

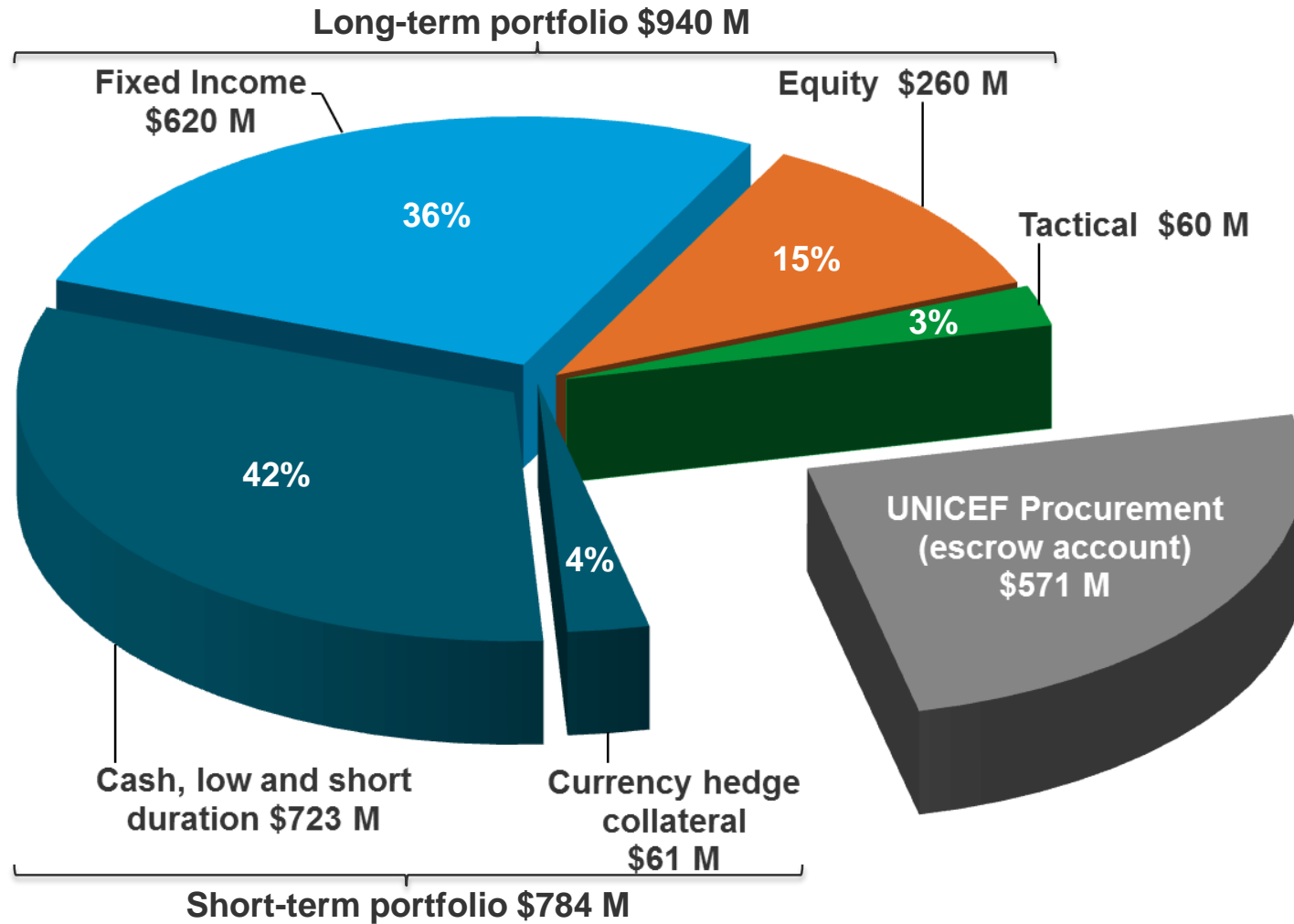
INVESTMENT COMMITTEE CHAIR REPORT

BOARD MEETING
Stephen Zinser
10 June 2015, Geneva



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Gavi portfolio portfolios (\$1.72 b)¹



Data as of 30 April 2015 (internal estimates)

(1) Excludes IFFIm assets, UNICEF Procurement assets and \$7.6M in operating cash

