

INVESTMENT COMMITTEE CHAIR REPORT

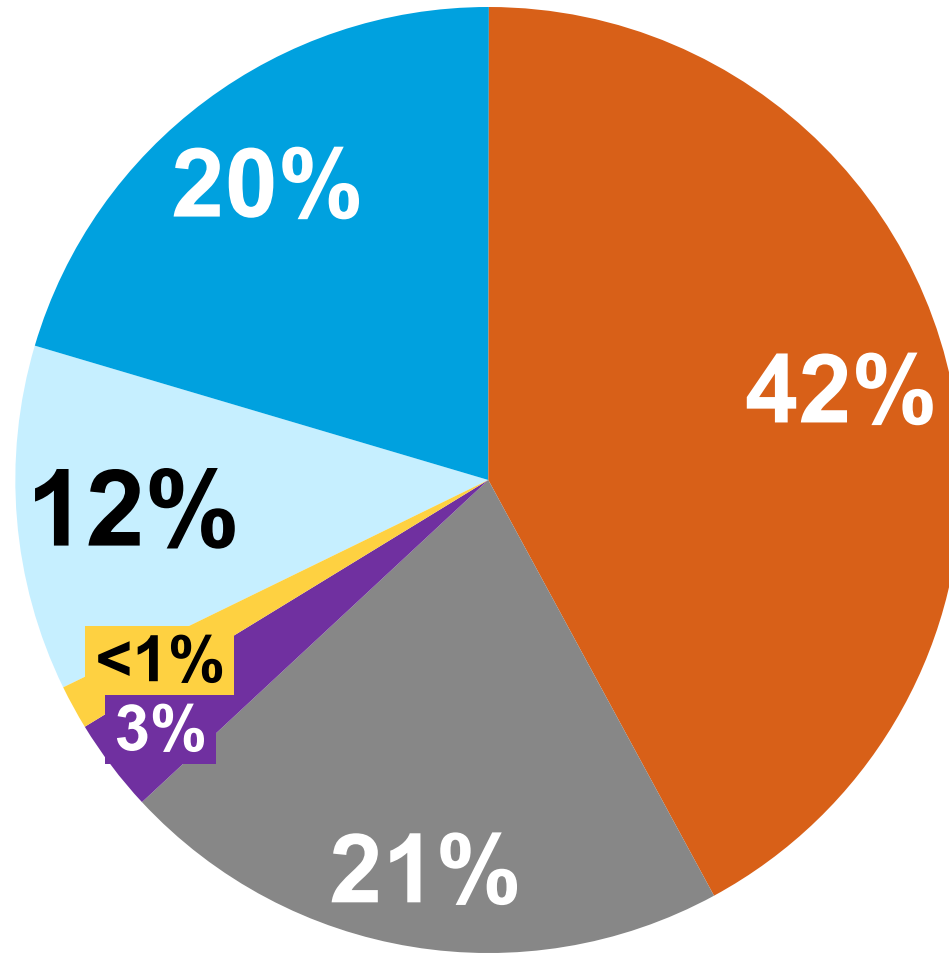
BOARD MEETING

Yibing Wu

1-2 July 2026, Geneva, Switzerland



Gavi Portfolio Allocation (US\$ 1.7 billion)¹



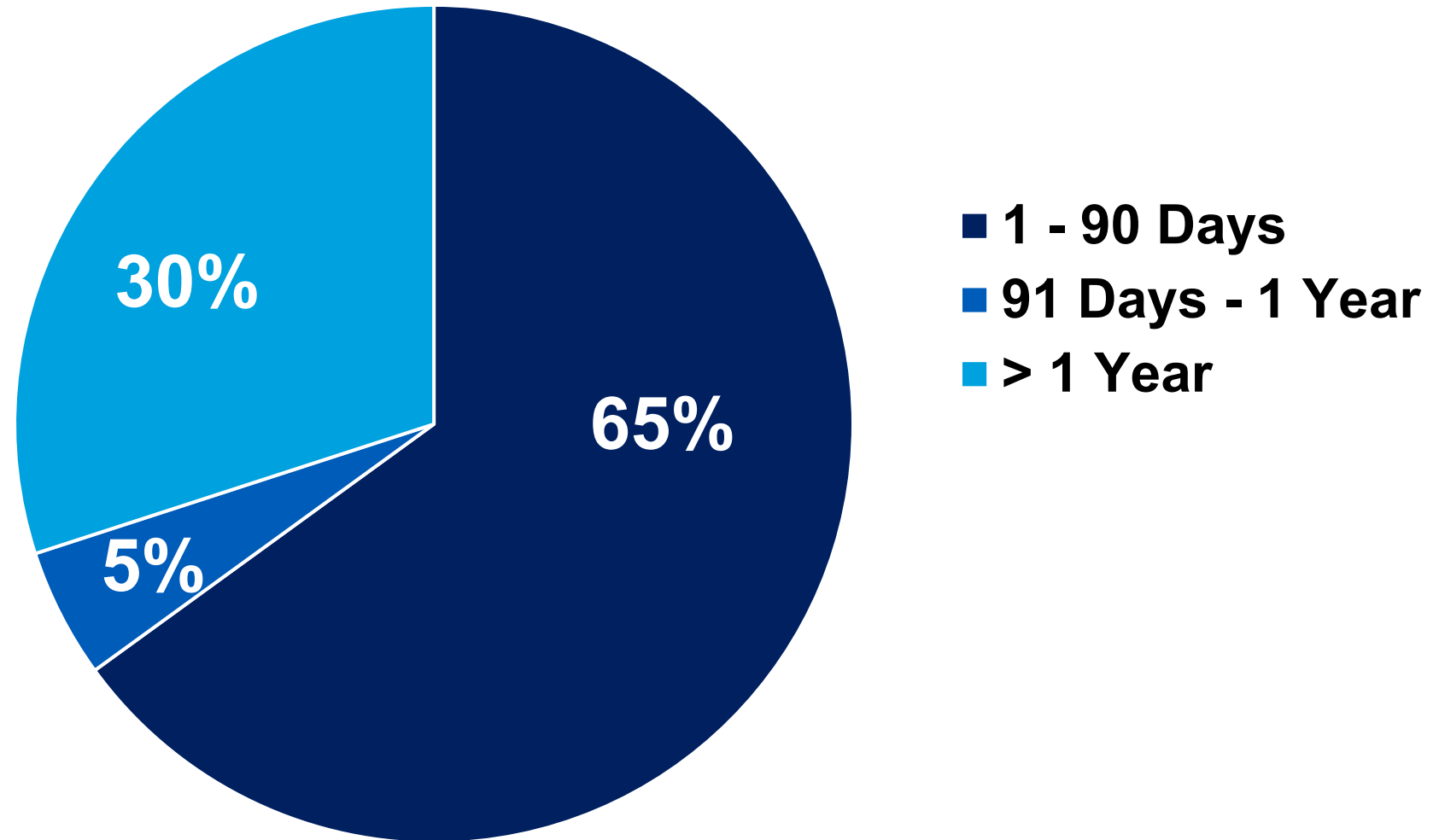
Year	Net Investment Income
2020	+ US\$ 125 M
2021	+ US\$ 88 M
2022	- US\$ 104 M
2023	+ US\$ 150 M
2024	+ US\$ 123 M
2025	+ US\$ 176 M

