Responsible Officer | Executive Director, Finance and Operations
---|---
Contact Officer | Director of Finance, and Director, Investments & Treasury
Superseded Documents | None
Review | To be reviewed annually
File Number | 2010/06826
Associated Documents | Investment Policy

<table>
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<th>Version</th>
<th>Authorisation</th>
<th>Approval Date</th>
<th>Effective Date</th>
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<td>25 November 2010</td>
<td>1 December 2010</td>
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1. GENERAL PRINCIPLES
2. CREDIT RISK
3. SHORT TERM LIQUIDITY RISK
4. FUNDING & REFINANCING RISK
5. INTEREST RATE RISK
6. FOREIGN EXCHANGE RISK
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1 GENERAL PRINCIPLES

1.1 OBJECTIVE AND SCOPE

The purpose of the Treasury Policy (the ‘Policy’) is to provide specific rules and guidance for the management of the UNSW Group Treasury Services function (‘GT’) as approved by the Vice Chancellor.

The primary objective of this Policy is to ensure that the treasury activities and risks of the University of New South Wales (“UNSW”) and its controlled entities (collectively the “UNSW Group” or the “Group”) Group are managed in a clear, prudent, cost-effective and comprehensive manner, reflecting the needs of all UNSW stakeholders, and aligned to the strategic objectives of UNSW Finance and the University as a whole.

The scope of this Policy covers:

- All operations of UNSW including its faculties, schools, departments and research centres.
- All controlled entities of UNSW, both domestic and foreign (refer Appendix A).

1.2 THE ROLE OF GT

GT operates as a risk management and service function with responsibility for managing exposure to certain market and operational risks as described in this Policy.

At no point will GT enter into any speculative transactions.

1.3 RISKS GOVERNED BY THE POLICY

The Policy governs the management of the following areas of risk:

1. Credit Risk
2. Short Term Liquidity Risk
3. Funding and Refinancing Risk
4. Interest Rate Risk
5. Foreign Exchange Risk
6. Operational Risk relating to treasury activities.

1.4 POLICY ADMINISTRATION

All Policy breaches will be reported as follows:

- To the Director of Finance immediately
- At the next scheduled TISC meeting, and
- To the Executive Director Finance and Operations at each month end unless any of the following conditions are met in which case immediately:
– The breach has or may have the potential to adversely impact on the reputation of UNSW in any way
– Has or is likely to result in a material loss (defined as greater than or equal to $100k)
– Is reasonably appropriate to disclose in the view of either the Finance Director or the Group Treasurer

The Executive Director Finance and Operations will report any such breaches to the next meeting of the Finance Committee.

Policy breach reporting shall include as a minimum: the actual breach date, the nature and reasons for the breach, the financial impact (or potential financial impact) of the breach, the remedial action taken or planned and the dates on which stakeholders were notified.

It is the responsibility of the Group Treasurer to address all breaches of Policy and return the GT to within the approved Policy rules / limits as a matter of priority.

1.5 APPROVED FINANCIAL INSTRUMENTS

GT will transact solely in the approved instruments listed in Appendix B ‘Approved Financial Instruments’.
1.6 GT GOVERNANCE FRAMEWORK

Shown below is an overview of the major components of the GT governance and control framework within which this Policy sits. Effective implementation of the Policy is reliant on the interrelationships of all of these components.

Figure 1 GT governance and control framework
2 CREDIT RISK

2.1 DEFINITION

Credit risk is the risk of potential loss arising from default or insolvency of a financial institution. GT’s credit risk arises from transactions entered into with financial institutions. Cash held in bank accounts, bank deposits, deals awaiting settlement and derivative transactions form the primary sources.

2.2 OBJECTIVES

To manage the overall level of credit exposure to individual financial institutions that GT transacts with to acceptable levels of credit risk through institution selection and diversification.

2.3 POLICY STATEMENT

2.3.1 Approved counterparties

Only APRA regulated Authorised Deposit taking Institutions (ADIs) may be used. For overseas branches of UNSW or controlled entities the availability of an ADI may be restricted. Within this policy it is acceptable for those branches / entities to use local branches of Australian based ADIs without written approval from GT. If such counterparties are not available management of the branch or entity is required to obtain consent in writing to use an alternative institution. GT will evaluate the request on the facts of the case after reviewing the financial strength of the proposed institution, materiality of exposure and other commercial considerations. The approval will be reviewed annually.

