



UNJSPF

United Nations Joint
Staff Pension Fund



ANNUAL REPORT

2022

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INTRODUCTION

Message from the Chief Executive of Pension Administration

I am pleased to present the Annual Report of the United Nations Joint Staff Pension Fund (UNJSPF) for 2022, another year of outstanding performance and modernization of our services.

Let me start by highlighting that the Fund continues to be in good financial health, as confirmed by the actuarial valuation as at 31 December 2021, reviewed by the Pension Board in July 2022. The surplus accumulated over the past years mean that the Fund was in a strong position to absorb the market downturn of 2022. That year, the Office of Investment Management (OIM) saw a preliminary decrease in the market value of its assets by 14.7 per cent, with the preliminary value of the portfolio reaching US\$ 77.9 billion as of 31 December 2022. The performance of the assets remained above the benchmark of the annualized 3.5 per cent real rate of return over the long-term (beyond 20 years), ensuring the financial sustainability of the Fund.

On the Fund's Pension Administration side, we provided excellent service to our clients, despite many challenges presented by international developments in 2022. We outperformed our processing benchmark for initial separations, with 93.3 per cent of benchmark benefits processed within 15 business days, the highest performance ever recorded. Facing high volumes of calls at the beginning of 2022, service levels to clients were back on target by year-end both with phone call response time and responses to emails.

Our modernization strategy includes a significant effort to simplify and digitalize interactions between the Fund and its clients, and many new initiatives were delivered to meet this objective last year.

The use of the Digital Certificate of Entitlement (DCE) by retirees and beneficiaries continues to grow with more than 15,000 issuances in 2022. The DCE was also recognized as a major achievement, winning the United Nations Secretary-General Awards for innovation and sustainability.

Our modernizing initiatives not only save thousands of pieces of paper and mailing costs, but they also yield efficiency gains for the Fund, saving staff time and reducing the risks of error in manual processing. For instance, document scanning and signature verification flows are now automated. This simplifies our internal processes while providing greater accuracy and reliability in verifying documents and checking identities.

Our communication and information sharing has also improved in 2022 with the launch of a new website merging information on the pension plan and investments, 11 e-learning modules and a series of 20 multilingual videos to make pension matters clearer.

Please check unjspf.org, the Blue Line and the UNJSPF YouTube channel to learn more about your entitlements.

All these efforts have been made possible thanks to the strong support of the Pension Board and the United Nations General Assembly (UNGA). Through its Resolution

77/258 adopted in December 2022, the UNGA approved the Fund's budget for 2023 as well as important changes to the Fund's Regulations and Rules, and the Pension Adjustment System.

Improving the Fund's services to participants, retirees and beneficiaries remains our utmost priority. I would like to thank you for your trust and ongoing support.



Rosemarie McClean

Chief Executive of Pension Administration



KEY STATISTICS

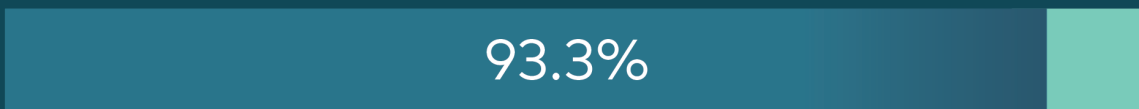
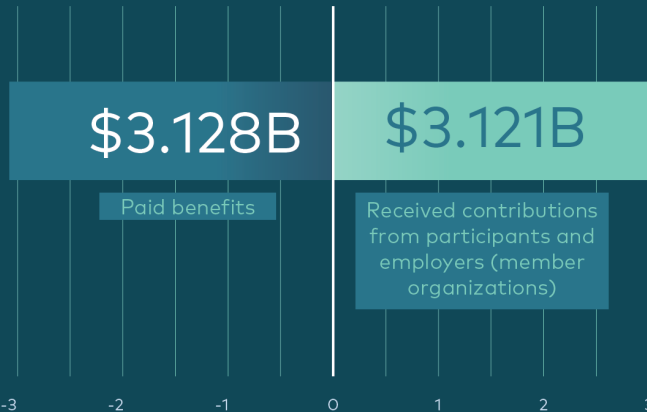
As of 31 December 2022



PARTICIPANTS



BENEFICIARIES

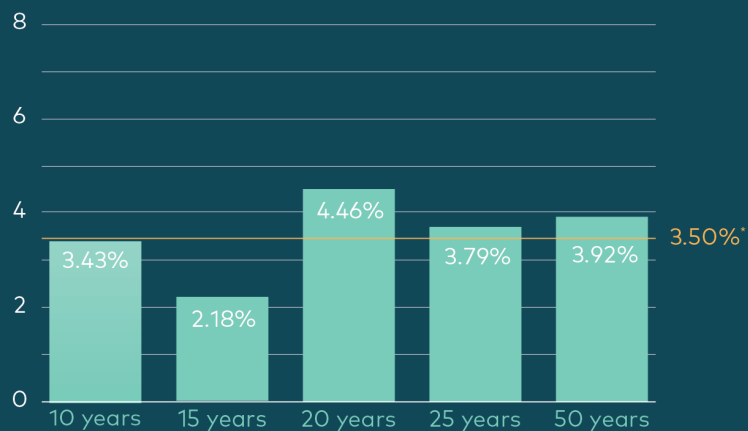


Percentage of initial benefit entitlement cases being processed within 15 business days

Performance of the investments



LONG TERM INVESTMENT OBJECTIVE



*Real rate of investment return assumed in the actuarial valuation and therefore the long-term target benchmark.

