



UNJSPF

United Nations Joint Staff Pension Fund

United Nations Joint Staff Pension Fund

Financial report and audited financial statements

for the year ended 31 December 2022

and

Audit Opinion of the UN Board of Auditors

Contents

LETTER OF TRANSMITTAL

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REPORT OF THE BOARD OF AUDITORS ON THE FINANCIAL STATEMENTS: AUDIT OPINION

STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL OVERVIEW

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

I. STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

II. STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

III. CASH FLOW STATEMENT

IV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS ON A COMPARABLE BASIS IN RELATION TO ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN
2. GENERAL INFORMATION
3. SIGNIFICANT ACCOUNTING POLICIES
4. CASH AND CASH EQUIVALENTS
5. FINANCIAL INSTRUMENTS BY CATEGORY
6. FAIR VALUE MEASUREMENT
7. ACCRUED INCOME FROM INVESTMENTS
8. WITHHOLDING TAX RECEIVABLES
9. OTHER ASSETS
10. BENEFITS PAYABLE
11. AFTER-SERVICE HEALTH INSURANCE AND OTHER EMPLOYEE BENEFITS
12. OTHER ACCRUALS AND LIABILITIES
13. INVESTMENT INCOME
14. PENSION CONTRIBUTIONS
15. PENSION BENEFITS
16. ADMINISTRATIVE EXPENSES
17. OTHER EXPENSES
18. ACTUARIAL SITUATION OF THE FUND (SEE ALSO NOTE 1.5)
19. COMMITMENTS AND CONTINGENCIES
20. RISK ASSESSMENT
21. BUDGET INFORMATION: RECONCILIATION BETWEEN THE ACTUAL AMOUNTS ON A COMPARABLE BASIS AND THE STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
22. FUNDS UNDER MANAGEMENT
23. RELATED PARTY TRANSACTIONS

ANNEX - STATISTICS ON THE OPERATIONS OF THE FUND

Table 1: Number of participants as of 31 December 2022

Table 2A: Benefits awarded to participants or their beneficiaries during the year ended 31 December 2022

Table 2B: Benefits awarded to participants or their beneficiaries during the year ended 31 December 2021

Table 3: Analysis of periodic benefits for the year ended 31 December 2022

Table 4: Inventory of deferred and active entitlement cases

Letter of transmittal

New York, 28 April 2023

In accordance with Financial Rule G.5 of the of the United Nations Joint Staff Pension Fund, we have the honour to transmit the financial statements of the Fund for the year ended 31 December 2022, which we hereby approve. The Chief Executive of Pension Administration and the Representative of the Secretary General for the Investment of the Assets of the Fund approve the financial statements for their respective areas of responsibilities. The financial statements have been completed and certified by the Chief Financial Officer of the Fund as correct in all material respects.

Rosemarie **McClellan**
Chief Executive of Pension Administration
United Nations Joint Staff Pension Fund

Pedro **Guazo**
Representative of the Secretary-General
for the investment of the assets of the
United Nations Joint Staff Pension Fund

Mr. Kai **Hou**
Chairman
United Nations Board of Auditors

cc. Ms. Anjana Das, Executive Secretary, Board of Auditors
Ms. Valentina Monasterio, Director of External Audit, Board of Auditors
Mr. Pablo Dequero, Deputy Director, Board of Auditors
Mr. Karl-Ludwig Soll, Chief Financial Officer, United Nations Joint Staff Pension Fund

Certification of Financial Statements for the year ended 31 December 2022

New York, 28 April 2023

The financial statements of the United Nations Joint Staff Pension Fund (“the Fund”) for the year ended 31 December 2022 have been prepared in accordance with the Regulations, Rules and Pension Adjustment System of the Fund¹, International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board and International Accounting Standard (IAS) 26, Accounting and Reporting by Retirement Benefit Plans as issued by the International Accounting Standards Board (IASB). The summary of significant accounting policies applied in the preparation of the financial statements is included in the notes to the financial statements. The notes provide additional information on and clarification of the financial activities undertaken by the Fund during the period covered by these statements.

I certify that the appended financial statements of the United Nations Joint Staff Pension Fund are correct in all material respects.

Karl-Ludwig W. Soll
Chief Financial Officer
United Nations Joint Staff Pension Fund

¹ These financial rules are promulgated by the United Nations Joint Staff Pension Board in accordance with article 4 (b) of the Regulations of the Fund with effect from 1 January 2017. Subject to the provisions of the Regulations of the Fund and to resolutions and decisions of the General Assembly pertaining to the financial operations of the Fund, these financial rules shall govern the financial management and administration of the Fund and should be read in conjunction with the Administrative Rules. With regard to any matter not specifically covered by those rules, the appropriate provisions of the Financial Regulations and Rules of the United Nations shall apply, mutatis mutandis.

Report of the Board of Auditors on the financial statements: audit opinion

Opinion

We have audited the financial statements of the United Nations Joint Staff Pension Fund (the Fund), which comprise the statement of net assets available for benefits (statement I) as at 31 December 2022, the statement of changes in net assets available for benefits (statement II), the cash flow statement (statement III), and the statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2022 (statement IV), as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the United Nations Joint Staff Pension Fund as at 31 December 2022 and the changes in net assets available for benefits and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standard 26.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and the International Standards of Supreme Audit Institutions (ISSAI). Our responsibilities under those standards are described in the section below entitled “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the Fund in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor’s report thereon

The Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund, within their respective authority under the Regulations of the Fund, are responsible for the other information, which comprises the financial report for the year ended 31 December 2022, contained in chapter IV below, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.]

Responsibilities of management and those charged with governance for the financial statements

The Chief Executive of Pension Administration and the Representative of the Secretary-General, within their respective authority under the Regulations of the Fund, are responsible for the preparation and fair presentation of the financial statements in accordance with International Accounting Standard 26 and IPSAS and for such internal control as the management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the management intends either to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Fund;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(d) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the United Nations Joint Staff Pension Fund to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

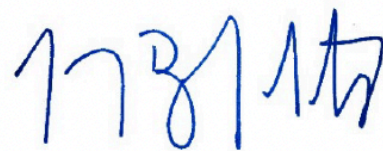
Report on other legal and regulatory requirements

In our opinion, the transactions of the Fund that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and the financial rules of the Fund and their legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of the Fund.



Hou Kai
Auditor General of the People's Republic of China
Chair of the Board of Auditors



Jorge Bermúdez
Comptroller General of the Republic of Chile
(Lead Auditor)



Pierre Moscovici
First President of the French Cour des comptes

Statement of Internal Control for the year ended 31 December 2022²

Scope of Responsibility

The United Nations Joint Staff Pension Fund (“UNJSPF” or “Fund”) was established by the United Nations General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund. The UNJSPF is a multiple employer defined benefit plan.

The United Nations Joint Staff Pension Board (“Pension Board”), a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and the observance of the Fund’s Regulations and Rules.

The Chief Executive of Pension Administration (“Chief Executive”) discharges the Board’s responsibility for the administrative supervision of the Pension Administration. Under the authority of the Board, the Chief Executive collects contributions, ensures record-keeping for the Pension Administration, certifies benefit payments, and deals with other issues related to the Fund’s participants and beneficiaries. The Chief Executive is also responsible for ensuring actuarial matters are addressed with a view to maintaining the long-term sustainability and financial health of the Fund.

The investment of the assets of the Fund is the responsibility of the United Nations Secretary-General. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General for the Investment of the Assets of the Fund (“RSG”). The RSG has delegated responsibility for the management and accounting of the investments of the Fund and the Office of Investment Management (“OIM”). The RSG exercises this duty and makes investment decisions after consultation with the Investments Committee and in the light of observations made from time to time by the Pension Board on investment policy.

The Chief Executive and the RSG are responsible for establishing and maintaining a sound system of internal controls in their respective areas of responsibility to ensure the accomplishment of objectives, the economical use of resources, the reliability and integrity of information, compliance with rules and regulations, and the safeguarding of assets.

The purpose of the system of internal control

The internal control system is designed to reduce and manage rather than eliminate the risk of failure to achieve the UNJSPF objectives and improve performance. Therefore, it can only provide a reasonable and not absolute assurance of effectiveness. Internal control is an on-going process, effected by the Fund’s governing bodies, senior management, and other personnel, designed to provide reasonable assurance on the achievement of the following internal control objectives:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable rules and regulations

Internal control is a key role of management and an integral part of the overall process of managing operations. As such, UNJSPF management at all levels has the responsibility to:

- Establish an environment and culture that promotes effective internal control;
- Identify and assess risks that may affect the achievement of objectives;
- Specify and implement policies, plans, operating standards, procedures, systems and other control activities to manage risks;
- Ensure an effective flow of information and communication so that all UNJSPF staff have the information they need to fulfil their responsibilities;
- Monitor the effectiveness of the internal control system.

UNJSPF operating environment

The UNJSPF is exposed by its plan design, investments and operations to the fluctuations of financial markets, demographic changes, internal risks related to its operations, as well as risks impacting its member organizations, service providers or clients located in over 190 countries. All significant identified risks are captured in formal risk registers, which are subject to regular review by senior managers and internal and external auditors.

² The Statement of Internal Control is issued by the Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund, in accordance with UNJSPF Financial Rule G4 and accompanies the financial statements.

UNJSPF risk management and internal control framework

UNJSPF has implemented a governance structure, management processes, and internal and external oversight mechanisms to adequately identify, assess, manage, monitor, and report the risks inherent to its operations.

The UNJSPF Internal Control Policy, defines internal control objectives, components, and responsibilities, as well as the roles of: i) management; ii) risk management and compliance functions; iii) internal audit; and iv) external audit, in line with the Three Lines of Defense Model. UNJSPF internal controls over financial reporting provide reasonable assurance that assets are safeguarded; transactions are properly recorded; authorized; and there are no material misstatements in the financial statements. The UNJSPF internal control system and the review of its effectiveness are consistent with the criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013.

The internal control framework is integrated with, and complemented by, specific control frameworks to provide reasonable assurance on the use of information, consistent with the Control Objectives for Information Technology (CobIT), and their integrity and availability, in accordance with ISO/IEC 27001 standard.

The enterprise-wide risk management framework (“EWRM”) adopted by the Fund reflects the nature of its operations and development as well as its specific requirements. EWRM aims to identify events that may affect the UNJSPF and manage risk within the Fund’s risk appetite. UNJSPF risk management framework includes the following components:

- **Risk Management Governance:** The operation of the risk management framework is supported by the full ownership and accountability of the Pension Board, management and staff for risk management activities. Specialized Committees conduct oversight and provide advice to the Pension Board on risk management and internal control:
 - i) **Audit Committee:** As an advisory Committee of the Pension Board, provides general oversight and offers recommendations for the Fund’s internal and external auditing, and the UNJSPF’s risk management and internal control framework.
 - ii) **Fund Solvency and Assets and Liabilities Monitoring Committee:** Advises the Board on risk management, funding policy, asset-liability management and investment policy matters.

At the management level, the Enterprise-wide Risk Management Working Group, chaired by the Chief Executive and the RSG, includes representatives from all offices and monitors the Fund’s risk profile, the implementation of risk management strategies and the effectiveness of the enterprise risk management framework.

- **Enterprise-Wide Risk Management Policy:** The policy provides the basis for the operation of the risk management framework and specifies its applicability throughout the Fund. The EWRM Methodology complements the policy and defines the steps, roles, and responsibilities in the risk management process. The policy complements the United Nations Code of Conduct and Standards of Conduct and related administrative instructions and guidelines, in articulating expectations and behaviors for risk-conscious decision-making.
- **Risk Assessments:** The Fund conducts periodic risk assessment exercises and maintains an enterprise risk register, which serves as a basis to define mitigation strategies or internal controls to address the Fund’s key risks. Detailed risk registers supplement the enterprise risk register on business continuity risks and cyber security risks. Risk management is integrated into project management with risk registers developed for projects.
- **Risk Monitoring:** The Fund’s risk profile is monitored during the quarterly meetings of the Enterprise-wide Risk Management Working Group. Risk management officers promote the implementation of the EWRM framework; facilitate risk assessments; advise in the implementation of risk management strategies; and monitor and report on the Fund’s risk profile. Frequent risk monitoring was enhanced with the introduction of a risk dashboard and additional key risk indicators, to better understand and assess enterprise risks.
- **Fraud Risk Assessment:** The Pension Administration and OIM perform fraud risk assessments to identify specific fraud schemes and risks, assess their likelihood and significance, evaluate existing fraud control activities, and implement actions to mitigate residual fraud risks.

Review of the effectiveness of internal controls

The review of the effectiveness of UNJSPF internal controls for the year ended 31 December 2022 is supported by:

- Evaluation of internal controls over financial reporting by management, which involved the identification, documentation, evaluation of the design and operational effectiveness testing of internal controls; the preparation and implementation of mitigation plans to address any control deficiencies identified; and assertion letters submitted by key officers in the Pension Administration and OIM, who recognized their responsibility for maintaining and executing effective internal controls and reported any deficiencies identified. Internal control evaluations and assertion letters were reviewed carefully, and action plans to implement corrective actions were prepared, where applicable.
- In accordance with its mandate, OIOS, provided assurance that internal controls are adequate and functioning effectively. In the execution of a risk-based audit plan endorsed by the Audit Committee, OIOS conducted four audits and two other audits were in progress at the end of 2022, to provide assurance on the effectiveness of internal controls and identify control deficiencies. OIOS made twenty-three new audit recommendations during 2022. The Chief Executive and the RSG, in their respective areas of responsibility, took appropriate actions to address important audit recommendations resulting from internal audits.
- As per its mandate, the United Nations Board of Auditors (BoA) examined independently the Fund's management, internal controls and financial statements, performing such tests and other procedures as they considered necessary to express an opinion in their annual audit report. BoA was given full and unrestricted access to all financial records and related data, and to the Fund's management and Audit Committee to discuss any findings related to the integrity and reliability of UNJSPF financial reporting. The external audit report accompanies the financial statements.
- The review of the results of independent service audits on the controls applied by key service providers including Northern Trust, the Master Record Keeper for the Fund's investments and the Custodian Banks for the investments, as well as the United Nations International Computing Centre (UNICC) Information and Communication Technology Services and related controls over financial reporting. Service audits concluded that, in all material respects, the controls were suitably designed and operating effectively to provide reasonable assurance that control objectives would be achieved.
- In December 2022, the Pension Administration renewed its ISO 27001:2013 Information Security Management System certification for the Integrated Pension Administration System (IPAS), which was extended to the Digital Certificate of Entitlement (DCE), which is valid for three years, until March 2025. In March 2021, OIM obtained certifications for ISO 22301:2019 for Business Continuity Management System and ISO 27001:2013 for Information Security Management System. In 2022, OIM was successfully recommended to continue retaining both certifications. These remain valid until March 2024. The certifications confirm that OIM conforms and is in compliance with the requirements of information security management system and business continuity management system standards.

Internal control matters during 2022 and actions planned

The review of assertion letters signed by key officers in the Fund and the results of internal and external audits, independent service audits, and ISO certification audits provide assurance on the effectiveness of internal controls. No significant internal control matters were identified; however, the Fund will continue to review and improve internal controls:

1. In its audit report issued in July 2022 (A/77/5/Add.16), the BoA did not identify significant errors, omissions, or misstatements from the review of the financial records of the Fund for the year ended 31 December 2021. However, the BoA identified scope for improvements in the areas of data quality, strategic plan, benchmarks, budget management, trade approvals, private markets, brokers and counterparties, and external managers. Management accepted and has initiated the implementation of the recommendations made by the BoA.
2. **Investments and market risks (OIM):** During 2022, market volatility continued due to consequences of inflation and geopolitical crisis. The impact of recent market movements and limitations to the convertibility of certain investments will be determined and monitored through ongoing monitoring of the markets. OIM also successfully implemented the new benchmarks and strategic asset allocation in 2022. In addition, the Fund continued to be compliant with the Global Investment Performance Standards (GIPS). The Fund will conduct the quadrennial ALM study in 2023.
3. **Risks derived from inflation and geopolitical crises (shared):** Geopolitical events in early 2022 contributed to a high inflation environment and highlighted the need to bolster the Fund's ability to monitor and mitigate geopolitical risks. As the global effects of geopolitical disruptions in 2022 are still present, the Fund continues to diversity channels to distribute pension benefit payments including through the United Nations Treasury and to offer new digital services to lower banking charges for beneficiaries located in countries impacted by disruptions in the international transaction system. The Fund will continue to monitor possible financial and operational impacts of the high inflation environment; and take prompt action within its regulatory framework to mitigate potential risks derived from inflation and geopolitical crises. The ALM study is expected to reflect the structural changes in the market. The impact of inflation and geopolitical crisis will be analyzed.

4. **Organizational Culture and Change Management (shared):** Strengthening the Fund's culture has been identified by management as key for the success of the Fund's overall strategy. A Leadership Culture Assessment in line with the UN System Leadership Framework was conducted in 2021 and 2022 with the participation of a majority of UNJSPF staff to identify priorities for culture work. The Business Support Services Unit was launched in 2022 and has been instrumental for advancing in the implementation of the Human Resources Strategy and the Culture Transformation Plan. Among other key actions, a dedicated Learning and Development function was created in 2022 to support the implementation of the training strategy and guidelines; and UNJSPF Gender Strategy and Action Plan were updated resulting in improved gender balanced work environment. The implementation of human resources and culture transformation initiatives will continue with a focus on promoting organizational values and priorities.
5. **Business Continuity Management (shared):** The Fund has gradually returned to a hybrid in-office work schedule in line with UN guidance for flexible working arrangements. The Fund monitored and introduced changes to crisis management and business continuity procedures and ICT systems to enable a faster recovery for critical business functions and to ensure staff safety and operations continuity in a hybrid working environment. The introduction of new benefit payments channels, automated scanning and signature verification, robotic process automation and new functionalities in the Fund's member self-service and the Digital Certificate of Entitlement ensured continuity of operations. In 2023, the Fund will explore upgrading its core ICT systems, deploy other digitalization initiatives and further strengthen internal controls.
6. **Cybersecurity (shared):** In 2022, the Pension Administration and OIM continued to enhance cybersecurity controls and programs to respond to the evolving threats landscape and ensure data assets remain protected. Both the Pension Administration and OIM maintain the ISO27001:2013 Information Security Management System certification to protect the Fund against cybersecurity threats with around-the-clock monitoring, escalation, and response to security events. Cybersecurity training and awareness plans and the assessment of potential cyber risks continue to increase staff and key stakeholders' awareness of how to respond to threats. In the Pension Administration, a new project to introduce multi-factor authentication (MFA) for access to Member-Self Service and other Fund's portals will further secure connections and client transactions.
7. **Data Governance (shared):** Both the Pension Administration and the OIM have undertaken projects to develop and implement a data governance framework. Various components of the data governance framework are in development, including a data quality policy and a data inventory. A better understanding of data will allow UNJSPF to create a Data Strategy drawing on the vision of the United Nations Secretary-General to support the Fund's strategy of becoming a data-driven organization and strengthening controls related to privacy and data protection.
8. **Climate Change (OIM):** As a signatory to the Principles of Responsible Investing, the Fund integrates Environmental, Social and Governance (ESG) into investment management decision-making processes, facilities, staff capacity building and procurement. These factors include climate change, employment practices, inclusion, and diversity, among others. In 2022, OIM pursued the ESG integration process that was initiated in the previous years. In the 2021 PRI report for the year 2020, OIM obtained ratings from 4 to 5 stars (out of 5) for its ESG program. The Fund was ranked first in the 2021-2022 Responsible Asset Allocator Initiative (RAAI) Index and Leaders List Report. Three professional staff members joined the Sustainable Investing team dedicated to each of the asset classes. OIM started to roll out ESG certifications for its investment teams. OIM strengthened its existing ESG policy with the adoption of a new ESG policy / manifest, which states OIM's beliefs and principles related to sustainability integration in the investment process as well as internal processes. In addition, the team developed Climate 2.0 and Equity 2.0 strategies, enhanced existing private market ESG integration techniques, and initiated a review of fixed income ESG processes. OIM further developed its impact investing strategy following the General Assembly's resolution asking the Fund to explore impact investing for part of the portfolio. OIM is on track to meet its carbon reduction targets by 2025 and is expanding the coverage of its targets to non-listed real estate as well as non-listed infrastructure. Finally, the Fund became a signatory of the UN biodiversity Conference (COP 15) Statement from the financial sector – a global initiative committing the financial community to contribute to the protection and restoration of biodiversity and ecosystems through financing activities and investments.

Statement

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error or circumvention. Accordingly, even effective internal controls can provide only reasonable but not absolute assurance. Further, because of changes in conditions, the effectiveness of internal controls may vary over time.

Based on the above, we conclude that to our best knowledge and information, there were no material weaknesses in internal controls, in our respective areas of responsibility, during the year ended 31 December 2022.

Within the scope of our respective areas of responsibility, we are committed to addressing any weaknesses in internal controls identified during the year and ensuring continuous improvement of internal controls.