Fixed Income - High Quality	\$192 M
Fixed Income - Yield Seeking	\$332 M
Equity	\$683 M
Diversifiers	\$341 M
Private Equity	\$52 M
Real Estate	\$25 M

Data as of 30 April 2026.

(1) Includes LODH cash US\$ 35 million and US\$ 19 million Advanced Contributions.

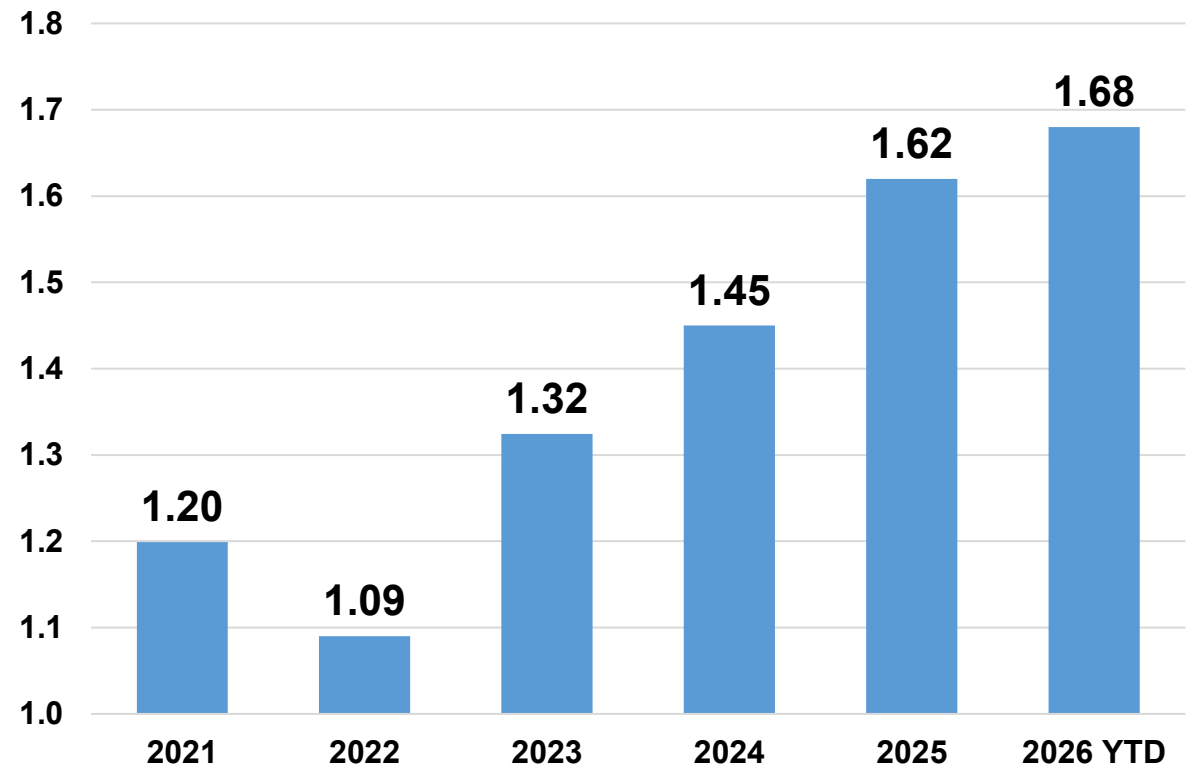
Long-Term Portfolio Liquidity (US\$ 1.7 B)