2.3.2 Limits

The maximum permitted credit exposure to a financial institution for the Group will be based on its current external credit rating with Standard and Poor’s (S&P). The choice of this rating agency as the sole reference point will be reviewed and confirmed annually. The respective limits are as shown below in Table 1:

<table>
<thead>
<tr>
<th>S&amp;P Short Term Rating</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1+</td>
<td>$150m</td>
</tr>
<tr>
<td>A-1</td>
<td>$75m</td>
</tr>
<tr>
<td>A-2*</td>
<td>$50m</td>
</tr>
<tr>
<td>&lt; A-2</td>
<td>No Exposure Permitted</td>
</tr>
</tbody>
</table>

* In addition to these limits a maximum of 50% of total exposure may be held against counterparties rated A-2 at any time.
2.3.3 Dealing checks

Prior to any cash deposit transactions being placed a check of UNSW’s current credit exposure to a counterparty as well as the counterparty’s current credit rating must be checked to ensure the new transaction will not result in a breach of Policy and is not expected to result in a breach of the Policy during the term of the deposit.

2.3.4 Sources and measurement of exposure

Measurement of limits will be as per methodology in Appendix C. The conversion of foreign currency balances for the purpose of credit exposure management will be at market rates on reporting dates.
3 SHORT TERM LIQUIDITY RISK

3.1 DEFINITION

Liquidity risk is the risk that UNSW does not have access to sufficient available funds to enable it to make all payments as they become due.

3.2 OBJECTIVES

To ensure that UNSW has the financial flexibility to meet all financial obligations (including both anticipated and unexpected) as they fall due with surplus cash held specifically for this reason, on a day to day basis and in the longer term.

3.3 POLICY STATEMENT

3.3.1 At-Call Cash

GT will hold a minimum level of liquidity (defined as at-call cash balances or committed credit facilities of A$30m at all times.

3.3.2 Cash flow Forecast

A cash flow forecast must be maintained with a minimum time horizon of twelve individual months forward.

3.3.3 Forecast At-Call Cash

The UNSW ‘Cashflow Forecast’ must demonstrate that GT has access to the A$30m minimum level of liquidity for 12 months forward. GT are expected to ensure the required minimum level of liquidity is continuously available from current at-call cash balances or available from the investment portfolio or external borrowing (refer section 4.0 Funding and Refinancing Risk for more information).

3.3.4 Approved Financial Instruments

GT will comply with the policies above by transacting solely in the approved instruments as listed in Appendix B ‘Approved Financial Instruments’.

3.3.5 UNSW Investment portfolio transfers

The Group Treasurer will recommend to TISC annually or more frequently as required the proposed re-balancing transfer transactions between the UNSW investment portfolio and the Cash pool to maintain appropriate liquidity.
4 FUNDING & REFINANCING RISK

4.1 DEFINITION

Funding risk is the risk that GT has not, or is unable to arrange adequate debt finance to fund UNSW’s future financial commitments.

Refinancing risk is the inability to rollover existing facilities as they mature.

Note: GT’s ability to quickly arrange commercial debt finance is limited by the potentially lengthy approval process required given the consent required by the NSW State Treasurer under the University of New South Wales Act. Accordingly appropriate advance planning and contingencies must be in place at all times.

4.2 OBJECTIVES

To ensure UNSW can obtain new debt, and/or roll over existing debt, in order to meet its financial requirements in a timely manner.

4.3 POLICY STATEMENT

4.3.1 Funding Analysis

GT will maintain a view of funding requirements for the group through the development and maintenance of a five year Funding Analysis.

4.3.2 Financing Plan

GT will maintain a five year Financing Plan to meet the funding requirements identified from the Funding Analysis above.

4.3.3 Refinancing Risk

In instances where the Financing Plan includes the requirement to raise of commercial or other debt, GT will be required to develop appropriate re-financing risk management procedures relating to such debt facilities.

4.3.4 Covenant Compliance

GT will annually prepare and issue covenant compliance certificates as described in the facility agreements and the GT procedures.
5 INTEREST RATE RISK

5.1 DEFINITION

Interest rate risk is the impact of volatility in net interest income / expense on the financial position of UNSW.

5.2 OBJECTIVES

GT is to monitor and manage interest income / expense volatility of UNSW to acceptable levels.