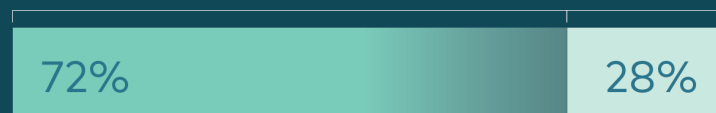
INVESTMENTS ACROSS



COUNTRIES/TERRITORIES

Internally managed

Externally managed



3

About the UNJSPF

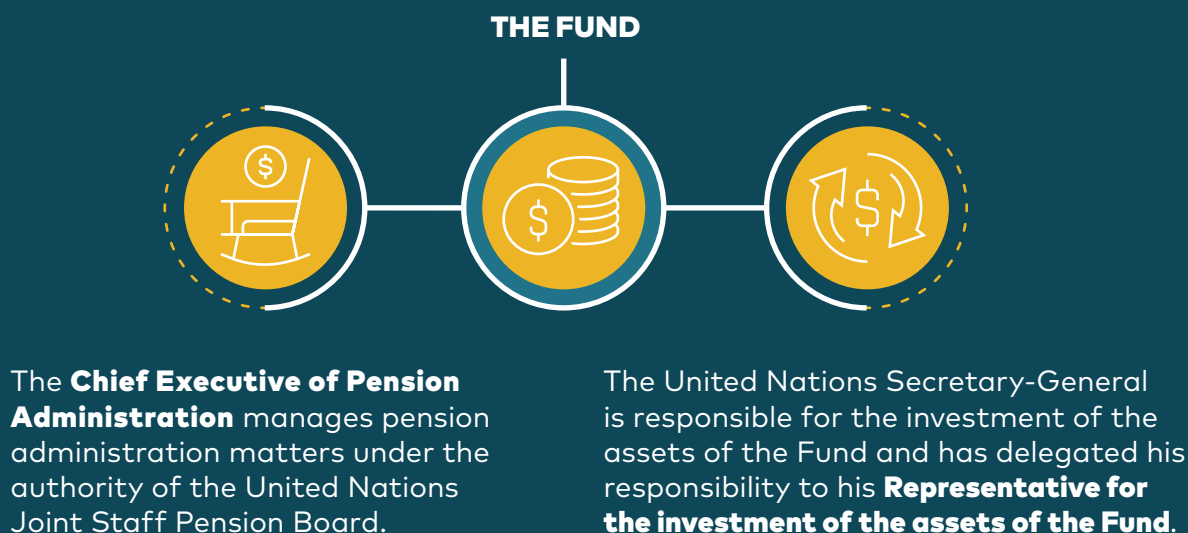
Background

The United Nations Joint Staff Pension Fund (UNJSPF) was established in 1949 by the General Assembly of the United Nations to provide retirement, death, disability and related benefits for staff of the United Nations and other organizations admitted to membership in the Fund. As at 31 December 2022, the Fund comprised 25 member organizations.

The defined benefit lifetime pension provided by UNJSPF to staff and their survivors is an important component of the United Nations' Family employee value proposition. The Fund has offices in New York (USA) and Geneva (Switzerland), as well as liaison offices in Nairobi (Kenya) and Bangkok (Thailand).

