



UNJSPF

United Nations Joint
Staff Pension Fund

OFFICE OF INVESTMENT
MANAGEMENT

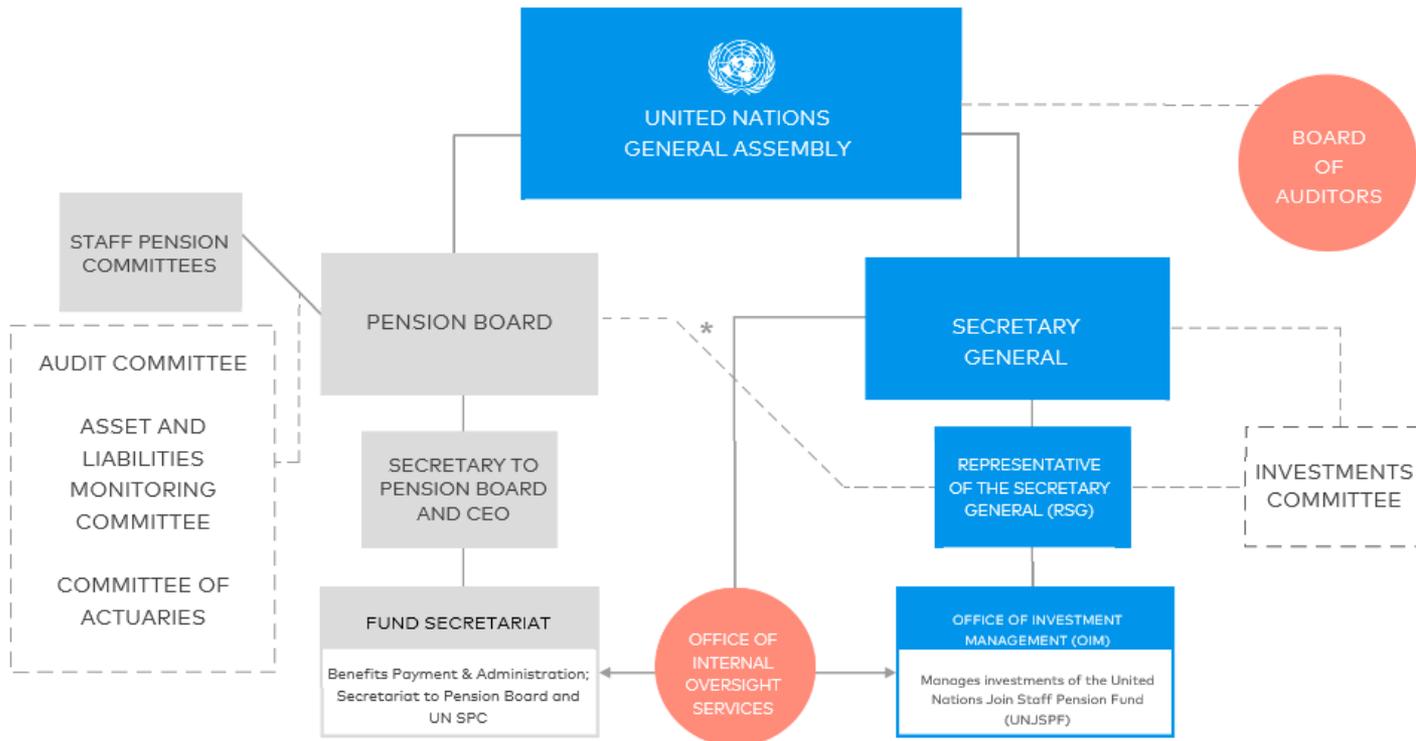
PRESENTATION TO AFICS JAPAN

**TORU SHINDO
DEPUTY DIRECTOR**

**OFFICE OF INVESTMENT MANAGEMENT (OIM)
UNITED NATIONS JOINT STAFF PENSION FUND**

16 JANUARY 2021

OUR GOVERNANCE



Note:

