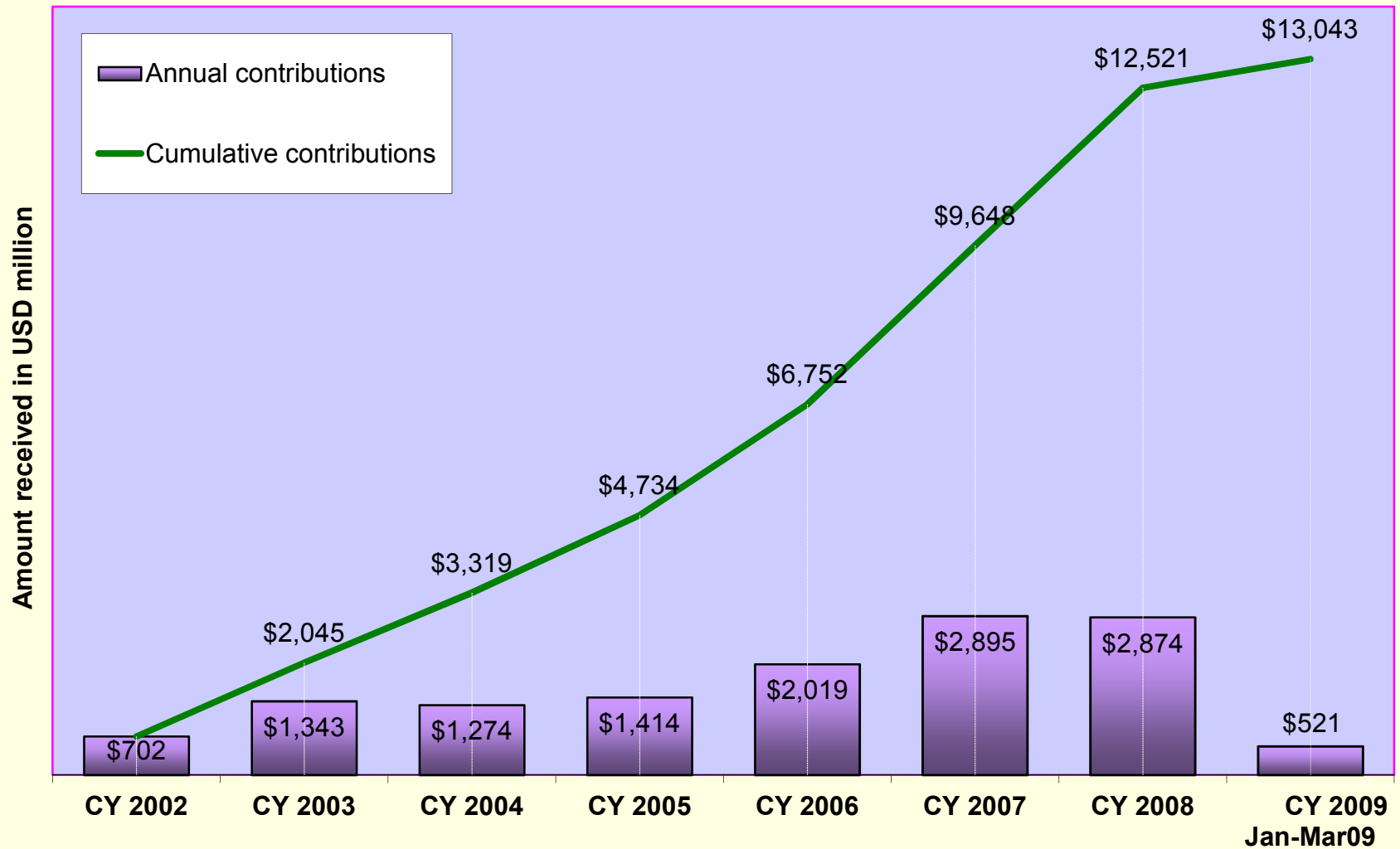

**The Global Fund
to Fight AIDS, Tuberculosis and Malaria
Nineteenth Board Meeting
Geneva**

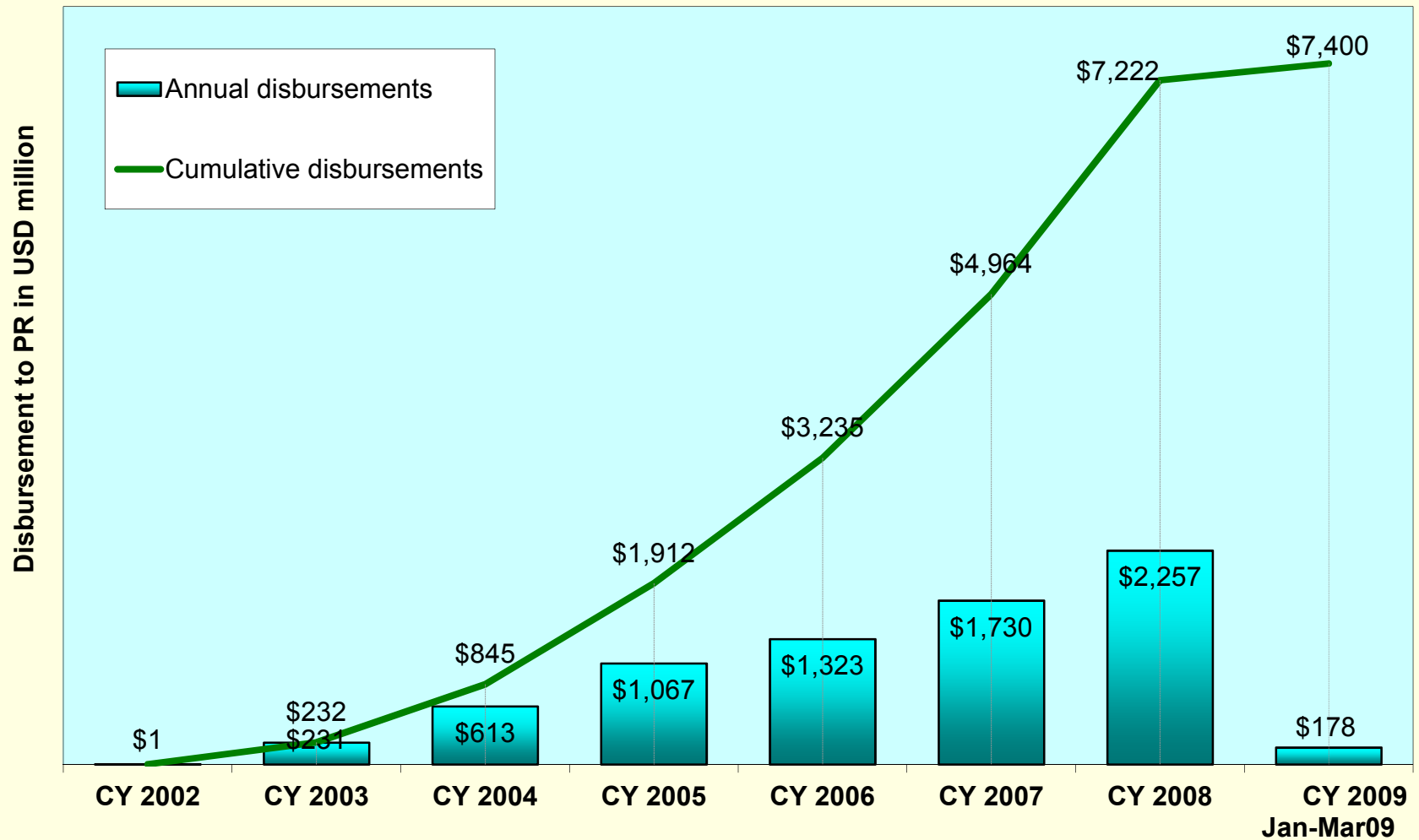
Trustee Report

May 6, 2009