Rosemarie **McClellan**
Chief Executive of Pension Administration
United Nations Joint Staff Pension Fund

28 April 2023
New York, NY

Pedro **Guazo**
Representative of the Secretary-General
for the investment of the assets of the Fund

Financial overview

A. Message from the Chief Executive of Pension Administration and the Representative of the Secretary-General:

1. Despite volatility on the global markets and geopolitical challenges in 2022, the Fund remains financially sound and resilient, providing reliable services to its clients, while modernization efforts have continued.
2. The biennial actuarial valuation of the Fund as of 31 December 2021, as reviewed by the Pension Board in July 2022, reported a surplus. It established that the current contribution rate is sufficient for the Fund to remain sustainable over the long term, for current and future participants and beneficiaries. This meant that the Fund was in a strong position to absorb the market downturn over 2022, with the next actuarial valuation due to report to the Board in 2024.
3. It is a fact that 2022 was a challenging year in terms of investment performance. However, when compared to our peers, we have been as effective at a substantially lower cost per assets under management over a five-year period. Since 1 January 2023, the value of the assets has regained 5%, reaching over \$82 billion as of 21 April 2023.
4. The Fund has continued to grow through an increase in participants and benefits in payment. While regarded as a mature fund, the balance between the number of participants and benefits in payment has remained stable in recent years. During 2022, the level of contributions received and benefits paid were broadly similar in monetary terms.
5. As in previous years, payments were issued on time and the banking crisis of the first months of 2023 had no impact on the distribution of benefits. The Fund continued to explore and set up new payment channels to ensure the transfer of benefit payments in countries with banking systems affected by geopolitical challenges. The Fund also outperformed its benchmark in pension processing, with more than 90% of initial pension cases processed within 15 business days last year.
6. Meanwhile, the Fund has continued to modernize its operations, further simplifying and digitalizing interactions with its clients. We are particularly proud that one of our flagship projects, the Digital Certificate of Entitlement (DCE) app, won in 2022 the United Nations Secretary-General Award for innovation and sustainability.
7. We remain confident that the Fund will continue delivering core services to its members while remaining sustainable over the long term.

B. Administration of the Fund

8. UNJSPF was established by the United Nations General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund.
9. The United Nations Joint Staff Pension Board, a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and for the observance of the Regulations and Rules of the Fund. The Secretary-General appoints the independent Secretary of the Pension Board on the recommendation of the Pension Board. The Secretary of the Pension Board is responsible for a full range of secretariat conference management and services.
10. The Chief Executive of Pension Administration is appointed by the Secretary-General on the recommendation of the Pension Board. The Chief Executive acts under the authority of the Pension Board in the discharge of the latter's responsibility for the administrative supervision of the Fund as a whole.
11. The investment of the assets of the Fund is 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 Pension Board on the investments policy. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the RSG.
12. For detailed information about the fund's purpose, administration, structure, and management, please refer to Note 1 of the financial statements.

C. Key indicators

(Millions of United States dollars except for participants and benefits counts)

	Year				
	2022	2021	2020	2019	2018
Net assets available for benefits	77 918	91 460	81 512	72 034	60 776
Actuarial present value of accumulated plan benefits with pension adjustments	70 599	66 656	63 259	59 829	58 492
Net asset in excess of actuarial present value of accumulated plan benefits with pension adjustments	7 319	24 804	18 253	12 205	2 284
Investment (loss)/income	(13 458)	10 047	9 516	11 362	(3 307)
Pension contributions	3 121	2 969	2 847	2 689	2 457
Number of participants	143 612	137 261	134 632	131 583	128 594
Pension benefits	3 128	2 976	2 789	2 700	2 670
Number of periodic benefits	83 988	82 312	80 346	79 975	78 716
(Decrease)/increase in net assets available for benefits	(13 541)	9 948	9 477	11 258	(3 590)

D. Financial performance

Net assets available for benefits

13. The statement of net assets available for benefits provides the information about the financial position of the Fund and presents the assets of the Fund less liabilities other than the actuarial present value of accumulated plan benefits. The Fund has elected to disclose the actuarial present value of accumulated plan benefit in a footnote.
14. Net assets available for benefits as of 31 December 2022 were \$77,918.3 million (2021: \$91,459.5 million), a decrease of \$13,541.2 million (14.8 per cent).
15. The fair value of investments as of 31 December 2022 was \$77,437.5 million (2021: \$89,856.1 million), reflecting a decrease of \$12,418.6 million (13.8 per cent). Details on the investment classes as of 31 December 2022 and 31 December 2021 are shown in the table below:

(Millions of United States dollars)

	31 December 2022	31 December 2021	Change	Percentage
Equities	39 246	52 022	(12 776)	(24.6)
Fixed income	24 132	24 742	(610)	(2.5)
Real assets	7 493	6 614	879	13.3
Alternatives and other investments	6 566	6 478	88	1.4
Investments	77 437	89 856	(12 419)	(13.8)
Cash and cash equivalents	750	1 625	(875)	(53.8)
Total investments and Cash and cash equivalents	78 187	91 481	(13 294)	(14.5)

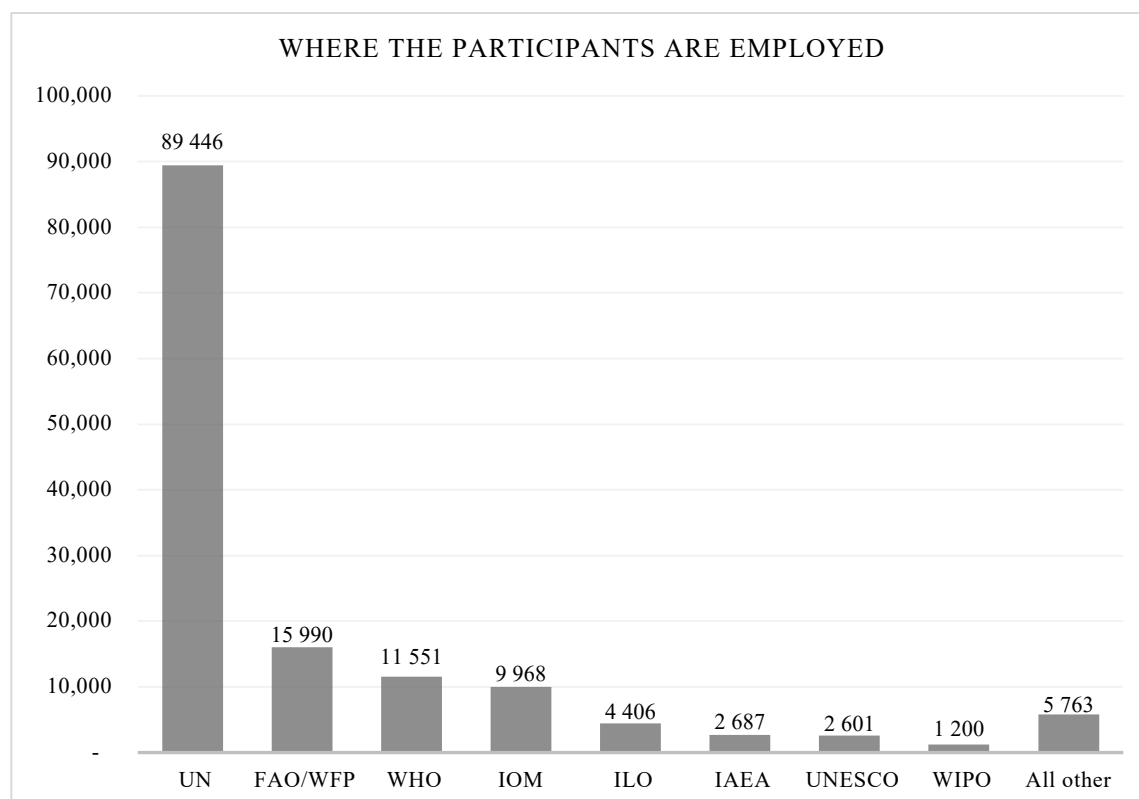
16. Total liabilities of the Fund as of 31 December 2022 were \$691.4 million (2021: \$309.6 million), an increase of \$381.8 million, or 123.3 per cent. The increase in total liabilities was due primarily to the total increase in payable from investments traded of \$403.0 million.

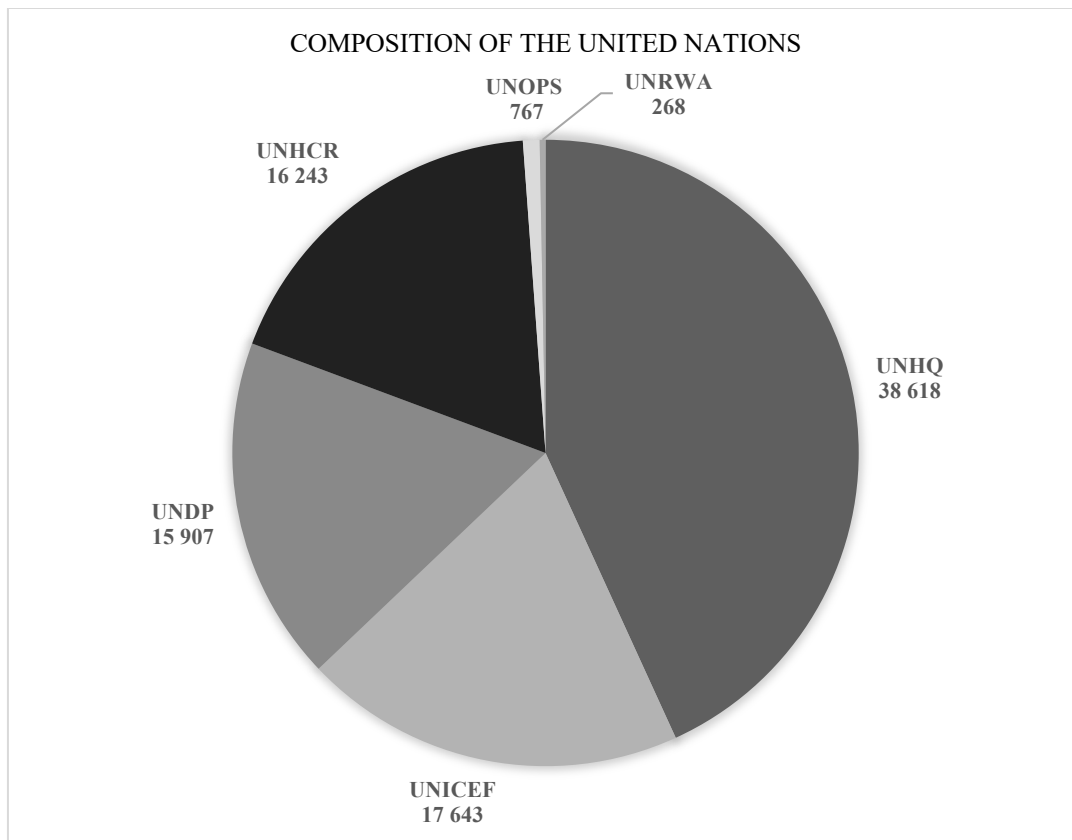
Changes in net assets available for benefits

17. The statement of changes in net assets available for benefits provides information about the changes in the net assets of the Fund for a year categorized by investment income/(loss), pension contributions, pension benefits and administrative expenses.
18. There was a decrease in the net assets available for benefits for the year ended 31 December 2022 of \$13,541.2 million (2021: an increase of \$9,947.9 million). The decrease was attributable primarily to investment loss for the year.
19. The investment loss for 2022 was \$13,457.8 million (2021: income of \$10,047.2 million). Investment loss for 2022 comprised mainly a net decrease in fair value of investments of \$14,739.9 million, dividend income of \$830.2 million and interest income of \$592.0 million.
20. Total contributions (from participants \$1,040.5 million, member organizations \$2,070.5 million, and other contributions of \$10.3 million) for 2022 were \$3,121.3 million (2021: \$2,969.3 million), reflecting an increase of \$152.0 million (an increase of 5.1 per cent) compared with the 2021 total contributions. See Section E. Participants and Beneficiaries below for more details.
21. Pension benefits for 2022 of \$3,128.2 million (2021: \$2,975.8 million) reflected an increase of \$152.4 million, or 5.1 per cent, compared with the 2021 benefits. See Section E Participants and Beneficiaries below for more details.
22. Administrative expenses for 2022 of \$83.0 million (2021 on a comparable basis: \$99.0 million) reflected a decrease of \$16.0 million (16.2 per cent).

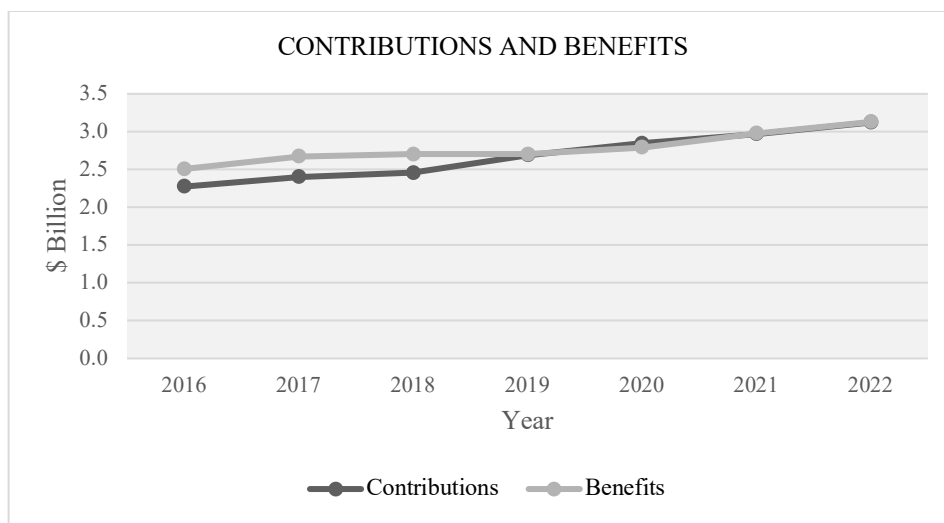
E. Participants and beneficiaries

23. The total number of participants as of 31 December 2022 was 143,612, which is an increase of 4.6% from 31 December 2021. The total participant count went up by 2.0% during 2021. Most of the increases were from the United Nations (3.0%, from 86,827 to 89,446), the Food and Agriculture Organization (including the World Food Programme, 15.0% from 13,900 to 15,990) and the International Organization for Migration (15.4%, from 8,636 to 9,968).
24. The charts below illustrate the compositions of the Fund's member organizations by the participant counts, and the funds and programmes of the United Nations as of 31 December 2022.



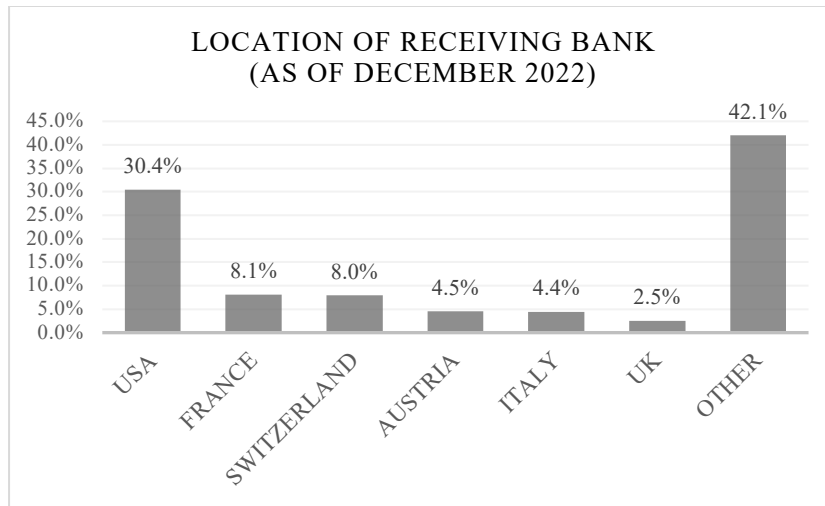


25. The increase in the Fund's participants, along with the increased pensionable remunerations (a 6.2% increase in all grades and steps of the Professional category from 1 February 2021 to 1 February 2022), contributed to the increase in the pension contributions for the year 2022 by 5.1% from \$2,969.3 million for the year ended 31 December 2021 to \$3,121.3 million for the year ended 31 December 2022. Similar to the year 2021, the total contributions were slightly exceeded by the total pension benefits of \$3,128.2 million during the year 2022. During the year 2021, the total contributions were \$2,969.3 million and the total pension benefits were \$2,975.8 million.

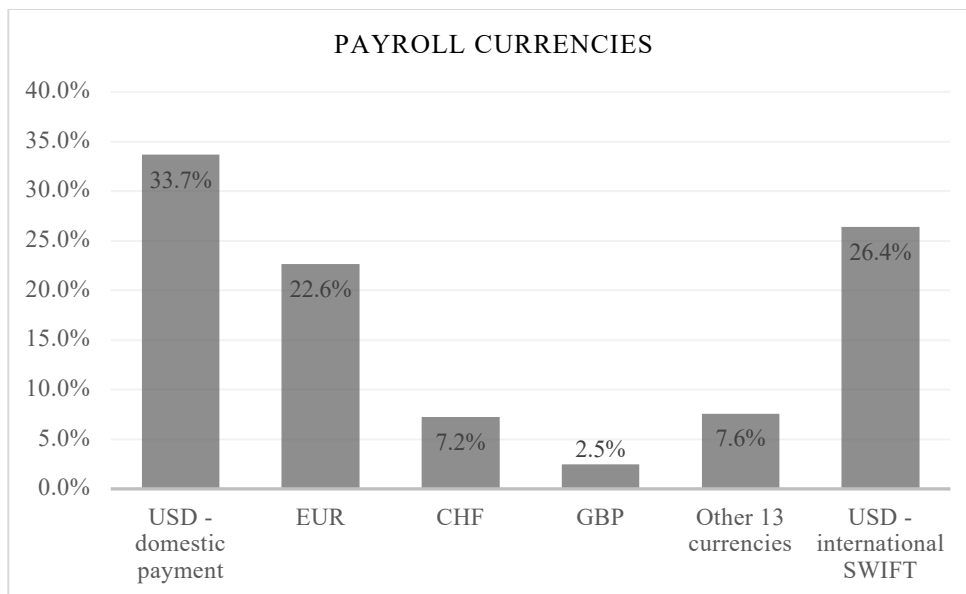


26. The Fund's beneficiaries reside around the world, in more than 190 countries. Most recipients of monthly periodic benefits request their benefits to be paid to banks located in the country of member organizations' headquarters

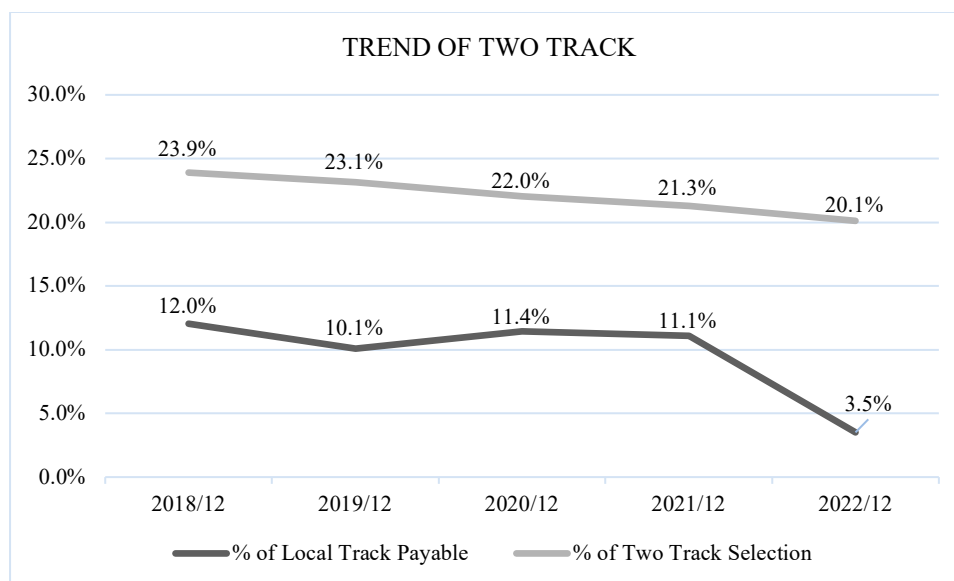
(USA, France, Switzerland, Austria, Italy, United Kingdom). However, a considerable number of beneficiaries use banks outside these countries. The Fund is fully committed to delivering payments in every jurisdiction of the world. Thus, the distribution of benefit payments is subject to geopolitical challenges around the world, disrupting banking conditions in locations affected (e.g. in Afghanistan, Mali, and the Russian Federation).



27. The Fund transfers monthly benefit payments in seventeen currencies, and more than two-thirds of periodic benefits are being paid via domestic payment methods, as shown in the chart. The Fund continues to identify additional jurisdictions for payments in local currency through the local banking accounts of member organizations. In 2022 more than 60% of beneficiaries requested their benefits to be paid in USD.



28. Since 2021, inflation has been increasing in the US and around the world. To preserve the purchasing power of pension benefits, the Fund applies cost-of-living adjustments to its periodic benefits annually or semi-annually in case of extreme inflation. The increase in inflation led to a substantial increase in benefit payments in 2022. Pensions on the US dollar track were adjusted by 8.6% in April 2022.
29. For beneficiaries residing outside the US, the Fund offers an optional irrevocable two track feature whereby their periodic benefit is calculated and maintained in both USD (US dollar track) and the local currency of the country of residence (local track). As of December 2022, 20% of beneficiaries had opted for the two-track feature. The Fund observed that the vast majority of beneficiaries who retired in recent years have chosen to receive their benefits on the US dollar track. The payments to beneficiaries who opted for the two-track feature are calculated and adjusted in their local currency and CPI, but they receive a guaranteed minimum of the USD track. Due to the strong US dollar and relatively high inflation in the US, the majority of two track recipients now receive the guaranteed minimum of the USD track.



