

Gavi Alliance Investment Committee Meeting

12 September 2014

Teleconference

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 8.30 New York time on 12 September 2014. George W. Wellde, Jr, Investment Committee Chair, chaired the meeting.
- 1.2 The Committee welcomed Ross Leach as a Committee delegate representing the UK, Canada, and Ireland. The Committee also welcomed Amy Chen, Chief Investment Officer of the Smithsonian Institution as an Adviser to the Committee.
- 1.3 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack); there were no additional conflicts declared. The Committee reviewed the minutes of its meeting on 24 April 2014 (Doc 1b), which were approved on 25 June 2014. It also noted 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 through 31 July 2014 (Doc 2). She provided a general market overview, reviewed the portfolio's asset allocation and overall risk profile, and gave specific updates on performance and risk within each of the asset allocations.
- 2.2 Ms Shen reminded the Committee that it had asked her to review the choice of tactical exposure benchmark. She reported that the Secretariat had conducted this review and was recommending a new benchmark. The Committee discussed the maturity profile of the revised tactical exposure benchmark and was comfortable with it.
- 2.3 Ms Shen referenced correspondence during August 2014 with the Committee in which she had consulted on a new manager to mitigate concentration risk in an existing manager. It was noted that having received positive signals from Committee members, she had on 12 August informed the Committee of her intention to move forward with setting up the account.
- 2.4 The Committee discussed the three additional managers under consideration for the long-term portfolio. Ms Shen outlined the due diligence process used to vet the managers and explained the manager diversification strategy. The

Committee noted its comfort moving ahead with two of the managers so long as some of the question brought up during discussion were answered by the managers to the Secretariat's satisfaction.

- 2.5 Ms Shen noted that Lombard Odier, Gavi's Swiss custodian, had changed legal form from a general partnership to a limited liability company. The Committee discussed the implications of this transition.
- 2.6 After excusing the representatives from Angeles Investment Advisors, Ms Shen noted for the Committee the Secretariat's intention to extend a request for proposals to various investment consulting firms. She noted that a market analysis of services and costs had not been undertaken for some time and that making the request was deemed a sound business practice. Angeles would be invited to participate in the tender. The Secretariat agreed to keep the Committee informed at key moments during the tender.

3. Manager presentation - Prudential

- 3.1 David Bessey and Jeff Alt from Prudential delivered an informational report on emerging markets debt trends and observations (Doc 3). At the report's conclusion, the Prudential representatives left the meeting and the Committee discussed the presentation.

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
- Ross Leach
- Stephen Zinser

Other Board members present

- Seth Berkley (non-voting)

Regrets

- Wayne Berson
- Ashutosh Garg

Secretariat

- Daria Gray
- Barry Greene
- Matthew Hallam
- Kevin A. Klock
- Alexandra Laheurte Sloyka
- Jeanne Shen

Adviser to the Committee

- Amy Chen, Smithsonian Institution

Guests

- Jeff Alt, Prudential (Item 3 only)
- David Bessey, Prudential (Item 3 only)
- Michael Burlon, Angeles Investment Advisers
- Shana Mulkerin, Angeles Investment Advisers
- Michael Rosen, Angeles Investment Advisers