

Annual Report by John P. Dietz, President
AFICS/NY Annual Assembly - Friday, 10 June 2022

First of all, I would like to thank USG Catherine Pollard, for her interesting presentation and for so ably representing the UN Secretary-General at our meeting, and USG Atul Khare, for his highly informative statement on the work and activities of the UN Department that he leads, DOS. We cherish the close and very supportive relationship maintained over the years between AFICS/NY and the UN, and are especially grateful for the wide-ranging assistance and support we have received during these difficult COVID times, since March 2020. It may be noted that, at our Governing Board's request, both of these UN Departments have recently named focal persons to enhance and strengthen their channels of communication and interaction with AFICS/NY: Fred Ayifli for DMSPC and Andrew Nye for DOS.

I can report that since our Assembly last June, AFICS/NY has through its Bureau, Governing Board and Committees, continued its strong and constructive advocacy on behalf of UN-System retirees. To that end, joined by Vice-Presidents Debbie Landev and Darshak Shah, we have been in regular contact with senior managers of the Pension Fund and of other entities across the UN system. Utilizing to the utmost our different but complementary high-level UN backgrounds and experience, we raised important issues of current concern to UN retirees and achieved significant

positive results. We have continued to press for resumption of the UN Pre-Retirement Seminars, in which AFICS/NY has always played an important role.

At the Pension Fund, we communicate regularly with the Chief Executive of Pension Administration (CEPA), Rosemarie McClean, and the Representative of the Secretary-General (RSG) for the Fund's Investments, Pedro Guazo. These contacts were particularly important during the past year, when all of us still had to deal with COVID and its consequences; we focused on ensuring that the entire Pension Fund remained fully operational, performing all their important functions.

In the area of pensions, our advocacy efforts were focused on the following areas:

- the timely processing of new pension benefits by the Pension Fund Secretariat;
- continued improvement in client services, including the registration process for the optional digital submission of the annual Certificate of Entitlement;
- enhanced communication by the Pension Fund with Fund participants and UNJSPF retirees;
- reducing delays in the flow of documentation and information needed by the Pension Fund from both employing organizations and Fund participants;
- the move toward increased electronic transmission of data and reduced reliance on paper documents;
- fostering close collaboration between the operational and investment sides of the Pension Fund, with clearly detailed and timely information provided on the joint Pension Fund

website as regards their main activities and results, measured against established benchmarks and targets;

- continued prudent investment of the Pension Fund's assets while achieving, long-term, the annual real rate of return of 3.5 per cent required for the Fund's actuarial balance;
- the need for extreme caution with regard to reliance on alternative investments and on external investment managers and advisers for some asset classes.

Now wearing my hat as Co-Chair, with Suzanne Bishopric, of the AFICS/NY Pension Committee, I would like to say a few words about the work of that Committee during the past year. The Committee held a number of virtual meetings to discuss current pension issues of concern to UN -System retirees, including matters covered in the most recent General Assembly resolution on pensions; the resultant recent changes in the organization and working methods of the Pension Board; and the operations of the Pension Fund Secretariat and OIM (Office of Investment Management). At several recent meetings the Committee heard general technical briefings from its Co-Chair, Suzanne Bishopric, on important pension subjects, such as alternative investments as an asset class and the adoption of standard benchmarks for measuring the performance of pension fund investments. The Committee also engaged in extensive discussion of all the most pressing current issues concerning Pension Fund investments, focusing particularly on the need for clear, consistent and timely information on UNJSPF investment performance as measured by established benchmarks; possible increased reliance by

OIM on outside investment management; and recent developments affecting investments world-wide, such as the war in Ukraine, wide-ranging large fluctuations in the investment markets amid high inflation world-wide, especially in the energy sector. As requested by the Committee, the Co-Chairs then conveyed the most important questions and concerns of the Committee on key issues directly to the RSG, for possible coverage by him as appropriate in his presentation to this Assembly and on the Pension Fund's website.

With regard to ASHI, AFICS/NY representatives from our Insurance Committee have continued to play an active role on the UN Health and Life Insurance Committee (HLIC). They are very active participants in all meetings and discussions of the HLIC, striving to secure the best possible coverage at the lowest cost to retirees under ASHI. I have asked Jay Karia, Co-Chair of our Insurance Committee, to report to you on developments concerning health insurance, including the work of the HLIC. Within the UN, ASHI administration is the responsibility of the Health and Life Insurance Section; later you will also hear about developments concerning ASHI from the Chief of that Section in the UN Secretariat, Genc Osmani.

