



GAVI Alliance Investment Committee Meeting

26 April 2013
Teleconference

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 8.30 New York time on 26 April 2013. 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 Committee reviewed the minutes of its meeting on 19 February 2013 (Doc 1b), noting they had been approved on 2 April 2013. The Committee also reviewed its action sheet (Doc 1c) and its forward workplan (Doc 1d).

2. Investment portfolio review

- 2.1 Jeanne Shen, Chief Investment Officer, informed the Committee of the overall investment portfolio performance for the first quarter of 2013 (Doc 2). She reviewed the overall macroeconomic environment; GAVI's asset allocations of returns to benchmarks. She also reported on risk management; manager, regional, and sector allocation; equity; peer comparisons; contribution to mission; credit quality; and new strategies.

Discussion

- The Committee spent particular time discussing asset allocation with regard to fixed income duration. As part of this discussion, it considered GAVI's cash needs and programme expenditures over the next 12-24 months. As such, the Committee requested Jeanne Shen to work with Angeles Investment Advisors to review portfolio guideline for additional flexibility.
- The Committee conferred on one investment managers that the Secretariat had put on watch and their potential impact on the portfolio. After discussion, the Committee noted the Secretariat intent to reallocate some funds into different investments.

- The Committee discussed a number of opportunistic strategies including potential new asset classes and fund managers. The Committee members acknowledged that moving into some of these new asset classes would make sense, though noted the need for the Board to understand and remain comfortable with the overall portfolio composition. This will be particularly important as the composition of the Investment Committee turns over.
- Michael Rosen from Angeles provided the Committee with a number of current and alternative asset mixes used by their foundation clients. The Committee appreciated this information as it continues to evaluate GAVI's investment strategy.
- During its discussion on risk, the Committee considered the time and resources needed to monitor investment managers. The assessment that what the Secretariat is doing now is manageable, however as the asset allocation becomes more complex, the Committee may need to consider a risk-based approach and align it with the current staffing levels.
- The Committee also discussed the socially responsible investing programme, the renegotiated custodian agreement, and progress made on vetting individuals to serve on the Committee on an advisory role.

3. Revision to the Investment Committee Charter

- 3.1 Jeanne Shen provided the Committee with proposed changes to the Investment Committee Charter that will enable the Investment Committee to set the Investment Policy under Board oversight. (Doc 3).
- 3.2 The Governance Committee would review any recommendation during its next meeting and should it agree to the amendments, these will be part of the next Board meeting's consent agenda.

Discussion

- The Committee members agreed that they consult key Board members prior to the Governance Committee and Board meetings to ensure their comfort with the amendments.

Decision One

The GAVI Alliance Investment Committee:

- **Recommended** to the Governance Committee and to the Board that they amend the Investment Committee Charter as follows:
 - **Bullet 1 of Section 4** is deleted in its entirety and replaced with:
Review and set GAVI's Investment Policy, asset allocation, investment goals and objectives from time to time.

- **The following bullet is added to Section 4:**
Report regularly to the Board on the Committee's activities and actions, as appropriate.
- **Bullet 3 of Section 4** is deleted in its entirety.

4. Review of decisions

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

Regrets:

- Ashutosh Garg

Secretariat

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

Guests

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