

# **GAVI Alliance Investment Committee Meeting**

26 July 2010  
Teleconference

## **FINAL MINUTES**

Finding a quorum of members present<sup>1</sup>, the meeting commenced at 12.06 Washington time on 26 July 2010.

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### **1 June 2010 Portfolio Review**

Jeanne Shen, Senior Director of Investments, reviewed market activity including recent volatility, portfolio activity and returns, sector performance, benchmarks, and asset allocation. Discussion followed:

- The Secretariat continues to pursue opportunities for diversification in the portfolio and will present further options in due course.
- Global concerns include the expiration of government asset purchase and stimulus programmes to support national economies. To support these programmes, many industrialised country governments issued large amounts of debt and now face a huge rollover of that debt. Another concern includes government austerity measures that limit public spending during a period when the global economic recovery is uncertain.
- There is also uncertainty surrounding the timing of cash flows for GAVI in a resource constrained environment. The success of the ongoing replenishment process will likely have an impact on the portfolio.
- With regard to the new programme funding policy, the Secretariat confirmed that when the Board considers new proposals, they should have qualifying assets on hand (cash and investments, direct contributions, IFFIm contributions, among others) to cover both new and existing commitments for a two-year period.
- Monitoring the size of GAVI's cash position is an area of focus for the investment team. The Secretariat is exploring a range of cash-like investments that are conservative but can provide better returns than money market funds which the Secretariat predicts will have lower returns than historic norms.

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### **2 2009 Audit Update**

Ms Shen reported that KPMG's field testing has not resulted in any audit issues related to investments. Barry Greene, Managing Director of Finance and Operations

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<sup>1</sup> Participants are listed in Attachment A.

confirmed his expectation that KPMG will present an unqualified audit report for 2009.

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### **3 Due Diligence of Investment Managers**

Ms Shen reported that the review of investment managers and vendors' 2009 SAS70s and financial statements was almost complete. The Secretariat has no concerns to report. The compliance certification for Q1 2010 is complete, and work on Q2 has begun. On-site visits to the investment managers and vendors will be scheduled for Q3 and Q4. Discussion followed:

- The Committee believes GAVI is paying less than average for its investment manager services if considered against foundations and endowments of similar size. However, in the current environment GAVI must continue to find ways to contain costs.

There being no further business, the meeting was adjourned.

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Mr Barry Greene, Treasurer

## Attachment A

### Participants

#### Committee Members

- George W. Wellde, Jr., Chair
- Dwight Bush
- Abigail Robinson

#### Secretariat

- Barry Greene
- Edmund Fudzie
- Stephen Nurse-Findlay
- Jeanne Shen

#### Guests

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