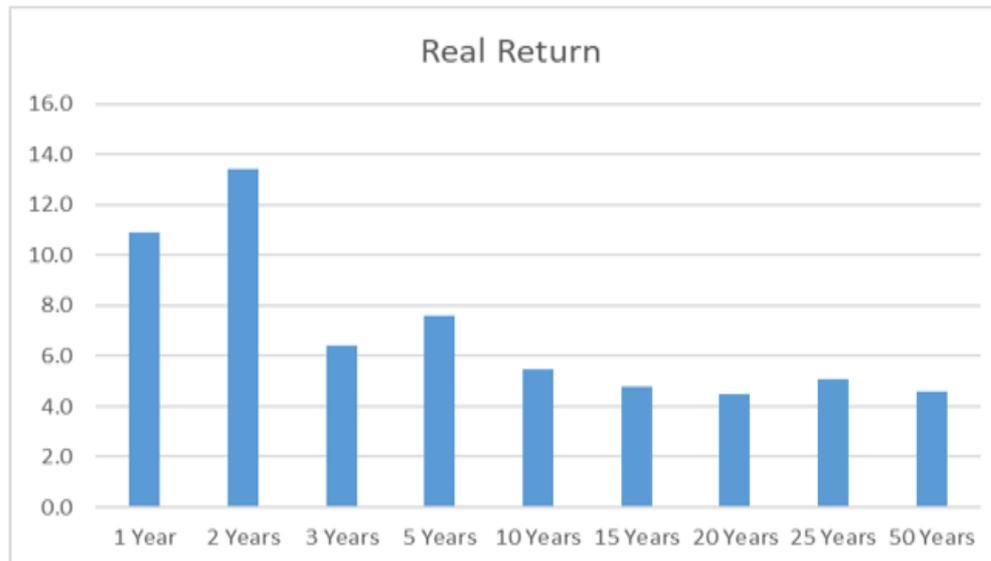
* The authority of the Secretary-General to decide upon the investment of the assets of the Fund was first established in Article 25 of the initial version of the Fund Regulations adopted by the General Assembly in its Resolution 248 (III) of 1948 and was reiterated periodically by the GA, most recently in its Resolution 72/262 of 24 December 2017. The current formulation of such authority is found in Article 19(a) of the Fund's Regulations and expressed as follows: "The investment of the assets of the Fund shall be decided upon by the Secretary-General after consultation with an Investments Committee and in the light of observations and suggestions made from time to time by the Board on the investments policy."

OUR PURPOSE AND CHARACTERISTICS

- Long-term investment real return target of 3.5% in USD terms, after adjustment by US CPI.
- Defined Benefit Fund
- US\$80 billion portfolio, investing globally in over 100 countries and regions, and in multiple asset classes (global equities, global fixed income, private equity, real estate, and real assets).
- 85% of portfolio is actively managed in-house.

INVESTMENT AT A GLANCE

Account/Group	% Rate of Return								
	One Year	Two Years	Three Years	Five Years	Ten Years	Fifteen Years	20 Years	25 Years	50 Years
UN Nominal Return	12.36	15.48	8.32	9.66	7.31	6.75	6.63	7.39	8.65
<i>US CPI</i>	<i>1.31</i>	<i>1.79</i>	<i>1.83</i>	<i>1.94</i>	<i>1.74</i>	<i>1.88</i>	<i>2.03</i>	<i>2.14</i>	<i>3.83</i>
<i>UN Real Return</i>	<i>10.91</i>	<i>13.44</i>	<i>6.37</i>	<i>7.57</i>	<i>5.48</i>	<i>4.78</i>	<i>4.51</i>	<i>5.14</i>	<i>4.65</i>
<i>3.5% Real Return Objective</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>
<i>Excess of 3.5% Real Return</i>	<i>7.16</i>	<i>9.61</i>	<i>2.77</i>	<i>3.93</i>	<i>1.91</i>	<i>1.23</i>	<i>0.97</i>	<i>1.59</i>	<i>1.11</i>



Data Generated as of 5 January 2021

Data are still preliminary as Private Market valuations are still to be received for 4th quarter of 2020. Some are also still missing for 3rd quarter 2020.

Some minor adjustments are also expected for Public Market investments

US CPI as of December 2020 is not released yet and is so based on forecasts (with a very low margin of error)

