GAVI Alliance Investment Committee Meeting
26 July 2010
Teleconference

FINAL MINUTES

Finding a quorum of members present\(^1\), the meeting commenced at 12.06
Washington time on 26 July 2010.

1 June 2010 Portfolio Review
Jeanne Shen, Senior Director of Investments, reviewed market activity including
recent volatility, portfolio activity and returns, sector performance, benchmarks, and
asset allocation. Discussion followed:

- The Secretariat continues to pursue opportunities for diversification in the
  portfolio and will present further options in due course.

- Global concerns include the expiration of government asset purchase and
  stimulus programmes to support national economies. To support these
  programmes, many industrialised country governments issued large amounts
  of debt and now face a huge rollover of that debt. Another concern includes
  government austerity measures that limit public spending during a period
  when the global economic recovery is uncertain.

- There is also uncertainty surrounding the timing of cash flows for GAVI in a
  resource constrained environment. The success of the ongoing replenishment
  process will likely have an impact on the portfolio.

- With regard to the new programme funding policy, the Secretariat confirmed
  that when the Board considers new proposals, they should have qualifying
  assets on hand (cash and investments, direct contributions, IFFIm
  contributions, among others) to cover both new and existing commitments for
  a two-year period.

- Monitoring the size of GAVI’s cash position is an area of focus for the
  investment team. The Secretariat is exploring a range of cash-like
  investments that are conservative but can provide better returns than money
  market funds which the Secretariat predicts will have lower returns than
  historic norms.

2 2009 Audit Update
Ms Shen reported that KPMG’s field testing has not resulted in any audit issues
related to investments. Barry Greene, Managing Director of Finance and Operations

\(^1\) Participants are listed in Attachment A.
confirmed his expectation that KPMG will present an unqualified audit report for 2009.

### 3 Due Diligence of Investment Managers
Ms Shen reported that the review of investment managers and vendors’ 2009 SAS70s and financial statements was almost complete. The Secretariat has no concerns to report. The compliance certification for Q1 2010 is complete, and work on Q2 has begun. On-site visits to the investment managers and vendors will be scheduled for Q3 and Q4. Discussion followed:

- The Committee believes GAVI is paying less than average for its investment manager services if considered against foundations and endowments of similar size. However, in the current environment GAVI must continue to find ways to contain costs.

There being no further business, the meeting was adjourned.

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Mr Barry Greene, Treasurer
Participants

Committee Members
- George W. Welde, Jr., Chair
- Dwight Bush
- Abigail Robinson

Secretariat
- Barry Greene
- Edmund Fudzie
- Stephen Nurse-Findlay
- Jeanne Shen

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