

UNITED NATIONS JOINT STAFF PENSION BOARD

**TERMS OF REFERENCE
FOR THE**

**FUND SOLVENCY AND ASSETS AND LIABILITIES MONITORING
COMMITTEE OF THE BOARD**

Purposes and Objectives:

1. The Board of the United Nations Joint Pension Fund (UNJSPF or Fund) establishes the Fund Solvency and Assets and Liabilities Monitoring Committee of the Board (ALM Committee) that will operate in accordance with these Terms of Reference and subject to the Regulations and Administrative Rules of the UNJSPF.
2. In order to assist the Board of the UNJSPF in carrying out its responsibility for the overall management of the Fund, the ALM Committee will work with the support of the Fund's management, the Investments Committee, the Committee of Actuaries and the Consulting Actuary to monitor the solvency of the Fund and to provide advice and recommendations to the Board with regard to risk management, funding policy, asset-liability management and investment policy.

Composition and Support:

3. The ALM Committee will be comprised of six members designated by the Board of the UNJSPF, two from each of the tripartite groups of the Board, as well as two additional members designated by FAFICS. Members of the ALM Committee shall serve for a four years term, which can be renewed once. To facilitate the retention of institutional knowledge, half of ALM Committee members, who were appointed at the creation of the Committee, will serve for one additional year. The Board shall designate a replacement for the remainder of a term of any member unable to serve a full term and select the initial members that will be extended for one additional year. The Chair or a selected member of the ALM Committee shall be entitled to attend sessions of the Board as representatives. The ALM Committee shall decide upon its working methods.
4. The CEO of the Fund, the Representative of the Secretary-General for Investment of the Assets of the Fund, two members each of the Investments Committee and the Committee of Actuaries, as designated by the Chairs of those Committees, and the Consulting Actuary, shall attend meetings and support the work of the ALM Committee.

Role and Responsibilities:

5. The ALM Committee will review, provide advice and make recommendations to the Board of the UNJSPF on:

- (i) the methodology and assumptions, and their appropriateness, that are used by the management of the Fund and its consultants for asset-liability management studies of the Fund;
- (ii) the results of periodic asset-liability management studies of the Fund that are undertaken by the management of the Fund as well as other reports and studies prepared by the Fund or its consultants relating to asset-liability management;
- (iii) risks associated with imbalances between the assets and the liabilities of the Fund;
- (iv) the development and application of funding policy; and,
- (v) the development and application of investment policy.

Meetings of the ALM Committee:

6. Unless it otherwise decides, the ALM Committee shall normally meet twice per year in coordination with meetings of the Investments Committee and the Committee of Actuaries. The ALM Committee may also meet one additional time, if necessary, during a year when the Fund carries out an asset-liability study.

Administrative Expenses:

7. The Fund shall bear the administrative expenses of the ALM Committee, including but not limited to the cost of travel and allowances of all of the members of the ALM Committee.

Reporting and Review:

8. The ALM Committee will report annually to the Board of the UNJSPF.

9. At the 63rd session of the Board of the UNJSPF in 2016, the Board shall review the experience of the ALM Committee.