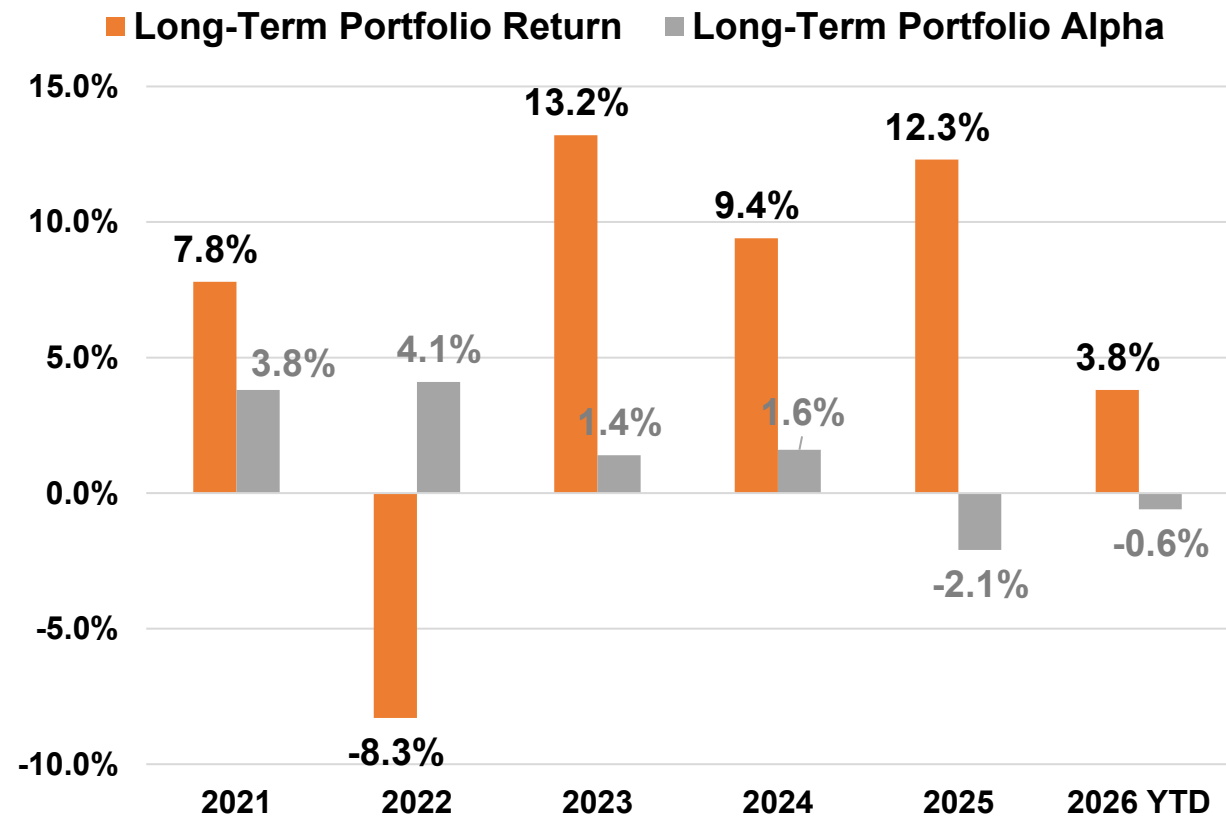
Data as of 30 April 2026

Portfolio Value and Performance

Long-Term Portfolio Value (US\$ Billion)



Long-Term Portfolio Performance



Data as of 30 April 2026. Note that the Long-Term Portfolio (LTIP) has cash outflow and merging of short-term portfolio into LTIP over the last 5 years.
LTIP Value includes Advanced Contributions and LODH Cash.