General Overview

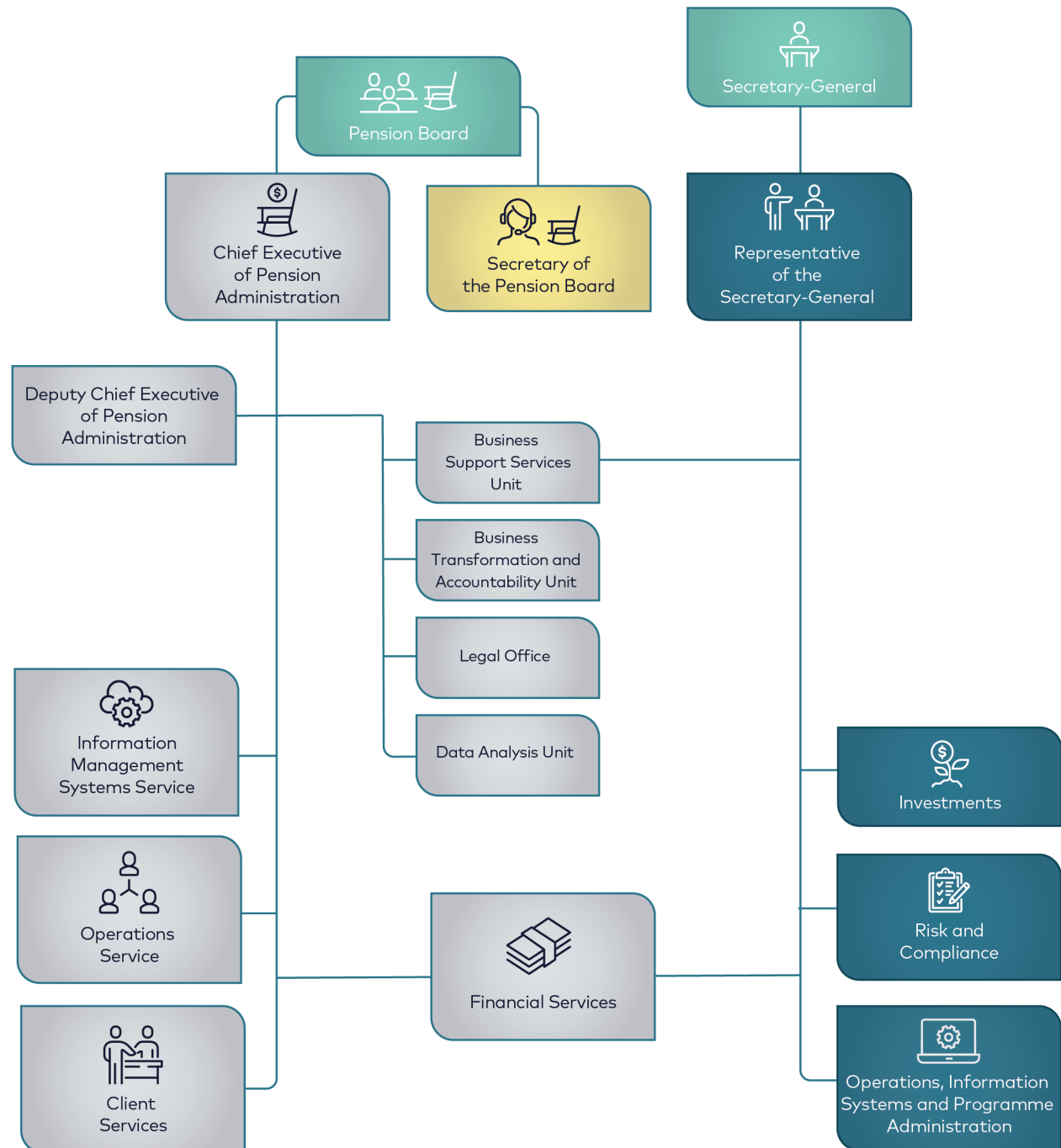
The Fund has a bifurcated organizational structure:



The position of Secretary of the Pension Board was created by the General Assembly in 2018 and reports to the Pension Board.

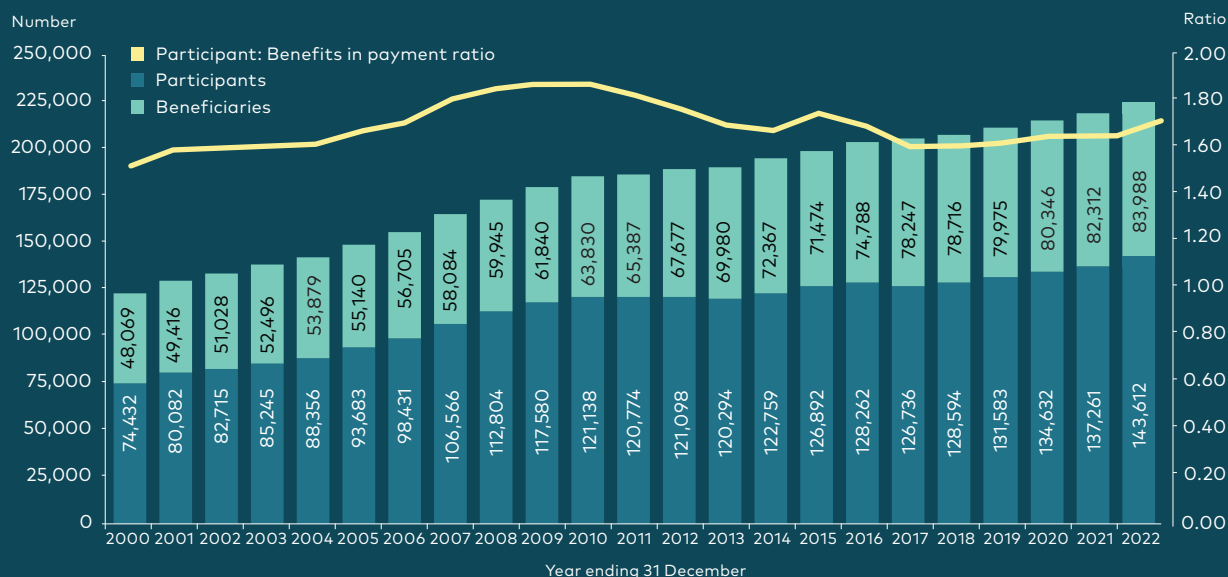
Organizational Chart

As of 31 December 2022



Participation and Benefits

UNJSPF PARTICIPANTS AND BENEFITS IN PAYMENT



Participation



Staff members of each member organization with an appointment of six months or longer are enrolled in the Fund unless their contract excludes it. Each month, a percentage of the participant's pensionable remuneration is paid to the Fund and the employing organization pays double the amount of its share of the contributions.

