of current asset, and can be accessed easily.

Cash Fund - A cash fund is an investment fund that is managed professionally by an expert fund manager who invests in a variety of investments. Your money is pooled together with that of other investors to create a single fund and the focus is on short term investment and low risk.

Growth Fund - this fund's objective is to provide an enhanced return over the long term through capital gains and again managed by expert fund manager.

Reporting and Management

1. The Audit & Risk committee will receive periodic reporting against objectives .
2. The reporting should include
 - a. updates that funds are available to meet obligations as set out in the operating reserves policy .

- b. The professional manager must provide regular reporting against the parameters agreed at the outset.
- c. Reporting should be compared against benchmarks for the period relevant to the risk profile.