5.3 POLICY STATEMENT

5.3.1 Interest rate risk exposure (income)

The Group Treasurer will prepare an annual interest budget for the UNSW budget.

Interest rate risk should be managed on an annual basis against this budget but only after prioritising security of investments and liquidity needs. As such no active interest income hedging will be performed using derivatives.

5.3.2 Interest rate risk exposure (expense)

If a net debt balance exists GT will develop an interest rate hedging strategy in accordance with the Funding Plan in section 4.3.2 of this Policy. This strategy will be incorporated into this policy at the time a commitment to debt is first made, and updated at each annual review of the Funding Plan thereafter.

5.3.3 UNSW Investment Portfolio exclusion

Interest rate volatility will result in changes in the market value of fixed income instruments from time to time. It is not anticipated that interest income hedging will be performed using derivatives. However, the duration of the portfolio must be within the agreed limits and tracked on a quarterly basis.
6 FOREIGN EXCHANGE RISK

6.1 DEFINITION

Foreign Exchange Transaction Risk is the risk that the Group’s results are impacted by movements in exchange rates. The risk is that a potential gain or loss could result from a movement in the Australian Dollar value of foreign currency payments or receipts. In particular, UNSW research activities create transaction risk which must be managed to protect individual research projects from adverse financial impacts.

Foreign Exchange Translation Risk has to do with the location of the assets or cash flows. This is the potential gain or loss resulting from exchange rate movements when financial statements from foreign subsidiaries are translated on consolidation.

6.2 OBJECTIVE

GT objectives with respect to foreign exchange risk management are to:

- Proactively seek to identify all material foreign exchange exposures.
- Engage and work co-operatively with, faculties, schools, departments and research centres in explaining how GT can assist in the management of foreign exchange risks.
- Ensure foreign exchange exposures are tracked, managed and reported in accordance with the limits and policies detailed in this chapter.

6.3 BACKGROUND

6.3.1 Sources of Exposures

UNSW has five distinct sources of foreign exchange exposures. These are:

- Foreign currency income associated with research grants
- Foreign currency expenditures associated with research grants
- General UNSW payments denominated in foreign currency
- Annual expenditure associated with the foreign currency subscriptions and publications of the UNSW library.
- Other General exposures which may be incurred from time to time, such as the acquisition of foreign currency denominated receivables and payables.

Exposures associated with research, both income and expenditure, generate the major foreign exchange exposures within the University. These exposures can be complex in nature, subject to uncertainty in timing of cash flows, often with milestone requirements attached. They can go through a protracted lifecycle of an application, acceptance and completion phase, each with differing levels of certainty of exposures.
6.3.2 Identification and Communication of Exposures

GT is responsible for identification and initiating communication of exposures. GT will identify exposures through a number of sources. The main foreign exchange exposures generated within UNSW arise through research activity. GT will work closely with the Grants Management Office as well as faculty General Managers and School Managers to identify the research projects in which foreign exchange risk lies. Due to the complex nature of foreign exchange exposures direct consultation with researchers or General/School Managers to ensure adequate understanding of the risks will be initiated by GT.

6.3.3 Measurement of Foreign Exchange Risk

Foreign exchange risk is to be measured with reference to the “Potential Loss” which could result to UNSW. “Potential Loss” will be modelled for each currency pair using the previous 5 years historical volatility, an assumed 12 month exposure time horizon and a 1% confidence threshold.

A net exposure position should be used for the purposes of measuring exposures.

Exposures to currency pairs of less than AUD 500k equivalent may be grouped and modelled using USD parameters as a proxy, to avoid excessive administrative burden. The parameters of the model and data inputs are to be reviewed and updated annually.

When managing risks to a “Potential Loss” model the limitations of the model need to be understood. The limitations of the modelling parameters set out in this Policy include:

- No account given to currency correlations
- Setting a “Potential Loss” limit across a portfolio of currencies does not account for a potentially large adverse movement in a single currency
- Past events may not be representative of future events

It should also be understood that the parameters of this model are designed to be conservative. “Potential Losses” as measured by these modelling parameters are intended to represent less likely instances of adverse currency movements.

In relation to foreign currency income or expenditure on research projects a materiality threshold has been agreed at A$50,000 where exposures must be both notified to GT on a timely basis and transferred to GT unless Finance Director exemption is obtained in writing.