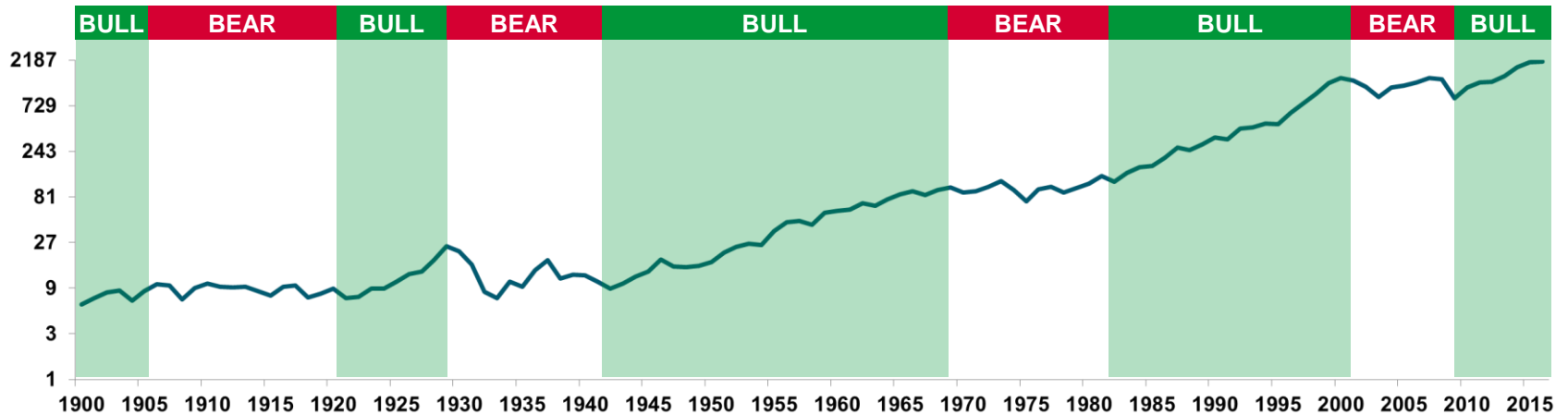
Gavi Board meeting
10–11 June 2015

Macro level risks

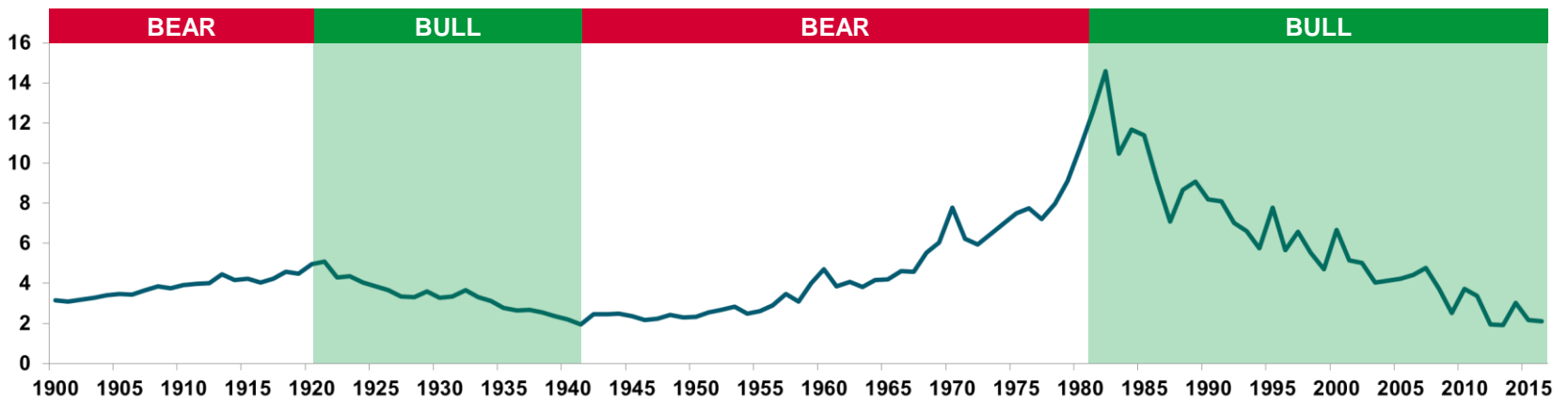
- **US:** Central bank rate hikes and their management of expectations
- **China:** Monetary and fiscal policies for stimulating a slowing economy
- **Europe:** The impact and distortions from European central bank policies, and the outcome of Greece's negotiations with debt holders
- **Oil:** The direction of prices, and the secondary effects of additional supply (e.g., oil producing countries versus oil consuming countries)

