

Gavi Alliance Investment Committee Meeting

26 August 2015

Teleconference

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 16.00 Geneva time on 26 August 2015. Stephen Zinser, Investment Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack). The Committee reviewed the minutes of its meeting on 29 May 2015 (Doc 1b), its action sheet (Doc 1c), and its forward workplan (Doc 1d).

Decision One

The Gavi Alliance Investment Committee:

- **Approved** the minutes of its meeting on 29 May 2015.

2. Consulting review

- 2.1 Jeanne Shen, Chief Investment Officer, updated the Committee on the steps being taken to identify and retain an investment consultant. During the 29 May meeting, the Committee considered the Secretariat's recommendation for an investment consultant, concurred with the Secretariat's assessment, and requested Ms Shen to take the steps necessary to implement the recommendation. However, a number of circumstances had since changed which caused the Secretariat to pause implementation and to seek further advice from the Committee.
- 2.2 The Committee evaluated Ms Shen's current situational analysis (Doc 2), and heard new presentations from two of the consultancy candidates (Docs 3-4). The Committee considered various elements including consultancy personnel and compensation arrangements, the consultancies' reflections on the market's recent volatility, asset allocation approaches, services included with the proposals, thoughts on Gavi's portfolio and governance, return expectations, and reputation in the marketplace. The Committee also received Ms Shen's recommendation as to which consultancy to retain.

- 2.3 After consideration, the Committee agreed with the Ms Shen's recommendation and requested that she take the steps necessary to implement her recommendation.

3. Investment portfolio update

- 3.1 Jeanne Shen delivered a report to the Committee on the investment portfolio including a market overview of the major exposures in the portfolio, a review of total performance including analysis of individual managers and managers on watch, key characteristics of each portfolio exposure, contribution to mission, and two recommendations for new investments with existing managers (Doc 5). She also reviewed the effect of the recent general market volatility on the portfolio.
- 3.2 The Committee discussed the two proposed investments. In both cases, the Secretariat would make redemptions from funds with two existing managers and shift to funds with similar exposures but with additional scope to establish short positions with those same managers. After consideration, the Committee concurred with the Secretariat's assessment and acknowledged the Secretariat's intention to reallocate funds. Ms Shen agreed to deliver additional information to the Committee on the liquidity restrictions of one of the new funds. She also reviewed a few potential investments under evaluation, noting that the proceeds of an earlier redemption were in an interest-bearing account awaiting redeployment.
- 3.3 Ms Shen confirmed that the annual audit was complete with no issues raised by KPMG related to the portfolio or investment activities.
- 3.4 Ms Shen also delivered a Socially Responsible Investment (SRI) Policy update, highlighting the new internal evaluation process for non-compliant managers.

After determining there was no further business, the meeting was brought to a close.

Mr Philip Armstrong
Secretary

Attachment A

Participants

Committee Members

- Stephen Zinser, Chair
- Wayne Berson
- William Roedy

Secretariat

- Philip Armstrong
- Rebecca Cruz
- Edmund Fudzie
- Joanne Goetz
- Kevin A. Klock
- Jeanne Shen

Guests

- Michael Rosen, Angeles Investment Advisors (Item 3)
- **Three officials of one of the candidate vendors and four officials of the other candidate vendor attended their respective parts of Item 2.*