F. Investment management

30. The Fund's long-term return objective is to earn the highest possible investment return consistent with the Fund's risk appetite, so as to deliver an investment return that at least meets over the long-term (i.e. over 15 year periods and longer) the Fund's assumed real rate of return (i.e. the annual percentage return realized on an investment, which is adjusted for changes in prices due to inflation or other external effects) objective, which currently is 3.5% in US Dollars.
31. The investments are carried out within the framework of the Fund's Investment Policy Statement (IPS) which is regularly updated comprehensively subsequent to the completion of an Asset-Liability Management (ALM) study, conducted once every four years. The Investment Policy Statement was last updated in 2022. Please refer to the Fund's website for the 2022 IPS [<https://www.unjspf.org/wp-content/uploads/2022/09/Investment-Policy-Statement-September-2022.pdf>].

Strategic asset allocation as of 31 December 2022:

Asset Classes	Minimum (%)	Target SAA (%)	Maximum (%)	Benchmark Weight (%)	Portfolio Weight (%)
Global Equities	38	53	68	50.94	50.59
Private Equity	2	7	12	8.42	8.42
Real Estate	2	8	16	9.17	9.17
Real Assets*	-	1	5	0.47	0.47
Global Fixed Income	26	29	32	29.00	28.71
Investment, Treasury and Operational cash	1	2	5	2.00	2.64
Total	-	100	-	100.00	100.00

*Real Assets include Infrastructure, Timberland and Commodities.

32. In response to the global COVID-19 crisis and in addressing OIOS recommendation, OIM conducted an Asset Management and Benchmark Study in 2021, hiring an independent consultant to update asset allocation based on new market conditions and review the appropriateness of benchmarks for different asset classes. The Study provides an implementable investment path for two and five-year scenarios, consistent with the long-term perspective established in the 2019 Asset and Liability Management (ALM) study. The new public equity benchmark was effective from 1 June 2022. Based on a consultant's recommendation, the new benchmark is based on a broader approach, instead of a region-based segmentation approach, by using global benchmark without a bias towards emerging markets. The new fixed income benchmark was effective from 1 September 2022 and introduced a corporate bond component broadening our asset mix to capture a wider range of market opportunities and the related returns. The new benchmark is also customized by excluding ESG restricted securities.

33. In 2022, OIM continued its ESG integration process, resulting in 4-5 star ratings in the 2021 PRI report and being ranked first in the 2021-2022 Responsible Asset Allocator Initiative (RAAI) Index and Leaders List Report. The Sustainable Investing team was expanded with three new staff dedicated to asset classes and ESG certifications were rolled out for investment teams. OIM adopted a new ESG policy and developed Climate 2.0 and Equity 2.0 strategies. The fund is on track to meet its carbon reduction targets by 2025 and is expanding coverage to non-listed real estate and infrastructure. Finally, OIM became a signatory of the UN biodiversity Conference (COP 15) Statement, committing to protect and restore biodiversity and ecosystems through financing activities and investments.
34. In March 2023, there has been volatility in the financial markets, particularly in the banking sector. As a result, the Fund has engaged in meetings with various committees to ensure proper governance and oversight. Despite these challenges, the Fund remains in a strong financial position, with its assets' market value estimated to be over \$82 billion as of 21 April 2023, which is approximately 5% higher than its value on 31 December 2022, on a preliminary basis. For additional information and weekly fund performance updates, please refer to the Fund's website (<https://www.unjspf.org/the-fund/historical-fund-performance/>).

G. Actuarial matters

35. Ensuring the long-term sustainability of the Fund is of primary importance to the Board, the participants, the beneficiaries, and wider stakeholders. Like most other defined benefit pension plans, the Fund's solvency is closely monitored through two key studies:
- 1) A biennial actuarial valuation (conducted for the odd years)
 - 2) An asset-liability management (ALM) study, which is usually carried out every four years
36. Conducted by the Fund's independent Consulting Actuary, the actuarial valuation considers the Fund from three different perspectives:
- 1) An open group valuation: Assumes the Fund would be run into perpetuity with a continuous influx of new participants. The key metric from this valuation is the required contribution rate, which is the theoretical contribution rate that maintains a balance between liabilities and assets over the long term. This is the primary measure for the overall health of the Fund and its ability to remain open to existing and new participants. The 2021 actuarial valuation resulted in a required contribution rate of 21.4% of pensionable remuneration, which compared against the current actual contribution rate of 23.7%, equating to an actuarial surplus of 2.3% of pensionable remuneration.
 - 2) A closed group termination basis: Assumes that the Fund is closed immediately. The key metric from this valuation is the funded ratio and provides a view of the Fund's ability to meet its obligations if it were to be closed to all participants. This main purpose of this valuation is to establish any requirement to invoke Article 26 of the Fund's Regulations. The 2021 valuation resulted in a closed book valuation of \$70,874 million in accrued benefit liabilities, as compared with an actuarial value of assets of \$82,912 million, resulting in a funded ratio of 117%.
 - 3) Promised benefits: The actuarial present value of accumulated plan benefits, which does not include future new participants or future contributions from existing participants. It also does not take into account future increases in pensionable remuneration. This valuation is only carried out for the purpose of providing a measure of liabilities for these Financial Statements under IAS 26. For the even years, when no actuarial valuation is undertaken, the Consulting Actuary provides an estimate through rolling forward the liabilities from the previous valuation.
37. All three valuation approaches utilise demographic assumptions based on the Fund's own experience, which is reviewed biennially. Economic assumptions reflect the future long-term outlook for Fund's investment returns and other economic metrics, including inflation. Asset values are based on a five-year market averaging method to limit the impact of short-term market fluctuations while still reflecting longer term trends.

38. The actuarial present value of accumulated plan benefits as of 31 December 2022 is as follows:

(Millions of United States dollars)		
	31 December 2022	31 December 2021
Actuarial value of vested benefits		
Participants currently receiving benefits	38 368	36 784
Vested terminated participants	1 919	1 810
Active participants	28 938	26 790
Total vested benefits	69 225	65 384
Non-vested benefits	1 374	1 272
Total actuarial present value of accumulated plan benefits	70 599	66 656

39. Currently, the Fund is undergoing a new Asset Liability Management (ALM) study (with an independent advisor. This study incorporates updated capital markets assumptions and evaluates several risk scenarios based on different fundamental assumptions. The findings of this new ALM study will be presented to the Pension Board in July 2023.

H. Operating expenses

40. Operating expenses include administrative expenses, and investment transaction cost and management fees expenses. Administrative expenses primarily include staff cost, contractual services, rent, and general operating expenses. The General Assembly approves annual budget for the administrative expenses endorsed by the Pension Board, as well as the report of the Advisory Committee on Administrative and Budgetary Questions, thereon. Transaction cost include explicit cost of trading securities like broker commission and transaction tax. Management fees include fees of external managers and fees for investment in private equity and real estate funds.
41. Operating expenses of the Fund for the year ended 31 December 2022 and 2021 are as follows:

(Millions of United States dollars)					
Operating expenses for the year ended 31 December 2022	Secretariat of the Pension Board	Pension Administration	Office of Investment Management	Audit	Total
Administrative expenses					
Staff cost	0.5	17.9	15.4	(0.4)	33.4
Contractual services and consultants	0.1	16.4	18.9	-	35.4
General operating expenses	0.3	7.1	4.7	2.1	14.2
Transaction cost and management fees expenses					
Management fees for investment in private equity and real estate fund	-	-	170.7	-	170.7
External managers management fees	-	-	14.8	-	14.8
Investment Transaction cost	-	-	14.8	-	14.8
Total operating expenses	0.9	41.4	239.3	1.7	283.3
As % of total investments and Cash and cash equivalents	-	-	0.306%	-	-

(Millions of United States dollars)

Operating expenses for the year ended 31 December 2021	Secretariat of the Pension Board	Pension Administration	Office of Investment Management	Audit	Total
Administrative expenses					
Staff cost	0.7	35.9	20.1	-	56.7
Contractual services and consultants	-	14.1	14.6	-	28.7
General operating expenses	-	8.1	3.7	1.8	13.6
Transaction cost and management fees expenses					
Management fees for investment in private equity and real estate fund	-	-	163.5	-	163.5
External managers management fees	-	-	16.5	-	16.5
Investment Transaction cost	-	-	21.2	-	21.2
Total operating expenses	0.7	58.1	239.6	1.8	300.2
As % of total investments and Cash and cash equivalents	-	-	0.262%	-	-

42. Please refer to Note 16 Administrative expense for additional information about the fund's administration expenses and Note 13 Investment income and transaction cost for additional information about transaction cost and management fees expenses of the financial statements.
43. Statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses provides explanation of difference greater than 5% between budget and actual in relation to the fund's administrative expense. Note 21 of the Financial Statements provides a reconciliation of actual amounts presented on the same basis as the budget and administrative expense included in the Statement of changes in net assets.
44. Internally and externally managed assets by asset class as of 31 December 2022 and 2021

(Millions of United States dollars)

As of 31 December 2022	Internally managed	Externally managed	Total
Equities	36 211	3 035	39 246
Fixed income	19 558	4 574	24 132
Real assets	-	7 493	7 493
Alternatives and other investments	-	6 566	6 566
Investments	55 769	21 668	77 437

(Millions of United States dollars)

As of 31 December 2021	Internally managed	Externally managed	Total
Equities	48 071	3 951	52 022
Fixed income	24 742	-	24 742
Real assets	-	6 614	6 614
Alternatives and other investments	-	6 478	6 478
Investments	72 813	17 043	89 856

45. Public markets external manager fees

(Millions of United States dollars)

Externally managed public market asset	As of 31 December 2022	Management fees for the year 2022
Equity	3 035	14.6
Fixed income	4 574	0.2
Total	7 609	14.8

Externally managed public market asset	As of 31 December 2021	Management fees for the year 2021
Equity	3 951	16.5
Fixed income	-	-
Total	3 951	16.5

46. Private markets external manager fees

(Millions of United States dollars)

Externally managed private market asset	As of 31 December 2022	Unfunded commitment as of 31 December 2022	Management fees for the year 2022
Real assets	7 493	2 942	87
Alternatives and other investments	6 566	4 560	83
Total	14 059	7 502	170

(Millions of United States dollars)

Externally managed private market asset	As of 31 December 2021	Unfunded commitment as of 31 December 2021	Management fees for the year 2021
Real assets	6 614	2 752	89
Alternatives and other investments	6 478	3 961	74
Total	13 092	6 713	163

I. Latest development

47. Annual cost-of-living adjustments have been applied to periodic benefits, effective from the April 2023 payroll. Pensions on the US dollar track have been adjusted by 6.4%, and pensions on the local track of 112 two-track countries have also been adjusted in April 2023. Notably, pensions on the local track of Switzerland have been adjusted by 4.2%, marking the first adjustment since April 2008.

Financial Statements for the year ended 31 December 2022

United Nations Joint Staff Pension Fund

I. Statement of Net Assets Available for Benefits

(Thousands of United States dollars)

	Notes	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents	4	749 749	1 625 122
Investments	5,6		
Equities		39 246 356	52 022 627
Fixed income		24 131 952	24 741 886
Real assets		7 492 991	6 613 872
Alternatives and other investments		6 566 220	6 477 746
		77 437 519	89 856 131
Contributions receivable		70 607	46 800
Accrued income from investments	7	195 264	144 168
Receivable from investments traded	5	75 854	9 627
Withholding tax receivable	8	60 431	64 701
Other assets	9	20 303	22 643
Total assets		78 609 727	91 769 192
Liabilities			
Benefits payable	10	143 896	154 441
Payable from investments traded	5	418 750	15 767
After-service health insurance and other employee benefit liabilities	11	94 375	119 720
Other accruals and liabilities	12	34 360	19 711
Total liabilities		691 381	309 639
Net assets available for benefits		77 918 346	91 459 553

The accompanying notes are an integral part of these financial statements.

II. Statement of Changes in Net Assets Available for Benefits

(Thousands of United States dollars)

	Notes	For the Year 2022	For the Year 2021
Investment (loss) /income	13		
Net change in fair value of investments		(14 739 883)	8 709 060
Interest income		592 014	582 824
Dividend income		830 219	893 950
Income from unitized real estate funds		85 982	78 015
Less: Transaction costs and management fees		(200 338)	(201 233)
Less: Withholding tax		(24 560)	(12 701)
Other investment related (expenses)/income, net		(1 264)	(2 744)
		(13 457 830)	10 047 171
Pension contributions	14		
From participants		1 040 470	990 272
From member organizations		2 070 460	1 969 606
Other contributions		10 341	9 387
		3 121 271	2 969 265
Pension benefits	15		
Withdrawal settlements and full commutation benefits		173 913	204 672
Retirement benefits		2 959 277	2 785 110
Other benefits/adjustments		(4 943)	(14 005)
		3 128 247	2 975 777
Income from services provided to the United Nations	2.3	8 304	7 995
Administrative expenses	16	83 040	99 010
Other expenses	17	1 665	1 766
(Decrease)/Increase in net assets available for benefits		(13 541 207)	9 947 878

The accompanying notes are an integral part of these financial statements.

III. Cash Flow Statement

(Thousands of United States dollars)

	Notes	For the Year 2022	For the Year 2021
Cash flows from investing activities:			
Purchase of investments		(41 841 243)	(28 640 783)
Proceeds from sale/redemption of investments		39 857 082	28 398 707
Dividends received from equity investments		804 019	880 167
Interest received from cash and cash equivalents and fixed income investments		548 588	575 541
Income received from unitized real estate funds		84 690	77 734
Other investment-related expenses, net		(3 684)	(2 744)
Transaction costs, management fees and other expenses paid		(200 988)	(203 165)
Withholding taxes reimbursement		12 571	12 409
Net cash (used) / provided by investing activities		(738 965)	1 097 866
Cash flows from operating activities:			
Contribution from member organizations and participants		3 094 327	2 964 729
Benefits payments		(3 133 540)	(2 961 765)
Net transfer (to)/from other plans		(974)	4 756
Administrative expenses paid		(105 837)	(84 464)
Other expenses paid		(1 670)	(1 766)
Services provided to the United Nations		8 304	7 995
Net cash (used) by operating activities		(139 390)	(70 515)
Net (decrease)/increase in cash and cash equivalents		(878 355)	1 027 351
Cash and cash equivalents at the beginning of year	4	1 625 122	591 585
Exchange gains on cash and cash equivalents		2 982	6 186
Cash and cash equivalents at the end of year	4	749 749	1 625 122

The accompanying notes are an integral part of these financial statements.

IV. Statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2022

(Thousands of United States dollars)

	Appropriation 2022 *	Actuals on a comparable basis 2022	Variance	Percentage
A. Secretariat of the Pension Board				
Posts	610.9	654.1	43.2	7
Other staff costs	47.2	11.1	(36.1)	(76)
Consultants	-	1.8	1.8	-
Travel of representatives	287.2	194.3	(92.9)	(32)
Travel of staff	40.0	36.4	(3.6)	(9)
Contractual services	235.1	59.3	(175.8)	(75)
General operating expenses	155.3	103.2	(52.1)	(34)
Furniture and equipment	-	1.4	1.4	-
Sub-total	1 375.7	1 061.6	(314.1)	(23)
B. Pension Administration				
Posts	31 352.6	31 923.1	570.5	2
Other staff costs	4 999.6	3 295.4	(1 704.2)	(34)
Hospitality	3.2	-	(3.2)	(100)
Consultants	323.6	68.3	(255.3)	(79)
Travel of staff	303.0	249.1	(53.9)	(18)
Contractual services **	16 912.4	17 972.9	1 060.5	6
General operating expenses	9 809.6	8 718.5	(1 091.1)	(11)
Supplies and materials	42.3	37.8	(4.5)	(11)
Furniture and equipment	561.0	183.2	(377.8)	(67)
Sub-total	64 307.3	62 448.3	(1 859.0)	(3)
C. Office of Investment Management				
Posts	22 427.2	20 897.7	(1 529.5)	(7)
Other staff costs	2 934.2	1 978.9	(955.3)	(33)
Hospitality	2.0	0.7	(1.3)	(65)
Consultants	183.6	168.1	(15.5)	(8)
Travel of representatives	88.2	27.8	(60.4)	(68)
Travel of staff	205.2	198.0	(7.2)	(4)
Contractual services	23 422.2	19 539.8	(3 882.4)	(17)
General operating expenses	4 665.7	4 021.7	(644.0)	(14)
Supplies and materials	13.3	21.5	8.2	62
Furniture and equipment	109.8	440.5	330.7	301
Sub-total	54 051.4	47 294.7	(6 756.7)	(13)
D. Audit				
External audit	393.2	393.2	-	-
Internal audit	1 691.5	1 724.0	32.5	2
Sub-total	2 084.7	2 117.2	32.5	2
Total administrative expenses	121 819.1	112 921.8	(8 897.3)	(7)

* The General Assembly approved the appropriation for 2022 in its resolution 76/246.

** Actuals include the expenditure for International Computing Centre of \$8.5 million.

The purpose of this statement is to compare budget to actual amounts on a comparable basis, i.e. actual amounts on the same basis as the budget. As the Pension Fund's budget is prepared on a modified cash basis and the actual costs on a comparable basis are consequently also shown on a modified cash basis, the total for actual costs on a comparable basis does not agree with the administrative expenses shown in the statement of changes in net assets as that statement is prepared on an accrual basis.

Explanation of significant differences (greater than +/-5 per cent) between budget and actual amounts on a comparable basis

A. Secretariat of the Pension Board

Posts: The overexpenditure relates primarily to higher actual salary cost resulting from higher actual post adjustments and lower-than-budgeted vacancy rates.

Other staff costs: The underexpenditure is due to lower-than-projected requirements for general temporary assistance.

Consultants: This expenditure is for technical consultation for interpretation services for the Pension Board meeting for which resources were provisioned under general operating expenses.

Travel: The underexpenditure primarily relates to decrease in the number of days of travel requirements for FAFICS to attend Board meeting from 10 to 6 days as well as the reduction in the number of travellers from six to four.

Contractual services: The underexpenditure is attributable to the utilization of internal resources to implement the decisions of the General Assembly on governance, instead of the resources specifically provisioned for it under contractual services.

General operating expenses: The underexpenditure is due to lower-than-anticipated expenditure for conference and catering services for the Pension Board meeting.

Furniture and equipment: This expenditure is for the acquisition of software for interpretation services for the Pension Board meeting for which resources were provisioned under general operating expenses.

B. Pension Administration

Other staff cost: The underexpenditure is attributable to lower-than-projected expenditure for general temporary assistance stemming from difficulties attracting and recruiting qualified temporary staff.

Hospitality: The underexpenditure is due to the absence of hospitality events in 2022.

Consultants: The underexpenditure is due to non-utilization of resources provisioned for: (a) conducting process mapping and develop business requirements for system enhancement and continuous improvement projects; (b) undertaking benchmarking studies; and (c) programme management for strategy deployment framework, as internal resources were utilized instead or postponed to 2023.

Travel: The underexpenditure relates to efforts by the Pension Administration to reduce travel expenditure, whenever feasible, by reducing the number of individuals traveling on official business and consolidating trips, as well as leveraging technology to conduct business meetings.

Contractual services: The overexpenditure is due to higher-than-budgeted cost of IT-related projects, including workflow implementation, enhancement and integration of the Integrated Pension Administration System, and migration of application servers to the cloud services.

General operating expense: The underexpenditure mainly relates to: (a) savings in the costs of utility and facility management, as well as lower real estate taxes for the New York Office; (b) savings in rent costs for the Geneva Office owing to the move from the Octagon building to the Palais de Nations buildings; (c) lower-than-anticipated cost of UN administrative services; and (d) non-utilization of resources for the review of Medical Board and UNAT cases.

Supplies and materials: The underexpenditure is due to the lower-than-projected requirements for supplies and materials, as staff continued to work remotely for the most part of the workweek.

Furniture and equipment: The underexpenditure relates to lower-than-anticipated requirement for the replacement of servers.

C. Office of Investment Management

Posts: The underexpenditure is primarily due to higher-than-budgeted vacancy rates, partly offset by higher actual post adjustments.

Other staff costs: The underexpenditure is attributable to lower-than-projected expenditure for general temporary assistance stemming from difficulties recruiting qualified temporary staff.

Hospitality: The underexpenditure is due to fewer hospitality events in 2022.

Consultants: The underexpenditure is due to lower-than-anticipated requirement for consultants for the culture transformation exercise.

Travel: The underexpenditure is due to cancellation or postponement of planned travel events.

Contractual services: The underexpenditure relates primarily to resources for data warehouse, target operating model and risk advisor owing to the timing of the procurement process.

General operating expenses: The underexpenditure mainly relates to lower real estate taxes and savings in the costs of utility and facility management.

Supplies and materials: The overexpenditure relates to the acquisition of market data license for which resources were provisioned under contractual services.

Furniture and equipment: The overexpenditure relates to the acquisition of network equipment to upgrade the IT infrastructure.

Notes to the Financial Statements

1. Description of the plan

1. The following is a brief description of the United Nations Joint Staff Pension Fund (“UNJSPF” or the “Fund”). The UNJSPF Regulations and Administrative Rules in force are available at the Fund’s website www.unjspf.org.