Defined Benefit Plan



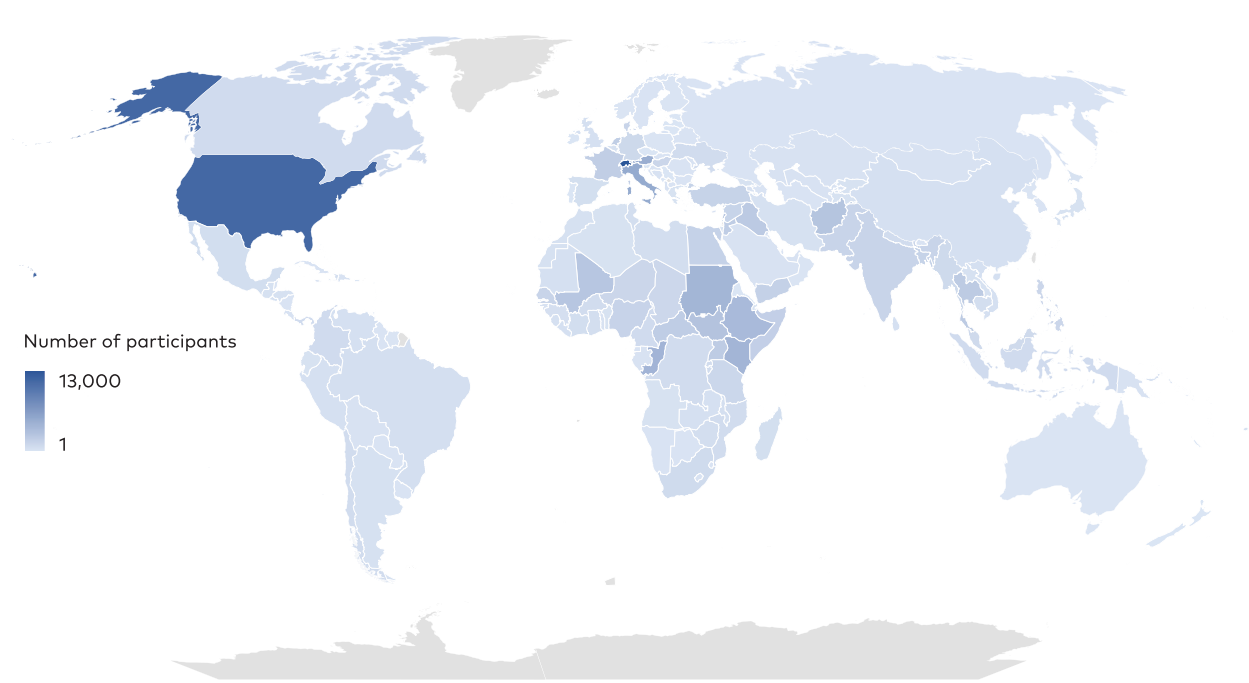
Benefits are not dependent on investment return or longevity. Risks are assumed by the member organizations and shared by participants through the level of contributions paid into the Fund.

Retirement, Death and Disability Benefits

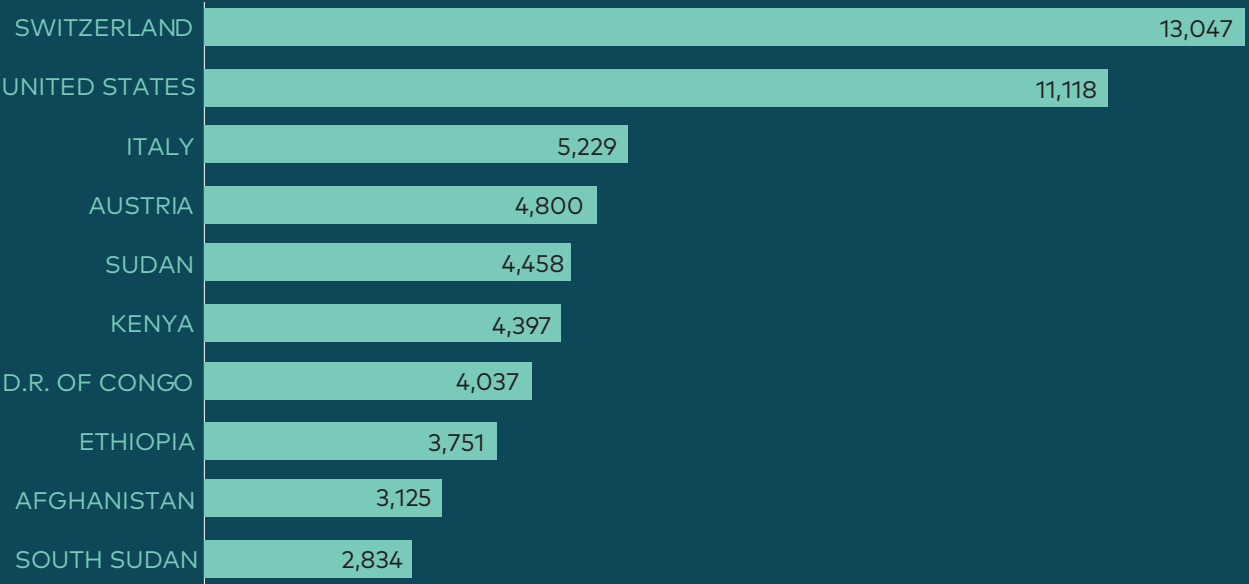


Participants in the UNJSPF are vested after 5 years of participation, except in the event of death and disability, when vesting is immediate. When they leave the employing organization, participants can opt for a withdrawal settlement (lump sum) or, if they have more than five years of service, a periodic benefit. Children and surviving spouses are also eligible to receive benefits.