Portfolio Performance

Exposure Vs. Benchmark	1 Yr ¹	2026 YTD	2025	2024	2023	2022	2021
Fixed Income	5.0%	0.4%	7.1%	6.0%	9.6%	(8.1%)	5.4%
High Quality	3.6%	0.4%	6.4%	2.3%	5.7%	(8.7%)	1.0%
Yield Seeking	5.7%	0.4%	7.5%	8.8%	13.9%	(7.2%)	10.2%
<i>Bloomberg Multiverse</i>	<i>2.9%</i>	<i>0.2%</i>	<i>8.4%</i>	<i>(1.3%)</i>	<i>6.1%</i>	<i>(16.0%)</i>	<i>(4.5%)</i>
Equity	32.2%	7.7%	20.8%	14.2%	19.7%	(17.7)	15.6%
<i>MSCI ACWI IMI</i>	<i>31.6%</i>	<i>7.1%</i>	<i>22.1%</i>	<i>16.4%</i>	<i>21.6%</i>	<i>(18.4%)</i>	<i>18.2%</i>
Diversifiers	6.4%	(0.8%)	2.0%	4.2%	8.8%	3.2%	4.2%
<i>CS Multi-Strategy</i>	<i>9.3%</i>	<i>3.0%</i>	<i>9.1%</i>	<i>8.7%</i>	<i>8.0%</i>	<i>1.3%</i>	<i>7.0%</i>
Private Assets	20.9%	1.2%	27.0%	23.3%	22.9%	N/A	N/A
<i>Private Markets Benchmark</i>	<i>18.3%</i>	<i>4.9%</i>	<i>16.4%</i>	<i>11.1%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Long-term portfolio	16.5%	3.2%	12.5%	9.4%	13.2%	(8.3%)	7.8%
Policy Index	16.0%	3.8%	14.4%	7.8%	11.8%	(12.4%)	4.0%
Difference	0.5%	(0.6%)	(1.9%)	1.6%	1.4%	4.1%	3.8%

Data as of 30 April 2026.
(1) Annualised

Portfolio Overview

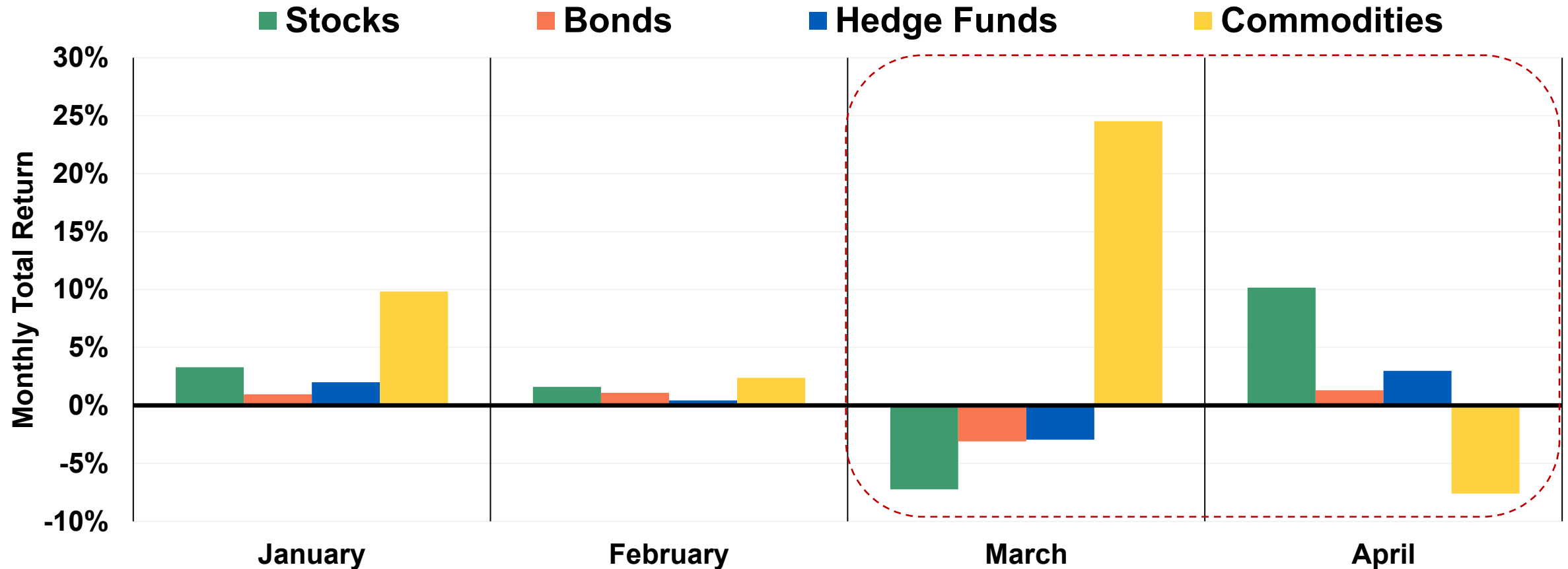
- **Performance:** On a year-to-date basis through April, the portfolio lags the policy benchmark by 0.6% (3.2% vs 3.8%). Drivers of relative underperformance for the year include Yield-Seeking Fixed Income and Diversifiers, while Equity is outperforming its benchmark. *However, on a trailing twelve months' basis, the portfolio is ahead of its benchmark by 0.3% (16.3% vs 16.0%).*
- **Resiliency:** The Investments team continues to focus on improving the portfolio's resiliency through diversification. Year-to-date, the team has focused on improvements within Diversifiers, Yield-Seeking, and enhanced Equity strategies. *The portfolio delivered its single best monthly performance in the last ten years of 5.0% in April 2026.*
- **Defensive Posture:** In 2026, the Investments team has shifted the portfolio to a more defensive posture, and this action will continue for the remainder of the year. Evaluating fit for Gavi's portfolio is an in-depth quantitative (e.g., risk management) and a qualitative (e.g., client communication) due diligence process. *The team's efforts are focused on reducing Equity and optimising diversification while preserving liquidity.*

