



UNJSPF

United Nations Joint
Staff Pension Fund





Long-Term Objective: Annualized 3.5% real rate of return

Risk Management and Compliance

- Restructure of the Risk and Compliance Committees
- Recusal policies to avoid conflict of interest
- Tighten personal trading policy
- Transparency: GIPS disclosure compliant

Investments

- 13.4% nominal return in 2020, just 4 bps below benchmark
- Appointment of the first CIO
- Restructure of the Internal Investment and the Private Markets Committee
- ESG and climate action (thermal coal divestment, Net-Zero and TCFD)

Operations

- Bottom-up workforce planning and resources benchmarking
- ISO certifications for information security (ISO/IEC 27001) and business continuity (ISO 22301)
- HR Strategy and guidelines
- Restructure of the IT Committee and relaunch of data strategy

Cross-cutting

- Asset allocation and investment benchmark study
 - Culture transformation plan
- Bottom-up business cases for repurchase agreements, security lending of US Treasuries, TBA for mortgage backed securities, foreign exchange swaps for cash management, foreign exchange forwards for portfolio management and US treasury futures

Market Value of the portfolio US\$86 billion (18-Jun-21)



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Report:Total Fund MV_Weekly Website Report
Benchmark:Primary Benchmark

Title:Daily Returns

Reference Date:6/18/21

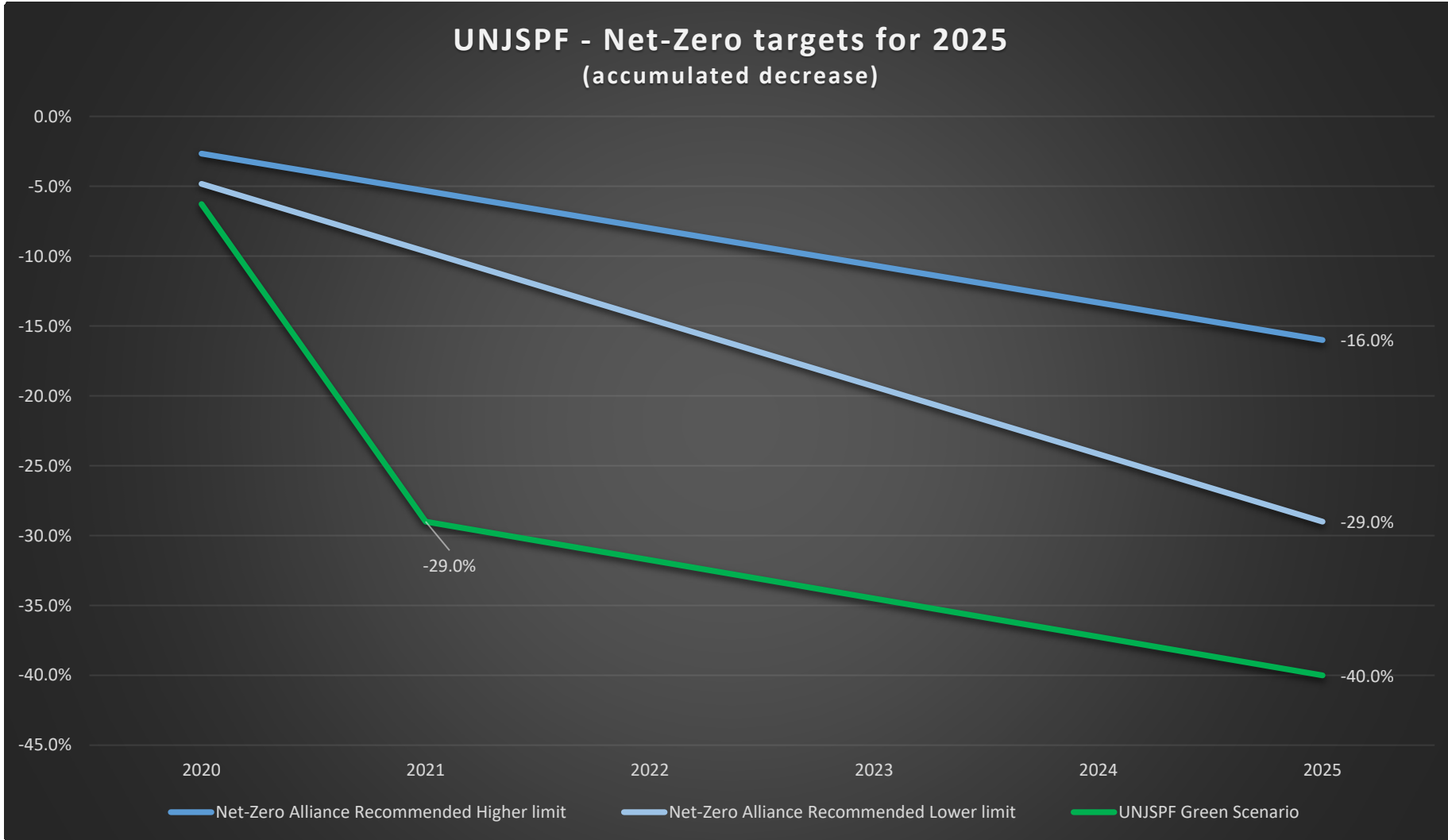
Group/Account	MV Latest Date	% of Total Latest Date
United Nations (63843)	86,032,603,810	100.00
Total Public Equity (1073865948)	51,136,859,502	59.44
Private Equity (88033)	4,974,205,901	5.78
Real Estate (1073907692)	5,681,185,139	6.60
Real Assets (1073846784)	157,026,852	0.18
Total Fixed Income (63868)	22,344,312,532	25.97
Investment Cash (157973)	1,424,877,767	1.66
Treasury & Operational Cash (1073898798)	314,136,111	0.37

Long-term rate of return for 15-year period is **4.61%**, well above the minimum 3.5% required to fund the liability

Funding ratio= Assets (market value) / Liabilities (actuarial value)= **136%**

Use of derivatives in the UNJSPF

- General Assembly allows the use of **derivatives** for two years on a trial basis as a **risk management** tool
- OIM cross-functional teams (**Investments + Risk Management and Compliance + Operations**) proposed **four projects**:
 1. ***“To Be Announced” for mortgage-backed-securities*** to provide additional sources of market liquidity and inventory of securities
 2. ***Foreign exchange swaps*** to manage cash efficiently on the Fund’s pension payments in currencies different from the US dollar
 3. ***Foreign exchange forwards*** to reduce currency risk on the Emerging Markets Fixed income portfolio
 4. ***US Treasury Futures*** to reduce the interest rate risk and price volatility and as an additional source of market liquidity
- They are simple, safe and will improve the management of the portfolios



Conclusion



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Our Fund is financially sound,
responsible, sustainable,
efficient and prudent