1.1 General

2. The UNJSPF was established by the United Nations General Assembly in 1949 to provide retirement, death, disability and related benefits for staff of the United Nations and the other international organizations admitted to membership in the Fund. The UNJSPF is a multiple employer defined benefit plan and there were twenty-five member organizations participating in the Fund as of 31 December 2022. All participating organizations and employees contribute to the UNJSPF based on pensionable remuneration. The contribution rate is a fixed rate of 7.9% for participants and 15.8% for employers (Note 3.5).

3. The Fund is governed by a Pension Board made up of (i) twelve members appointed by the United Nations Staff Pension Committee, four of whom are elected by the General Assembly, four from those appointed by the Secretary-General, and four from those elected by the participants in service in the United Nations; and (ii) twenty-one members appointed by the staff pension committees of the other member organizations in accordance with the Rules of Procedure of the Fund, seven of whom are chosen by the bodies of the member organizations corresponding to the General Assembly, seven from those appointed by the chief administrative officers of the member organizations and seven from those chosen by the participants in service.

1.2 Administration of the Fund

4. The United Nations Joint Staff Pension Board (“Pension Board”), a subsidiary organ of the General Assembly, has the overall supervisory responsibility for the administration of the Fund and for the observance of the Fund’s Regulations and Rules. The Pension Board appoints an independent Secretary who is responsible for a full range of secretariat conference management and services. The role of the Secretary of the Pension Board is distinct from the roles and responsibilities pertaining to all aspects of the management, administration and investments of the Fund. The Secretary of the Pension Board reports directly to the Pension Board.

5. The Chief Executive of Pension Administration (“Chief Executive”) is appointed by the Secretary-General on the recommendation of the Pension Board.

6. The Chief Executive acts under the authority of the Pension Board in the discharge of the latter’s responsibility for administrative supervision of the Fund as a whole. This includes responsibility for the strategic planning and operational direction; establishment of policy; the administration of the Fund’s operations and certification of benefit payments; risk management; regulatory compliance, the overall supervision of staff, as well as stakeholder communications. The Pension Administration staff, under the authority of the Chief Executive, provide technical support services, prepares background documentation, and offers guidance and advice to the Pension Board and its subsidiary bodies, including its Standing Committee and the Committee of Actuaries. The Chief Executive serves as Secretary of the United Nations Staff Pension Committee. The Chief Executive participates in the meetings of the Fifth Committee of the UN General Assembly, the Advisory Committee on Administrative and Budgetary Questions, the International Civil Service Commission and any other pertinent bodies. In accordance with article 7 (c) of the Fund’s Regulations, in the absence of the Chief Executive, the Deputy Chief Executive performs the functions of the Chief Executive.

7. The investment of the assets of the Fund is 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 Pension Board on the investments policy. The Secretary-General has delegated his authority and responsibility to act on his behalf in all matters involving his fiduciary duties related to the investment of the assets of the Fund to the Representative of the Secretary-General for the investment of the assets of the Fund (“RSG”). The RSG arranges for the maintenance of detailed accounts of all investments and other transactions relating to the Fund, which are open to examination by the Pension Board.

8. A range of administrative functions supporting the Pension Board Secretariat, the Pension Administration and the Office of Investment Management (“OIM”) are provided by the Fund’s executive office reporting to the Deputy Chief Executive.

9. The Chief Financial Officer (“CFO”) reports to the Chief Executive and to the RSG in their respective substantive responsibilities. The CFO is responsible for formulating financial policy for the Fund, for reviewing budgetary, financial and

accounting operations of the Fund and for ensuring that an adequate financial control environment of the UNJSPF is in place to protect the Fund's resources and guarantee the quality and reliability of financial reporting. Additionally, the CFO is responsible for setting the rules for the collection from the different information systems and areas of the Fund, the financial and accounting data necessary for the preparation of the Fund's financial statements and has full access to such systems and data. The CFO ensures that the financial statements are in compliance with the Fund's Regulations and Rules, the accounting standards adopted by the Fund, as well as the decisions of the Pension Board and the UN General Assembly. The CFO also certifies the Fund's financial statements.

1.3 Participation in the Fund

10. Members of the staff of each of the twenty-five member organizations of the Fund become participants in the Fund upon commencing employment under an appointment for six months or longer or upon completion of six months service without an interruption of more than thirty days. As of 31 December 2022, the Fund had contributors (participants) from member organizations/agencies including the main UN Secretariat, UNICEF, UNDP, UNHCR and other UN Funds and Programmes as well as the various specialized agencies such as FAO, WHO, IOM, ILO, IAEA, and UNESCO. (See Annex for a complete list of member organizations). Periodic benefits are currently paid to individuals in some 190 countries.

1.4 Operation of the Fund

11. Participant and beneficiary processing and queries are handled by Operations of the Pension Administration, in offices located in New York, Geneva, Nairobi, and Bangkok. All the accounting for operations is handled in New York by centralized Financial Services. The Financial Services of the Pension Administration also manage receipt of monthly contributions from member organizations and the disbursement of the monthly pension payroll.

12. The RSG is assisted by the staff of the OIM where investments are traded and processed, and investment transactions are reconciled and accounted for.

1.5 Actuarial valuation of the Fund

13. Article 12 of the Regulations of the UNJSPF provides that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years. The Fund performs actuarial valuations every two years and intends to continue doing so in the future. Article 12 further provides that the actuarial report shall state the assumptions on which the calculations are based, describe the methods of valuation used, and state the results, as well as the recommendations, if any, for appropriate action. See Note 18 for the actuarial situation of the Fund as of 31 December 2022.

1.6 Retirement benefit

14. Any participant who has five years of contributory service receives, upon separation at or after normal retirement age, a retirement benefit payable for the remainder of his or her life. "Normal retirement age" means age 60 for a participant whose service commenced prior to 1 January 1990; age 62 for a participant whose service commenced or recommenced on or after 1 January 1990 and before 1 January 2014; and age 65 for a participant whose service commences or recommences on or after 1 January 2014.

15. The standard annual rate of retirement benefit for a participant who enters the Fund on or after 1 January 1983 is the sum of:

- a) 1.5% of final average remuneration multiplied by the first five years of contributory service,
- b) 1.75% of final average remuneration multiplied by the next five years of contributory service,
- c) 2% of final average remuneration multiplied by the next twenty-five years of contributory service, and
- d) The years of contributory service in excess of 35 and performed as from 1 July 1995, by 1% of the final average remuneration, subject to a maximum total accumulation rate of 70%.

16. The standard annual rate of retirement benefit for a participant who entered the Fund prior to 1 January 1983, is 2 percent of final average remuneration multiplied by contributory service not exceeding 30 years plus 1 percent of final average remuneration multiplied by such service in excess of 30 years, not exceeding 10 years.

17. The maximum benefit to participants, subject to the terms specified in the UNJSPF Regulations and Rules, is the greater of 60 percent of pensionable remuneration at date of separation or the maximum benefit that would be payable, at that date, to a participant at level D-2 (top step for the preceding five years).

18. The retirement benefit shall however be payable at the minimum annual rate which is obtained by multiplying the years of the participant's contributory service, not exceeding 10, by the smaller of \$180 subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System or 1/30 of the final average remuneration.

19. The annual rate of the retirement benefit shall nevertheless not be less, when no other benefit is payable on account of the participant, than the smaller of \$300 subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System or the final average remuneration of the participant.

20. "Final average remuneration" means the average annual pensionable remuneration of a participant during the 36 completed months of highest pensionable remuneration within the last 5 years of contributory service.

21. A participant may, except in the case where a minimum benefit is payable and he or she does not waive the rights thereto, elect to receive (i) if the retirement benefit is \$300 per annum or more, a lump sum not greater than the larger of one-third of the actuarial equivalent of the retirement benefit (not exceeding the maximum amount payable to a participant then retiring at normal retirement age, with final average remuneration equal to the pensionable remuneration for the top step of level P-5) or the amount of the participant's own contributions at retirement, and the participant's retirement benefit is then reduced accordingly; or (ii) if the participant's retirement benefit is less than \$1,000 per annum, the lump sum actuarial equivalent of the full retirement benefit, including the prospective spouse's benefit, if any, if the participant so elects.

Early retirement

22. An early retirement benefit is payable to a participant whose age on separation is at least 55 (58 for a participant whose participation commenced on or after 1 January 2014) but less than the normal retirement age and who has 5 years or more of contributory service at separation.

23. The early retirement benefit for a participant whose participation commenced prior to 1 January 2014 is payable at the standard annual rate for a retirement benefit reduced by 6 percent for each year between retirement date and normal retirement age; except that (i) if the participant has completed 25 but less than 30 years of contributory service at the date of retirement, the part of the benefit for service before 1 January 1985 is reduced by 2 percent a year, and the remaining part of the benefit is reduced by 3 percent a year; or (ii) if the participant has completed 30 or more years of contributory service at the date of retirement, the benefit is reduced by 1 percent a year; provided however that the rate in (i) or (ii) applies to no more than five years. The methodology of calculation of the early retirement benefits for employees participating on or after 1 January 2014 is detailed in article 29 of the UNJSPF Regulations and Administrative Rules.

24. The early retiree may elect to receive a lump sum on the same terms as for a retirement benefit.

Separation from service prior to eligibility for early retirement

25. A deferred retirement benefit is payable to a participant whose age on separation is less than normal retirement age and who has 5 years or more of contributory service at separation. The deferred retirement benefit is payable at the standard rate for a retirement benefit and commences at normal retirement age. The participant may elect to have the benefit commence at any time once the participant becomes eligible to receive an early retirement benefit from the Fund on the same terms as for an early retirement benefit.

26. A withdrawal settlement is payable to a participant separating from service before normal retirement age or on or after normal retirement age if the participant is not entitled to a future retirement benefit. The participant receives his or her own contributions increased by 10 percent for each year of contributory service in excess of 5 years, to a maximum increase of 100 percent.

1.7 Disability benefit

27. A disability benefit is payable to a participant incapacitated for further service for a period likely to be permanent or of long duration.

28. The disability benefit is payable at the standard or minimum annual rate for a retirement benefit if the participant is at least normal retirement age at disability. If the participant is under normal retirement age, it is payable at the rate of the retirement benefit to which the participant would have been entitled if he or she had remained in service until normal retirement age and his or her final average remuneration had remained unchanged.

29. The annual rate of the benefit shall, notwithstanding the above, not be less, when no other benefit is payable on account of the participant, than the smaller of \$500 subject to subsequent adjustments in accordance with the movement of the United States CPI under the Pension Adjustment System] or the final average remuneration of the participant.

1.8 Survivor's Benefit

30. A benefit is payable to a surviving spouse of a participant who was entitled to a retirement, early retirement, deferred retirement, or disability benefit at the date of his or her death or who died in service if they were married at the time of separation and remained married at the time of death. Certain limitations on eligibility apply in cases of divorced surviving spouses. The surviving spouse's benefit is generally payable at half the amount of the participant's retirement or disability benefit and is subject to certain minimum levels.

1.9 Child benefit

31. A child's benefit is payable to each child under the age of 21 of a participant who is entitled to a retirement, early retirement, or disability benefit or who has died in service, while the child remains under 21. The benefit may also be payable in certain circumstances to a child that is over the age of 21, such as when the child is found to have been incapacitated for substantial gainful employment. The child benefit for each child is generally 1/3 of any retirement or disability benefit due to a participant or that would have been due in the case of a participant who died in service, subject to certain minimum amounts and also limited in maximum amount. In addition, there are certain total maximum amounts that apply in cases of multiple children of the same participant.

1.10 Other benefits

32. Other benefits include the secondary dependants' benefit and the residual settlement benefit. A full description of these benefits is available in the UNJSPF Regulations and Administrative Rules.

1.11 Pension adjustment system

33. The provisions of the Fund's Pension Adjustment System provide for periodic cost-of-living adjustments in benefits. In addition, for participants who retire in a country whose currency is not the US dollar, the current pension adjustment system is intended to ensure that, subject to certain minimum and maximum provisions, a periodic benefit never falls below the "real" value of its U.S. dollar amount, as determined under the Regulations, Administrative Rules and Pension Adjustment System, and preserves its purchasing power as initially established in the currency of the recipient's country of residence. This is achieved by establishing a dollar base amount and a local currency base amount (two-track system).

34. The "real" value of a U.S. dollar amount is that amount adjusted over time for movements of the U.S. Consumer Price Index (CPI), while the purchasing power of a recipient's benefit, once established in local currency, is preserved by adjusting it to follow movements of the CPI in his or her country of residence.

1.12 Funding policy

35. As a condition of participation in the Fund, participants are required to contribute 7.9% of their pensionable remuneration to the plan and earn interest at a rate of 3.25 percent per year in accordance with the article 11 (c) of the UNJSPF Regulations. The participants' contributions for the year ended 31 December 2022 and 31 December 2021 were \$1,040.5 million and \$990.3 million, respectively. The contribution figures do not include interest on the contributions.

36. The member organizations' funding policy is to make contributions on an estimated monthly basis and then to reconcile these estimated amounts in an annual year-end process. The member organizations' contributions are also expressed as a percentage of the participants' pensionable remuneration as defined in article 51 of the Regulations of the Fund. In accordance with the article 25 of the Fund's regulations, the member organizations' contribution rate is currently 15.8%; these contributions to the Fund totalled \$2,070.5 million and \$1,969.6 million during calendar year 2022 and 2021 respectively. When combined with the participants'

contributions and expected investments returns, total funding is estimated to be sufficient to provide for all employees' benefits by the time they retire.

37. The assets of the Fund are derived from:

- (a) The contributions of the participants;
- (b) The contributions of the member organizations;
- (c) The yield from the investments of the Fund;
- (d) Deficiency payments, if any, under article 26; and
- (e) Receipts from any other source.

1.13 Plan termination terms

38. Membership in the Fund may be terminated by decision of the General Assembly, upon the affirmative recommendation of the Pension Board, following application for termination by a member organization or continued default by an organization in its obligations under these Regulations.

39. In the event of such termination, a proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund on such date, pursuant to an arrangement mutually agreed between such organization and the Pension Board.

40. The amount of the proportionate share shall be determined by the Pension Board after an actuarial valuation of the assets and liabilities of the Fund.

41. In the event that an actuarial valuation of the Fund shows that its assets may not be sufficient to meet its liabilities under these Regulations, there shall be paid into the Fund by each member organization the sum necessary to make good the deficiency.

42. Each member organization shall, contribute to this sum an amount proportionate to the total contributions which each paid under article 25 during the three years preceding the valuation date.

43. The contribution of an organization admitted to membership less than three years prior to the valuation date shall be determined by the Pension Board.

1.14 Changes in Funding policy and Plan terminations terms during the reporting period

44. There were no changes in the funding policy and plan termination terms during the reporting period.

2. General information

2.1 Basis of presentation

45. In accordance with the Regulations of the Fund, adopted by the United Nations General Assembly, and the Fund's Administrative Rules, including the financial rules, made by the Pension Board and reported to the General Assembly and the member organizations, the accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards ("IPSAS") and International Accounting Standards ("IAS") 26, Accounting and reporting by retirement benefit plans. The financial statements of the Fund consist of the following:

- (a) A statement of net assets available for benefits;
- (b) A statement of changes in net assets available for benefits;
- (c) A statement of cash flows;
- (d) A statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses;
- (e) A note disclosing the actuarial present value of defined retirement benefits, distinguishing between vested benefits and non-vested benefits;
- (f) Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes

46. The Fund adopted IPSAS as of 1 January 2012. This also specifically included the adoption of IAS 26, Accounting and reporting by retirement benefit plans, of the International Financial Reporting Standards. While IAS 26 provides accounting guidance, it also offers direction on the presentation of financial statements, as it requires the presentation of a statement of net assets available for benefits and a statement of changes in net assets available for benefits. As the Fund has incorporated the guidance in IAS 26 into

its financial policies, the presentation of its financial statements is based on this guidance. On a voluntary basis and at the request of the Board of Auditors, the Fund has also presented cash flow statements on a comparative basis in accordance with IPSAS 2: Cash flow statements. Additional information is presented where required by IPSAS. For instance, as required by IPSAS 24: Presentation of budget information in financial statements, the Fund has included in its financial statements a comparison of budget and actual amounts on a comparable basis and a reconciliation between the actual amounts on a comparable basis (see note 21). While IPSAS 24 states that the actual cost on a comparable basis should be reconciled to the cash flows from operating, investing and financing activities as presented in the cash flow statement, management has decided to reconcile these amounts to the administrative expenses recognized in the statement of changes in net assets. This is due to the fact that the Fund's budget is limited to the administrative expenses incurred in a year.

47. The financial statements are prepared on an annual basis. The financial statements are presented in United States dollars and all values are rounded to the nearest thousand US dollars except where otherwise indicated.

2.2 Significant Standards, interpretations, and amendments during the year

48. In August 2018, The International Public Sector Accounting Standards Board (IPSASB) issued IPSAS 41: Financial Instruments. IPSAS 41 establishes new requirements for classifying, recognizing and measuring financial instruments and replaces those in IPSAS 29, Financial Instruments: Recognition and Measurement. IPSAS 41 is based on International Financial Reporting Standard (IFRS) 9, Financial Instruments, developed by the International Accounting Standards Board (IASB). The significant changes introduced by IPSAS 41 as compared to IPSAS 29 are: Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. The standard is effective for annual reporting periods beginning on or after 1 January 2023, with early adoption permitted. As the Fund's investments are already measured at fair value, the analysis undertaken by the Fund indicates that the impact of change on measurement of financial instruments is not expected to be material. The Fund expects to complete evaluating the requirements of IPSAS 41 in detail and the impact of change in disclosure requirements on the Fund's financial statements during the year 2023.

49. In January 2019, IPSASB issued IPSAS 42: Social Benefits. IPSAS 42 provides guidance on accounting for social benefits expenditure. Social benefits are defined as cash transfers provided to specific individuals and/or households who meet eligibility criteria; to mitigate the effect of social risks and address the needs of society as a whole. IPSAS 42 requires recognition of an expense and a liability for the next social benefit payment. This standard does not apply to cash transfers to individuals and households that do not address social risks, for example emergency relief. This standard is effective for annual reporting periods beginning on or after 1 January 2023, with early adoption permitted. An initial analysis indicates that the Fund does not expect any impact on its financial statements upon adoption of this accounting standard.

50. In January 2022, IPSASB issued IPSAS 43: Leases. IPSAS 43 provides guidance on recognition, measurement, presentation, and disclosure of leases by replacing IPSAS 13: Leases. For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13. This standard is effective for annual reporting periods beginning on or after 1 January 2025, with early adoption permitted. The Fund expects to complete evaluating the requirements of IPSAS 43 in detail and the impact of change in measurement and disclosure requirements on the Fund's financial statements during the year 2024.

51. Other accounting standards and amendments to the existing standards that have been issued by the IPSASB are either not expected to have any impact or have immaterial impact on the Fund's financial statements.

2.3 Other general information

52. The Fund compiles its financial statements with data collected from three main areas. For operational activities (pension contributions and pension benefits), the Fund maintains its own records on the Integrated Pension Administration System (IPAS). For investment activities, the Fund receives a monthly general ledger feed from the independent Record Keeper collected and reconciled from source data provided by the OIM and fund managers. For administrative expenses, the Fund utilizes UN systems (Umoja) to record and compile its administrative expense activity. Umoja provides information on a modified cash basis, which is

subsequently restated to a full accrual basis by the Fund. Some of the administrative expenses of the Fund, including costs associated with the administrative tasks of the UN Staff Pension Committee Secretariat performed by the Fund on behalf of the United Nations, are reimbursed by the United Nations under the terms of a cost sharing arrangement.

3. Significant accounting policies

3.1 Cash and cash equivalents

53. Cash and cash equivalents are held at nominal value and include cash on hand, cash held with external managers, and short-term highly liquid time deposits held with financial institutions with maturities of three months or less from date of acquisition.

3.2 Investments

3.2.1 Classification of investments

54. All investments of the Fund are designated at fair value through surplus and deficit. Consequently, the Fund's investments are carried and reported at fair value on the statement of net assets available for benefits with changes in fair value recognized in the statement of changes in net assets available for benefits. Purchases and sales of securities are recorded on trade date basis. The designation and classification of the investments are carried out at initial recognition and reassessed at each reporting date.

55. Any transaction costs arising as part of an investment trade designated at fair value are expensed and recognized in the statement of changes in net assets.

56. The Fund classifies its investments into the following categories:

- Equities (including exchange-traded funds (ETFs), common and preferred stocks, stapled securities, and publicly-traded real estate investment trusts)
- Fixed income (including Government and agencies securities, Corporate and Municipal/provincial bonds, Mortgage/Asset backed securities)
- Real assets (including investments in funds where the underlying assets are real assets such as real estate, infrastructure assets, and timberland)
- Alternative and other investments (including investments in private equity funds).

3.2.2 Valuation of financial instruments

57. The Fund uses the established and documented process of its independent Record Keeper for determining fair values which is reviewed and validated by the Fund at reporting date. Fair value is based on quoted market prices where available. If fair market value is not available, appropriate valuation techniques are used.