Our biggest challenge during the past year has been to continue with the Association's wide-ranging activities and functions, despite COVID. Working closely with *UN/OICT*, we succeeded in meeting that challenge, operating in the virtual mode successfully since March 2020. We have continued to conduct regular virtual meetings of our Governing Board, Committees and Working Groups; the virtual Annual Assemblies in 2020 and 2021; and the very successful 50th Anniversary

celebrations - I hope and trust that all our members have received the memorable hard-copy Special Bulletin issued for that occasion. Now we look forward to returning cautiously to holding in-person meetings and events, starting with the present Annual Assembly.

There are six established Committees of AFICS/NY: Pensions; Insurance; Membership; Ageing Smart; IT; and Social Events. We have continued our strong efforts to make all the Committees active, with annual work plans and targets, and to involve more AFICS/NY members in their work. As part of that effort, at the beginning of each year the Governing Board now approves a formal Annual Work Plan for AFICS/NY and each of its six Committees. In addition, the Governing Board has created a special Ad Hoc Committee, chaired by Gail Bindley-Taylor, to develop a comprehensive and forward-looking Communications Strategy for our Association.

AFICS/NY is a founding Member Association of FAFICS and our members have often played leading roles in the Federation. Currently Debbie Landey is a FAFICS Vice-President and Romesh Muttukumar is the FAFICS Treasurer. AFICS/NY members are also on the FAFICS delegation to the Pension Board and serve on various Pension Board Committees and Working Groups. AFICS/NY has been advocating strongly within FAFICS for increased transparency and involvement of the Member Associations in the Federation's work and decision-making, especially during the long interval between FAFICS

Council sessions. With Deborah Landey having played a leading role throughout the entire process of preparation and approval, at a Special FAFICS Council Session held virtually in February, FAFICS adopted significant revisions to the FAFICS Rules of Procedure covering, inter alia, the establishing of an Expertise Pool; the annual budget approval process; the role of the FAFICS Bureau and participation in Bureau meetings; and, maybe most importantly, changing the method for designating in future the FAFICS delegation to the Pension Board and the FAFICS representation on Pension Board Committees. Regrettably, a Special FAFICS Council Session, planned to take place virtually in May 2022 to facilitate rapid implementation of the new Rules, was cancelled by the current FAFICS President, without any valid explanation or consultation of the Member Associations. Nevertheless, AFICS/NY will still strive to achieve significant progress in that regard at the upcoming regular FAFICS Council Session in July. We also look forward to meaningful progress at that FAFICS Council Session, aimed at developing a comprehensive Communications Strategy for FAFICS, including a complete redesign of its web page. As agreed by the Governing Board, Debbie, Darshak, Jay and I will represent AFICS/NY at the FAFICS Council in Vienna mid-July, split evenly with participation in-person and remotely; we expect to take a very active part in the discussions of all the substantive items on the Council's agenda.

Before closing, I would like to express my thanks to the Officers who have worked with me closely over the past year: Vice-Presidents Debbie Landey and Darshak Shah (together with former Vice-President Jay Karia), Treasurer Mac Chiulli (assisted closely by former Treasurer Angel Silva), and Secretary Susan de Souza. A big Thank You goes to the Chairs and Co-Chairs of all our Committees and to all the members of the AFICS/NY Governing Board. Special thanks are also in order to our Office Assistant Velimir Kovacevic, for maintaining our virtual Office during the entire COVID period, and to our volunteers, especially Sissi Hillesdal-Marini and Irma Cerni.

We hope that you and your families are staying healthy and safe, inoculated against COVID while remaining prudent and cautious. AFICS/NY will continue to follow the relevant UN guidelines related to COVID, proceeding slowly and cautiously in re-opening our Office and holding once again in-person events and meetings. However, we are confident that next year we will not only be able to meet, in person, at our Annual Assembly, in a large Conference Room at UN Headquarters, but that Assembly can then be followed again by our traditional large reception held at a nearby restaurant.