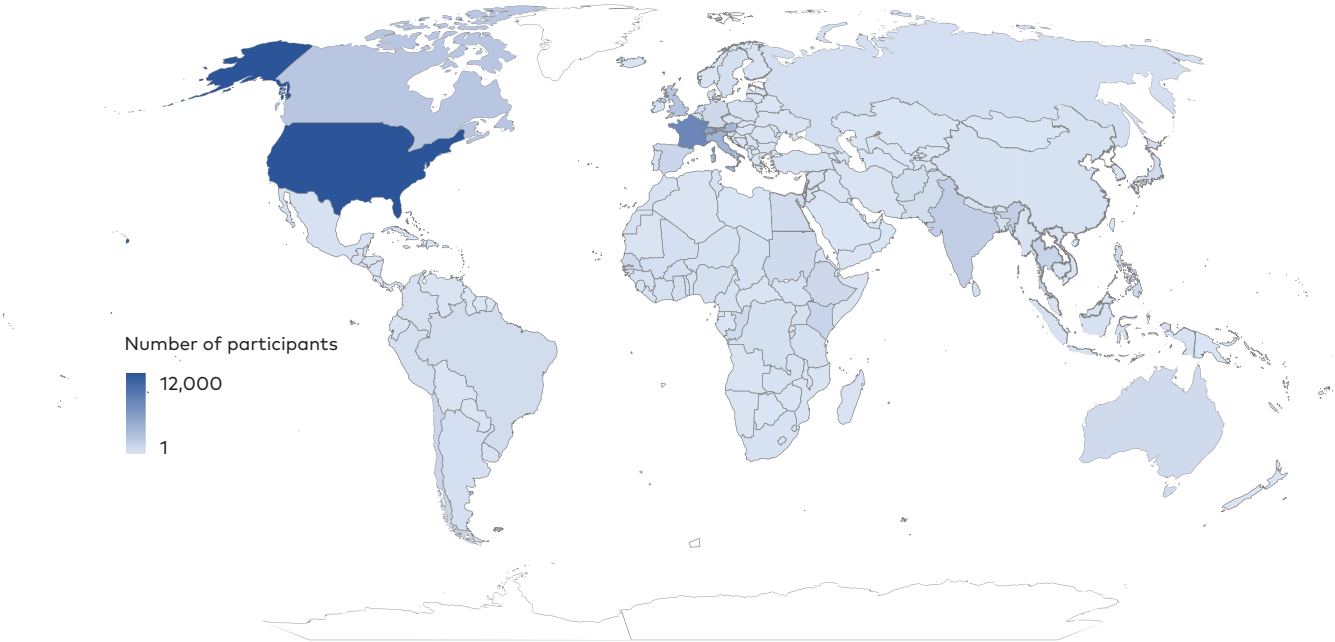
Number of participants by country of employment as at 31 December 2022



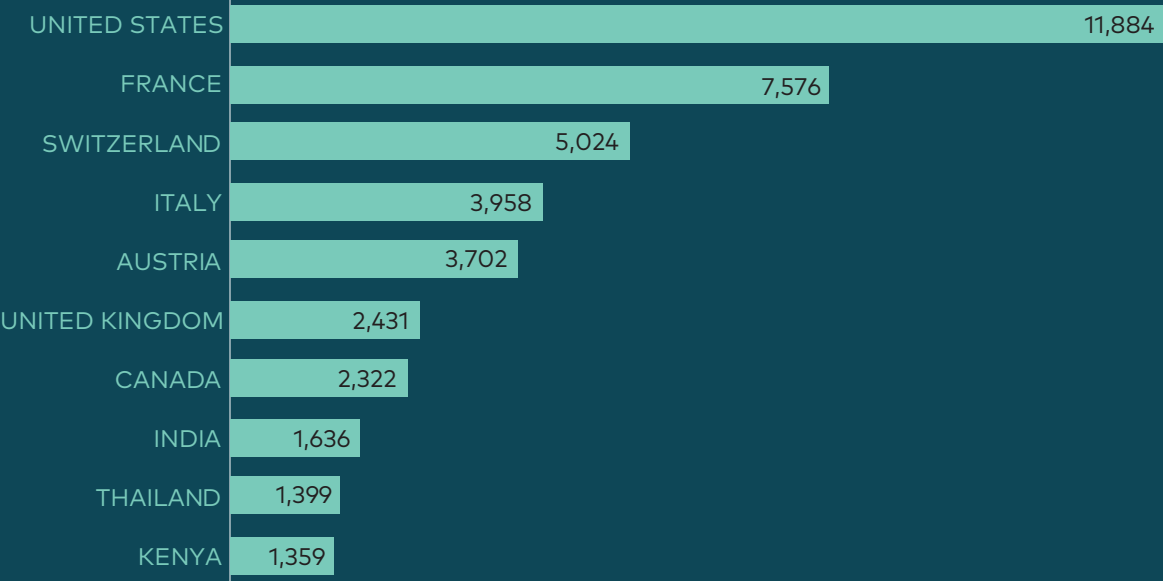
10 most common countries by participant employment location at 31 December 2022



