



## REQUEST FOR INFORMATION (RFI)

**Title of the RFI:**

REQUEST FOR INFORMATION FOR ASSET MANAGEMENT STUDY AND BENCHMARK STUDY

**Date of this RFI:** 11 December 2020

**Closing Date for Receipt of RFI at PD:** 18 December 2020

**RFI Number:** RFIMI356

**Address RFI response by fax or e-mail to the Attention of:** Mohammad Islam

**Fax Number:**

**E-mail Address:** islam17@un.org

**UNSPSC Code:** 80100000,84120000

### DESCRIPTION OF REQUIREMENTS

The Office of Investment Management of the United Nations Joint Staff Pension Fund (“UNJSPF”) is looking into the possibility of engaging professional services to conduct an asset allocation analysis and benchmark study in order to assist the Representative of the Secretary-General on the management of investments (hereafter referred to as “Asset Management study” or “study”). Although the Fund completes a full ALM study every 4 years, this Asset Management study will be conducted at the same time of the benchmark study given the current unprecedented changes in market conditions due to the global COVID- 19 crisis. New capital market assumptions should be provided by the provider along with full disclosure of the sources of the assumptions. For clarification purposes, this study is only focused on the asset side and is not a fully-fledged ALM study.

## SCOPE OF SERVICES

1. The goal of the asset management study is to review the eligible asset classes and sub-asset classes in light of the current Fund strategy providing the investment rationale, objective, and risk characteristics of each eligible asset class including the rationale for unhedged currency risk. Then, based on the eligible asset and sub-asset classes, review current strategic asset allocation and if needed, propose a strategic asset allocation with documented rationale. The goal of the benchmark study is to conduct a benchmark analysis and review whether the benchmarks currently in place are appropriate benchmarks for each asset class given the Fund’s risk appetite and the short and long term goals of the Fund, presenting alternative benchmarks in case current benchmarks are not suitable ones. The asset management study should also verify the impact of key investment decisions and current market situation upon the long-term financial condition and performance of the UNJSPF and to recommend long-term asset allocation strategies that would optimize UNJSPF asset growth in the context of the Fund’s risk tolerance/objectives. Therefore, it should verify the adequacy of the asset classes identified in the last 2019 ALM study for the UNJSPF and specify a long-term target weight for each asset class and sub-asset class. Also, as part of the study the consultant should assist the working group to review ALM Policy and a Benchmark Policy that will be put in place starting in 2021, comparing it with market’s best practices.

In addition to what was mentioned above, specific items to be covered are:

- a) Provide updated capital market assumptions that will be used in the studies, including detailed documentation on sources and methodology
- b) Provide a methodology for each study and their deliverables
- c) Review the current investment universe and assist the Fund to define the investment rationale, objectives and risk characteristics of the current eligible asset classes and sub-asset classes including the rationale for unhedged currency risk suitable for internal as well as external stakeholders.
- d) Recommend and define appropriate benchmarks for each eligible asset class and sub-asset classes subject to the reviewed benchmark policy.
- e) Recommend a Policy Benchmark by weighting the sub-benchmarks from each asset class with the SAA, subject to the reviewed Benchmark Policy, as well as Peer Comparisons.
- f) Assist the working group review the draft ALM and benchmark policy and Rebalancing procedures adequate to UNJSPF.
- g) Review the current “glidepath” approach
- h) Detail the portfolio constraints and rationale for the constraints on each asset class, including consideration of OIM resources. An explanation on the impact of the chosen minimum and maximum constraints on an updated SAA should be detailed including performing a sensitivity analysis of the constraints.
- i) Qualify baseline assumptions with investment beliefs and provide and define alternative assumptions for sensitivity analysis.
- j) Determine the SAA by optimizing the portfolio subject to the portfolio constraints, the capital market

assumptions, and risk tolerance and check the robustness of the allocation towards historical and constructed stress tests, for example 2008 Financial Crisis, Covid Pandemic, and other stress scenarios.

- k) Categorization of Assets into Liquidity profile to be able to define acceptable ranges of illiquidity.
- l) Using stochastic simulations for at least 30 years and providing results including mean and multiple confidence intervals, the study will provide the following:
  - 1. Given the current asset classes identified in the 2019 ALM study specify a long-term target weight for each sub asset class that optimizes UNJSPF asset growth while recognizing the Fund's risk tolerance/objectives.
  - 2. Evaluate current exposures and assess whether UNJSPF would need hedging strategies, if deemed appropriate for the Fund.
  - 3. Evaluation should take into account the current asset classes, sub-asset classes and Benchmarks invested by the UNJSPF.
  - 4. Should multiple SAAs be developed as viable alternatives within the Fund's risk parameters or modified but similar recommended risk parameters, present the same results as above in a comparative manner.
  - 5. Provide a sensitivity analysis to the alternative sets of capital market assumptions.
- m) Simulations should consider estimated risk-return profile of the asset classes and not only estimated returns.
- n) Day to day monitoring and supervision of the study will be done through an internal OIM working group.

