



GAVI Alliance Investment Committee Meeting

11 September 2012

New York, NY, USA

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 8.23 New York time on 11 September 2012. George W. Wellde, Jr, Investment Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack). The Chair noted that his interest in Fortress was unlikely to conflict with his GAVI responsibilities, and so decided it no longer needed to be declared.
- 1.3 The Committee reviewed the minutes of its meeting on 24 May 2012 (Doc 1b), which had been approved by unanimous consent on 30 May 2012. The Committee also reviewed its forward workplan (Doc 1c).

2. Manager presentation – Arrowstreet Capital

- 2.1 Michael Stanton and Ezra Levine from Arrowstreet Capital Limited Partnership delivered an informational report that provided background on their organisation and the firm's investment approach for a global equity mandate (Doc 2). Mr Stanton and Mr Levine also discussed an offshore comingled vehicle that may be an appropriate structure for a potential GAVI investment.

Discussion

- The Committee noted its obligation to report new investments to the Board, and the challenges associated with clearly explaining investment strategies and risks. For example, while the Board is mindful of absolute investment return, some Board members may not understand performance versus an index. This makes it all the more important that the Committee ask the right questions of its managers, understand risks, and evaluate how risks are being mitigated.

3. Investment portfolio review

- 3.1 Jeanne Shen, Chief Investment Officer, informed the Committee of the overall investment portfolio performance for the year through July 2012, and provided an overview of the major asset classes in GAVI's portfolio (Doc 3). She reviewed key macro risks, asset allocation, manager allocation, returns, peer comparisons, contribution to mission, and credit quality. She also provided an update on the portfolio risk control and assessment report.
- 3.2 She discussed the transition into the new asset classes approved by the Board. With the Chair, she updated the Committee on finding an advisor to provide additional guidance to the Committee on these new asset classes. She reviewed the timeline for making the investments, the managers being evaluated, and the due diligence being performed.

Discussion

- The Committee noted that one of the funds under consideration was managed by Angeles Investment Advisors. Angeles had provided advice to the Committee and Secretariat for some time and so the Committee discussed whether an investment in the fund would compromise the integrity of that advice. Michael Rosen from Angeles noted that the fund was marketed only to existing clients and that Angeles took neither a management fee nor a performance fee. The Committee also asked questions on return, liquidity policies, and the fund's underlying managers.
- The Chair commended the regular dashboard reporting provided by the Investment team and stated it should be a model for the whole Secretariat.
- The Committee noted the Secretariat's report including manager profiles, investment timelines, and due diligence efforts and acknowledged it was comfortable with the Secretariat moving forward with this work on the timelines presented.

4. Revision to the Investment Committee Charter

- 4.1 Jeanne Shen recommended changes to the Investment Committee Charter (Doc 4) to reflect the merger of the Investment Policy and the Cash Investment Policy. She confirmed that the Secretariat incorporated the Chair's input. It was noted that the Governance Committee will also review the changes, and that the Board will consider approval in December.

Decision One

The GAVI Alliance Investment Committee:

Recommended to the Board that it approve the revised Investment Committee Charter.

5. Review of decisions

- 5.1 Kevin A. Klock, Head of Governance and Assistant Secretary, reviewed and agreed the decision language with the Committee.

Barry Greene, Managing Director of Finance and Operations, praised Jeanne Shen for her work on this meeting, and more generally for her guidance to, and support of, the Investment Committee.

After determining there was no further business, the meeting was brought to a close.

Mr Kevin A. Klock
Assistant Secretary

Attachment A

Participants

Committee Members

- George W. Wellde, Jr, Chair
- Dwight Bush
- Paul Fife

Secretariat

- Barry Greene
- Kevin A. Klock
- Alexandra Laheurte Sloyka
- Jeanne Shen

Guests

- Ezra Levine, Arrowstreet Capital (Item 2 only)
- Michael Stanton, Arrowstreet Capital (Item 2 only)
- Michael Rosen, Angeles Investment Advisors