

GAVI Alliance Investment Committee teleconference

27 May 2009

FINAL Minutes

Finding a quorum of members present¹, the meeting commenced at 9.00 Washington time on 27 May 2009.² The Committee reviewed the minutes from its meeting on 23 February 2009 (Doc #1 in the committee pack).

DECISION

The GAVI Alliance Investment Committee:

- 1.1 Approved the minutes of its meeting on 23 February 2009 subject to an amendment in Section 1 that clarifies “budgets for development are tied to Gross National Product.”

1 Investment performance update

Alice P. Albright, EVP and Alliance CFIO delivered a report on the performance of GAVI's investment portfolio (Doc #2). In particular, she reviewed general market volatility, portfolio returns, asset allocation, risk, sector performance, manager performance and due diligence, diversification, benchmarks, and credit quality. Jeanne Shen, Senior Director of Investments provided audit and transition updates. Discussion followed:

- The Committee requires feedback from the Board as to the scope and speed of any potential drawdowns to the portfolio over the next 12-18 months and potentially longer. Such feedback will affect how the portfolio is invested.
- The Committee should take a position on the ideal minimum size of the investment portfolio to make sure GAVI can fund its expenses in case of an unexpected loss of donor revenue. Next week the Committee should meet in Washington, DC, to determine how to advise the Board.
- The Secretariat informed the Committee the final super grant will be tabled to the Audit and Finance Committee on 28 May 2009. The grant is broken into five tranches, two of which have been executed via mini-grants and three which would be executed after the seat agreement is signed with the Swiss authorities. Most of the investment portfolio will transfer to the GAVI Alliance in tranches three and four.
- The Secretariat has hired a firm to help with screening as part of the Socially Responsible Investment programme. The first semi-annual report will be ready in due course.

2 Manager report – Baird Advisors

Mary Ellen Stanek, Chief Investment Officer of Baird Advisors delivered a general investment outlook and reviewed the quality and sector breakdown of one of its investment products (Doc #3). Baird and the Committee discussed expenses, ratings quality, leverage, and interest rates. Baird also made some investment recommendations based on scenarios the Committee presented.

¹ Participants are listed in Attachment A.

² A 9 December 2008 email from Mary Robinson, Board Chair, nominated George W. Wellde, Jr. to be Chair of the Investment Committee. As such, Mr. Wellde served as Chair of the Meeting (“Chair”).

3 Conflict of interest policy update

Kevin Klock, Corporate Governance Officer informed the Committee the Secretariat presented a draft “global” conflict of interest policy to the Governance Committee on 15 April 2009 which incorporated all of the elements from the draft committee-specific policy that the Secretariat tabled on 23 February (Doc #4). As a result, he believed a committee-specific policy was no longer necessary. The Committee concurred.

4 Any other business

- The Secretariat will craft balance sheet policies for Board consideration in November 2009. These will also be a function of GAVI’s programme spending requirements and will help to inform the Board and Secretariat on timing and sequencing issues.

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
- Yoka Brandt

Regrets

- Dwight Bush

GAVI

- Alice P. Albright
- Kevin Grant
- Kevin Klock
- Jeanne Shen

Guests

- Gary Elfe, Baird Advisors (for item 2 only)
- Sharon deGuzman, Baird Advisors (for item 2 only)
- Shana Mulkerin, Angeles Investment Advisors
- Warren Pierson, Baird Advisors (for item 2 only)
- Michael Rosen, Angeles Investment Advisors
- Mary Ellen Stanek, Baird Advisors (for item 2 only)