FUNDED STATUS

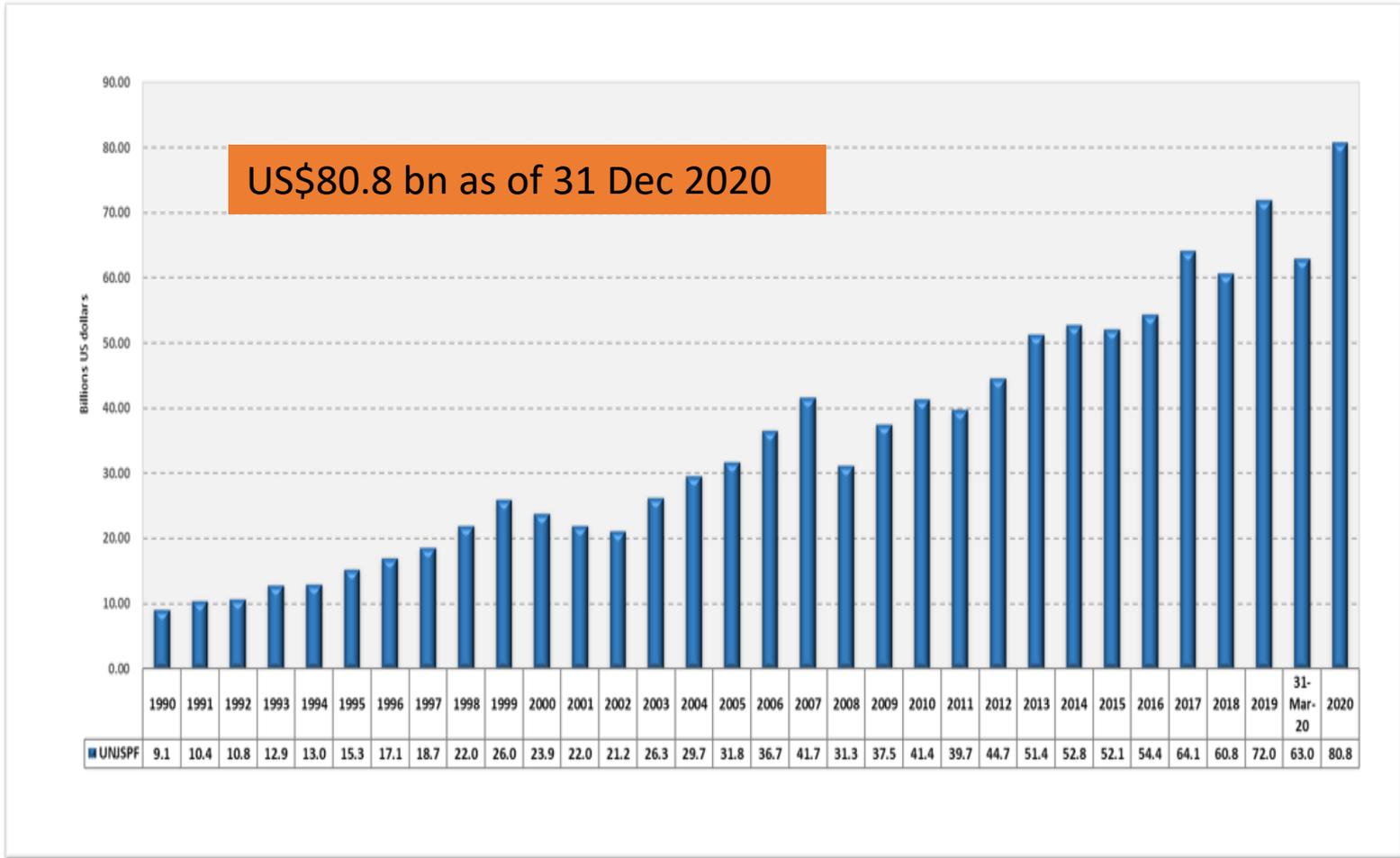
Actuarial Matters

Every two years, an actuarial valuation for the Fund is completed by the Consulting Actuary. The valuation provides the present and future liabilities of the Fund and compares that to current and projected Fund assets, respectively. The 2019 valuation concluded that the Fund was found to be in a strongly funded position, as it had been for the past two valuations. The current funded ratio is 107.1%, which was obtained by dividing value of assets (i.e. US\$67,816 million) by the actuarial value of the accrued benefits (i.e. U\$63,343 million).

Funded ratios for valuations as of 31 December (1999 - 2019)

1999	2001	2003	2005	2007	2009	2011	2013	2015	2017	2019
113	106	95	92	95	91	86	91	101	103	107

NET ASSET VALUE – HISTORICAL TREND



Data Generated as of 5 January 2021

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Some minor adjustments are also expected for Public Market investments



List of the world pension funds

Ranked by total assets, in millions. U.S. fund data are from the P&I 1,000, published Feb. 10, 2020; non-U.S. fund data are as of Dec. 31, 2019, unless otherwise noted. Defined benefit and defined contribution breakouts were not available or applicable to all non-U.S. funds.