Number of retirees and other beneficiaries by mailing address as at 31 December 2022



10 most common countries by retiree and other beneficiary mailing address as at 31 December 2022



Member Organizations

As of 31 December 2022, the 25 member organizations of the Fund are the following:

Member Organizations		Number of Participants	Year of Admission
United Nations	UN	89,446	1949
Food and Agriculture Organization	FAO	15,990*	1950
World Health Organization	WHO	11,551	1949
International Organization for Migration	IOM	9,968	2007
International Labour Organization	ILO	4,406	1953
International Atomic Energy Agency	IAEA	2,687	1958
United Nations Educational, Scientific and Cultural Organization	UNESCO	2,601	1951
World Intellectual Property Organization	WIPO	1,200	1977
International Criminal Court	ICC	1,107	2004
International Telecommunication Union	ITU	781	1960
International Civil Aviation Organization	ICAO	725	1951
United Nations Industrial Development Organization	UNIDO	703	1986
International Fund for Agricultural Development	IFAD	665	1977
World Meteorological Organization	WMO	407	1952
International Maritime Organization	IMO	353	1959
Comprehensive Nuclear-Test-Ban Treaty Organization	CTBTO	343	2019
Special Tribunal for Lebanon	STL	186	2009
International Centre for Genetic Engineering and Biotechnology	ICGEB	174	1996
United Nations World Tourism Organization	UNWTO	97	1996
International Seabed Authority	ISA	54	1998
International Centre for the Study of the Preservation and Restoration of Cultural Property	ICCROM	50	1981
Inter-Parliamentary Union	IPU	44	2005
International Tribunal for the Law of the Sea	ITLOS	39	1997
European and Mediterranean Plant Protection Organization	EPPO	21	1983
Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies	WA	14	2021

*Includes WFP participants who are administered, for pension purposes, by the same staff pension committee as FAO.

Transfer Agreements

The Fund has signed transfer agreements with 24 entities, which allow the Fund's participants to transfer their pension rights from the Fund to the new entity on leaving employment of a member organization of the Fund, or vice versa, when joining a member organization of the Fund.

Below is a list of the entities with which transfer agreements have been entered into:

- African Development Bank (AfDB)
- Asian Development Bank (ADB) (suspended since December 2022)
- Council of Europe (COE)
- European Bank for Reconstruction and Development (EBRD)
- European Centre for Medium-Range Weather Forecasts (ECMWF)
- European Communities (EC)
- European Free Trade Association (EFTA)
- European Investment Bank (EIB)
- European Investment Fund (EIF)
- European Organization for the Safety of Air Navigation (EUROCONTROL)
- European Organization for the Exploitation of Meteorological Satellites (EUMETSAT)
- European Space Agency (ESA)
- European Union Institute for Security Studies (EUISS)
- European Union Satellite Centre (Satcen)
- Government of Canada (limited application one-way to Government of Canada only)
- Inter-American Development Bank (IDB)
- International Monetary Fund (IMF)
- North Atlantic Treaty Organization (NATO)
- Organization for Economic Co-operation and Development (OECD)
- Organization for the Prohibition of Chemical Weapons (OPCW)
- Organization for Security and Co-operation in Europe (OSCE)
- Universal Postal Union (UPU)
- World Bank Group
- World Trade Organization (WTO)

Diversity and Inclusion

Consistent with the values of the United Nations, the Fund is dedicated to promoting respect for diversity and to ensure a collaborative, supportive and respectful environment that increases organization-wide participation and contribution.

GEOGRAPHIC DIVERSITY

As of 31 December 2022, the Fund staff is comprised of nationals from 63 countries, including:

 Australia	 Bulgaria	 Colombia	 Estonia
 Bangladesh	 Burkina Faso	 Comoros	 Ethiopia
 Belgium	 Cambodia	 Costa Rica	 Finland
 Benin	 Cameroon	 Czechia	 France
 Bhutan	 Canada	 Ecuador	 Germany
 Brazil	 China	 Egypt	 Guyana