Bull & bear market cycles

Equities: Monthly Average Price Index¹



Long-Term Government Bond Yields²



(1) S&P 500 Monthly Average Price Index (2107 as of 31 May 2015)

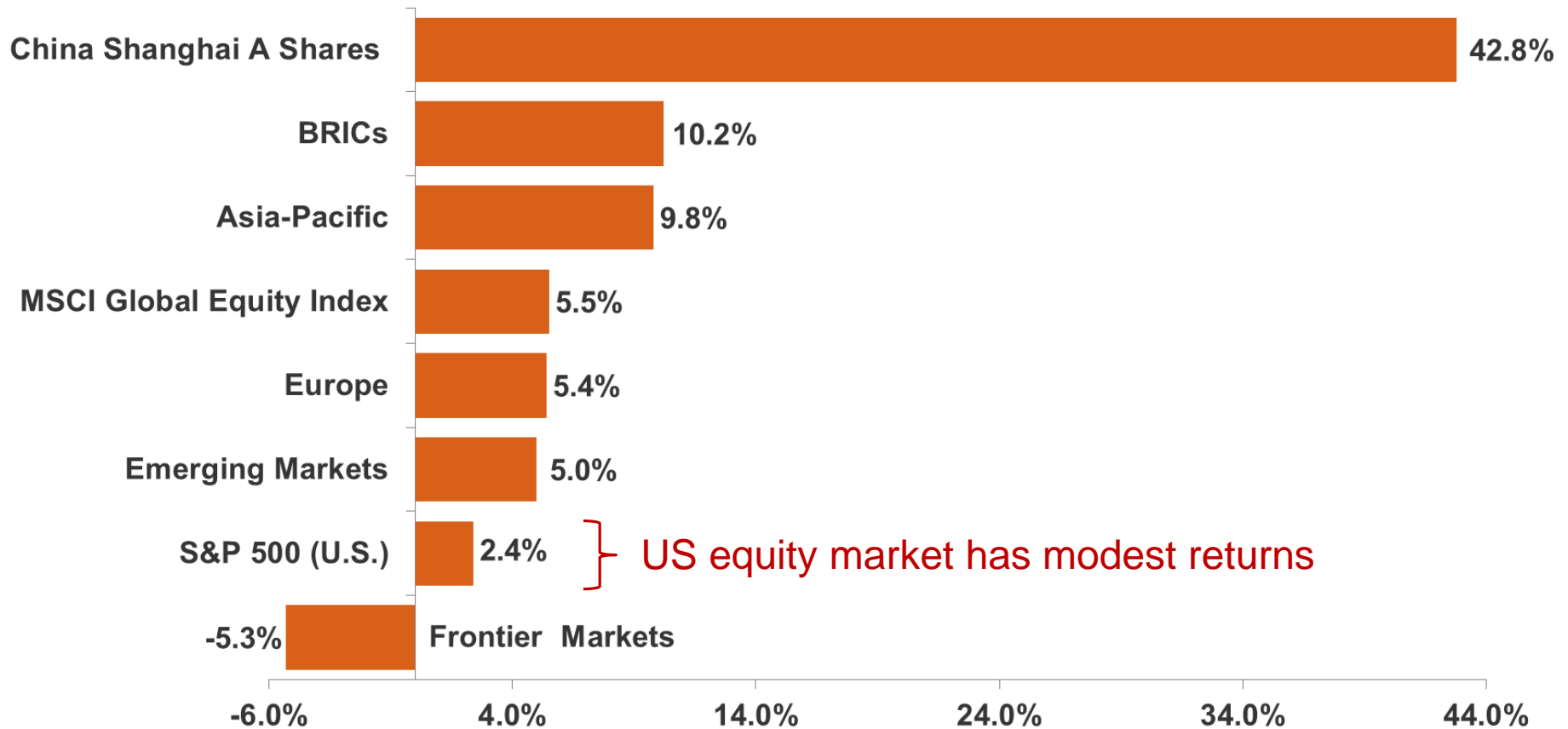
(2) US Generic Government 10 Year Bonds (2.12 as of 31 May 2015)

Sources: Bloomberg, Online Data - Robert Shiller

Market commentary

- We are late in the market cycle for fixed income in major markets; yields are more likely to go up than go down.
- Low yields suggest very modest fixed income returns going forward; with lower yields there is also higher price sensitivity to changes in yields (e.g., a modest change in yields can lead to a large loss in price).
- There is a case against simply riding the market trend and seeking less constrained, opportunistic strategies.

Year-to-date equity returns



Data as of 31 May 2015; Source: Bloomberg

THANK YOU



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