Global Market Flashpoints

- The conflict roiled markets in March. The breakout of the conflict and associated disruption to global trade hit commodities, bond and stock markets alike. However, recovery quickly followed in April.
- **Commodity Shock:** The Iran conflict also led to a shock in commodity markets, particularly energy prices, where the price of crude oil nearly doubled from its January price levels. The Equity and Fixed Income strategies registered a sharp negative reaction. It also challenged multiple Diversifiers strategies focused on trend following or relative value trading in rates and commodities.
- **Rising Bond Yields:** The U.S. Treasury market is grappling with rising interest rates across the curve, particularly intermediate and long-term rates. This reflects investor concerns about trade tensions, inflation and the ongoing increases in government debt and deficit spending. Other major markets in Europe and Asia also face higher rates given their strong focus on combating inflation.
- **Artificial Intelligence:** Markets continue to digest the long-term impact of AI and its spreading adoption across industries. Excitement about AI and its impact on productivity helped with the reversal of the market selloff in March. However, its impact had an uneven effect on sectors; markets punished traditional software companies and supported AI adjacent industries such as energy and power generation.

Market Recap: Asset Class Performance

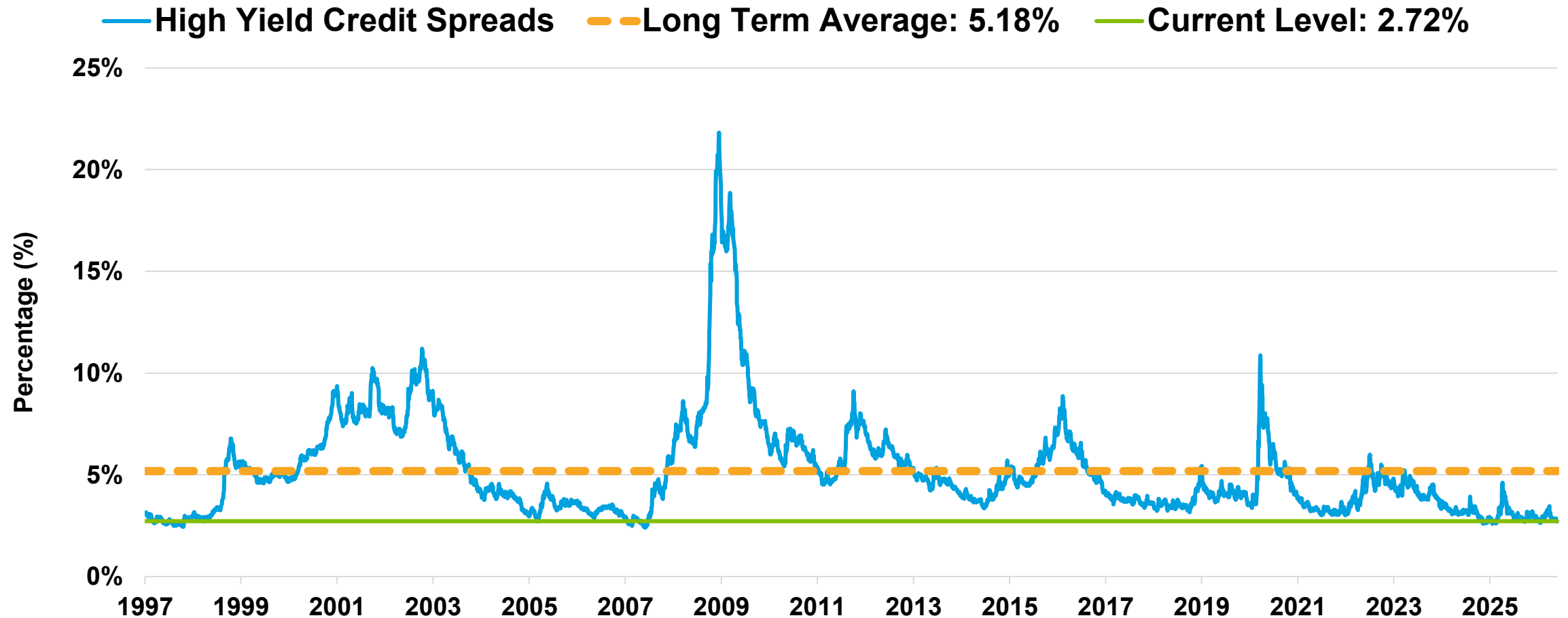
A geopolitically-driven commodity shock drove oil prices 50% higher in March and caused a selloff across asset classes. Yet, market optimism helped fuel a recovery in April.