58. Investments in certain co-mingled funds, private equity and private real assets investment funds are not quoted in an active market and therefore do not have a readily determinable fair market value. However, the fund managers generally report investments of the funds on a fair value basis. Therefore, the Fund determines fair value using the net asset value (NAV) information as reported by the investee fund managers in the latest available quarterly capital account statements adjusted by any cash flows not included in the latest NAV reported by the investee fund manager. For financial assets and liabilities not designated at fair value through surplus and deficit, the carrying value approximates fair value.

3.2.3 Interest and dividend income

59. Interest income is recognized on a time-proportionate basis. It includes interest income from cash and cash equivalents and fixed income investments.

60. Dividend income is recognized on ex-dividend date when the right to receive payment is established.

3.2.4 Income from real assets and alternative investments

61. Income distributed from unitized funds is treated as income in the period in which they are earned.

3.2.5 *Receivable/payable from/to investments traded*

62. Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of net assets available for benefits. These amounts are recognized at the amount expected to be paid or received to settle the balance. Distributions from real assets and alternative fund investments declared but not received prior to year-end are also included under receivables from investments to the extent the latest available NAV of the fund that declares a distribution has recognized the distribution to be made.

63. Impairment of receivables from investments traded is recorded when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization, and default in payments are considered indicators that the receivable from investments traded is impaired.

3.3 **Tax status and withholding tax receivables**

64. The Fund's portfolio comprises of direct investments and indirect investments. Indirect investments are typically through an investment vehicle like Real Estate Investment Trusts, Exchange Traded Funds, Limited Liability Partnerships or Depository receipts. The Fund is exempt from national taxation of member states in accordance with Article 105 of the Charter of the United Nations and with Article II, Section 7(a) of the Convention on the Privileges and Immunities of the United Nations.

65. For direct investments some member states grant relief at source for the Fund's investment related transactions and income from investments whereas other member states continue to withhold taxes and reimburse the Fund upon filing of claim. In these instances, the Fund with assistance from the Fund's custodians or tax advisors file claims to the governmental taxing authorities for refunds on behalf of the Fund. Taxes withheld on direct investments are initially recognized as "Withholding tax receivable" in the statement of net assets available for benefits. After initial recognition if there is objective evidence that the taxes are not recoverable, the carrying amount of the asset is reduced through the use of an allowance account. Any amount considered to be unrecoverable is recognized in the statement of changes in net assets available for benefits and is included under "Withholding tax expense". At the end of the year, the Fund measures its withholding tax receivable at the amount deemed recoverable. The Fund does not currently have a confirmation of tax-exempt status in certain member states. Accordingly, the taxes withheld on direct investments in these jurisdictions are accrued and deemed not recoverable.

66. For indirect investments the investment vehicle is typically a taxable entity and the Fund is not directly responsible for any tax; further the taxes incurred by investment vehicle can seldom be attributed to the Fund other than investment in Depository receipts. Taxes attributed to the Fund on indirect investments are recognized in the statement of changes in net assets available for benefits and is included under "Withholding tax expense". To the extent the Fund is subsequently virtually certain that the taxes will be recovered the amount is recognized as "Withholding tax receivable" in the statement of net assets available for benefits.

67. The Fund also incurs cost on account of certain taxes which are based on the value of the transaction. Transaction based taxes include Stamp duty, Security Transaction Tax, Financial Transaction Tax amongst others. Transaction based taxes are recognized in the statement of changes in net assets available for benefits and is included under "Other Transaction Cost". To the extent the Fund is subsequently virtually certain that the taxes will be recovered the amount is recognized as "Other receivable" in the statement of net assets available for benefits and "Other income" in the statement of net assets available for benefits.

3.4 **Critical accounting estimates**

68. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Fair value of financial instruments

69. The Fund holds financial instruments that are not quoted in active markets. Fair values of such instruments are determined using appropriate valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed and modified as required. Where available, valuation models are calibrated by back testing to actual transactions to ensure that outputs are reliable. The Fund primarily relies on these tests performed by the investee company's independent auditors.

70. When fair value is based on an observable market price, the quoted price at the reporting date is used. The fair value of an asset in accordance with IPSAS 29 reflects a hypothetical exit transaction at the reporting date. Changes in market prices after the reporting date are therefore not reflected in asset valuation.

71. Fair value of financial instruments not quoted in an active market may also be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund exercises judgment on the quantity and quality of pricing sources used.

72. Where no market data is available, the Fund may value financial instruments using internal valuation models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are created using observable data to the extent practicable. However, in areas such as credit risk (both the Fund and counterparty), volatilities and correlations may require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

73. The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

74. The valuation of investments in Real Assets and Alternative investments through limited liability partnerships requires significant judgement due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such investments. The valuation of these investments is based on the valuation provided by the general partners or managers of the underlying investments. The Fund primarily relies on these tests performed by the investee company's independent auditors and the individual investment managers compliance with generally accepted accounting standards and valuation procedures.

Taxes

75. Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on withholding tax. Given the wide range of international investments, differences arising between the actual income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded during the year and tax receivable deemed recoverable at end of the year.

Impairment

76. Annual review to assess potential impairment is another area where the Fund exercises significant judgment.

Provision for the Fund's non-investment related receivables

77. A provision is established to reflect the position of the accounts receivable, for all non-performing overpayments of pension benefits that are two years or older as of the respective year-end date of the financial statements.

Actuarial assumptions

78. The Fund uses actuarial methods for the disclosure of employee benefit liabilities. The related assumptions are disclosed in Note 11 in respect to after-service health insurance and other employee benefits of the Fund's staff and in Note 18 for information on assumptions used for the actuarial liability to the beneficiaries of the Fund.

3.5 Contributions

79. Contributions are recorded on an accrual basis. Participants and their employing member organizations are required to contribute 7.9% and 15.8%, respectively, of their pensionable remuneration to the Fund. Each month the Fund accrues a receivable amount for contributions expected. When contributions are actually received, the receivable is offset. Contributions are due to be paid by member organizations by the second business day of the month following the month for which the contributions relate. The contributions vary based on changes in the number of participants, changes in the distribution of participants, changes in pensionable remuneration rates as a result of cost-of-living increases determined by the International Civil Service Commission, and the periodic grade step-increase to individual pensionable remuneration received by all participants.

3.6 Benefits

80. Payments of benefits, including withdrawal settlements, are recorded on an accrual basis. The right to a benefit is generally forfeited if, for two years (withdrawal settlement or residual settlement) or five years (retirement, early retirement, deferred retirement or disability benefit) after payment has been due, the beneficiary has failed to submit payment instructions or has failed or refused to accept payment. An estimated benefit liability is recognized for withdrawal settlements with a participation period of

less than five years for which the beneficiary has not submitted the payment instruction for 36 months from the time of the obligating event. The estimate is based on the average of the last five-year expense for such cases.

3.7 Accounting for non-US dollar denominated currency translations and balances

81. Non-US dollar denominated currency transactions are translated using the spot exchange rate between the functional currency and the non-US dollar denominated currency at the date of the transaction.

82. At each reporting date, non-US dollar denominated monetary items are translated using the closing spot rate. The Fund applies WM/Reuters Company rates (primary source) and Bloomberg and Refinitiv rates (secondary source) as spot rate for the investment activities and the United Nations Operational Rate of Exchange for non-investment activities. Exchange differences arising on the settlement of these monetary items or on translation of these monetary items at rates different from those at which they were previously translated are recognized in the change in net assets available for benefits in the period in which they arise.

3.8 Leases

83. All of the Fund's leases are categorized as operating leases. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

3.9 Property, plant & equipment (PP&E)

84. PP&E are stated at historical cost less accumulated depreciation and any impairment losses. All assets acquired for a cost of \$20,000 and above are capitalized. The Fund reviews this threshold annually for reasonableness. The Fund does not own land or buildings.

85. Depreciation is provided for PP&E over their estimated useful lives using the straight-line method. The estimated useful lives for PP&E classes are as follows:

Class	Estimated useful life in years
Computer equipment	4
Office equipment	4
Office furniture	10
Office fixtures and fittings	7
Audio/Visual equipment	7

86. Leasehold improvements are recognized as assets and valued at cost and are depreciated over the lesser of 7 years or the lease term. Impairment reviews are undertaken if indicators of impairment exist.

3.10 Intangible assets

87. Intangible assets are capitalized if their cost exceeds the threshold of \$20,000, except for internally developed software where the threshold is \$50,000. The capitalized cost of internally developed software excludes those costs related to research and maintenance. Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. Amortization is recognized over the estimated useful life using the straight-line method. The estimated useful lives for intangible asset classes are as follows:

Class	Estimated useful life in years
Software acquired externally	3
Internally developed software	6
Licenses and rights, copyrights and other intangible assets	Shorter of 3 years or the life of the asset

3.11 Emergency fund

88. The appropriation is made when the authorization is approved by the General Assembly. Participants wishing to avail themselves of this benefit make application to the Fund. After review and authorization, approved amounts are paid to the participant. Payments are charged directly against the appropriation account up to the authorized amount by the Pension Board. Current expense for the year is reported in the statement of changes in net assets available for benefits.

3.12 Provisions and contingent liabilities

89. A provision is recognized for future liabilities and charges if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

90. Contingent liabilities are disclosed for any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. Contingent liabilities are also disclosed where present obligations that arise from past events cannot be recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or the amount of the obligations cannot be reliably measured.

3.13 Employee benefits

91. Amongst certain short-term and other long-term benefits, the Fund provides its employees with certain post-employment benefits.

92. After-service health insurance and repatriation grant are classified as defined benefit schemes and accounted for as such.

93. The employees of the Fund are themselves participating in the UNJSPF. While the Fund is a defined benefit scheme, it has been classified as a multi-employer fund. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. The Fund in line with the other participating organizations in the Fund, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes, and hence has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39. UNJSPF's contributions to the plan during the financial period are recognized as expenses in the statement of changes in net assets available for benefits.

3.14 Reconciliation of budget information

94. The Fund's budget is prepared on a modified cash basis whereas the financial statements are prepared on an accrual basis.

95. The General Assembly approves the annual budget for UNJSPF's administrative expenses. Budgets may be subsequently amended by the General Assembly or through the exercise of delegated authority.

96. As required by IPSAS 24, the statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses for the year ended 31 December 2022 provides a comparison of budget and actual on a comparable basis. The comparison includes: the original budget amounts; the actual amounts on the same basis as the corresponding budgetary amounts and an explanation of material differences ($> \pm 5\%$) between the actual and budget amounts.

97. Note 21 provides a reconciliation of actual amounts presented on the same basis as the budget and administrative expense included in the Statement of changes in net assets.

3.15 Related party transactions

98. Parties are considered to be related when one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

99. The following parties are considered related parties for UNJSPF in 2022:

- a) Key management personnel: Chief Executive of Pension Administration, Representative of the Secretary-General, Deputy Chief Executive of Pension Administration, the Chief Investment Officer, Chief Financial Officer (Note 1.2)
- b) United Nations General Assembly
- c) 25 Member Organizations participating in UNJSPF
- d) International Computing Centre

100. A summary of the relationship and transactions with the above parties is given in Note 23.

3.16 Subsequent events

101. Any information about conditions that existed at the date of the statement of net assets available for benefits that is received after the reporting period but before the financial statements are signed and that is material to the Fund is incorporated in the financial statements.

102. In addition, any event that occurs after the date of the statement of net assets available for benefits but before the financial statements are signed that is material to the Fund are disclosed in the notes to the financial statements.

103. Only the Fund's management has the authority to amend these financial statements.

4. Cash and cash equivalents

104. Cash and cash equivalents include:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Cash at Bank – OIM	458 049	1 354 959
Cash at Bank – Pension Administration	202 464	212 581
Cash held by external managers - OIM	89 236	57 582
Total cash and cash equivalents	749 749	1 625 122

5. Financial instruments by category

105. The following tables provide an overview of all financial instruments held by category as of 31 December 2022 and 2021*:

(Thousands of United States dollars)

As of 31 December 2022			
	Financial instruments at fair value	Loans and receivables	Other financial liabilities
Financial assets as per statement of net assets available for benefits			
Cash and cash equivalents	749 749	-	-
Investments			
Equities	39 246 356	-	-
Fixed Income	24 131 952	-	-
Real assets	7 492 991	-	-
Alternative and other investments	6 566 220	-	-
Contributions receivable	-	70 607	-
Accrued income from investments	-	195 264	-
Receivable from investments traded	-	75 854	-
Withholding tax receivables	-	60 431	-
Other Assets	-	18 522	-
Total financial assets	78 187 268	420 678	-
Financial liabilities as per statement of net assets available for benefits			
Benefits payable	-	-	143 896
Payable from Investments traded	-	-	418 750
After-service health insurance and other employee benefit liabilities	-	-	94 375
Other accruals and liabilities	-	-	34 360
Total financial liabilities	-	-	691 381

* Non-financial assets and liabilities other than employee benefits are excluded from the table, as this analysis is required only for financial instruments.

Investments exceeding five percent of net assets

106. There were no investments representing five percent or more of net assets available for benefits as of 31 December 2022.

107. There were no investments representing five percent or more of equities, fixed income or alternatives and other investments as of 31 December 2022. The Fund held a total of \$867.4 million in two real estate funds as of 31 December 2022, which represented 5 per cent or more of investments in real assets category.

(Thousands of United States dollars)

As of 31 December 2021			
	Financial instruments at fair value	Loans and receivables	Other financial liabilities
Financial assets as per statement of net assets available for benefits			
Cash and cash equivalents	1 625 122	-	-
Investments			
Equities	52 022 627	-	-
Fixed Income	24 741 886	-	-
Real assets	6 613 872	-	-
Alternative and other investments	6 477 746	-	-
Contributions receivable	-	46 800	-
Accrued income from investments	-	144 168	-
Receivable from investments traded	-	9 627	-
Withholding tax receivables	-	64 701	-
Other Assets	-	22 265	-
Total financial assets	91 481 253	287 561	-
Financial liabilities as per statement of net assets available for benefits			
Benefits payable	-	-	154 441
Payable from Investments traded	-	-	15 767
After-service health insurance and other employee benefit liabilities	-	-	119 720
Other accruals and liabilities	-	-	19 711
Total financial liabilities	-	-	309 639

Investments exceeding five percent of net assets

108. There were no investments representing five percent or more of net assets available for benefits as of 31 December 2021.

109. There were no investments representing five percent or more of equities, fixed income or alternatives and other investments as of 31 December 2021. The Fund held a total of \$847.3 million in two real estate funds as of 31 December 2021, which represented 5 per cent or more of investments in real assets category.

6. Fair value measurement

110. IPSAS establishes a three-level fair value hierarchy under which financial instruments are categorized based on the significance of inputs to the valuation technique. Level 1 includes those securities where unadjusted quoted prices are available in active markets for identical assets or liabilities. Level 2 includes those securities where inputs other than quoted prices included within Level 1 are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 includes those securities where inputs for the asset or liability are not based on observable market data (that is, unobservable inputs). The level in the fair value hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level of information that is significant to the fair value measurement. If a fair value measurement of an investment uses observable inputs that require significant adjustment based on unobservable inputs, that investment is classified as Level 3.

111. Assessing the significance of a particular input to the fair value measurement of an investment in its entirety requires judgment, considering factors specific to the investment.

112. The following tables present the fair value hierarchy of the Fund's investments (by asset class) measured at fair value as of 31 December 2022 and 31 December 2021:

(Thousands of United States dollars)

Fair value hierarchy as of 31 December 2022	Level 1	Level 2	Level 3	Total
<u>Equities</u>				
Common and preferred stock	38 512 162	-	1 647	38 513 809
Funds-exchange traded funds	672 026	-	-	672 026
Funds-common stock	8 322	-	157	8 479
Stapled securities	52 042	-	-	52 042
Total Equities	39 244 552	-	1 804	39 246 356
<u>Fixed income</u>				
Government and agencies securities	-	18 767 582	-	18 767 582
Asset backed securities	-	151 173	-	151 173
Corporate bonds / Commercial paper	-	4 561 916	22 789	4 584 705
Municipal/provincial bonds	-	170 485	-	170 485
Commercial mortgage-backed	-	405 252	-	405 252
Funds - corporate bond	-	-	52 755	52 755
Total Fixed Income	-	24 056 408	75 544	24 131 952
<u>Real Assets</u>				
Real estate funds	-	224 594	6 905 604	7 130 198
Infrastructure assets	-	-	362 330	362 330
Timberlands	-	-	463	463
Total Real Assets	-	224 594	7 268 397	7 492 991
<u>Alternatives and other investments</u>				
Private equity	-	-	6 566 220	6 566 220
Total Alternatives and other investments	-	-	6 566 220	6 566 220
Total	39 244 552	24 281 002	13 911 965	77 437 519

(Thousands of United States dollars)

Fair value hierarchy as of 31 December 2021	Level 1	Level 2	Level 3	Total
<u>Equities</u>				
Common and preferred stock	50 143 927	-	2 448	50 146 375
Funds-exchange traded funds	1 800 533	-	-	1 800 533
Funds-common stock	13 573	-	601	14 174
Stapled securities	61 545	-	-	61 545
Total Equities	52 019 578	-	3 049	52 022 627
<u>Fixed income</u>				
Government and agencies securities	-	23 123 799	-	23 123 799
Asset backed securities	-	207 406	-	207 406
Corporate bonds / Commercial paper	-	587 638	22 789	610 427
Municipal/provincial bonds	-	38 991	-	38 991
Commercial mortgage-backed	-	705 297	-	705 297
Funds - corporate bond	-	-	55 966	55,966
Total Fixed Income	-	24 663 131	78 755	24 741 886
<u>Real Assets</u>				
Real estate funds	-	224 791	6 246 587	6 471 378
Infrastructure assets	-	-	125 518	125 518
Timberlands	-	-	16 976	16 976
Total Real Assets	-	224 791	6 389 081	6 613 872
<u>Alternatives and other investments</u>				
Private equity	-	-	6 477 746	6 477 746
Total Alternatives and other investments	-	-	6 477 746	6 477 746
Total	52 019 578	24 887 922	12 948 631	89 856 131

Equities:

113. Common and preferred stocks, exchange traded funds, and stapled securities were classified under Level 1 if bid prices were available from institutional vendors.

114. Common stock funds amounting to \$0.2 million as of 31 December 2022 (31 December 2021: \$0.6 million) were valued using a net asset value (NAV) approach and hence classified under Level 3. Common and preferred stocks amounting to \$1.6 million as of 31 December 2022 (31 December 2021: \$2.4 million) were either temporarily restricted for trading due to corporate action or bid price available from unobservable market data and hence classified under Level 3.

Fixed income:

115. The vast majority of the fixed income securities prices were not obtained from an active market directly, which would have led to a Level 1 classification. Instead, prices were obtained through brokers' bids which were indicative quotes and therefore classified as Level 2.

116. Corporate bond funds amounting to \$52.8 million as of 31 December 2022 (31 December 2021: \$56.0 million), and corporate bonds / commercial paper amounting to \$22.8 million as of 31 December 2022 (31 December 2021: \$22.8 million) were considered to be Level 3. Inputs for the value of these investments, while available from third party sources were not well defined readily observable market data. Consequently, the Fund has decided to classify such investments as Level 3.

Real assets and alternatives and other investments:

117. Real assets amounting to \$7,268.4 million as of 31 December 2022 (31 December 2021: \$6,389.1 million), net of carried interest of \$242.4 million (31 December 2021: \$250.1 million) as well as alternative and other investments amounting to \$6,566.2 million as of 31 December 2022 (31 December 2021: \$6,477.7 million), net of carried interest of \$482.03 million (31 December 2021: \$502.9 million) were classified under Level 3 as they were priced using the net asset value (NAV) methodology for which the Fund was unable to corroborate or verify using observable market data. In addition, limited options were available to the investors to redeem units, hence making the investments in such funds relatively illiquid.

118. Two real estate funds amounting to \$224.6 million (31 December 2021: \$224.8 million) which were readily redeemable at net asset value without penalties were classified as Level 2 assets representing the NAV as reported by the fund manager.

119. The following table presents the inter-level transfers for the year ended 31 December 2022:

(Thousands of United States dollars)

	Level 1	Level 2	Level 3	Total
<u>Transfer into</u>				
Fixed income	-	-	-	-
Equities	2 448	-	-	2 448
Real assets	-	-	-	-
Alternatives and other Investment	-	-	-	-
Total	2 448	-	-	2 448
<u>Transfer out of</u>				
Fixed income	-	-	-	-
Equities	-	-	(2 448)	(2 448)
Real assets	-	-	-	-
Alternative and other investment	-	-	-	-
Total	-	-	(2 448)	(2 448)

120. For the year ended 31 December 2022, there was a transfer of one equity income security amounting to \$2.4 million out of Level 3 and into Level 1. The security was classified as Level 3 as of 31 December 2021 due to restriction on trading consequent to a corporate action.