Donor Contributions

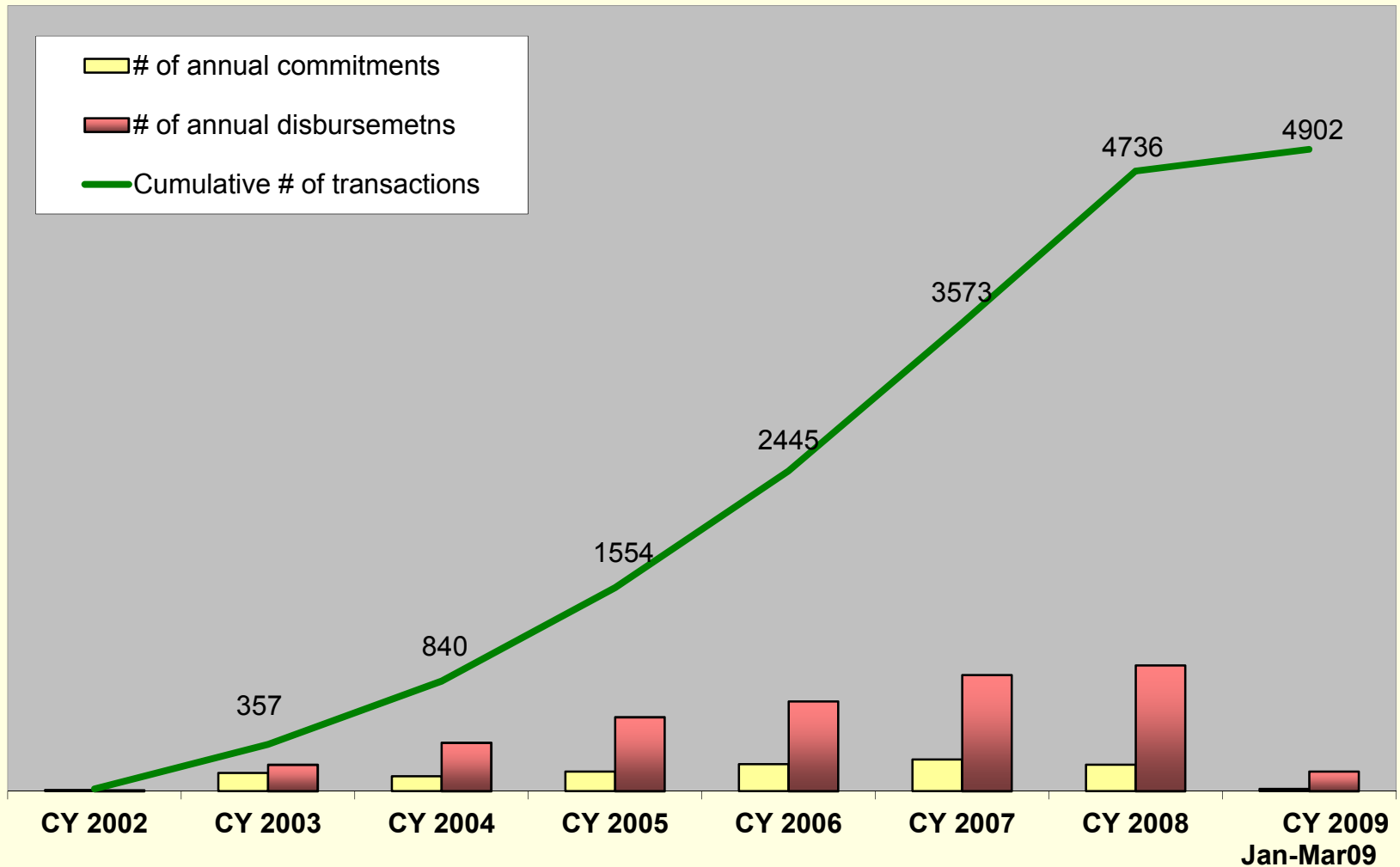


Disbursements to Principal Recipients

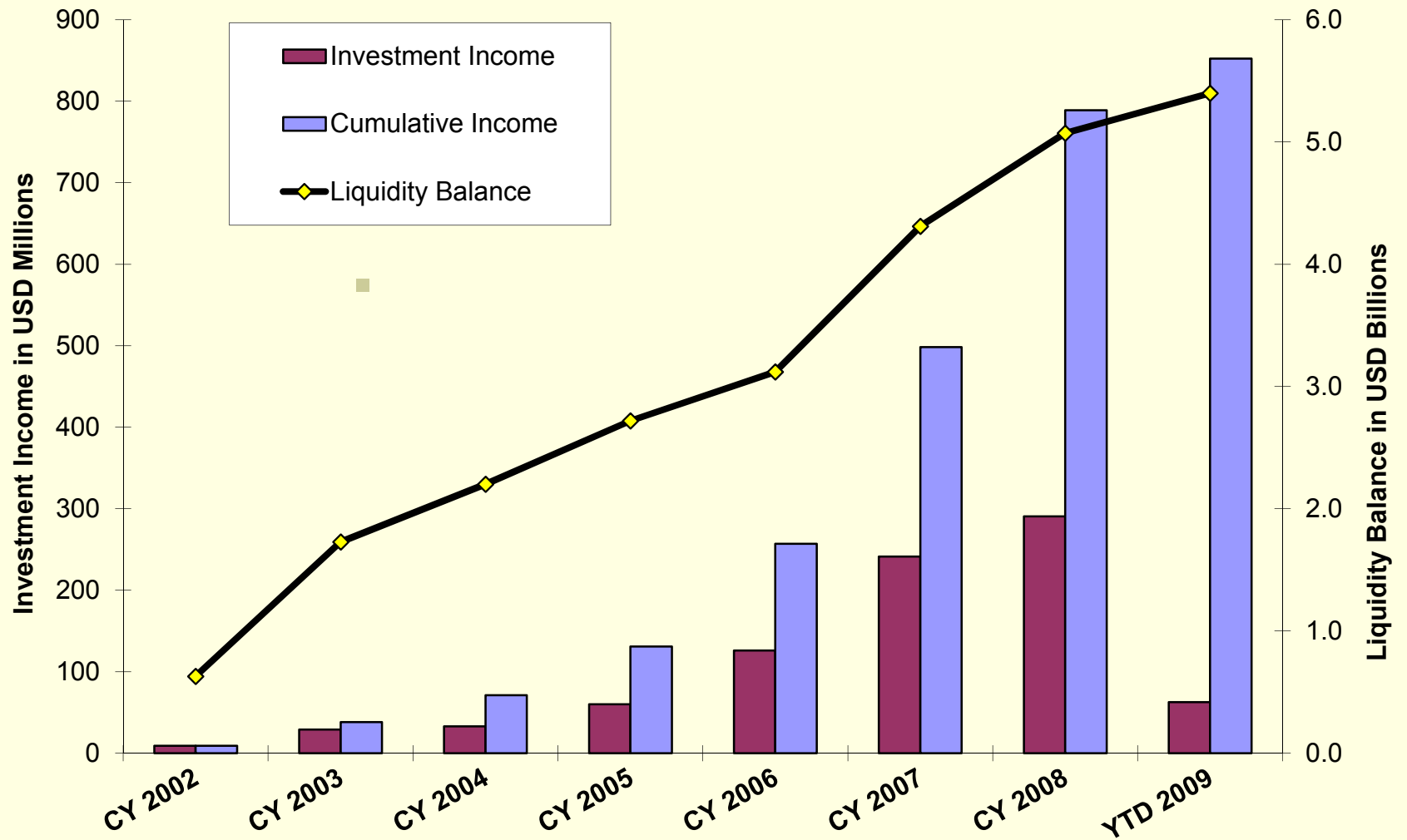


Transaction volumes

Volume of commitment and disbursement transactions



Investment Income



Investment Climate

- Recent signs of stabilization in macroeconomic indicators have seen small improvements in higher risk asset markets.
- Sentiment remains fragile however and markets remain very vulnerable to the return of bad news from the economic and/or financial markets.
- The World Bank retains a cautious approach at this stage. Returns thus far have been solid.

Credit spreads are tightening...