Market indexes shown as "Stocks": MSCI ACWI IMI; "Bonds": Bloomberg Multiverse Unhedged; "Hedge Funds": HFRX Global Hedge Fund Index; "Commodities": S&P GSCI Commodity Index

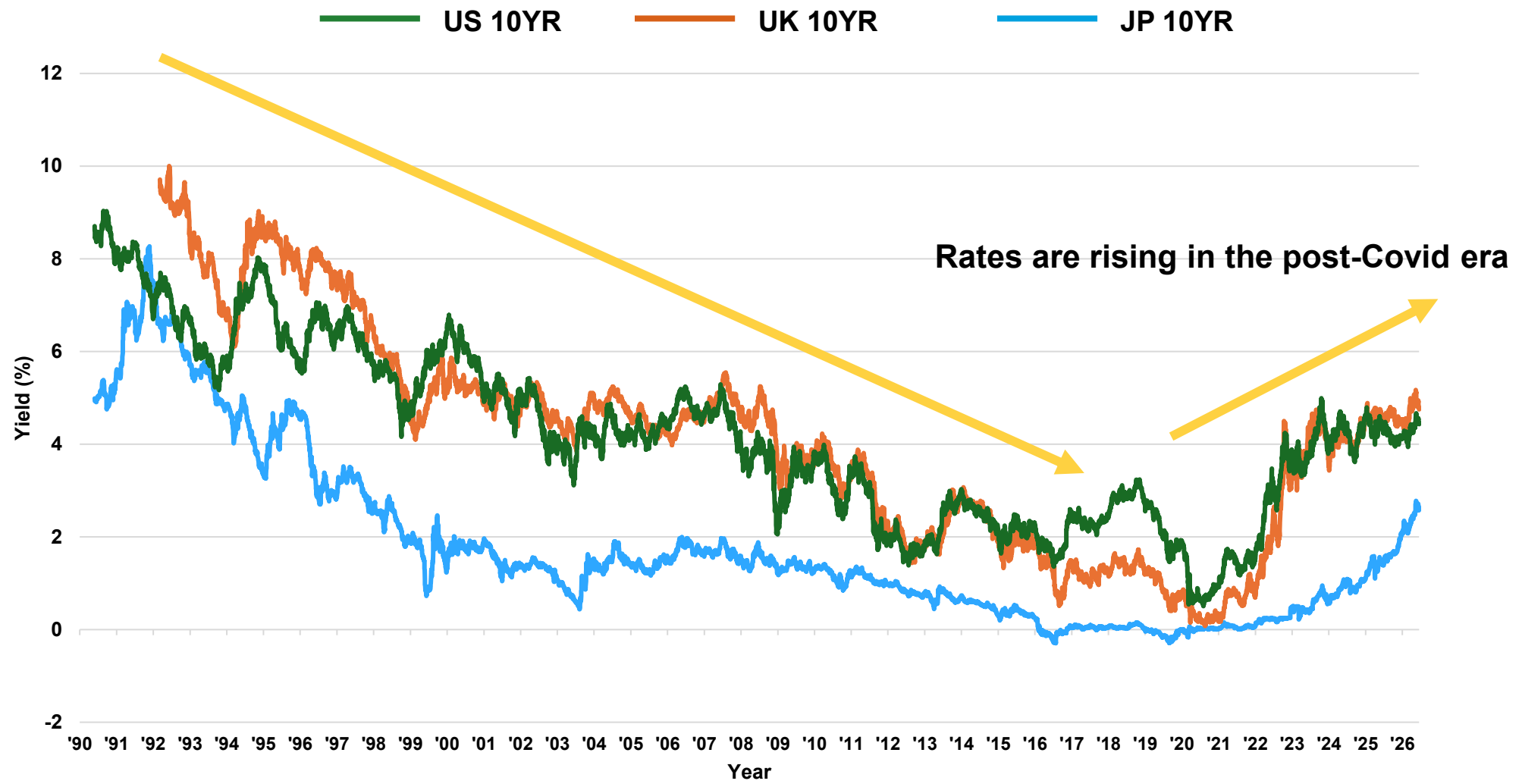
Tight Credit Spreads: Complacency?