121. There were no transfers between levels for the year ended 31 December 2021.

122. The following table presents the movements in Level 3 instruments for the year ended 31 December 2022 by class of financial instrument:

(Thousands of United States dollars)

	Equities	Fixed Income	Real assets	Alternative and ther investments	Total
Opening balance	3 049	78 755	6 389 081	6 477 746	12 948 631
Purchases	3 847	2 811	1 473 732	1 398 864	2 879 254
Sales/ Return of capital	(387)	-	(674 595)	(996 876)	(1 671 858)
Transfers (out) / in of level 3	(2 448)	-	-	-	(2 448)
Net gains and losses recognized in the statement of changes in net assets available for benefits	(2 257)	(6 022)	80 179	(313 514)	(241 614)
Closing balance	1 804	75 544	7 268 397	6 566 220	13 911 965
Change in unrealized gains and losses for level 3 assets held at the period end and included in statements of changes in net assets available for benefits	(1 384)	(6 022)	(88 179)	(474 620)	(570 205)

123. The following table presents the movements in Level 3 instruments for the year ended 31 December 2021 by class of financial instrument:

(Thousands of United States dollars)

	Equities	Fixed Income	Real assets	Alternative and other investments	Total
Opening balance	3 274	76 673	5 415 648	4 641 189	10 136 784
Purchases	2 685	2 995	1 106 708	1 655 736	2 768 124
Sales/ Return of capital	(4 370)	-	(1 183 996)	(1 495 719)	(2 684 085)
Transfers (out) / in of level 3	-	-	-	-	-
Net gains and losses recognized in the statement of changes in net assets available for benefits	1 460	(913)	1 050 721	1 676 540	2 727 808
Closing balance	3 049	78 755	6 389 081	6 477 746	12 948 631
Change in unrealized gains and losses for level 3 assets held at the period end and included in statements of changes in net assets available for benefits	2 591	(913)	706 463	1 524 594	2 232 735

7. Accrued income from investments

124. Accrued income from investments is income earned during the year which has yet to be received as of the date of the statement of net assets available for benefits.

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Fixed income securities, cash and cash equivalents	137 238	94 987
Dividends receivable on equities	39 461	40 856
Real assets and alternative investments	18 565	8 325
Total accrued income from investments	195 264	144 168

8. Withholding tax receivables

125. Withholding tax receivable as of 31 December 2022 and 2021 and withholding tax expense for the year ended 31 December 2022 and 2021 by country are as follows:

(Thousands of United States dollars)

Country	For the year 2022			As of 31 December 2022			For the year 2021			As of 31 December 2021		
	Tax withheld	Tax received	Tax expense	Tax recoverable	Deemed not recoverable	Tax receivable	Tax withheld	Tax received	Tax expense	Tax recoverable	Deemed not recoverable	Tax receivable
Australia	25	-	103	867	(42)	825	384	-	50	903	-	903
Austria	105	-	8	239	-	239	147	-	5	142	-	142
Belgium	705	93	651	1 502	(599)	903	346	127	57	942	-	942
Brazil	287	-	287	307	(307)	-	187	-	187	286	(286)	-
Canada	-	-	13	12	(12)	-	-	-	-	13	-	13
Chile	311	184	109	81	(8)	73	399	429	(44)	55	-	55
China	3 496	-	1 810	22 015	(20 329)	1 686	5 006	220	4 786	20 318	(20 318)	-
Colombia	8	-	48	228	(5)	223	153	1	31	263	-	263
Czechia	236	-	(9)	407	-	407	163	451	3	162	-	162
Denmark	1 111	-	81	2 254	-	2 254	1 151	-	51	1 224	-	1 224
Egypt	3 236	-	2 277	4 728	-	4 728	2 283	-	0	3 769	-	3 769
Finland	-	-	117	1 787	-	1 787	1 469	-	112	1 904	-	1 904
Germany	7 038	-	8 909	25 239	(7 748)	17 491	6 129	7 426	1 668	19 362	-	19 362
Greece	-	-	-	105	(105)	-	-	-	-	112	(112)	-
India	175	-	78	741	-	741	110	-	10	644	-	644
Indonesia	1 889	-	1 889	5 125	(5 125)	-	3 391	-	3 391	3 660	(3 660)	-
Ireland	6	-	9	154	-	154	166	-	9	157	-	157
Japan	-	-	-	3	(3)	-	-	-	4	4	(4)	-
Luxembourg	59	1	1	105	(18)	87	31	-	22	49	(19)	30
Mexico	-	-	-	58	(58)	-	-	-	-	55	(55)	-
Netherlands	1 742	1 114	151	2 740	-	2 740	1 231	689	127	2 263	-	2 263
Norway	-	-	21	179	-	179	-	368	13	200	-	200
Papua New Guinea	-	-	-	17	(17)	-	-	-	-	21	(21)	-
Philippines	394	-	205	1 818	(59)	1 759	630	-	94	1 570	-	1 570
Russian Federation	-	3 760	(3 345)	355	(355)	-	2 925	1 249	1 263	761	(346)	415
Singapore	65	41	(1)	76	-	76	51	56	2	51	-	51
Spain	1 529	800	(9)	1 137	-	1 137	1 204	926	28	399	-	399
Sweden	558	-	68	1 409	(29)	1 380	900	-	20	920	(30)	890
Switzerland	9 595	6 507	10 902	31 066	(10 167)	20 899	8 652	-	486	28 713	-	28 713
Thailand	123	-	123	323	(323)	-	214	-	214	204	(204)	-
Türkiye	-	-	-	106	(106)	-	-	-	81	149	(149)	-
United Kingdom	168	71	64	676	(13)	663	339	467	31	636	(6)	630
Total	32 861	12 571	24 560	105 860	(45 429)	60 431	37 661	12 409	12 701	89 911	(25 210)	64 701

126. In Brazil, in some provinces in China and for certain periods in Greece, Luxembourg, Mexico, Papua New Guinea, the Russian Federation, Sweden, and Türkiye, there are no formally established reclamation mechanism in place and in these cases the Fund with assistance from the Fund's custodians or the tax advisors have thus far been unable to file and / or reclaim the taxes withheld. While these member states have confirmed the Fund's tax-exempt status, the taxes withheld from direct investments in these countries are accrued and continue to be deemed not recoverable in 2022, unless there is certainty of reclaim in subsequent years. The Fund does not currently have a confirmation of tax-exempt status for Indonesia and Thailand. Accordingly, the taxes withheld on direct investments in Indonesia and Thailand are accrued and deemed not recoverable in 2022. For Belgium, Switzerland and Germany, while in accordance with accounting policy withholding tax recoverable over 3 years are deemed not recoverable, the Fund's custodian has filed requests for reclaim. Consistent with the Fund's prior experience, refunds are anticipated despite delays due to the ongoing health pandemic.

127. Aging analysis of withholding tax receivable as of 31 December 2022 and 2021 is as follows:

(Thousands of United States dollars)

Country	As of 31 December 2022			As of 31 December 2021		
	3 years or more	Less than 3 years	Tax receivable	3 years or more	Less than 3 years	Tax receivable
Australia	-	825	825	-	903	903
Austria	-	239	239	-	142	142
Belgium	-	903	903	-	942	942
Canada	-	-	-	-	13	13
Chile	-	73	73	-	55	55
China	301	1 385	1 686	-	-	-
Colombia	-	223	223	-	263	263
Czechia	-	407	407	-	162	162
Denmark	-	2 254	2 254	-	1 224	1 224
Egypt	-	4 728	4 728	-	3 769	3 769
Finland	-	1 787	1 787	-	1 904	1 904
Germany	-	17 491	17 491	8 257	11 105	19 362
India	-	741	741	-	644	644
Ireland	-	154	154	-	157	157
Luxembourg	-	87	87	-	30	30
Netherlands	21	2 719	2 740	16	2 247	2 263
Norway	-	179	179	-	200	200
Philippines	-	1 759	1 759	-	1 570	1 570
Russian Federation	-	-	-	-	415	415
Singapore	-	76	76	-	51	51
Spain	-	1 137	1 137	-	399	399
Sweden	-	1 380	1 380	-	890	890
Switzerland	-	20 899	20 899	-	28 713	28 713
United Kingdom	-	663	663	-	630	630
Total	322	60 109	60 431	8 273	56 428	64 701

9. Other assets

128. The other assets included in the statement of net assets available for benefits are broken down as follows:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Prepayments and benefits receivable	18 349	21 451
Property, plant and equipment	1 322	106
Intangible assets in use	459	-
Intangible assets under development	-	272
Other receivables	173	814
Total	20 303	22 643

9.1 Prepayments and benefits receivables

129. An overview of the prepayments and other accounts receivable held by the Fund is as follows:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Prepayments	9 215	10 766
Advance benefit payments due to payroll conversion	4 006	4 786
Benefits receivable	10 598	11 214
Benefits receivable – provision	(5 470)	(5 315)
Total	18 349	21 451

9.2 Property, plant & equipment

130. An overview of the fixed assets held by the Fund is as follows:

(Thousands of United States dollars)

	IT Equipment	Leasehold Improvements		Total
	in use	in use	under construction	
Cost				
1 January 2022	770	15 944	106	16 820
Additions	45	1 503	(106)	1 442
Disposals / Transfers	(108)	-	-	(108)
31 December 2022	707	17 447	-	18 154
Accumulated depreciation				
1 January 2022	770	15 944	-	16 714
Depreciation	11	215	-	226
Disposals / Transfers	(108)	-	-	(108)
31 December 2022	673	16 159	-	16 832
Net book value				
31 December 2022	34	1 288	-	1 322

(Thousands of United States dollars)

	IT Equipment	Leasehold Improvements		Total
	in use	in use	under construction	
Cost				
1 January 2021	1 354	18 624	-	19 978
Additions	-	-	106	106
Disposals / Transfers	(584)	(2 680)	-	(3 264)
31 December 2021	770	15 944	106	16 820
Accumulated depreciation				
1 January 2021	1 354	18 624	-	19 978
Depreciation	-	-	-	-
Disposals / Transfers	(584)	(2 680)	-	(3 264)
31 December 2021	770	15 944	-	16 714
Net book value				
31 December 2021	-	-	106	106

131. The leasehold improvements in use and under construction included above relate to the Fund's improvements to its offices at New York.

9.3 Intangible assets

132. An overview of the intangible assets held by the Fund is as follows:

(Thousands of United States dollars)

	Intangible assets in use	Under Construction	Total Intangible assets
Cost			
1 January 2022	20 336	272	20 608
Additions	551	(272)	279
Transfers	-	-	-
Disposals	-	-	-
31 December 2022	20 887	-	20 887
Accumulated amortization			
1 January 2022	20 336	-	20 336
Amortization	92	-	92
Disposals	-	-	-
31 December 2022	20 428	-	20 428
Net book value			
31 December 2022	459	-	459

(Thousands of United States dollars)

	Intangible assets in use	Under Construction	Total Intangible assets
Cost			
1 January 2021	20 336	-	20 336
Additions	-	272	272
Transfers	-	-	-
Disposals	-	-	-
31 December 2021	20 336	272	20 608
Accumulated amortization			
1 January 2021	20 336	-	20 336
Amortization	-	-	-
Disposals	-	-	-
31 December 2021	20 336	-	20 336
Net book value			
31 December 2021	-	272	272

10. Benefits payable

133. The amount shown in the statement of net assets is broken down as follows:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Withdrawal Settlements	75 347	95 781
Lump sum payments	27 492	19 065
Periodic benefits payable	40 293	38 283
Other benefits payables/adjustments	764	1 312
Total	143 896	154 441

11. After-service health insurance and other employee benefits

134. A breakdown of the after-service health insurance (ASHI) and other benefits payable amount shown in the statement of net assets is as follows:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
ASHI liability	83 598	106 946
Annual leave	5 478	6 630
Repatriation grant and related costs	4 395	5 324
Education grant and related costs	482	437
Home leave	422	383
Total	94 375	119 720

ASHI, annual leave, and repatriation grants liability:

135. The Fund provides its employees, who have met certain eligibility requirements, with the following after-service and end-of-service benefits.

- Health care benefits after they retire. This benefit is referred to as after-service health insurance (ASHI).
- Repatriation benefits to facilitate the relocation of expatriate staff members.
- Annual leave benefits to provide staff members with periods of time off from work at full pay for personal reasons and for purposes of health, rest, and recreation. Upon separation from service, staff members who have accrued unused annual leave will be paid for each day of unused leave up to a maximum of 60 days.

136. The liabilities as of 31 December 2022 were the result of the roll-forward to 31 December 2022 of the end-of-service benefit obligations as of 31 December 2021 for the Fund by the consulting actuary; and:

- health insurance premium and contribution data provided by the United Nations;
- actual retiree claims experience under health insurance plans;
- estimated travel and shipment costs and annual leave balances reported by the United Nations in the census data;
- various economic, demographic, and other actuarial assumptions; and
- generally accepted actuarial methods and procedures.

137. In performing the roll-forward to 31 December 2022, only the financial assumptions such as the discount rates, inflation and health care cost trend rates were reviewed as of 31 December 2022 and updated when necessary. All other assumptions remain the same as those used for the full valuation as of 31 December 2021.

138. The key assumptions in the calculation of after-service liabilities are the discount rate and healthcare trend rates. The discount rate is based on the “spot” rate that reflects the market expectations at the time of the calculations to meet future expected benefit payments, based on high quality bonds. The discount rate is then the equivalent single rate that would produce the same liability as the full spot curve using the multiple bonds necessary to meet the future cash flow expectations.

139. The yield curves used in the calculation of the discount rates in respect of the United States dollars, the eurozone Euro and the Swiss franc are those developed by Aon Hewitt, consistent with the decision of the United Nations Task Force on Accounting Standards to harmonize actuarial assumptions across the United Nations system.

140. For 31 December 2022, the single equivalent discount rates were selected and determined by the Fund, as follows:

- 4.80% for ASHI scheme
- 5.09% for repatriation benefits
- 5.12% for annual leave

141. For 31 December 2021, the single equivalent discount rates were selected and determined by the Fund, as follows:

- 2.76% for ASHI scheme
- 2.68% for repatriation benefits
- 2.76% for annual leave

142. For comparison purposes, the table below shows the percentage change due to a 0.5% change in the discount rate.

Discount rate	ASHI	Repatriation benefit	Annual leave
Increase of 0.5%	9% decrease	4% decrease	4% decrease
Decrease of 0.5%	10% increase	4% increase	4% increase

143. The comparison of health-care cost trend rates is as follows:

	31 December 2022	31 December 2021
US Non Medicare	6.50% trending down to 3.85% after 9 years	5.17% trending down to 3.95% after 10 years
US Medicare	6.50% trending down to 3.85% after 9 years	5.03% trending down to 3.95% after 10 years
US Dental	6.50% trending down to 3.85% after 9 years	4.53% trending down to 3.95% after 10 years
Non US - Switzerland	4.25% trending down to 2.55% after 6 years	3.44% trending down to 2.25% after 7 years
Non US - Eurozone	5.20% trending down to 4.15% after 11 years	3.75% and no change

144. For comparison purposes, the table below shows the changes in the obligations due to a 0.5% change in the assumed medical cost trend rate (thousands of United States dollars):

2022	Increase	Decrease
Effect on the defined-benefit obligation	9 320	(8 070)
Effect on the aggregate of the current service cost and interest rate	1 019	(866)
2021	Increase	Decrease
Effect on the defined-benefit obligation	12 679	(10 984)
Effect on the aggregate of the current service cost and interest rate	1 078	(3 130)

145. The decrease in the total ASHI liabilities reported from 31 December 2021 to 31 December 2022 is primarily due to the impact of changing the financial assumptions, in particular the increase in the discount rates for benefits denominated in USD.

146. The following table illustrates the movements in post-employment net defined-benefits liabilities:

(Thousands of United States dollars)

	2022			2021		
	ASHI	Repatriation grant	Annual leave	ASHI	Repatriation grant	Annual leave
Net defined-benefit liability as of 1 January	106 946	5 324	6 630	105 186	5 493	4 882
Current service cost	6 575	313	483	4 444	328	399
Interest cost	2 938	136	175	2 550	111	105
Benefits paid	(1 307)	(480)	(611)	(1 300)	(347)	(386)
Actuarial (gains)/losses	(31 554)	(898)	(1 199)	(3 934)	(261)	1 630
Net defined-benefit liability as of 31 December	83 598	4 395	5 478	106 946	5 324	6 630

147. The following table illustrates the estimated benefit payments net of participant contributions for the next 10 years.

(Thousands of United States dollars)

	Year					
	2023	2024	2025	2026	2027	2028 to 2032
ASHI	1 496	1 678	1 858	2 030	2 223	14 246
Repatriation grant	479	396	370	351	398	1 505
Annual leave	559	459	409	408	410	1 821

148. Other specific key assumptions used in the calculations based on census data as of 31 October 2021 were as follows:

ASHI

149. 273 active staff were included in the calculation: 234 U.S. based and 36 Non-U.S. based. 102 retired staff or their surviving spouses were included in the calculation: 79 U.S. based and 20 non-U.S. based. In addition, 3 active staff and 3 retirees or their surviving spouses that participated in dental only plans were included. For active staff, the average age was 48 years with 10 years of service. The average age of retirees was 70 years.

Repatriation Benefits

150. Staff members who are appointed as international staff are eligible for the payment of repatriation grant after one year of active service outside his or her country of nationality as long as the reason for separation is not summary dismissal or abandonment of post.

151. The amount ranges from 2-28 weeks of salary depending on the category of employment and years of service of the eligible staff. Travel and shipment of personal effects may also be authorized to the recognized country of home leave.

152. 114 eligible staff with an average annual salary of \$85,872 were considered.

Annual Leave

153. Staff are entitled to accrue annual leave from the date of their appointment. Staff members who, upon separation from service, have accrued leave will be paid up to a maximum of 60 days if on a fixed-term appointment or up to 18 days on a temporary appointment. Payment amount is calculated at 1/261 of applicable salary amounts for each unused annual leave day.

154. 345 active staff with an average annual salary of \$106,380 were considered.

12. Other accruals and liabilities

155. The amount shown as other accruals and liabilities in the financial statements is broken down as follows:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Accruals for management fees and expenses	20 261	7 115
Accrual for contractual services	159	49
Restoration payable	3 266	3 686
Operating leases accrual	6 094	6 274
UN payable	4 249	2 192
Audit fee accrual	197	197
Other	134	198
Total	34 360	19 711

13. Investment income

156. The following table summarizes the Fund's income from investments net of transaction costs recognized during the period. Any transaction cost which can be allocated to a single transaction or trade is netted off against investment income. Examples are broker commissions, other transaction costs and management fees. Any management expense charged to the income statement of a real asset or alternative fund was recorded separately as management expenses in the Fund's statement of changes in net assets and included under transaction costs.

157. In some jurisdictions, the Fund receives dividend income, interest income and real estate income without any withholding tax. This is primarily a result of the fact that pension funds are exempt from withholding taxes in many jurisdictions. However, a number of jurisdictions do not provide this benefit to all pension funds but recognize that UNJSPF is part of the UN and hence exempt from national taxation of member states on its direct investments in accordance with Article 105 of the Charter of the United Nations and with Article II, Section 7 (a) of the 1946 Convention on the Privileges and Immunities of the United Nations (refer to Note 3.3). The Fund is not able to reliably measure the value of the additional tax exemption obtained by being part of the UN and therefore does not disclose the value of this additional benefit on the face of the statement of changes in net assets available for benefits as non-exchange income in accordance with IPSAS 23: Revenue from non-exchange transactions.

(Thousands of United States dollars)

	2022	2021
Total change in fair value for financial assets designated at fair value	(14 739 883)	8 709 060
Interest income		
Interest income on cash and cash equivalents	8 447	-
Interest income on fixed income instruments	583 567	582 824
Total interest income	592 014	582 824
Total dividend income	830 219	893 950
Total income from unitized real estate funds	85 982	78 015
Transaction costs		
Real assets and alternative investments management fees	(170 752)	(163 486)
External managers management fees	(14 803)	(16 466)
Brokerage commissions	(11 285)	(12 880)
Other transactions cost	(3 498)	(8 401)
Total transaction cost	(200 338)	(201 233)
Withholding tax	(24 560)	(12 701)
Other investment related expenses, net	(1 264)	(2 744)
Net investment (loss)/income	(13 457 830)	10 047 171

158. The following tables present the change in fair value of investments by asset class as a result of change in market price and currency exchange rate for the year ended 31 December 2022 and 31 December 2021.

(Thousands of United States dollars)

	2022			2021		
	Market price	Currency*	Total change	Market price	Currency*	Total change
Equities	(10 697 469)	(860 099)	(11 557 568)	7 729 315	(695 609)	7 033 706
Fixed Income	(2 986 009)	(111 672)	(3 097 681)	(1 025 500)	(199 286)	(1 224 786)
Real assets investments	230 378	(67 868)	162 510	1 197 848	(48 326)	1 149 522
Alternative investments	(204 432)	(30 093)	(234 525)	1 776 365	(25 928)	1 750 437
Cash, cash equivalents and receivable and payable from investment traded	-	(12 619)	(12 619)	-	181	181
Total change in fair value for financial assets designated at fair value	(13 657 532)	(1 082 351)	(14 739 883)	9 678 028	(968 968)	8 709 060

*Change in currency exchange (loss) / gain includes \$482.0 million of realized currency exchange loss (2021: a loss of \$71.2 million) and \$600.3 million unrealized currency exchange loss (2021: a loss of \$897.7 million).

14. Pension contributions

159. Pension contributions received in the period are broken down as follows:

(Thousands of United States dollars)

	2022	2021
Contribution from participants		
Regular contributions	1 034 508	984 174
Contribution for validation	722	629
Contribution for restoration	5 240	5 469
	1 040 470	990 272
Contributions from member organizations		
Regular contributions	2 069 016	1 968 348
Contribution for validation	1 444	1 258
	2 070 460	1 969 606
Other contributions		
Contributions for participants transferred in under agreements	3 137	8 101
Receipts of excess actuarial value over regular contributions	596	319
Other contributions/adjustments	6 608	967
	10 341	9 387
Total contributions for the period	3 121 271	2 969 265

160. The contributions vary based on changes in the number of participants, changes in the distribution of participants, changes in pensionable remuneration rates as a result of cost-of-living increases determined by ICSC, and the periodic step-increase to individual pensionable remuneration received by all participants.