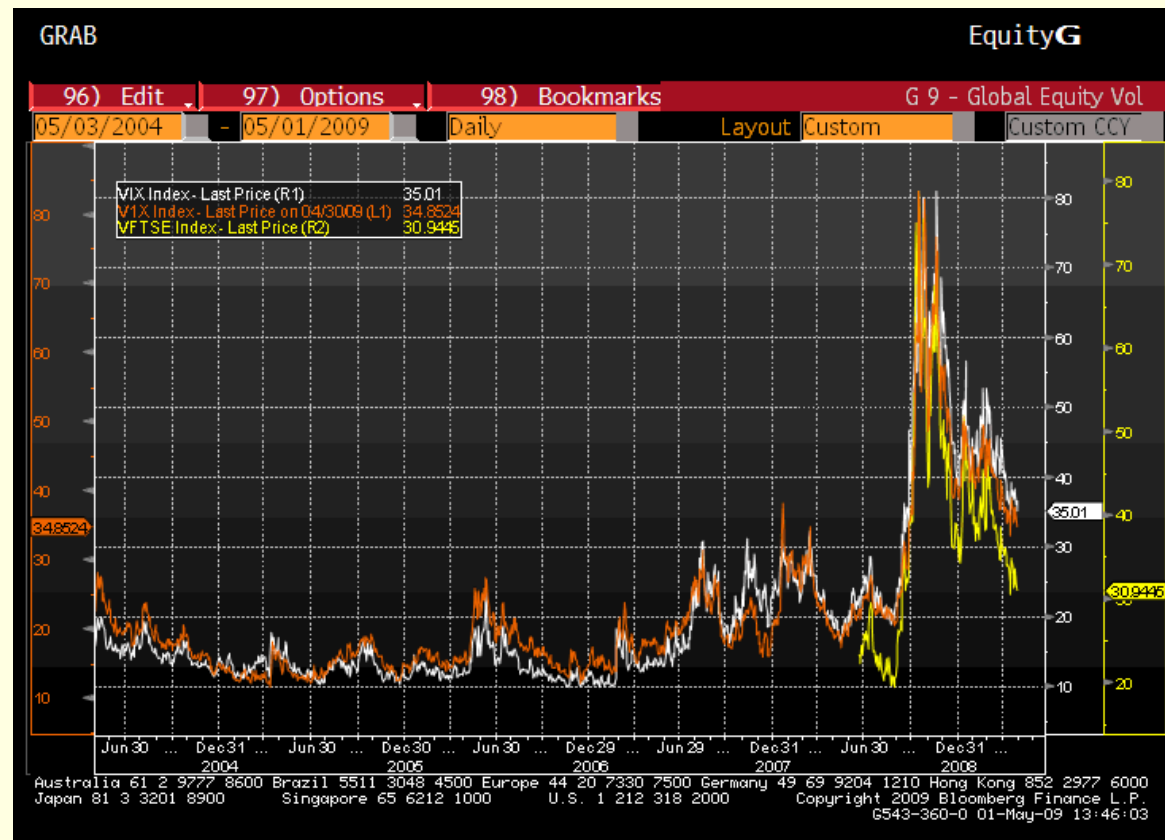
...but remains well off the tight spreads of 2004-2007.

US & EU bond yields are off the lows....



...and show signs of stabilization for now.

Volatility has fallen from the highs...



