



RIPE NCC

RIPE NETWORK COORDINATION CENTRE

Treasury statute

RIPE NCC

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Introduction

This Treasury Statute sets out the principles of the investment policy and the allocation of responsibilities for managing the RIPE NCC's financial reserves.

The statute outlines the investment objectives and the parameters within which the investment policy is formalized. Additionally, it specifies the reporting requirements and the methods by which the RIPE NCC will assess the management of its financial reserves.

Investment objective

The main objective for managing the assets of the RIPE NCC is to minimize the risk by preserving the principle amount at the best possible return.

Investment policy

General

The general approach is very conservative, minimizing risk and focused on capital preservation, whereas the Investment universe for all asset classes (see "strategic asset allocation") is global.

Return and risk

Return target is 12-month EURIBOR + 50 basis points, with limited volatility

The EURIBOR (Euro Interbank Offered Rate) is the benchmark rate offered by one bank to another primary bank on the interbank money market at which deposits with maturity up to one year in Euro within the European Economic and Monetary Union.

In the future EURIBOR might be replaced by ESTER (Euro Short-Term Rate), which is a new benchmark rate that is based on actual market transactions and reflects the wholesale euro unsecured overnight borrowing costs of euro area banks. If this happens, the return target will be adjusted consequently.

Strategic asset allocation

Weight	Mid-point	Type of asset
30-60%	45%	Deposits and/or (enhanced) money market funds
30-60%	45%	Fixed income core/ satellite strategy
0-20%	10%	Low volatility equity

The strategic asset mix (both weights and type of assets) is evaluated on yearly basis by the RIPE NCC and might potentially be adjusted for market conditions and potential changes in the treasury. If necessary, the strategic asset allocation can be adjusted before yearly review moment but only after approval of the RIPE NCC board.

Deposits and/or (enhanced) money market funds

Mix of deposits and (enhanced) money market funds with low duration and high-grade credit rating (AA-/Aa3 or higher)

Target 1-2 % long-term return with minimal volatility.

Fixed income core/ satellite strategy

Fixed income portion of the strategic asset allocation will follow a core-satellite strategy.

Core portion (60-80% with mid-point 70% of the portfolio) is the foundation of the fixed income allocation and consists of active global fixed income managers. They manage broad portfolios with high differentiation across durations, credit quality, sectors, countries and currencies (whether or not hedged).

Satellite portion (20-40% with mid-point 30% of portfolio) consist of more specialized managers. Specialized managers can add specific exposures that give the entire portfolio a better risk/return ratio.

Target c. 4% long-term return with limited volatility.

Low volatility equity

Equity exposure with in the strategic asset allocation is built up through low-volatility variants of exchange-traded funds ("ETFs").

Target 5%-7% long-term return with moderate volatility

Tactical asset allocation

Tactical asset allocation refers to deliberate deviation from the strategic asset allocation weights, meaning it is not influenced by market fluctuations.

Tactical asset allocation is not allowed within the investment policy.

Liquidity

Liquidity of funds is an important factor for unforeseen financial circumstances that may suddenly appear.

Investment portfolio will target monthly liquidity for at least of 25% the assets in normal market circumstances.

Cash balances

Cash balances should only be kept at financial institutions with an investment grade rating (BBB- or higher).

Cash balances should only be kept in EUR for longer holding periods. Cash balances meant for working capital purposes might be held in other currencies for very brief periods.

Currencies

The euro ("EUR") is the main currency. Preference to hedge foreign currency exposure, or if it is desirable to have a certain currency risk in order to lower the portfolio's risk profile. Currency hedging is done within the product, ETF or fund itself and not by manager (see "Excluded products and/or instruments").

If hedging is not possible than foreign currency exposure is allowed, given it is a common foreign currency (e.g. USD, GBP, etc.) and total exposure is not larger than 25%.

Sustainability

Products/funds preferably include ESG-criteria in their selection criteria or investment process. When choosing between comparable products, preference should be given to the one that is more ESG-focused. The level of ESG integration can vary between products and funds.

Products/funds where ESG cannot be integrated are excluded from this criteria. For example, alternative fixed income managers such as trade finance cannot integrate ESG as this asset class is not covered by ESG yet..

Fund managers preferably have signed the UNPRI.

Rebalancing

Rebalancing is the process of realigning the weightings of the portfolio . Rebalancing involves periodically buying or selling assets in a portfolio to maintain an original or desired level of the strategic asset allocation.

The portfolio is rebalanced on a quarterly basis.

Diversification

The investment portfolio should be well diversified to minimize different sources of potential risk.

Fund cannot be larger than 10% and deposits cannot be larger than 20% of the investment portfolio.

Excluded products and/or instruments

Products that, if added to the portfolio, would result in a higher risk-profile at the portfolio level than initially agreed upon (as outlined in the 'return and risk' section) are not permitted.

Will refrain from investing in single line products and/or instruments, such as equities, bonds or derivatives.

Other

The portfolio is held separately with a central custodian. If a bank defaults, these assets are owned by the RIPE NCC and will not be part of the bank defaulting.

If restrictions set out in this treasury statute are not met, they must be remedied within one month of discovery.

Information provision

All investments and deposits will be actively reviewed and monitored by the CFO and the Treasurer of the Executive Board.

Interval	Report
Ad-hoc	Ad-hoc questions
Monthly	Factsheet including detailed overview of assets, risk and return metrics and liquidity profile
Yearly	Presentation with detailed year performance and commentary

Code of conduct

All individual members of the Executive Board, the RIPE NCC Management and employees should act according to the highest ethical standards in all circumstances. This means that all members must avoid any conflict of interest between private and business interests as further elaborated on in the Code of Conduct of the RIPE NCC.

Delegated authority framework

All activities are authorized by dual-authorization. The transfer of funds must meet the requirements stipulated by the Financial Transaction Authorization Procedure.

Activity	Delegated Authority	Parameters
Banking		

Opening bank account	MD + CFO	Must be an approved counterparty
Closing bank account	MD + CFO	Must be an approved counterparty
Financial markets		
Approval of investment strategy	Treasurer + MD	Must be approved by the Board

Adoption and period of validity

This procedure was originally approved on: 14 December 2010

This version is approved on: [28 June 2023]

This version will be reviewed by: [30 June 2024]

The RIPE NCC may outsource the management of its Assets/Financial Reserves/Portfolio to a duly regulated Discretionary Portfolio Manager and subsequently delegate portfolio management authorities based on a written agreement including the necessary powers of attorney

The following person may be approached on a routine basis in relation to this procedure:

SJ Haytink, Chief Financial Officer

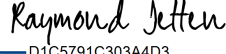
Executive Board RIPE NCC:

Signature

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O. Filip, Chair

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R. Jetten, Treasurer

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P Strzyżewski, Secretary

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R. van Mook, Member

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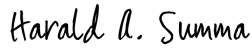
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M. Häll, Member

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J. Snijders, Member

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H.A. Summa, Member

Management RIPE NCC:

Signature

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H.P. Holen, Managing Director

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DocuSigned by:

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S.J. Haijntink, Chief Financial Officer