

UNITED NATIONS



NATIONS UNIES

OFFICE OF INVESTMENT MANAGEMENT
UNITED NATIONS JOINT STAFF PENSION FUND

One Dag Hammarskjöld Plaza, 885 Second Avenue, New York, NY 10017, USA

27 March 2020

Message from the RSG on UNJSPF Investments

Dear UNJSPF Participants and Beneficiaries,

I hope you are keeping well during these challenging times. These are indeed times of great uncertainty, since the current fast evolving COVID-19 situation is different from previous financial market crises and has resulted in historic levels of market volatility.

The Fund entered this crisis in a very well-funded position. Investment returns during 2019 are estimated at 18.5%, and the preliminary Market Value of Assets at end-2019 was **\$71.8 billion**.

As confirmed to the Pension Board at its Nairobi session in July 2019 by an external consulting firm, the UNJSPF was fully funded as of end-2018 when the Market Value of Assets of the Fund was **\$60.8 billion**. The Market Value of Assets of the Fund as of 26 March 2020 (preliminary figures subject to change) was **\$63.5 billion**.

In these stressful times, however, it is important to remember that the Fund is a long-term investor. The Fund has achieved its Long-Term Investment Objective of 3.5% annualized returns, net of inflation in US dollar terms, over the past 50 years – despite encountering many market crises regularly during this period, including the 2008 Global Financial Crisis.

Our twin priorities, at this time, have been the health and well-being of our staff and the prudent management of the Fund's assets. 100% of our staff are telecommuting for the first time in our history. As you may know, 85% of our investments are managed directly in global equity and bond markets by our New York-based staff. All OIM staff have risen to this challenge. Investments we have made over the last few years in business continuity infrastructure and people have borne fruit.

During this period, we in OIM have also been in close and regular contact with members of our Investments Committee (IC) – comprising ten senior and seasoned external investment experts from around the world. OIM held a virtual meeting at short notice with all available IC members two weeks ago, and a full virtual meeting with all IC members two days ago. We remain in active communication with IC members who have been very supportive of OIM's investment strategy and very generous with their advice and guidance.

Financial markets are likely to be volatile over the near-term as they deal with high levels of uncertainty. OIM remains confident that it will be able to deal with whatever challenges the markets may present, with the support and encouragement of all our stakeholders.

Stay safe and healthy!

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sudhir Rajkumar'.

Sudhir Rajkumar

Representative of the Secretary-General (RSG)
for investment of UNJSPF assets