Rank	Fund	Country	Total assets	DB assets	DC assets
1	Government Pension Investment	Japan	\$1,555,550	\$1,555,550	
2	Government Pension Fund¹	Norway	\$1,066,380		
3	National Pension	South Korea	\$637,279	\$637,279	
4	Federal Retirement Thrift	U.S.	\$601,030		\$601,030
5	ABP	Netherlands	\$523,310	\$523,310	
6	California Public Employees	U.S.	\$384,435	\$382,669	\$1,766
7	National Social Security¹	China	\$361,087		
8	Central Provident Fund	Singapore	\$315,857		\$315,857
9	Canada Pension²	Canada	\$315,344	\$315,344	
10	PFZW²	Netherlands	\$243,839	\$243,839	
65	United Nations Joint Staff	U.S.	\$67,770	\$67,770	



INVESTMENT CRITERIA

➤ Safety

➤ Profitability

➤ Liquidity

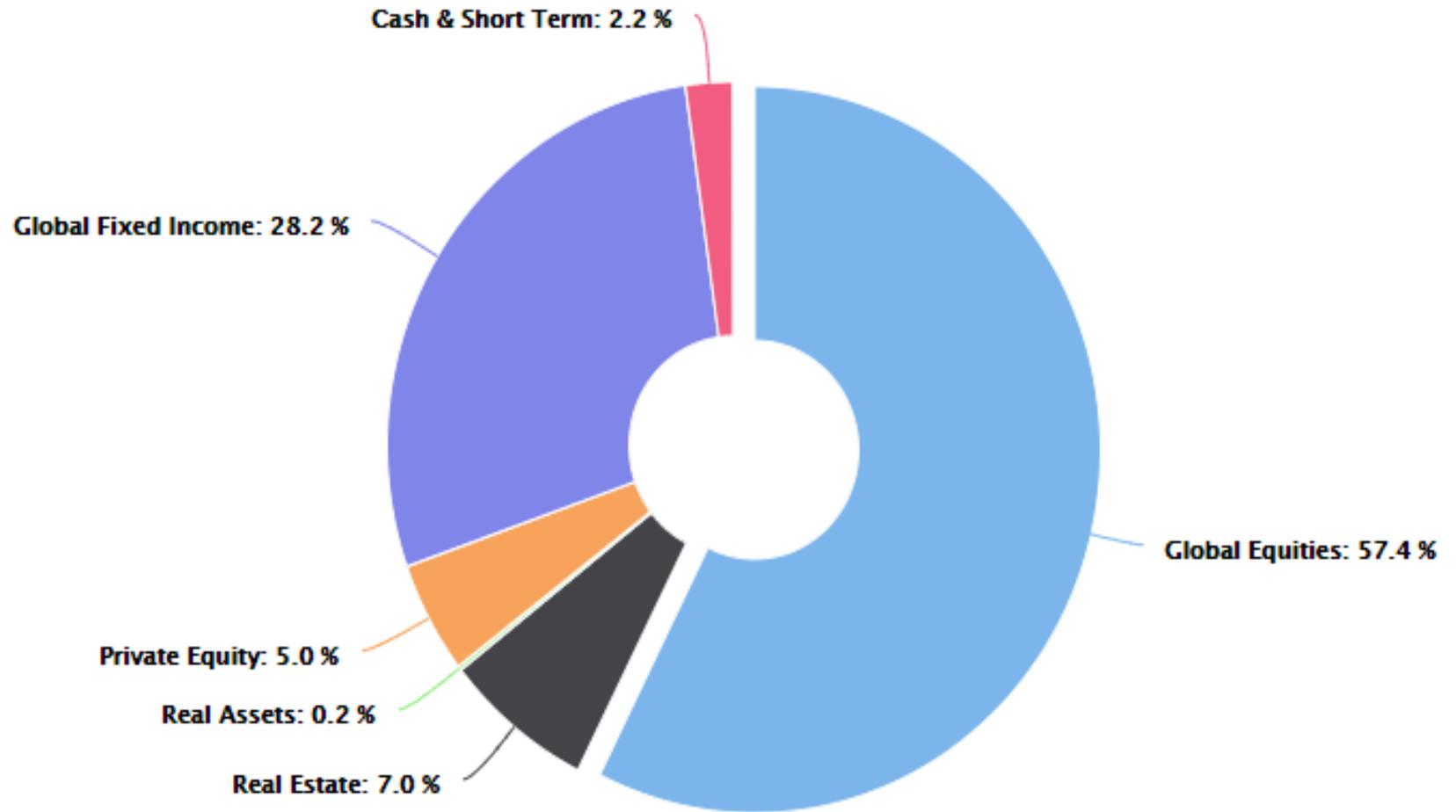
➤ Convertibility

STRATEGIC ASSET ALLOCATION AS OF 30 SEP 2020

Asset Classes	Minimum (%)	Target SAA (%)	Maximum (%)	Benchmark Weight** (%)	Portfolio Weight (%)
Global Equities	30	45	60	57.8	57.4
Private Equity	4	9	15	5	5
Real Estate	5	12	15	7	7
Real Assets*	0	4	5	0.2	0.2
Subtotal (GROWTH ASSETS)	39	70	95	70	69.6
Global Fixed Income	10	29	40	29	28.2
Cash & Equivalents	0	1	10	1	2.2
Subtotal (NON-GROWTH ASSETS)	10	30	50	30	30.4
TOTAL		100		100	100