6.3.4 Management Philosophy

Transaction Risk:

Transaction risk has two principle sources:

---

1 Point of clarification: USD proxy is only to be used for modelling purposes. Any hedging activities may not use USD as a proxy. Direct hedging against a currency is required to the extent hedging is used.
1 **Committed Exposures:** Committed exposures are those that relate to transactions which will be completed with certainty. Committed exposures include, research grants which have been awarded (as opposed to in application), expenditures to which UNSW is bound or will imminently incur or assets or liabilities which have been recognised in the accounts.

2 **Contingent Exposures:** Contingent exposures are those that have been identified as potentially occurring but which are not yet committed. Contingent exposures include, research grants which have been applied for (but not yet awarded), budgeted expenditures, potential assets or liabilities not meeting accounting recognition criteria.

Translation Risk:

Translation risk must be identified and monitored by GT. Translation risk has two principle sources:

1. Translation of the net investment in foreign operations
2. Translation of the profits or losses of overseas subsidiaries

It is not the objective of UNSW to hedge translation risks for the following reasons:

1. Foreign operations are considered long-term assets not held for sale.
2. The translations of these assets are accounted through the balance sheet and as such do not pose a threat to UNSW’s net surplus as reported in the financial statement.
3. The difficulty of forecasting the profits or losses of overseas subsidiaries inhibits the effectiveness of hedging this risk.

### 6.4 POLICY STATEMENT

#### 6.4.1 **GT responsibility**

GT is to have sole responsibility for executing foreign exchange transactions.

#### 6.4.2 **Policy Limits**

GT must manage known *committed* foreign exchange transaction risks to within a total $1m "Potential Annual Loss" limit as measured by the modelling parameters detailed within this Policy.

GT will monitor *contingent* foreign exchange transaction risks. These exposures will not be hedged without the explicit agreement of the Director of Finance and EDFO, acting on the advice of the Group Treasurer.

#### 6.4.3 **Activities not permitted**

Hedging of more than 100% of underlying exposures is not permitted. In addition to this, GT will not enter into any leveraged transactions.
6.4.4 Monthly reporting

Reporting of transaction risk exposures, detailing, type of exposure (contingent/committed), source of exposure as well as positions against limits will be completed weekly for TISC and monthly for the Director of Finance.

Translation risk exposures will be reported to TISC every 6 months.

6.4.5 Approved Financial Instruments

GT will comply with the policies above by transacting solely in the approved instruments as listed in Appendix B 'Approved Financial Instruments'.
7 OPERATIONAL RISK

7.1 DEFINITION

Operational risk is the risk of financial loss arising from internal process failure, human error or fraud, systems failure, or other external events.

7.2 OBJECTIVE

UNSW’s objectives when managing GT operational risk are:

- To minimise risk through an appropriate level of internal controls and segregation of duties (taking into consideration the size of the GT function).
- To ensure that well documented procedure manuals, dealing limits and authorised instruments are updated and readily available.
- To ensure adequate disaster recovery procedures are in place and documented for GT applications.

7.3 POLICY STATEMENT

7.3.1 Documents and Procedures

To assist in the management of operational risk the following GT documents and procedures will be maintained, regularly reviewed and adhered to:

- Documented procedures and controls manual for all GT activities.
- Job descriptions for all staff including roles and responsibilities.
- A formal segregation of duties matrix.
- A clear Responsibility Register for GT transactions as per Appendix A.

It is noted that, to ensure appropriate levels of internal controls are in place, UNSW internal audit will review at least annually the following:

- That segregation of duties are being managed as designed
- GT reporting as required by this Policy to ensure accuracy
- Internal controls are effective in mitigating operational risk.
Appendix A  UNSW CONTROLLED ENTITIES

Roles and responsibilities

The scope of the policy covers the consolidated entity which includes all controlled entities.

1. **It is the responsibility of Group Treasury to:**
   
a) Initially inform the controlled entity’s most senior finance professional (CFO, controller or equivalent) of the existence of this Policy including providing a signed copy (and relevant updates from time to time).

b) Work with the controlled entity to set-up and maintain banking and treasury arrangements that meet the requirements of the policy including timely reporting of transactions and exposures as required.

c) To deliver my mutual agreement efficient, effective support (b) above.

