

GAVI Alliance Investment Committee teleconference

23 February 2009

FINAL Minutes

Finding a quorum of members present¹, the meeting commenced at 9.07 Washington time on 23 February 2009.²

1 Remarks by the Chair of the Meeting

George W. Wellde, Jr., Chair of the Meeting reviewed the mandate of the Investment Committee (“Committee”), stressing the need for appropriate oversight of the investment portfolio given the external financial environment and GAVI needs. He also reviewed the GAVI Fund version of the Investment Committee Conflict of Interest Policy (Doc #1 in the committee pack) noting a GAVI Alliance policy would be crafted alongside a global policy. Discussion followed:

- As the economy worsens, more pressure will fall on donor governments to consider reducing or stretching out their support to GAVI. This uncertainty may impact how the investment portfolio is organised. Yoka Brandt confirmed that budget for development is tied to Gross National Product, which has suffered under current global market conditions.
- The Board will lean heavily on the Investment Committee for oversight and guidance. As such, it would be worthwhile for the Committee to consider face-to-face meetings.
- Committee member comments on a committee conflict of interest policy should be sent to the Secretariat in due course.

2 Investment performance update

Alice P. Albright, EVP and Alliance CFIO delivered a report on the performance of GAVI’s investment portfolio (Doc #2). In particular, she reviewed returns, asset allocation, risk, sector performance, manager performance, diversification, benchmarks, and credit quality. She noted the portfolio remained at the GAVI Fund and would transfer to the GAVI Alliance as the super grant between the GAVI Alliance and the GAVI Fund was executed. Ultimately, the goal is a streamlined portfolio with clear direction and horizons. Discussion followed.

3 Audit matters

Jeanne Shen, Senior Director of Investments provided an interim audit update (Doc #2). The Secretariat has drafted FAS 157 policies and procedures and had reviewed investment managers’ own FAS 157 policies. Further, the Secretariat formed a FAS 157 evaluation committee to review holdings at the end of each quarter. Finally, Ms. Shen presented a due diligence overview of the investment managers. There was no discussion.

4 Investment and cash investment policy recommendations

Ms. Albright presented a draft Investment Policy and Cash Investment Policy. The purpose of the Investment Policy is to assist the Board, Committee, and Secretariat in effectively supervising,

¹ Participants are listed in Attachment A.

² A 9 December 2008 email from Mary Robinson, Board Chair, nominated George W. Wellde, Jr. to be Chair of the Investment Committee. As such, Mr. Wellde served as Chair of the Meeting.

monitoring, and managing the investments of the Alliance (Doc #3). The purpose of the Cash Investment Policy is to assist these entities in managing cash assets under GAVI's care (Doc #4). Ms. Albright noted these policies were generally aligned with the pertinent policies at the GAVI Fund. Discussion followed:

- The Committee considered whether the ratings requirement for investment managers should be changed to reflect the financial environment. The Committee will continue to look at this.
- GAVI should ensure the investment portfolio is constructed to meet its cash liquidity needs.
- The Committee acknowledged the Secretariat will provisionally operate under the Investment Policy and Cash Investment Policy until such time the Board shall consider and, if thought fit, approve them. The Secretariat should alert the Committee to any occasions where there could be a compliance issue.

RECOMMENDATION

The GAVI Alliance Investment Committee:

- 4.1 Recommended to the Board that it approve the Investment Policy and the Cash Investment Policy.

5 Other policies

Ms. Albright presented a draft Stock Gift Policy and Socially Responsible Investment Policy. The purpose of the Stock Gift Policy is to provide guidelines as to how gifts of stock should be handled, and what processes to follow to protect the donor and GAVI (Doc #5). The purpose of the Socially Responsible Investment Policy is to enunciate a set of criteria that ensures GAVI's investments are consistent with its role as a humanitarian organisation. (Doc #6). Discussion followed:

- The Committee reviewed these policies and acknowledged the Secretariat's intention to implement them.

There being no further business, the meeting was adjourned.

Mr. Kevin Klock, Assistant Secretary

Attachment A

Participants

Committee Members

- George W. Wellde, Jr., Chair of the Meeting
- Yoka Brandt
- Dwight Bush

GAVI

- Alice P. Albright
- Edmund Fudzie
- Kevin Grant
- Kevin Klock
- Jeanne Shen

Guests

- Shana Mulkerin, Angeles Investment Advisors
- Michael Rosen, Angeles Investment Advisors