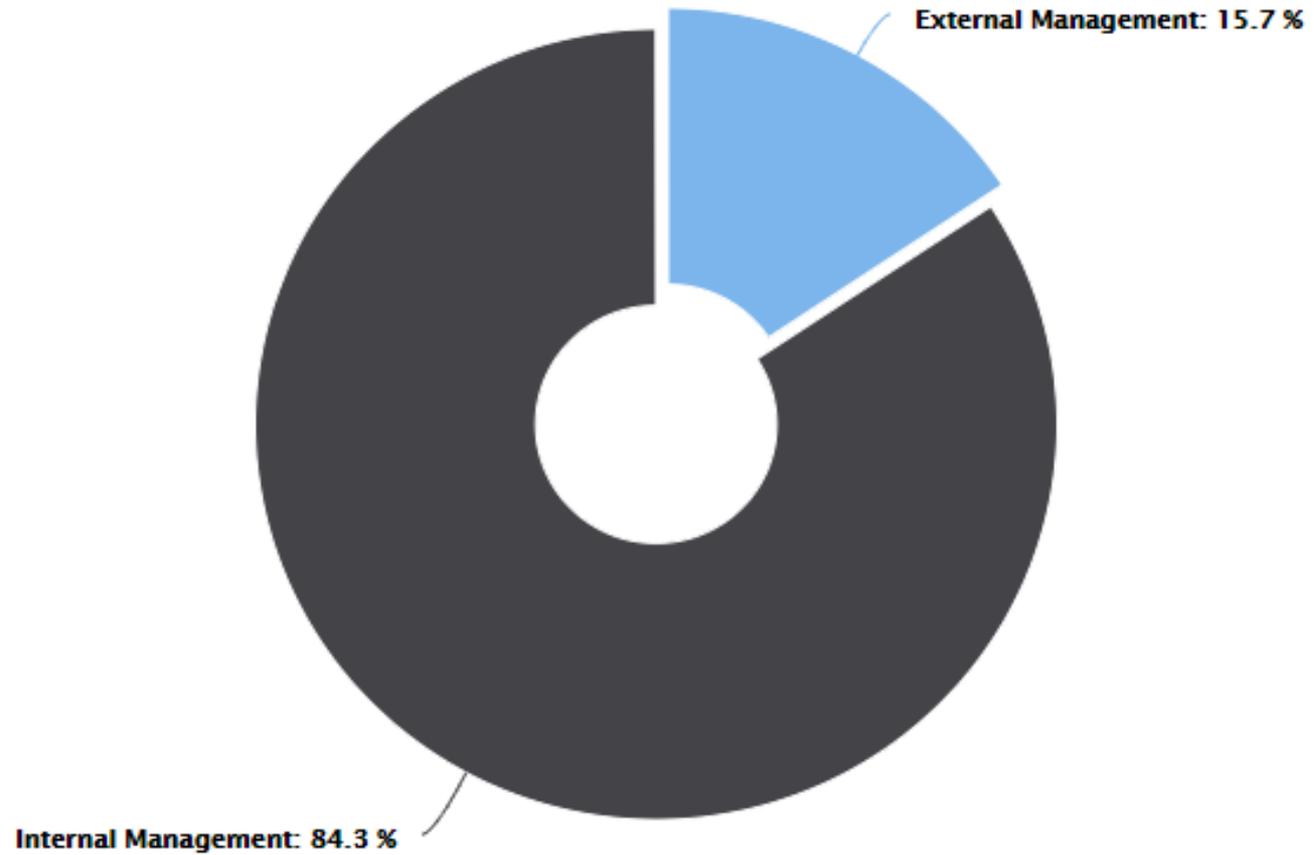


FUND INVESTMENT BY ASSET CLASS AS OF 30 SEP 2020



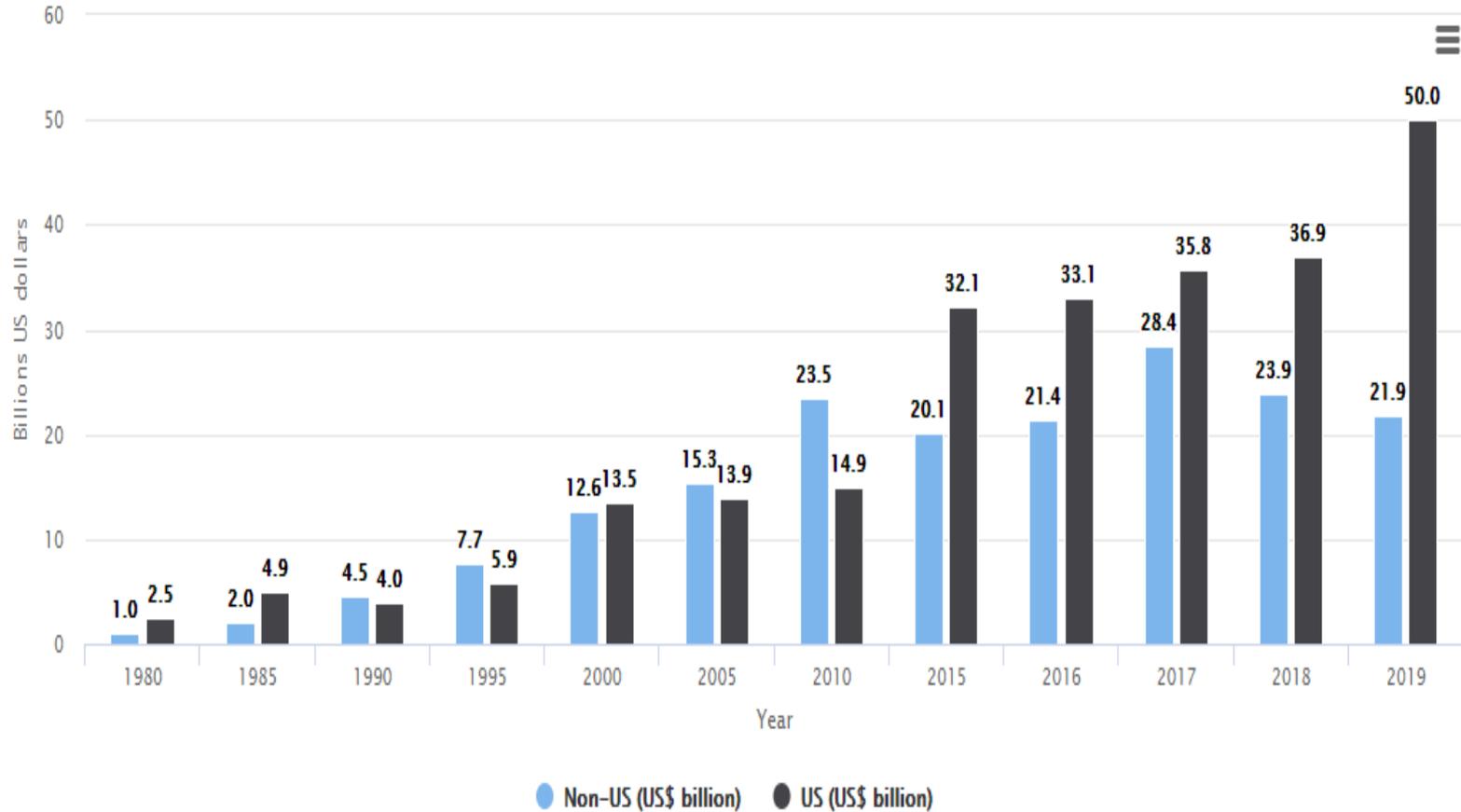