2. **It is the responsibility of the Controlled Entity to:**

d) Read and understand the Policy as it relates to their Controlled Entity.

e) Work with the Group Treasury to set-up and maintain banking and treasury arrangements that meet the requirements of the policy including timely reporting of transactions and exposures as required.
Controlled entity listing

It is acknowledged that this listing will change from time to time. The purpose of the listing below is to indicate the entities at the time of policy approval.
Appendix B   APPROVED FINANCIAL INSTRUMENTS

CASH MANAGEMENT

- Bank accounts
- Term deposits
- Negotiable certificates of deposit

FUNDING

- Bilateral bank funding
- SGD Cash advance
- AUD Cash advance

INTEREST RATE RISK MANAGEMENT

- Interest Rate Swaps*
- Cross Currency interest rate swaps – only specifically approved against a debt portfolio*

* Interest Rate Risk Management approved instruments are only permitted as per Policy 5.3.2.

FOREIGN EXCHANGE RISK MANAGEMENT

- Foreign currency accounts
- Spot foreign exchange
- Forward foreign exchange
- Foreign exchange swaps

OTHER

- Bank guarantees
- Letters of credit

All other instruments are not permitted without council approval. Specifically structured products, writing financial options and exchange traded derivatives are strictly prohibited.
### Appendix C  CREDIT RISK – SOURCES AND MEASUREMENT OF EXPOSURE

<table>
<thead>
<tr>
<th>INSTRUMENTS</th>
<th>CREDIT RISK MEASUREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH MANAGEMENT</strong></td>
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<tr>
<td>Bank Accounts</td>
<td>100% of Principal*</td>
</tr>
<tr>
<td>Term Deposits</td>
<td>100% of Principal*</td>
</tr>
<tr>
<td>Negotiable Certificates of Deposit</td>
<td>100% of Principal*</td>
</tr>
<tr>
<td>Interest Rate Swaps</td>
<td>Market Value + 1.5% of Principal**</td>
</tr>
<tr>
<td><strong>FOREIGN EXCHANGE</strong></td>
<td></td>
</tr>
<tr>
<td>Currency Accounts</td>
<td>100% of Principal*</td>
</tr>
<tr>
<td>Spot Foreign Exchange</td>
<td>N/a</td>
</tr>
<tr>
<td>Forward Foreign Exchange</td>
<td>Market Value + 7.5% of Principal**</td>
</tr>
<tr>
<td>Foreign Exchange Swaps</td>
<td>Market Value + 7.5% of Principal**</td>
</tr>
<tr>
<td>Cross Currency Interest Rate Swaps</td>
<td>Market Value + 7.5% of Principal**</td>
</tr>
</tbody>
</table>

*Total credit risk will include the principal balance outstanding plus any interest accrued. However, for reporting and measurement purposes GT shall use 100% of principal to simplify the calculation.

**Derivative Credit Exposures:**

- Exposure calculation methodology has been determined with reference to APRA standards for calculating derivatives credit charges.
- If the market value is positive, i.e. the transaction is ‘in-the-money’ for UNSW, the exposure shall be calculated as per above, otherwise the market value shall be reported as zero.
- The above calculations include an adjusting factor to account for market volatility between reporting date and maturity of the instrument. This is based on the underlying market risk (foreign exchange or interest rate).
Appendix D  DEALING APPROVAL LIMITS

In advance of dealing the following written approvals are required to be in place:

Table 2  RISK MANAGEMENT

<table>
<thead>
<tr>
<th>Staff</th>
<th>Money Market Transactions* - per Appendix B</th>
<th>Foreign Exchange Transactions* - per Appendix B</th>
<th>Interest Rate Transactions* - per Appendix B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Finance</td>
<td>Up to Policy credit limit</td>
<td>Above A$25m</td>
<td>Above A$25m</td>
</tr>
<tr>
<td>Treasurer / Director Investment Services</td>
<td>Up to Policy credit limit</td>
<td>A$25m</td>
<td>A$25m</td>
</tr>
<tr>
<td>Deputy Treasurer</td>
<td>Up to Policy credit limit</td>
<td>A$5m</td>
<td>A$5m</td>
</tr>
</tbody>
</table>

*All values above refer to the notional principal values of transactions (AUD equivalent).
Appendix E  SUMMARY OF POLICY REPORTS

CREDIT RISK

- Authorised active counterparties - Monthly
- Position against credit limits – Monthly
- Changes to credit ratings of active counterparties, including outlook
- Report to TISC – Monthly
- Report to Group Treasurer – Weekly