Credit spreads on non-investment grade US bonds remain near historically-low levels, signaling potential complacency from investors around credit risk.



Sources: Macrotrends, ICE Data Indices, CBOE

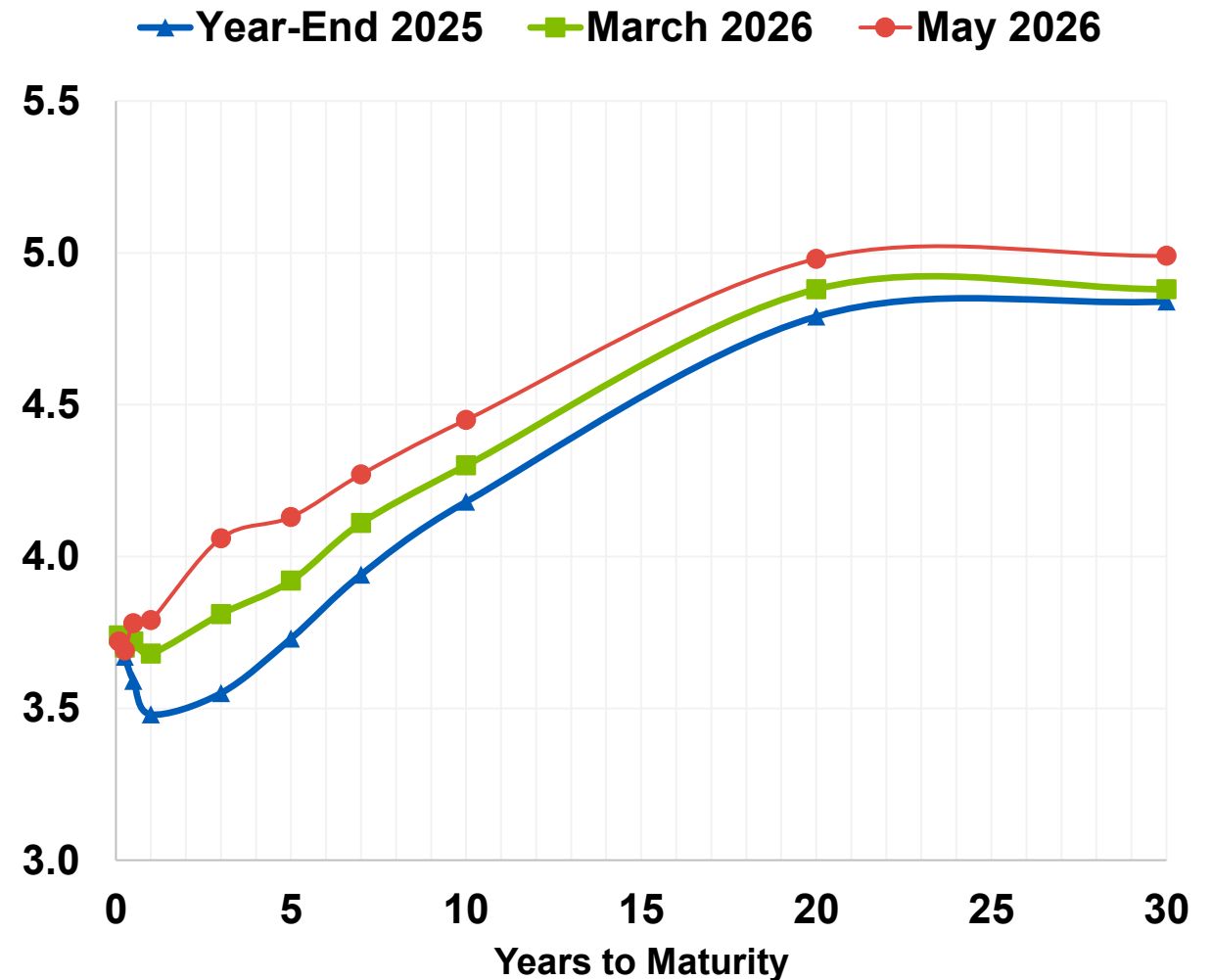
Cycle Of Declining Interest Rates Is Over



U.S. Treasury Curve: Higher Rates For Longer?