15. Pension benefits

161. Pension benefits in the period are broken down as follows:

(Thousands of United States dollars)

	2022	2021
Withdrawal settlements and full commutation of benefits		
For contributory services of 5 years or less	50 188	51 780
For contributory services more than 5 years	123 725	152 892
	173 913	204 672
Retirement benefits		
Full retirement benefits	1 574 112	1 460 664
Early retirement benefits	806 338	778 423
Deferred retirement benefits	127 773	119 081
Disability benefits	107 139	101 386
Survivor's benefits	304 932	290 783
Child's benefits	38 983	34 773
	2 959 277	2 785 110
Other benefits/adjustments		
Payments for participants transferred out under agreements	4 110	3 345
Forfeitures	(5 975)	(14 144)
Other benefits/adjustments	(3 078)	(3 206)
	(4 943)	(14 005)
Total pension benefits for the period	3 128 247	2 975 777

16. Administrative expenses

162. Administrative expenses in 2022 are as follows:

(Thousands of United States dollars)

	2022				
	Secretariat of the Pension Board	Pension Administration	Office of Investment Management	Audit	Total
Established posts (excluding change in the value of the ASHI liability)	640	30 521	20 334	-	51 495
Changes in the value of the ASHI liability	(164)	(15 923)	(6 841)	(420)	(23 348)
Other staff costs	11	3 295	1 978	-	5 284
Hospitality	-	-	1	-	1
Consultants	2	68	-	-	70
Travel	231	243	223	-	697
Contractual services	56	16 372	18 935	-	35 363
General operating expenses	102	6 579	3 979	-	10 660
Supplies and materials	-	19	18	-	37
Furniture and equipment	-	214	485	-	699
Audit costs (excluding change in the value of the ASHI liability)	-	-	-	2 082	2 082
Total administrative expense	878	41 388	39 112	1 662	83 040

(Thousands of United States dollars)

	2021				
	Secretariat of the Pension Board	Pension Administration	Office of Investment Management	Audit	Total
Established posts (excluding change in the value of the ASHI liability)	598	28 728	17 301	-	46 627
Changes in the value of the ASHI liability	12	1 200	516	32	1 760
Other staff costs	69	5 949	2 258	-	8 276
Consultants	-	59	375	-	434
Travel	-	44	33	-	77
Contractual services	-	14 097	14 211	-	28 308
General operating expenses	13	8 018	3 396	-	11 427
Supplies and materials	-	52	17	-	69
Furniture and equipment	-	-	243	-	243
Audit costs (excluding change in the value of the ASHI liability)	-	-	-	1 789	1 789
Total administrative expense	692	58 147	38 350	1 821	99 010

17. Other expenses

163. Other expenses during the period are as follows:

(Thousands of United States dollars)

	2022	2021
Emergency fund expense	29	52
Provision for unrecoverable benefits overpayments	1 636	1 714
Total other expenses	1 665	1 766

18. Actuarial situation of the Fund (See also Note 1.5)

164. The Fund provides retirement, death, disability and related benefits for staff of the United Nations and other organizations admitted to membership in the Fund. Accumulated (promised) plan benefits represent the total actuarial present value of those estimated future benefits that are attributable under the Fund's provisions to the service staff have rendered as of the valuation date. Accumulated plan benefits include benefits to be paid to: (a) retired or terminated staff or their beneficiaries; (b) beneficiaries of staff who have died; and (c) present staff or their beneficiaries.

165. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to service staff have rendered as of the valuation date.

166. The actuarial present value of accumulated (promised) plan benefits (which does not take into account future increases in pensionable remuneration) is determined by independent actuaries and the amount is derived by applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

167. The Fund is applying the guidance included in IAS 26.28 (b) and discloses the actuarial present value of promised retirement benefits in the notes to its financial statements.

Key assumptions

168. The liabilities as of 31 December 2022 were the result of the roll-forward to 31 December 2022 of the actuarial present value of accumulated plan benefits as of 31 December 2021 for the Fund by the consulting actuary. The significant actuarial assumptions used are the same as those used in the valuation as of 31 December 2021:

- Life expectancy of participants (2017 United Nations Mortality Tables adjusted for forecast improvements in mortality);
- Age specific retirement and turnover assumptions;
- Additional assumptions regarding percentage of benefit commuted, percent of married and so forth;
- Annual investment return of 6.0% which serves as the discount rate for liabilities; and
- Annual rate of 2.5% for cost-of-living increases in pensions.

169. These key assumptions were recommended by the Committee of Actuaries and adopted by the Pension Board at its sixty-ninth session in July 2021. The foregoing actuarial assumptions are based on the presumption that the Fund will continue. Were the Fund to be terminated, different actuarial assumptions and other factors may be applicable in determining the actuarial present value of accumulated plan benefits.

Statement of accumulated benefits

170. The actuarial present value of accumulated plan benefits as of 31 December 2022 is as follows (See Note 1.11 for the description of the pension adjustment system):

(Millions of United States dollars)

	If future pension payments are made under Regulations:	
	Without pension adjustments	With pension adjustments
(1) Actuarial value of vested benefits		
(a) Participants currently receiving benefits	28 670	38 368
(b) Vested terminated participants	1 130	1 919
(c) Active participants	20 870	28 938
(d) Total vested benefits	50 670	69 225
(2) Non-vested benefits	1 076	1 374
(3) Total actuarial present value of accumulated plan benefits	51 746	70 599

Information on participation in UNJSPF

171. The last valuation was provided by the consulting actuaries as of 31 December 2021 based on participation below. The participation in the plan developed as follows:

	31 December 2021
Active Participants accruing benefits	
Number	128 051
Annual remuneration (in millions)	12 775
Average remuneration	99 763
Inactive Participants no longer accruing benefits	
Number	9 210
Annual benefits payable at Normal Retirement Age (in millions)	91
Average benefit payable at Normal Retirement Age	9 921
Retired Participants and beneficiaries	
Number	82 312
Annual benefits (in millions)	2 662
Average benefit	32 342

19. Commitments and contingencies

19.1 Investment commitments

172. As of 31 December 2022 and 2021, the Fund was committed to the following investment commitments:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Real Estate Funds	2 850 580	2 751 886
Private Equity	4 560 267	3 636 897
Infrastructure Funds	87 812	320 194
Timberland Funds	3 770	3 769
Total commitments	7 502 429	6 712 746

173. In the private equity, real estate, infrastructure and timberland investments, funds are drawn down in accordance with the terms and conditions of the fund agreements. The fund agreements are unique to each individual investment. Funds are drawn down

to (a) fund investments in assets that have been purchased or are being contracted for purchase; and (b) pay fees earned by the general partner or manager under the terms and conditions of the fund agreement.

19.2 Lease commitments

174. As of 31 December 2022 and 2021, the Fund was committed to the following lease commitments:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Obligations for property leases:		
Less than 1 year	8 274	6 779
1-5 years	20 080	19 403
Greater than 5 years	34 523	43 154
Total property leases obligations	62 877	69 336

19.3 Legal or contingent liabilities and contingent assets

175. There are no contingent liabilities arising from legal actions and claims that are likely to result in a material liability to the UNJSPF.

176. Contingent assets are excluded from the statement of net assets available for benefits on the basis that the inflow of economic benefits is not virtually certain but reliant on the incurrence of an event outside of the control of the Fund. There were no contingent assets as of 31 December 2022 or 31 December 2021.

20. Risk assessment

177. The Fund's activities expose it to a variety of financial risks including, but not limited to, credit risk, liquidity risk, and market risk (including currency risk, interest rate risk and price risk).

178. The Fund's investment risk management program seeks to measure and monitor the risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance, consistent with the Fund's Strategic Asset Allocation policy. The Investments Committee (IC) provides advice to the RSG on investment strategy and reviews the investments of the Fund at its quarterly meetings. The IC advises on long term policy, asset allocation and strategy, diversification by type of investments, currencies and economic sectors and any other matters.

179. The Fund uses appropriate methods to measure, monitor and manage the various types of financial risks to which it is exposed. These methods are explained below.

20.1 Credit risk

180. Credit risk is defined as the potential risk that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms, resulting in a loss. The risk of a trading partner not fulfilling its obligations to another in a timely manner is a risk that all obligors face. Ensuring adequate control over credit risk and effective risk management is critical to the long-term sustainability of the Fund. The Fund manages risk by addressing the following important areas:

- Approving and maintaining appropriate credit exposure measurement and monitoring standards;
- Establishing limits for amounts and concentrations of credit risk, monitoring and implementing a review process for credit exposure; and
- Ensuring adequate controls over credit risk.

181. The Fund is primarily exposed to credit risk in its Fixed Income asset class. The Fund manages credit risk in line with the authorized investment policy statement and the relevant fixed income benchmarks. The benchmark requires at least one of the following well-known credit rating agencies (S&P, Moody's or Fitch) to have rated the issue/issuer.

182. The following tables summarize the credit ratings obtained from rating agencies (Moody's, S&P or Fitch) for the Fund's fixed-income portfolio as of 31 December 2022 and 2021. The Fund uses Moody's issue ratings as the primary source for the information shown in the tables. If the issue is not rated, then Moody's issuer rating is used. If the issue/issuer is not evaluated by Moody's then issue/issuer ratings are obtained from S&P or Fitch.

As of 31 December 2022:

(Thousands of United States dollars)

	Ratings					Total
	Aaa /AA to Aa3/AA-	A1/A+ to A3/A-	Baa1/BBB+ to Baa3/BBB-	Ba1/BB+ to B3/B-	Not rated ⁽¹⁾	
Fixed Income						
Government and agencies securities	17 945 250	216 104	447 261	132 423	26 543	18 767,581
Asset backed securities	151 173	-	-	-	-	151 173
Corporate bonds / Commercial paper	373 672	2 180 308	1 972 912	57 814	-	4 584 706
Municipal/provincial bonds	141 374	26 711	2 399	-	-	170 484
Commercial mortgage-backed	405 252	-	-	-	-	405 252
Funds - corporate bonds	-	-	-	-	52 755	52 755
Total	19 016 721	2 423 123	2 422 572	190 237	79 298	24 131 951
Percentage	78.79%	10.05%	10.04%	0.79%	0.33%	100.00%

(1) Six Russian Federation bonds amounting to \$26.5 million and one bond fund amounting to \$52.7 million were not evaluated by any credit rating agency

As of 31 December 2021:

(Thousands of United States dollars)

	Ratings					Total
	Aaa /AA to Aa3/AA-	A1/A+ to A3/A-	Baa1/BBB+ to Baa3/BBB-	Ba1/BB+ to B3/B-	Not rated ⁽¹⁾	
Fixed Income						
Government and agencies securities	20 163 361	566 651	1 677 226	716 560	-	23 123 798
Asset backed securities	207 406	-	-	-	-	207 406
Corporate bonds / Commercial paper	46 301	248 130	315 997	-	-	610 428
Municipal/provincial bonds	38 991	-	-	-	-	38 991
Commercial mortgage-backed	705 297	-	-	-	-	705 297
Funds - corporate bonds	-	-	-	-	55 966	55 966
Total	21 161 356	814 781	1 993 223	716 560	55 966	24 741 886
Percentage	85.52%	3.29%	8.06%	2.90%	0.23%	100.00%

(1) One bond fund amounting to \$56.0 million was not evaluated by any credit rating agency.

183. Maturity analysis of fixed income securities as of 31 December 2022 and 2021 is as follows:

(Thousands of United States dollars)

Maturity	31 December 2022	31 December 2021
Less than 1 year	2 990 715	3 828 801
1 -5 years	7 286 058	5 272 208
5 - 15 years	4 988 825	4 780 823
Greater than 15 years	8 866 353	10 860 054
Total	24 131 951	24 741 886

20.2 Liquidity risk

184. Liquidity risk is the risk of not being able to meet the cash requirements for the Fund's obligations. Cash requirements can arise from settlement needs for various investment trades, capital calls from uncalled or unfunded commitments, and benefit payment disbursements in various currencies. The Fund manages its liquidity risk by investing the vast majority of its investments in liquid securities.

20.3 Market risk

185. Market risk is the risk of change in the value of plan assets due to various market factor movements such as asset price, interest rates, major market index movements, currency exchange rates and market volatility. The Fund has adopted Value at Risk (VaR) as a parameter to measure the market risk, in addition to standard deviation and tracking risk. Value at Risk is a universally accepted parameter to communicate market risk for financial and asset management institutions. The Fund also has risk tolerance for investment risks in the Investment Policy approved by the RSG. Based on this risk tolerance, a risk budget has been assigned to each portfolio manager. The risk budget is modified once a year.

186. Value at Risk (VaR), as a single number, summarizes the portfolio's exposure to market risk as well as the probability of an adverse move, or in other words, level of risk. The main purpose of VaR is to assess market risks that result from changes in market prices. There are three key characteristics of VaR: (a) the amount (in percentage or dollar terms), (b) the time horizon (in this case, one year) and (c) the confidence level (in this case, 95%). When reported as 95% confidence, VaR(95) number (in percentage or in dollar terms) indicates that there is 95% chance that portfolio losses will not exceed the respective VaR95 number (percentage or dollar terms) over a year. In addition, the Fund reports tail risk or expected shortfall, which measures the average expected loss for the 5% of the time when the losses exceed VaR(95). The Fund also reports contribution to risk. Considering the risk of the whole Fund as 100%, contribution to risk indicates how much of the risk is contributed by that asset class. Contribution to risk is additive (all contributions will add up to 100%). VaR(95) is not additive due to the diversification effect.

187. The table below depicts four important aspects of risks. It shows volatility or standard deviation in percentage, followed by VaR(95) for the given portfolio in percentage terms. Contribution to risk indicates how much each asset class contributes to the total Fund risk. Clearly, total Fund risk is 100% and each of the asset class below indicates the contribution to the risk. Expected shortfall at 5% (because the Fund is indicating VaR at 95%), indicates average value or expected value of losses for the 5% of the times when losses exceed VaR95.

188. All numbers in the table below are reported for a one-year term horizon. For 2022, the estimated volatility on absolute basis (benchmark not included) of the total fund was 14.81%, the estimated value-at risk VaR (95%) was 20.65%, and the estimated expected shortfall ES (95%) was 36.86%. VaR of 20.65% indicates that there is 95% chance that portfolio losses will not exceed the 20.65% over a year. The asset class with lowest VaR (lowest risk) is cash and short term, followed by fixed income and total equities. The asset class with highest VaR (highest risk) is real assets, followed by equity and private equity. The contribution to risk statistics is driven by the asset class 1) risk, 2) weights in portfolio, 3) correlation with other assets in the portfolio. Accordingly, for 2022, the equity portfolio contributed 70.46% to total fund risk, while fixed income contributed 1.01%, real assets 17.21%, and private equity 11.32%. As of 31 December 2022, equities represented 50.37% of the net assets available for benefits.

189. All numbers in the chart below are annualized using historical simulation.

2022:

Asset Class	Volatility (Standard Deviation)	VaR (95%)	Contribution to Risk	Expected Shortfall (5%)
Total fund	14.81	20.65	100.00	36.86
Equity	20.90	28.36	70.46	52.11
Fixed income	4.91	8.65	1.01	12.45
Cash and short term	0.07	0.11	0.00	0.19
Real assets	28.55	39.18	17.21	72.10
Private equity	20.60	29.82	11.32	51.98

Note: Figures are reported from MSCI RiskMetrics as of 31 December 2022. Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

2021:

Asset Class	Volatility (Standard Deviation)	VaR (95%)	Contribution to Risk	Expected Shortfall (5%)
Total fund	13.41	17.39	100.00	34.07
Equity	18.81	24.26	80.20	47.81
Fixed income	2.98	4.30	(0.52)	7.12
Cash and short term	0.06	0.10	0.00	0.14
Real assets	26.34	30.98	11.53	67.04
Private equity	17.95	24.99	8.79	46.64

Note: Figures are reported from MSCI RiskMetrics as of 31 December 2021. Percentages are rounded to the nearest two decimal places; 0.00 indicates a value smaller than 0.01 but not zero.

190. The increased Volatility (Standard deviation), VaR (95%) and expected shortfall (5%) in 2022 and 2021 were due to the unprecedented equity market volatility primarily caused by global economic and policy factors, including COVID-19 pandemic, interest rates hikes, and other geopolitical events.

191. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations. Key assumptions include, a 1-day holding period to hedge or dispose of positions which, may not be the case for illiquid assets or may be due to adverse market conditions; a 95% confidence level, which indicates that there is a 5% probability of losses exceeding the VaR at 95%; VaR calculated on an end-of-day basis, which does not reflect changes during the trading day; and the use of historical data and Monte Carlo simulation, which may not cover all possible scenarios, especially those of an exceptional nature.

Price risk:

192. The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the US dollar, the price is initially expressed in non-US dollar denominated currency and is then converted into US dollars, which will also fluctuate because of changes in currency exchange rates.

193. As of 31 December 2022 and 31 December 2021, the fair value of equities exposed to price risk was as follows:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Common and preferred stock	38 513 809	50 146 375
Funds – exchange traded funds	672 026	1 800 533
Funds - common stock	8 479	14 174
Stapled securities	52 042	61 545
Total equity instruments	39 246 356	52 022 627

194. Considering the total Fund risk as 100%, the contribution to risk due to equities is 70.46% (2021: 80.20%) of the total fund risk and the rest is contributed by all other asset classes.

195. The Fund also manages its exposure to price risk by analyzing the investment portfolio by industrial sector and benchmarking the sector weights.

196. The Fund's equity investment portfolio by industrial sector based on General Industry Classification Standards as of 31 December 2022 and 2021 was as follows:

General Industry Classification Standards	31 December 2022		31 December 2021	
	Fund's equity portfolio	Benchmark*	Fund's equity portfolio	Benchmark**
Financials	16.70%	16.70%	14.77%	15.59%
Information technology	21.16%	21.04%	23.88%	25.35%
Communication services	7.24%	7.01%	8.81%	9.51%
Consumer discretionary	11.56%	11.71%	13.00%	13.35%
Consumer staples	7.34%	7.51%	6.14%	6.65%
Energy	0.11%	0.12%	0.04%	0.04%
Health Care	14.89%	14.47%	12.05%	11.82%
Industrials	9.70%	10.14%	8.99%	8.17%
Materials	4.77%	5.43%	4.22%	4.98%
Utilities	1.84%	2.20%	1.40%	1.71%
Real estate	2.94%	3.67%	2.62%	2.83%
Others	1.75%	Not applicable	4.08%	Not applicable
Total	100.00%	100.00%	100.00%	100.00%

* Benchmark source: MSCI All-Country World Index, customized to exclude investments in armaments, tobacco, and fossil fuel, according to sustainability policies.

** Benchmark source: 80% MSCI World Developed ESG and 20 % MSCI Emerging Markets ESG, customized to excludes tobacco, and certain modalities of armament and thermal coal companies.

197. The following table analyses the Fund's concentration of equity price risk in the Fund's equity portfolio by geographical distribution, based on counterparty's place of primary listing or, if not listed, place of domicile.

	31 December 2022	31 December 2021
North America	64.4%	61.4%
Europe	14.8%	14.9%
Asia Pacific	9.3%	7.9%
Emerging Markets	11.5%	15.8%
Total	100.0%	100.0%

Currency risk

198. The Fund is one of the most globally diversified pension funds in the world and therefore holds both monetary and non-monetary assets denominated in currencies other than the US dollar, the Fund's base currency. Currency exchange risk arises as the value of financial instruments denominated in other currencies fluctuates due to changes in currency exchange rates. Management monitors the exposure to all currencies. The unrealized foreign exchange gain/loss is primarily attributable to the fluctuation in currency exchange rates during the period.

199. The Fund does not use hedging to manage its non-US dollar denominated currency risk exposure, because the Fund expects currency impact to net out to zero over a full market cycle, as has been the case historically. Currency risk refers to risk due to foreign exchange rate changes.

200. The tables below illustrate the foreign exchange risk exposure of the Fund by class of investments. These summarize the Fund's cash and investments at fair value as of 31 December 2022 and 2021 respectively. Net financial liabilities amounting to \$270.7 million in 2022 (2021: net financial liabilities of \$22.1 million), not held at fair value (Note 5) are excluded from this table. Assets held in exchange-traded funds (ETFs) are included as United States dollar assets.