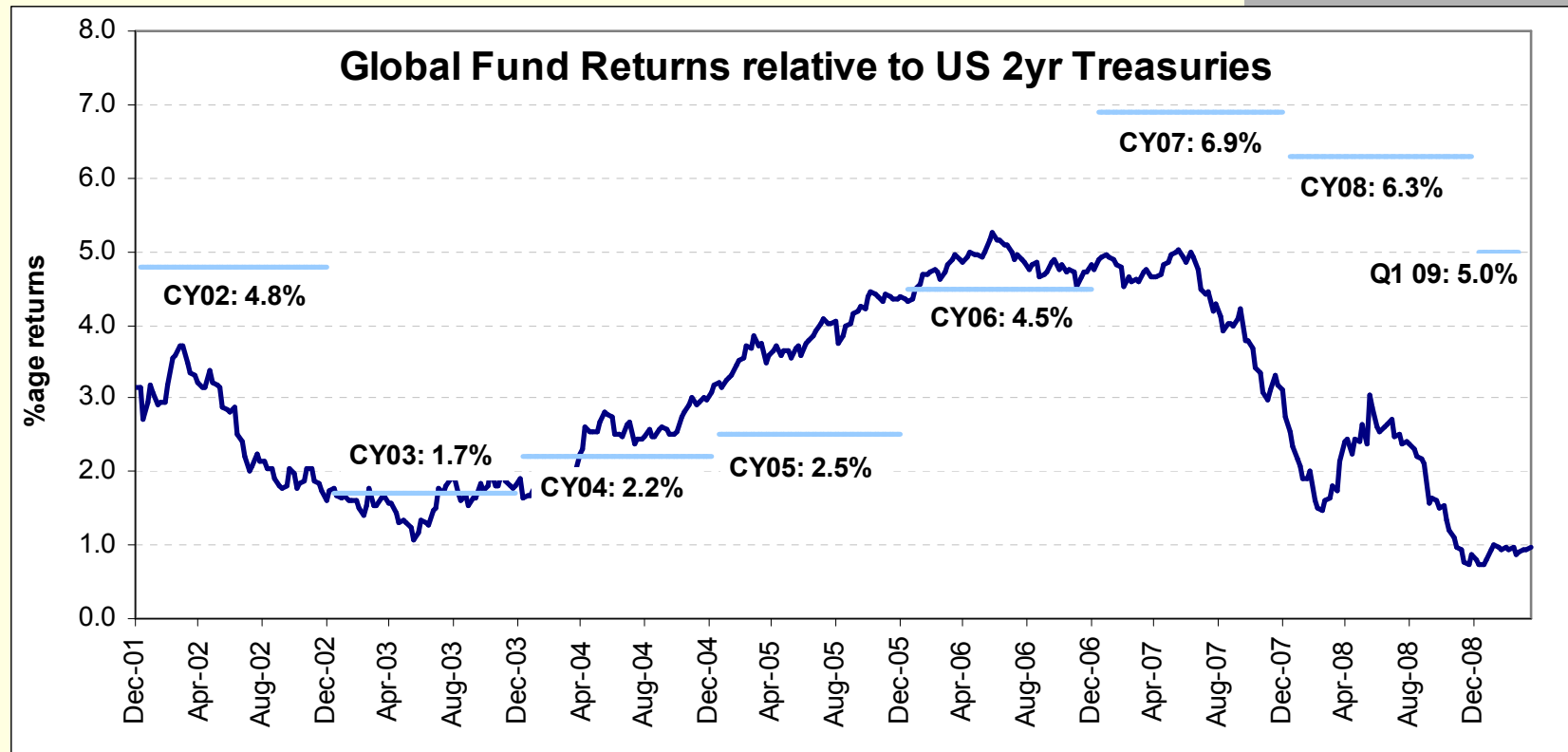
...but remains elevated in a historical context.

Summary of Market Returns

Major Market Indices (Returns in USD)

	2007	2008	CYTD March 31, 2009
Equities			
MSCI World	9.57%	-40.3%	-13.8%
S&P 500 Index	5.49%	-37.4%	-8.6%
Fixed Income			
UST 1-5 Index (ML)	8.16%	8.7%	-0.01%
US MBS Index (Lehman)	6.90%	8.5%	2.2%
US Corporate Bond Index (ML)	5.37%	-2.6%	-2.8%
US Lehman Aggregate Index	6.97%	5.2%	0.1%

Global Fund Trust Fund Returns



*Note: Q1 09 figure represent estimated annualized returns of 5% based on actual returns of 1.22% for the period January to March 2009. Investment returns are annualized for reporting purposes only and should not be construed as an investment return forecast for the remainder of calendar year 2009.

Range of Returns for CY09

Scenario of interest rate movements by end CY09 (from Mar. 31 levels)	Est. Portfolio Returns*
Up by 100 bps	1.27%
Unchanged	2.06%
Down by 100 bps	2.46%

*Note: Includes non-annualized returns of 1.22% for the 3 months ending Mar 31, 2009. If interest rates are more volatile than the scenarios shown here, realized returns may be outside of the range.

Conclusion

- The portfolio has maintained positive returns, which compares extremely favorably to other asset classes.
- The World Bank will continue a prudent management strategy for Global Fund assets, focusing on capital preservation.
- Very modest returns are likely in the current low-yield environment for the least risky assets held in the Global Fund trust fund.

Grant Commitments