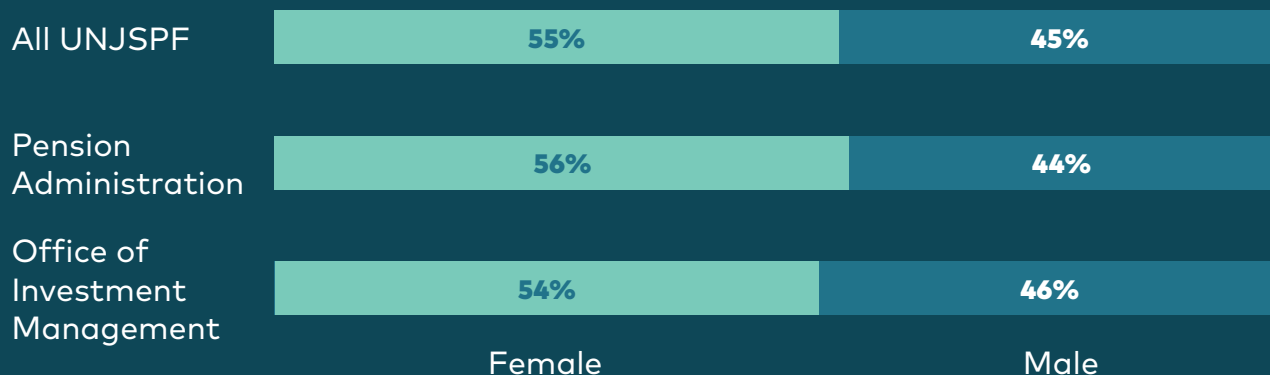
 Haiti	 Japan	 Netherlands	 Republic of Korea
 India	 Kenya	 Nigeria	 Romania
 Indonesia	 Kuwait	 Pakistan	 Russian Federation
 Iraq	 Malaysia	 Peru	 Senegal
 Italy	 Mexico	 Philippines	 Sierra Leone
 Jamaica	 Myanmar	 Portugal	 Singapore

 Spain	 Türkiye	 Yemen
 Sri Lanka	 Uganda	 Zambia
 Switzerland	 UK	 Zimbabwe
 Thailand	 USA	
 Trinidad & Tobago	 Uzbekistan	
 Tunisia	 Viet Nam	

GENDER DIVERSITY

As at 31 December 2022

In addition to geographic diversity, the Fund ensures gender diversity amongst its staff at all levels. The United Nations Secretariat is committed to achieving 50/50 gender balance in its staff. Due regard is paid to the importance of recruiting staff on as wide a geographical basis as possible as well.



The Fund is committed to achieving gender parity and improving the working environment and opportunities for its female staff at the professional level. Tangible steps include creating a supportive environment, providing learning and career opportunities, being aware of gender parity and focusing on work-life balance as vital for attaining gender parity.

The Fund established a Gender Strategy, developed in consultation with the Fund focal points for women. As specified in ST/SGB/2008/12, the role of the focal points for women is to support the heads of the Pension Administration and the Office of Investment Management, by inter alia:

- promoting greater awareness of gender issues and a gender-sensitive work environment
- monitoring progress towards the achievement of gender targets
- contributing to the development and realization of gender targets as set out in the action plan
- advising and supporting training initiatives on gender sensitivity, work/life balance, and encouraging greater participation of women in training programs and fora
- advising in the staff selection process to ensure the goal of reaching gender balance as set out in the action plan.

CULTURE TRANSFORMATION

Since 2021, the Fund has engaged in culture transformation. Teams of dedicated volunteers have been working on conceptualizing and implementing a range of initiatives aimed at the continuous improvement of the work environment in the Fund. A survey of the leadership culture is conducted on a recurrent basis to serve as a benchmark to monitor progress and to orient the work.