INTERNAL VS EXTERNAL AS OF 30 SEP 2020





CURRENCY DIVERSIFICATION AS OF 31 DEC 2019



Investment Challenges

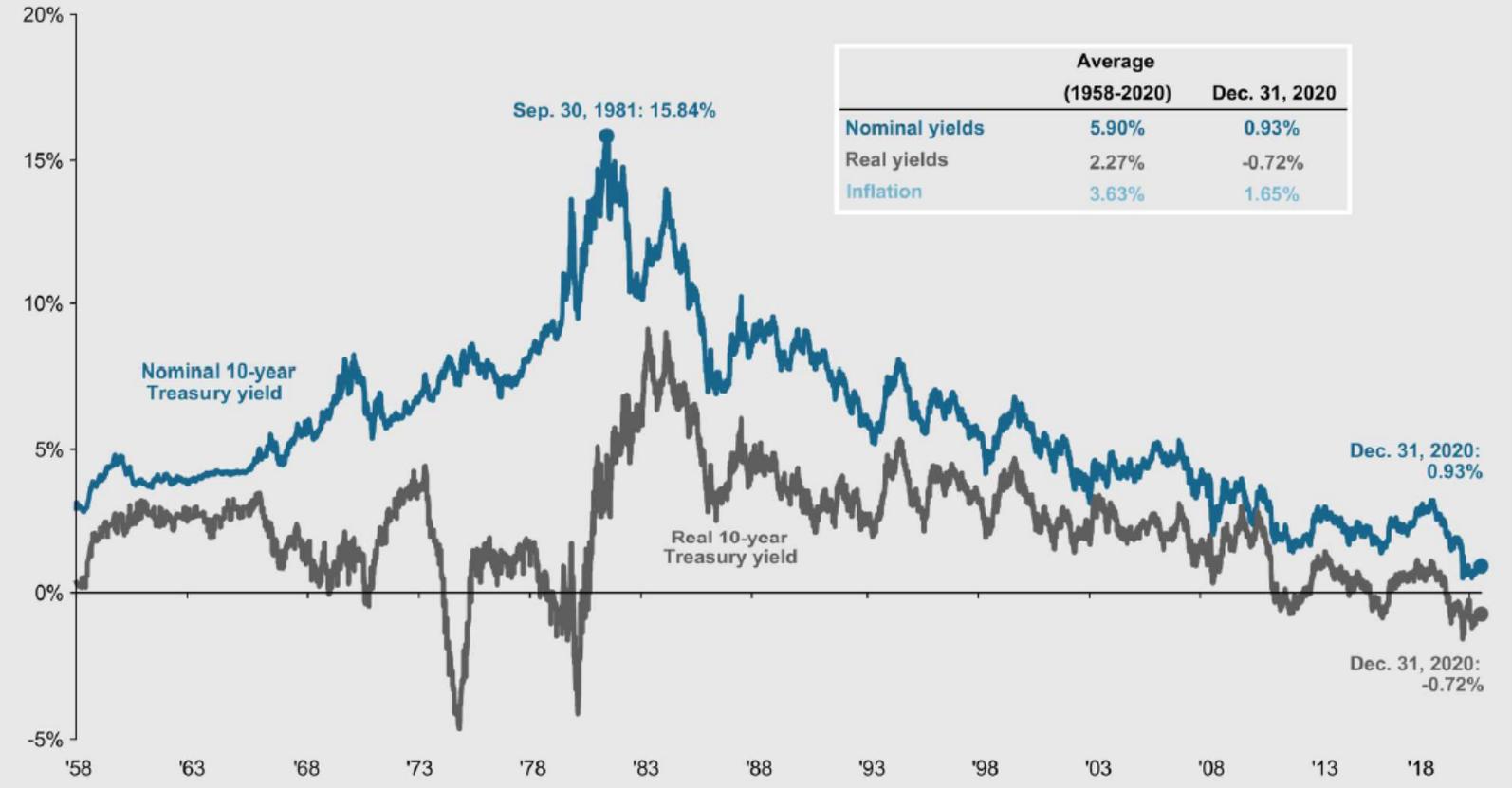
- Increasing volatility of the markets
- Low or negative interest rates
- ESG integration