Rising rates across the curve, particularly in the intermediate and long end, is indicative of multiple market forces:

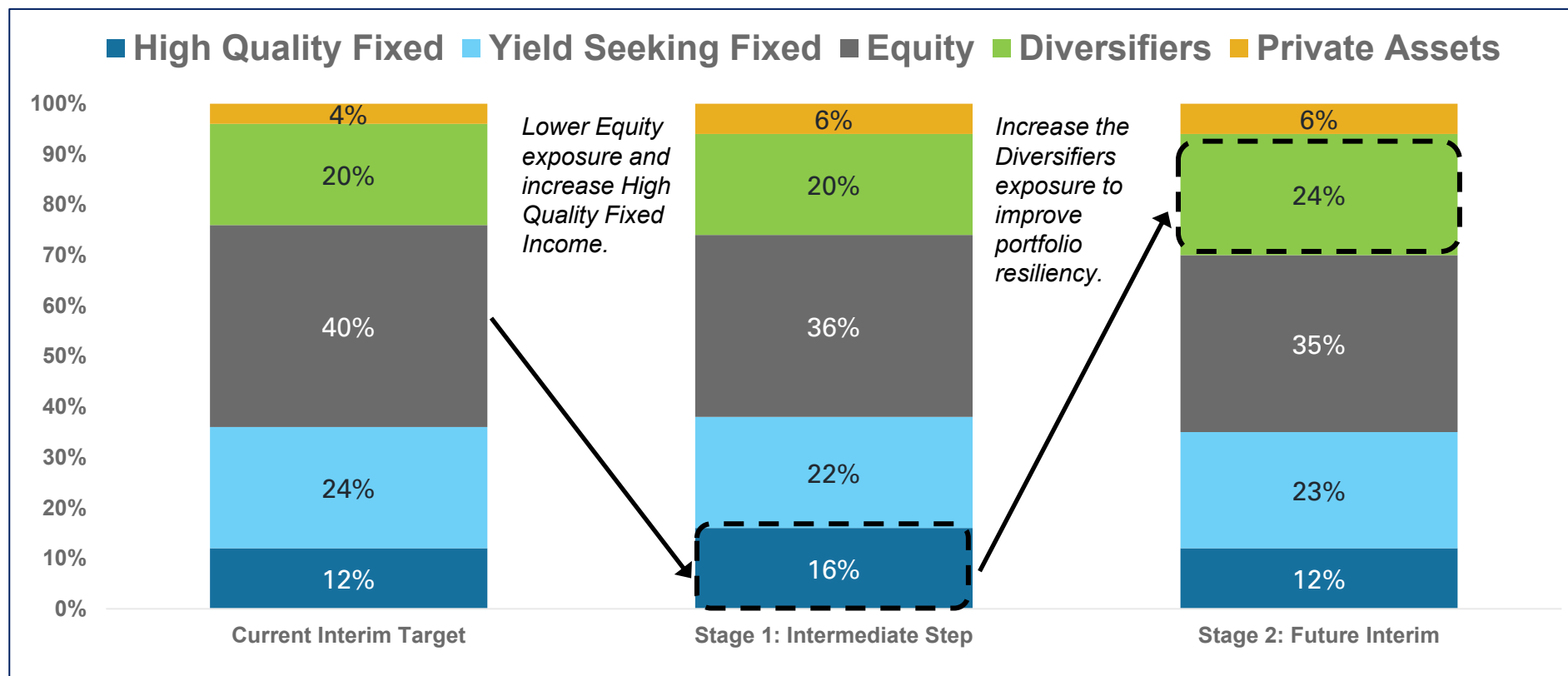
- Persistent long-term **inflation** expectations
- Increased **deficit spending** and Treasury issuance from the U.S. Government
- Changing expectations around **monetary policy** from the U.S. Federal Reserve, shifting from rate cuts to a threat of rate increases



Source: US Department of the Treasury

Gavi Asset Allocation Adjustments

The long-term portfolio will shift to a more ***defensive posture for the remainder of the year***. The first step includes lowering Equity exposure in favor of High-Quality Fixed Income. The second step will be to expand the breadth of the Diversifiers allocation.



Prepare For Higher Volatility

- **New Mosaic Of Challenges:** A mix of higher interest rates, heightened geopolitical risk, and the artificial intelligence shock will elevate the dispersion of outcomes.
- **Higher Debt Levels:** Fiscal policy may overtake monetary policy among advanced countries to address national security efforts. Lack of fiscal restraint leaves the door open for bond vigilantes.
- **Lower Liquidity:** As developed countries' central banks withdraw liquidity to manage inflation, periods of market fragility may be more frequent. However, investors who manage their liquidity will be in a better position to take advantage of potential volatility.

Thank you