As of 31 December 2022						
Currency	Equity	Fixed income	Real assets	Alternative and others	Cash	Total
United States dollar	32.00%	29.98%	7.93%	7.13%	0.93%	77.97%
Euro	3.59%	-	0.71%	1.15%	0.01%	5.46%
Japanese yen	3.22%	-	0.20%	-	0.00%	3.42%
British pound sterling	1.66%	-	0.16%	0.11%	0.00%	1.93%
Hong Kong dollar	1.89%	-	-	-	0.00%	1.89%
Canadian dollar	1.50%	-	0.35%	-	0.00%	1.85%
Swiss franc	1.26%	-	-	-	0.01%	1.27%
Australian dollar	0.97%	-	0.24%	-	0.00%	1.21%
South Korean won	0.66%	0.09%	-	-	0.00%	0.75%
Indian rupee	0.68%	-	-	-	0.00%	0.68%
Swedish krona	0.45%	-	-	-	0.00%	0.45%
Danish krone	0.40%	-	-	-	0.00%	0.40%
Chinese Yuan (Renminbi)	0.37%	-	-	-	0.00%	0.37%
Brazilian real	0.23%	0.09%	-	-	0.00%	0.32%
Mexican peso	0.21%	0.08%	-	-	0.00%	0.29%
South African rand	0.20%	0.07%	-	-	0.00%	0.27%
Singapore dollar	0.20%	-	-	-	0.00%	0.20%
Thai baht	0.11%	0.08%	-	-	0.00%	0.19%
Indonesian rupiah	0.11%	0.09%	-	-	0.00%	0.20%
Malaysian ringgit	0.08%	0.09%	-	-	0.00%	0.17%
Russian ruble	0.13%	0.03%	-	-	0.00%	0.16%
Philippine peso	0.05%	0.04%	-	-	0.00%	0.09%
United Arab Emirates dirham	0.08%	-	-	-	0.00%	0.08%
Polish zloty	0.03%	0.05%	-	-	0.00%	0.08%
New Israeli shekel	0.03%	0.04%	-	-	0.00%	0.07%
Hungarian forint	0.02%	0.02%	-	-	0.00%	0.04%
Czech koruna	-	0.04%	-	-	0.00%	0.04%
Chilean peso	0.01%	0.02%	-	-	-	0.03%
Norwegian krone	0.03%	-	-	-	0.00%	0.03%
Colombian peso	0.00%	0.02%	-	-	0.00%	0.02%
New Zealand dollar	0.02%	-	-	-	0.00%	0.02%
Romanian Leu	-	0.02%	-	-	0.00%	0.02%
Peruvian sol	-	0.02%	-	-	0.00%	0.02%
Turkish lira	-	0.01%	-	-	-	0.01%
African franc	-	-	-	-	0.00%	0.00%
Pakistani rupee	-	-	-	-	0.00%	0.00%
Grand Total	50.19%	30.88%	9.59%	8.39%	0.95%	100.00%

Note: Percentages are rounded to the nearest two decimal places. 0.00% indicates a value smaller than 0.01% but not zero.

As of 31 December 2021						
Currency	Equity	Fixed income	Real assets	Alternative and others	Cash	Total
United States dollar	36.45%	23.33%	5.76%	6.00%	1.74%	73.28%
Euro	4.05%	0.03%	0.69%	0.94%	0.01%	5.72%
Japanese yen	3.08%	-	0.13%	-	0.00%	3.21%
Hong Kong dollar	2.56%	-	-	-	0.00%	2.56%
British pound sterling	1.93%	-	0.15%	0.14%	0.00%	2.22%
Canadian dollar	1.47%	0.02%	0.30%	-	0.00%	1.79%
South Korean won	1.19%	0.40%	-	-	0.00%	1.59%
Swiss franc	1.43%	-	-	-	0.00%	1.43%
Australian dollar	0.85%	0.00%	0.21%	-	0.00%	1.06%
Indian rupee	0.93%	0.10%	-	-	0.00%	1.03%
Mexican peso	0.27%	0.43%	-	-	0.00%	0.70%
Brazilian real	0.27%	0.40%	-	-	0.00%	0.67%
Swedish krona	0.62%	-	-	-	0.00%	0.62%
Indonesian rupiah	0.12%	0.43%	-	-	0.00%	0.55%
South African rand	0.28%	0.18%	-	-	0.00%	0.46%
Russian ruble	0.09%	0.35%	-	-	0.01%	0.45%
Malaysian ringgit	0.09%	0.32%	-	-	0.00%	0.41%
Danish krone	0.38%	-	-	-	0.00%	0.38%
Chinese Yuan (Renminbi)	0.34%	-	-	-	0.00%	0.34%
Thai baht	0.07%	0.24%	-	-	0.00%	0.31%
Polish zloty	0.03%	0.17%	-	-	0.00%	0.20%
Egyptian pound	-	0.18%	-	-	0.00%	0.18%
Philippine peso	0.07%	0.09%	-	-	0.00%	0.16%
Singapore dollar	0.14%	-	-	-	-	0.14%
New Israeli shekel	0.02%	0.07%	-	-	0.00%	0.09%
United Arab Emirates dirham	0.07%	-	-	-	0.00%	0.07%
Hungarian forint	0.01%	0.05%	-	-	0.00%	0.06%
Czech koruna	-	0.07%	-	-	0.00%	0.07%
Peruvian sol	-	0.06%	-	-	0.00%	0.06%
Colombian peso	-	0.05%	-	-	0.00%	0.05%
Turkish lira	0.01%	0.03%	-	-	0.00%	0.04%
Chilean peso	-	0.03%	-	-	0.00%	0.03%
Norwegian krone	0.03%	0.00%	-	-	0.00%	0.03%
Romanian Leu	-	0.02%	-	-	0.00%	0.02%
New Zealand dollar	0.02%	-	-	-	0.00%	0.02%
Grand Total	56.87%	27.05%	7.24%	7.08%	1.76%	100.00%

Note: Percentages are rounded to the nearest two decimal places. 0.00% indicates a value smaller than 0.01% but not zero.

Interest rate risk

201. Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets' interest rates on the fair value of financial assets and liabilities and future cash flows. The Fund holds fixed interest rate securities, floating-rate debt instruments, cash and cash equivalents that expose the Fund to interest rate risk.

202. The table below summarizes the Fund's relative sensitivity to interest rate changes versus its reference Fixed Income benchmark. This measure of duration for the portfolio indicates the approximate percentage change in the value of the portfolio if interest rates change by 100 basis points.

	2022		2021	
	Fund	Benchmark	Fund	Benchmark
Effective duration	6.58%	6.28%	5.00%	5.83%

203. Effective duration is the sensitivity to interest rate. This means if the interest rate changes by 1%, the Fund can lose or gain approximately 6.58% (2021: 5.00%) compared to benchmark, which can lose or gain approximately 6.28% (2021: 5.83%). This primarily arises from the increase/decrease in the fair value of fixed interest securities. Floating rate debt instruments comprise less than 2% (2021: 1%) of the total fixed income investments as of 31 December 2022.

21. Budget information: Reconciliation between the actual amounts on a comparable basis and the statement of changes in net assets available for benefits

204. Differences between the actual amounts on a comparable basis with the budget and the actual amounts recognized in the financial statements can be classified into the following:

- (a) Basis differences, which occur when the approved budget is prepared on a basis other than the accounting basis, as stated in Note 3.14.
- (b) Timing differences, which occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for UNJSPF for the purposes of comparison of budget and actual amounts.
- (c) Entity differences, which occur when the budget omits programs or entities that are part of the entity for which the financial statements are prepared. There are no entity differences for UNJSPF.

(Thousands of United States dollars)

	2022	2021
Actual amount on a comparable basis	112 922	99 602
<u>Basis differences</u>		
Asset additions/disposals	(1 721)	(378)
Depreciation, amortization and impairment	318	-
Unliquidated obligations	(4 392)	(5 857)
Prepayments	101	1 565
Employee benefits	(25 345)	3 390
Other accruals	1 157	688
Actual amount for administrative expenses in the statement of changes in net assets available for benefits	83 040	99 010

205. The above reconciliation illustrates key differences between total administrative expenditure on a budget basis (modified cash basis) and total expenditure on an IPSAS basis. The main differences can be categorized as follows:

- Depreciation/amortization expense: Fixed assets and intangible assets meeting the threshold for capitalization are capitalized and depreciated/amortized over their useful lives on an IPSAS basis. Only depreciation/amortization expense is recognized over the useful lives of the asset whereas the total expense is recognized on a budget basis at the time of acquisition.
- Expense recognition: On a budget basis expenditure is recognized at the time of disbursement or commitment as unliquidated obligations. Under IPSAS, expenses are recognized at the time goods or services are received. Unliquidated obligations for goods or services not received or prepayments are not recognized as expense. Economic services received but not yet paid for are recognized as expense under IPSAS.
- Employee benefits: On a budget basis, employee benefit expenses are recognized when the benefit is paid. Under IPSAS, an expense for an employee benefit should be recognized in the period in which the benefit is earned, regardless of time of payment. IPSAS therefore recognizes expenses for post-employment benefits such as after service health insurance, annual leave or repatriation benefits.

22. Funds under management

206. Funds under management are defined as other UN funds for which the Fund has engaged the services of external fund managers, independent of the Fund.

207. Pursuant to General Assembly Resolution 2951 dated 11 December 1972 establishing the United Nations University (UNU) and General Assembly Resolution 3081 and Article IX of the UNU Charter (A/9149/Add.2), the OIM is providing oversight services for the investments of the UNUEF (United Nations University Endowment Fund) that are outsourced to BlackRock Financial Managers Inc. with a separate custodian bank. Formal arrangements between the OIM and UNUEF regarding these services have been agreed upon. Resulting funds are reflected in the accounts of the United Nations University. There is no co-mingling of investment funds with those of the Fund which are maintained separately. Costs of the OIM management advisory fees amounting to \$50,000 per year are reimbursed by UNUEF to the OIM and recorded as Other investment related income.

23. Related party transactions

Key Management Personnel

208. Key management personnel remunerated by the Fund for the years ended 31 December 2022 and 31 December 2021 are as follows:

		Compensation and post adjustment	Entitlements	Pension and health plans	Total remuneration	Outstanding advances against entitlements	Outstanding loans
	Number of individuals	(Thousands of United States dollars)					
2022	5	1 141	250	272	1 663	-	-
2021	5	1 126	306	277	1 709	-	-

209. Key management personnel are the Chief Executive, the RSG, the Deputy Chief Executive, the Chief Investment Officer and the CFO as they have the authority and responsibility for planning, directing and controlling the activities of the Fund (Note 1.2).

210. The aggregate remuneration paid to key management personnel includes: net salaries, post adjustment, and entitlements such as representation allowance and other allowances, assignment and other grants, rental subsidy, personal effect shipment costs, and employer pension and current health insurance contributions.

211. There are no outstanding advances against entitlements of key management personnel as of 31 December 2022 and 2021.

212. Key management personnel are also qualified for post-employment benefits (Note 11) on the same basis as other employees. The actuarial valuation of the benefits for the key management personnel are, as follows:

(Thousands of United States dollars)

	31 December 2022	31 December 2021
ASHI	1 252	1 602
Repatriation grant	300	364
Annual leave	179	217
Total	1 731	2 183

Other related parties

213. While no transactions occurred with the following parties, they are considered as related parties and a summary of the Fund's relationship with these parties is as follows:

United Nations General Assembly

214. The United Nations General Assembly is the highest legislative body of the Fund. It reviews reports submitted by the Pension Board, approves the budgets for the Fund, decides on new UNJSPF member organizations and amends the Fund's Regulations.

Member Organizations participating in the Fund

215. Member organizations of the Fund (international, intergovernmental organizations) join the Fund by decision of the United Nations General Assembly upon the recommendation of the Pension Board and at the time of admission agree to adhere to the UNJSPF Regulations. Each UNJSPF member organization has a staff pension committee and a secretary to that committee; the committees and their secretariat are an integral part of the Fund's administration.

216. The United Nations is the largest member organization of the Fund, and the United Nations Secretariat serves as its host organization and provides administrative support services. The Fund provides services to the United Nations Staff Pension Committee Secretariat. The exchange of the services between the Fund and the United Nations is governed by and remunerated according to the agreed annual Service Level Agreements between both entities.

International Computing Centre

217. The International Computing Centre (ICC) was established in January 1971 pursuant to Resolution 2741 (XXV) of the United Nations General Assembly. ICC provides information and communications technology services to Partners and Users in the United Nations System. As a Partner bound by the Mandate of the ICC, the Fund would be proportionately responsible for any third-party claim or liability arising from or related to service activities of the ICC as specified in the ICC Mandate. As of 31 December 2022, there are no known claims that impact the Fund. Ownership of assets is with ICC until dissolution. Upon dissolution, the division of all assets and liabilities amongst Partner Organizations shall be agreed by the Management Committee by a formula defined at that time.

218. The role of ICC is to:

- provide Information Technology services on a full cost-recovery basis;
- assist in exploiting networking and computing technology;
- provide Information Management services;
- advise on questions related to Information Management;
- provide specialized training.

Annex - Statistics on the operations of the Fund

Table 1: Number of participants as of 31 December 2022

Member Organization	Participants as of 31 December 2021	New Entrants	Transfer		Separations	Adjustments ³⁾	Participants as of 31 December 2022	Percent increase / (decrease)
			In	Out				
United Nations ¹⁾	86 827	8 237	299	300	5 478	139	89 446	3.0%
FAO ²⁾	13 900	2 793	94	104	672	21	15 990	15.0%
WHO	11 310	993	100	56	785	11	11 551	2.1%
IOM	8 636	1 783	46	56	441	-	9 968	15.4%
ILO	4 283	435	41	40	310	3	4 406	2.9%
IAEA	2 743	176	17	39	207	3	2 687	(2.0)%
UNESCO	2 539	234	26	23	167	8	2 601	2.4%
WIPO	1 210	50	7	4	63	-	1 200	(0.8)%
ICC	1 166	43	15	26	90	1	1 107	(5.1)%
ITU	778	46	8	4	45	2	781	0.4%
ICAO	720	41	11	5	42	-	725	0.7%
UNIDO	713	45	2	6	50	1	703	(1.4)%
IFAD	646	55	17	8	43	2	665	2.9%
WMO	388	51	9	3	38	-	407	4.9%
IMO	345	27	2	5	16	-	353	2.3%
CTBTO	329	25	16	9	18	-	343	4.3%
STL	259	2	-	22	53	-	186	(28.2)%
ICGEB	169	18	-	3	10	-	174	3.0%
WTO/Tourism	87	11	1	-	2	-	97	11.5%
ISA	48	10	3	2	5	-	54	12.5%
ICCROM	47	4	-	-	1	-	50	6.4%
IPU	45	2	-	-	3	-	44	(2.2)%
ITLOS	40	1	1	-	3	-	39	(2.5)%
EPPO	19	4	-	-	2	-	21	10.5%
WA	14	2	-	-	2	-	14	0.0%
TOTAL	137 261	15 880	715	715	8 546	191	143 612	4.6%

1) The United Nations Headquarters, regional offices and all funds and programmes

2) Including the World Food Programme (WFP)

3) Corrections of prior years' erroneous entries

Table 2A: Benefits awarded to participants or their beneficiaries during the year ended 31 December 2022

Member organization	Number of benefits awarded											
	Retirement benefit	Early retirement benefit	Deferred retirement benefit	Withdrawal settlement		Child's benefit	Widow & widower benefit	Other death benefit	Disability benefit	Secondary dependency benefit	Transfer under agreement	Total
				< 5 years	> 5 years							
United Nations ¹⁾	949	409	476	2 491	950	1 009	103	-	59	-	14	6 460
FAO ²⁾	52	24	7	166	56	20	2	-	1	-	1	329
WHO	143	64	64	259	108	108	22	-	1	-	6	775
IOM	41	22	16	65	16	19	-	-	5	-	2	186
ILO	212	58	60	324	107	140	10	-	5	-	5	921
IAEA	15	6	5	11	5	8	-	-	-	-	-	50
UNESCO	13	6	5	13	-	8	-	-	1	-	-	46
WIPO	59	22	38	68	15	19	1	-	4	-	1	227
ICC	6	4	1	4	1	1	-	-	-	-	-	17
ITU	16	6	2	15	4	4	-	-	2	-	-	49
ICAO	17	11	6	23	3	2	1	-	-	-	1	64
UNIDO	9	7	4	18	-	3	-	-	2	-	3	46
IFAD	1	-	-	-	-	1	-	-	-	-	-	2
WMO	1	-	-	1	-	-	-	-	-	-	-	2
IMO	4	3	-	2	1	-	-	-	-	-	-	10
CTBTO	-	1	-	1	-	-	-	-	-	-	-	2
STL	-	1	-	2	-	1	-	-	-	-	-	4
ICGEB	1	-	1	2	1	-	-	-	-	-	-	5
WTO	21	10	2	12	1	17	1	-	2	-	-	66
ISA	8	6	9	29	34	6	-	-	2	-	1	95
ICCROM	1	-	1	-	-	1	-	-	-	-	1	4
IPU	24	2	15	307	85	17	4	-	4	-	-	458
ITLOS	3	1	8	18	23	3	-	-	-	-	-	56
EPPO	2	-	1	15	-	-	-	-	-	-	-	18
WA	2	-	-	-	-	2	-	-	-	-	-	4
TOTAL	1 600	663	721	3 846	1 410	1 389	144	-	88	-	35	9 896
Table 1 Separations	1 600	663	721	3 846	1 410	39	144	-	88	-	35	8 546
One-time benefits				3 846	1 410						35	5 291
Table 3 New	1 600	663	721			1 389	144	-	88	-		4 605

1) The United Nations Headquarters, regional offices and all funds and programmes

2) Including the World Food Programme (WFP)

Table 2B: Benefits awarded to participants or their beneficiaries during the year ended 31 December 2021

Member organization	Number of benefits awarded											
	Retirement benefit	Early retirement benefit	Deferred retirement benefit	Withdrawal settlement		Child's benefit	Widow & widower benefit	Other death benefit	Disability benefit	Secondary dependency benefit	Transfer under agreement	Total
				< 5 years	> 5 years							
United Nations ¹⁾	877	507	353	2 703	1 483	1 391	157	-	86	2	23	7 582
FAO ²⁾	94	58	52	313	95	146	27	-	4	1	3	793
WHO	102	62	35	281	140	152	20	-	7	-	2	801
IOM	23	9	15	307	86	30	8	-	-	1	-	479
ILO	51	19	19	121	24	25	9	-	3	-	-	271
IAEA	70	15	29	46	6	19	2	-	2	-	-	189
UNESCO	44	17	24	64	7	17	3	-	5	-	-	181
WIPO	18	9	7	22	-	5	1	-	3	-	-	65
ICC	9	3	5	29	16	2	1	-	-	-	-	65
ITU	16	5	2	12	4	4	-	-	2	-	-	45
ICAO	19	5	7	10	6	6	1	-	1	-	-	55
UNIDO	18	7	-	13	1	5	-	-	3	-	-	47
IFAD	12	10	10	16	1	7	2	-	-	-	2	60
WMO	7	3	1	9	1	10	-	-	-	-	-	31
IMO	9	4	-	11	2	3	-	-	1	-	-	30
CTBTO	1	-	1	12	1	-	-	-	1	-	-	16
STL	5	1	12	47	56	4	-	-	-	-	-	125
ICGEB	3	3	4	-	-	2	-	-	-	-	-	12
WTO	2	1	-	1	1	-	-	-	-	-	-	5
ISA	4	-	-	1	-	2	-	-	-	-	-	7
ICCROM	2	-	-	5	-	-	-	-	-	-	-	7
IPU	-	1	-	-	1	-	-	-	-	-	-	2
ITLOS	1	-	-	-	-	-	-	-	-	-	-	1
EPPO	1	-	-	-	-	-	-	-	-	-	-	1
WA	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1 388	739	576	4 023	1 931	1 830	231	-	118	4	30	10 870

1) The United Nations Headquarters, regional offices and all funds and programmes

2) Including the World Food Programme (WFP)

Table 3: Analysis of periodic benefits for the year ended 31 December 2022

Type of Benefit	Total as of 31 December 2021	New	Benefits discontinued, resulting in award of survivor's benefit ¹⁾	All other benefits discontinued	Total as of 31 December 2022	Percent increase / (decrease)
Retirement	29 461	1 600	(378)	(479)	30 204	2.5%
Early retirement	17 351	663	(201)	(303)	17 510	0.9%
Deferred retirement	9 034	721	(50)	(207)	9 498	5.1%
Widow	12 333	126	712	(565)	12 606	2.2%
Widower	1 234	18	82	(61)	1 273	3.2%
Disability	1 927	88	(24)	(42)	1 949	1.1%
Child	10 048	1 353	-	(1 360)	10 041	(0.1)%
Disabled Child	891	36	-	(51)	876	(1.7)%
Secondary dependent	33	-	-	(2)	31	(6.1)%
Total	82 312	4 605	141	(3 070)	83 988	2.0%

1) Benefits discontinued resulting in award of survivor's benefit, can result in a greater number of survivor benefits than those discontinued. This occurs as multiple survivor benefits can be awarded as a result of the discontinuation of one main participant's terminated benefit. In addition, survivor benefits may be awarded in the year or years subsequent to the year a primary participant's benefit was discontinued, leading to timing differences.

Table 4: Inventory of deferred and active entitlement cases

	As of 31 December 2022		As of 31 December 2021	
	Number	%	Number	%
No payment due at all				
Possible Re-employment under Article 21	52	1%	20	< 1%
No immediate payment due				
Deferred Retirement Benefit - Art.30 (payment not due until retirement age or from early retirement age)	326		331	
Deferment of Choice - Art.32 (benefit election/payment deferred by the beneficiary up to 36 months)	3 667		4 313	
Total	3 993	79%	4 644	82.6%
Not ready for payment				
Cases reviewed but required more information/clarification	786	16%	758	13.5%
For payment (case inventory)				
Cases in progress	75		87	
Cases scheduled for review	122		110	
Total	197	4%	197	3.5%
Grand total	5 028		5 619	