

GAVI Alliance Investment Committee teleconference

17 September 2009

FINAL Minutes

Finding a quorum of members present¹, the meeting commenced at 9.45 Washington time on 17 September 2009. The Committee reviewed the minutes from its meetings on 27 May 2009 and 2 June 2009 (Docs #1a and 1b in the committee pack).

DECISION

The GAVI Alliance Investment Committee:

- 1.1 Approved the minutes of its meetings on 27 May 2009 and 2 June 2009.

1 Investment performance update

Jeanne Shen, Senior Director, Investments, delivered a report on the performance of GAVI's investment portfolio (Doc #2). In particular, she reviewed portfolio activity and returns, general market volatility, sector performance, benchmarks, and asset allocation. Further, she provided a report on the socially responsible investment ("SRI") programme and submitted audit and transition updates, noting that all investment manager accounts had been transferred to GAVI's Swiss custodian. Finally, she proposed a modest change to the Investment Policy. Discussion followed:

- Returns in 2009 are expected to outpace 2008. However, manager performance should be interpreted appropriately given the aggressive write downs taken by financial institutions during the first half of the year.
- The Committee requested a report forecasting the likely size and composition of the portfolio as of 31 December 2009 and at future dates to support its asset allocation and, if applicable, drawdown strategy given the current funding challenges.
- The Committee conferred on the size of some of GAVI's cash positions and discussed whether these assets could be invested beyond very conservative US government obligations given that credit conditions have improved.
- The Committee agreed that SRI screening should occur at the "total fund" level.
- The GAVI Alliance Immunize Every Child board requested a briefing on the GAVI Alliance portfolio. The Committee agreed Ms. Shen should provide the board this consultation and offer to assist it in crafting its own investment policy.
- Since the GAVI Alliance Board approved the GAVI Alliance Investment Policy, it reserves to itself the right to make changes to it. As a result, the Committee felt it should recommend increasing the flexibility of the policy by removing some of the restrictive subcategory requirements so that future incremental or granular adjustments to the portfolio would be within policy.

¹ Participants are listed in Attachment A.

DECISION

The GAVI Alliance Investment Committee:

- 2.1 Recommended to the Board that it amend the Investment Policy.

2 Manager report – Vanguard/Wellington

Jerry Corrigan and Kamila Williams from Vanguard and Mike Garrett from Wellington delivered a general investment outlook and reviewed the mandate and performance of one of their investment products. The Committee discussed the investment product including elements of its strategy, asset quality, risk, and past and potential returns. They also discussed the regulatory environment and market intervention by the US Federal Reserve.

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
- Dwight Bush

Regrets

- Yoka Brandt

GAVI

- Edmund Fudzie
- Kevin Klock
- Jeanne Shen

Guests

- Jerry Corrigan, Vanguard (for item 2 only)
- Mike Garrett, Wellington (for item 2 only)
- Shana Mulkerin, Angeles Investment Advisors
- Michael Rosen, Angeles Investment Advisors
- Kamila Williams, Vanguard (for item 2 only)