US BOND MARKETS

Interest rates and inflation

GTM – U.S. | 40

Nominal and real 10-year Treasury yields



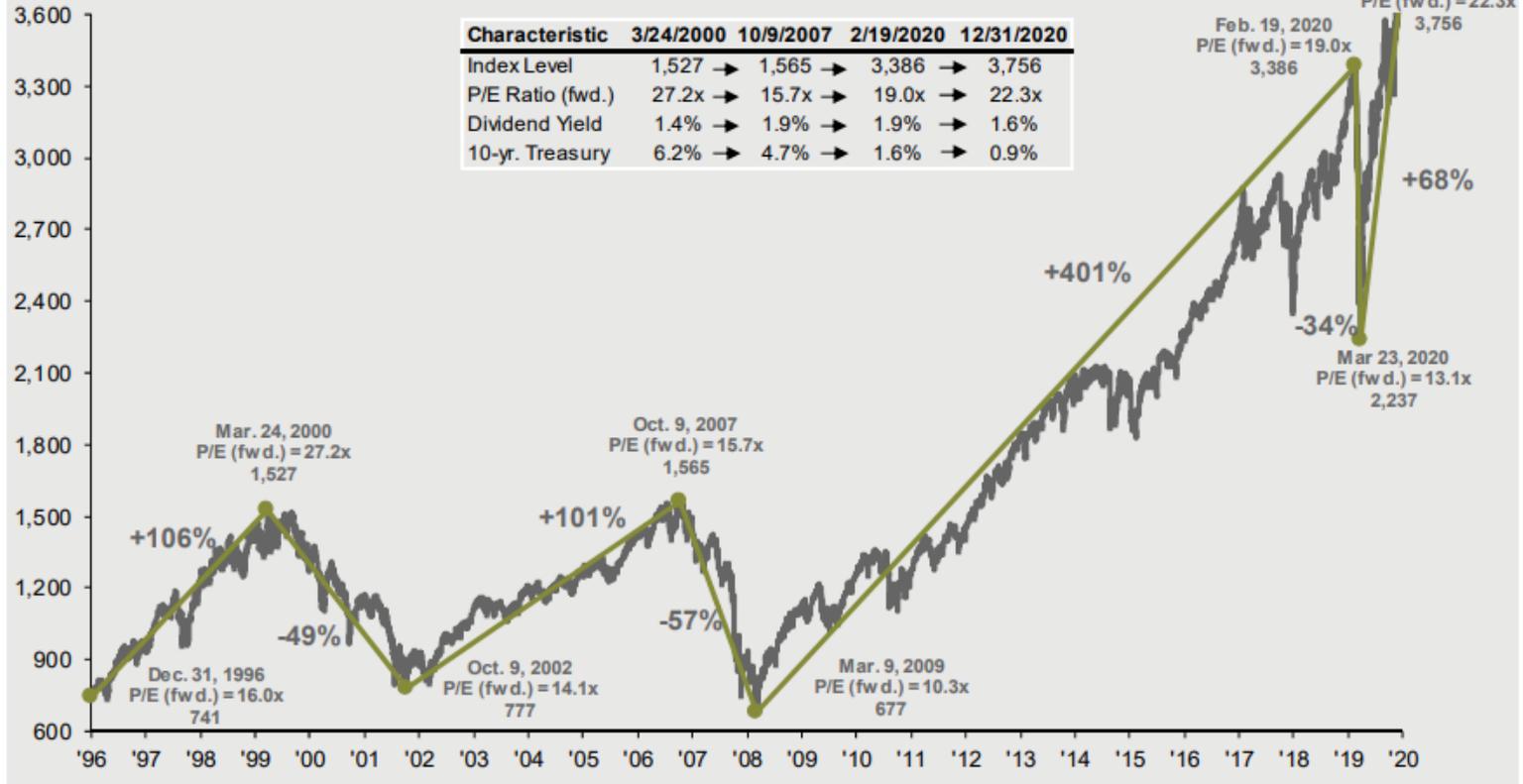
Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management.
Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month except for December 2020 where real yields are calculated by subtracting out November 2020 year-over-year core inflation.
Guide to the Markets – U.S. Data are as of December 31, 2020.

US EQUITY MARKETS

S&P 500 Index at inflection points

GTM - U.S. | 4

S&P 500 Price Index



Source: Compustat, FactSet, Federal Reserve, Standard & Poor's, J.P. Morgan Asset Management.

Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of December 31, 2020.

SUSTAINABLE INVESTING

Investment Policy Statement

OFFICE OF INVESTMENT MANAGEMENT



- The UNJSPF's Investment Policy Statement addresses Environmental, Social and Governance (ESG) concerns by explicitly prohibiting investments in the tobacco and armaments sectors, while it does not mandate divestment in other areas.
- The Fund acknowledges its responsibility to society as part of an international organization committed to social progress by being a founding signatory to the [Principles for Responsible Investment \(PRI\)](#) and its association with the [United Nations Global Compact \(UNGC\)](#) and the [UN Environment Program \(UNEP\) Finance Initiative](#).
- Our Sustainable Investment strategy is aligned with our fiduciary duty and responsibility, which includes material Environmental, Social and Governance (ESG) considerations which we are in the process of integrating throughout the investment decision making process.



oim.unjspf.org