#### DELIVERABLES (ONCE AN RFP IS PUBLISHED)

- 2. It is expected that the provider will have a specific approach for completion of this study, including interim and final outputs and reports. However, it is minimally expected that the techniques and assumptions used to: a) assess market risk and returns, b) complete the studies and c) develop recommendations, will be fully vetted with OIM before completing the study, as well as fully documented in the final report.
- 3. A single final report is required, with interim reports provided throughout the studies on the items listed in the scope of services. The final report should be comprehensive in nature and include interim results/reports. The frequency and timing of the interim reports will be developed at the time the study begins.
- 4. A written executive summary of results is also needed, and it is expected that a PowerPoint of the study results will be developed and presented to the Pension Board at its July 2021 session in New York.
- 5. Results and analysis must be clearly presented, including graphs and tables, wherever possible.
- 6. Draft Rebalancing procedures for benchmarks with the OIM (Task Force) Working Group which will be presented to the IIC and IC for discussion, review and validation.
- 7. It is anticipated that the following meetings will be held: kick-off meeting with internal working group (end January 2021/early February 2021), weekly calls/videoconference meetings to discuss assumptions and review interim results (February and March 2021), results presentation to internal working group (March 31, 2021), one meeting with the ALM Committee (April 2021), other meetings possibly with Investment Committee (April 2021), and training for Pension Board (immediately before 2021 July Board session), and results presentation to the Board. All meetings will be held through videoconference.

### SPECIFIC REQUIREMENTS / INFORMATION (IF ANY)

The United Nations is looking for information in the following areas:

Company profile and services:

- A brief general description of your company, its structure, years in business and the line of business dealing with similar services
- Brochures and/or methodologies of the related services
- A list of recent engagements for providing similar services

Price options:

- Please indicate total pricing range as well as available pricing models.

### NOTE

Information on tendering for the UN Procurement System is **available free of charge** at the following address: <https://www.ungm.org/Public/Notice>

Only the United Nations Global Marketplace (UNGM) has been authorised to collect a nominal fee from vendors that wish to receive automatically Procurement Notices or Requests for Expression Of Interest. Vendors interested in this Tender Alert Service are invited to subscribe on <http://www.ungm.org>

# VENDOR RESPONSE FORM

**TO:** Mi  
**Email:** islam17@un.org

**RFI Number:** RFIMI

**FAX:**

**FROM:**

**SUBJECT:** REQUEST FOR INFORMATION FOR ASSET MANAGEMENT STUDY AND BENCHMARK STUDY

*To be filled by the Vendor (All fields marked with an '\*' are mandatory)*

COMPANY INFORMATION	
UNGM Vendor ID Number*:	
Legal Company Name (Not trade name or DBA name) *:	
Company Contact *:	
Address *:	
City *:	State:
Country *:	
Telephone Number *:	
Fax Number *:	
Email Address:	
Company Website:	

We declare that our company fully meets the prerequisites A, B, C, D and E, for eligibility to register with the United Nations as outlined in the paragraph 1 of the RFI INSTRUCTIONS page.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name and Title: \_\_\_\_\_

**\*\* If not already registered with UN Procurement Division, please use the following URL to register at United Nations Global Marketplace (UNGM): [www.unqm.org](http://www.unqm.org).**

## RFI INSTRUCTIONS

### 1) Registering as a Vendor with the United Nations

Vendors interested in fulfilling the requirement described above must be registered at the UN Global Marketplace ([www.ungm.org](http://www.ungm.org)) with the UN Secretariat in order to be eligible to participate in any solicitation. Information on the registration process can be found at <https://www.un.org/Depts/ptd/vendors>.

#### **Prerequisites for Eligibility**

In order to be eligible for UN registration, you must declare that:

- A. Your company (as well as any parent, subsidiary or affiliate companies) is not listed in, or associated with a company or individual listed in:
  - I. the Compendium of United Nations Security Council Sanctions Lists (<https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>), or
  - II. the IIC Oil for Food List website or, if listed on either, this has been disclosed to the United Nations Procurement Division in writing.
- B. Your company (as well as any parent, subsidiary or affiliate companies) is not currently removed or suspended by the United Nations or any other UN organisation (including the World Bank);
- C. Your company (as well as any parent, subsidiary or affiliate companies) is not under formal investigation, nor have been sanctioned within the preceding three (3) years, by any national authority of a United Nations Member State for engaging or having engaged in proscribed practices, including but not limited to: corruption, fraud, coercion, collusion, obstruction, or any other unethical practice;
- D. Your company has not declared bankruptcy, are not involved in bankruptcy or receivership proceedings, and there is no judgment or pending legal action against your company that could impair your company's operations in the foreseeable future;
- E. Your company does not employ, or anticipate employing, any person(s) who is, or has been a UN staff member within the last year, if said UN staff member has or had prior professional dealings with the Vendor in his/her capacity as UN staff member within the last three years of service with the UN (in accordance with UN post-employment restrictions published in ST/SGB/2006/15).
- F. Your company undertakes not to engage in proscribed practices (including but not limited to: corruption, fraud, coercion, collusion, obstruction, or any other unethical practice), with the UN or any other party, and to conduct business in a manner that averts any financial, operational, reputational or other undue risk to the UN.

**For Registered Vendors:** Vendors already registered at the UN Global Marketplace with the UN Secretariat must ensure that the information and documentation (e.g. financial statements, address, contact name, etc.) provided in connection with their registration are up to date in UNGM. Please verify and ensure that your company is registered under its full legal name.

**For Vendors Interested in Registration:** Vendors not yet registered should apply for registration on the United Nations Global Marketplace (<http://www.ungm.org>); information on the registration process can be found at <https://www.un.org/Depts/ptd/vendors>.

**IMPORTANT NOTICE:** Any false, incomplete or defective vendor registration may result in the rejection of the application or cancellation of an already existing registration.

### 2) RFI Process

Vendors interested in responding should forward their information (as requested in the RFI) to the United Nations Procurement Division (UNPD) by the closing date set forth in this RFI. *Due to the high volume of communications, UNPD is not in a position to issue confirmation of receipt of RFIs.*

Please note that no further details of the planned solicitation can be made available to the vendors prior to issuance of the solicitation documents.

This RFI is issued subject to the conditions contained in the RFI introductory page available at <https://www.un.org/Depts/ptd/rfi>.