LIQUIDITY RISK

- Current deposit maturity profile - Monthly
- Current and recent past liquidity position – Monthly
- The cash flow forecast shall be reported to the TISC and include performance against actuals, detailing forecast errors and reasons for variance - Monthly.
- Forecast 'on-call' cash balance and/or committed undrawn credit facilities - Monthly
- Performance against benchmark return

FUNDING & REFINANCING RISK

- The Treasurer must report the three year Funding Gap analysis and three year Financing Plan to the TISC at each half year reporting date.
- The Treasurer must report the three year Funding Gap analysis and three year Financing Plan to the Executive Director, Finance and Operations annually.

INTEREST RATE RISK

- Annual budget to be prepared and performance to be monitored against it
- Net interest rate maturity profile table: A table detailing interest bearing assets and liabilities grouped into maturity buckets - Monthly.
- Interest income against budget and the sources of variance – Monthly

FOREIGN EXCHANGE RISK

- Monthly reporting of exposures detailing:
  - Contingent/Committed
  - Source (including hedging contracts)
  - Positions against limits (before and after hedging)
  - Mark to Market (including independent valuation of derivatives against limits)
- Semi-Annual Reporting detailing:
  - Sources of translation risks at UNSW (Reported to TISC)
## Appendix F  GLOSSARY

### Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADI</td>
<td>Authorised Deposit taking Institution</td>
</tr>
<tr>
<td>APRA</td>
<td>Australian Prudential Regulated Authority</td>
</tr>
<tr>
<td>Bilateral Bank Funding</td>
<td>Funding sourced from a single financial institution</td>
</tr>
<tr>
<td>Committed Exposures</td>
<td>Committed exposures are those that relate to transactions which will be completed with certainty. Committed exposures include, research grants which have been awarded (as opposed to in application), expenditures to which UNSW is bound or will imminently incur or assets or liabilities which have been recognised in the accounts</td>
</tr>
<tr>
<td>Contingent Exposures</td>
<td>Contingent exposures are those that have been identified as potentially occurring but which are not yet committed. Contingent exposures include, research grants which have been applied for (but not yet awarded), budgeted expenditures, potential assets or liabilities not meeting accounting recognition criteria.</td>
</tr>
<tr>
<td>Credit Rating</td>
<td>Formal credit assessment rating as published by Standard and Poor's Rating Agency.</td>
</tr>
<tr>
<td>Finance Committee</td>
<td>The UNSW Finance Committee</td>
</tr>
<tr>
<td>Financing Plan</td>
<td>The UNSW GT three year financing plan</td>
</tr>
<tr>
<td>UNSW Foundation</td>
<td>UNSW Foundation is the</td>
</tr>
<tr>
<td>ISDA agreement</td>
<td>International Swaps and Derivatives Association</td>
</tr>
<tr>
<td>On-call cash</td>
<td>Cash on call represents all deposits which are available upon request (subject to regular financial institution clearing times)</td>
</tr>
<tr>
<td>Pool S</td>
<td>Short term investments held and managed by UNSW Treasury</td>
</tr>
<tr>
<td>Pool L</td>
<td>Long term investments held and managed by the Director of Investments</td>
</tr>
<tr>
<td>TISC</td>
<td>Treasury Investment Services Committee</td>
</tr>
<tr>
<td>Transaction risk</td>
<td>The risk that the group’s cash flow is impacted by adverse movements in exchange rates. The risk is that a potential gain or loss could result from a movement in the Australian Dollar value of foreign currency payments or receipts</td>
</tr>
<tr>
<td>Translation risk</td>
<td>Has to do with the location of the assets or cash flows. This is the potential gain or loss resulting from exchange rate movements when financial statements from foreign subsidiaries are translated on consolidation.</td>
</tr>
<tr>
<td>VaR</td>
<td>Value at Risk</td>
</tr>
</tbody>
</table>
Appendix G  POLICY REVIEW AND HISTORY

Review

Changes to the Policy are required to be supported by the Finance Committee of Council and approved by the Vice-Chancellor.

The Policy should be reviewed annually. The results of this review should be documented in the Treasury and Investment Services Committee (‘TISC’).

History

<table>
<thead>
<tr>
<th>Version</th>
<th>Authorised by</th>
<th>Approval Date</th>
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<th>Sections modified</th>
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