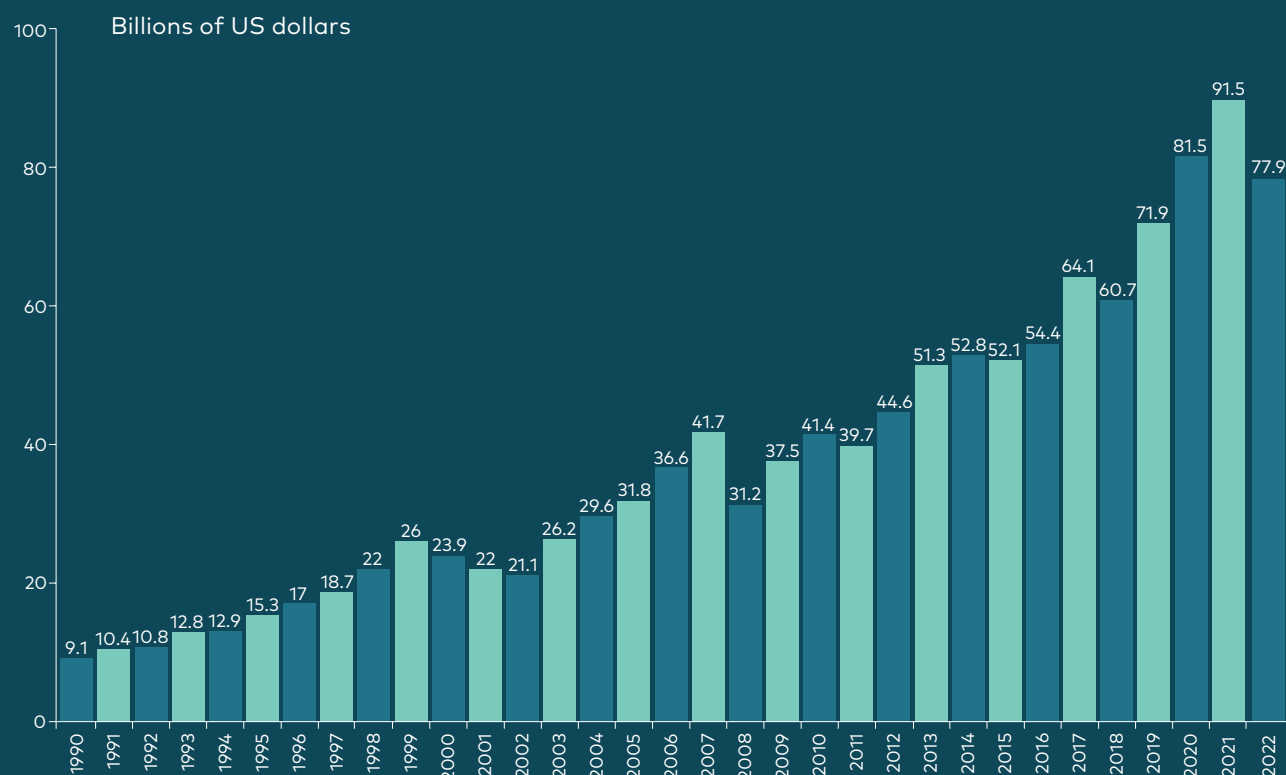


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Investments

Asset Management

As of 31 December 2022



As at 31 December 2022, the Fund managed a global multi-asset investment portfolio worth approximately US\$ 77.9 billion, 72 per cent of which is actively managed in-house. The Fund invests globally in regions such as North America, Europe, Asia, Latin America and the Caribbean and Africa. Investments are made across multiple asset classes that include global equities, global fixed income, private equity, real estate, infrastructure, timber and commodities.

Market conditions in 2022

The year 2022 presented significant challenges for various asset classes. One notable macroeconomic event was the sudden rise of inflation, which had remained low in many countries for several decades. This surge in inflation was primarily driven by the implementation of stimulative fiscal policies following the outbreak of COVID-19.

Additionally, supply chain disruptions and geopolitical conflicts further contributed to a global increase in inflationary pressures. Central banks responded by aggressively raising interest rates, exemplified by the Federal Reserve in the United States, which transitioned from near-zero rates in 2021 to 4.5 per cent by the end of 2022. The rise in consumer prices and weakening external demand posed headwinds to growth across emerging market economies.

The inflationary spike and subsequent interest rate hikes had a substantial impact on asset prices worldwide. Global equity index experienced a sharp decline of approximately 18 per cent in 2022, while the bond index for the United States dropped by 13 per cent during the same period. Both equity and bond markets exhibited extraordinary volatility and departed from the relatively stable conditions of previous years. Consequently, both stock and bond markets yielded double-digit negative returns, leading to the poorest performance of a 60/40 portfolio on record.

Looking ahead: what the markets look like in 2023

The global economy faces heightened uncertainty as it is widely anticipated to further decelerate due to the lagged effects of higher interest rates. The United States carries an elevated probability of entering a recession, as evidenced by a considerable slowdown in the manufacturing sector. Markets will closely monitor whether inflation continues to decline or remains persistently elevated, as this will determine the Federal Reserve's ability to gradually ease monetary policy. Within the bond markets, yields have experienced a significant upward shift over the past year and a half. Long-term expectations for fixed income returns have also increased, following a decade of historically low interest rates and quantitative easing policies. Bonds now appear to offer a reasonable yield and serve as a hedge against a potential recession.

For equities, the timing and severity of a recession will dictate the extent of potential downside risks. Thus far, earnings in the United States have remained resilient, supporting the buoyancy of equity markets. However, should a prolonged recession occur, it could significantly impact earnings. The outlook for international and emerging markets is mixed, as relatively attractive valuations are counterbalanced by weaker earnings growth and their sensitivity to a potential US recession.

Investment Policy Statement

Management of the investment of the assets of UNJSPF is the fiduciary responsibility of the Secretary-General of the United Nations, in consultation with the Investments Committee, and in the light of observations and suggestions made from time to time by the Pension Board in relation to the investment policy.

The Representative of the Secretary-General (RSG) for the investment of the assets of the UNJSPF has the responsibility and authority to act on behalf of the Secretary-General in all matters involving the fiduciary duties of the Secretary-General relating to the investment of the assets of the Fund, including representing the Secretary-General at meetings of the Investments Committee, the Pension Board, and other meetings where investment matters pertaining to the Fund are discussed. The RSG is assisted by the Office of Investment Management. Investments must, at the time of initial review, meet the criteria of safety, profitability, liquidity and convertibility.

Investments are carried out within the framework of the Investment Policy Statement (IPS). The purpose of the IPS is to set forth the parameters which shall guide the RSG and OIM staff in managing the investment of the assets of the UNJSPF. It is updated comprehensively following the completion of an Asset Liability Management study, which is conducted once every four years. The IPS was last updated in 2022 and is available on the UNJSPF website at <https://www.unjspf.org/the-fund/how-we-invest/>. The IPS is a living document and will be continuously updated, amended and enhanced as needed by the RSG, in order to provide the Fund with the necessary flexibility and tools required to address specific market conditions or developments.

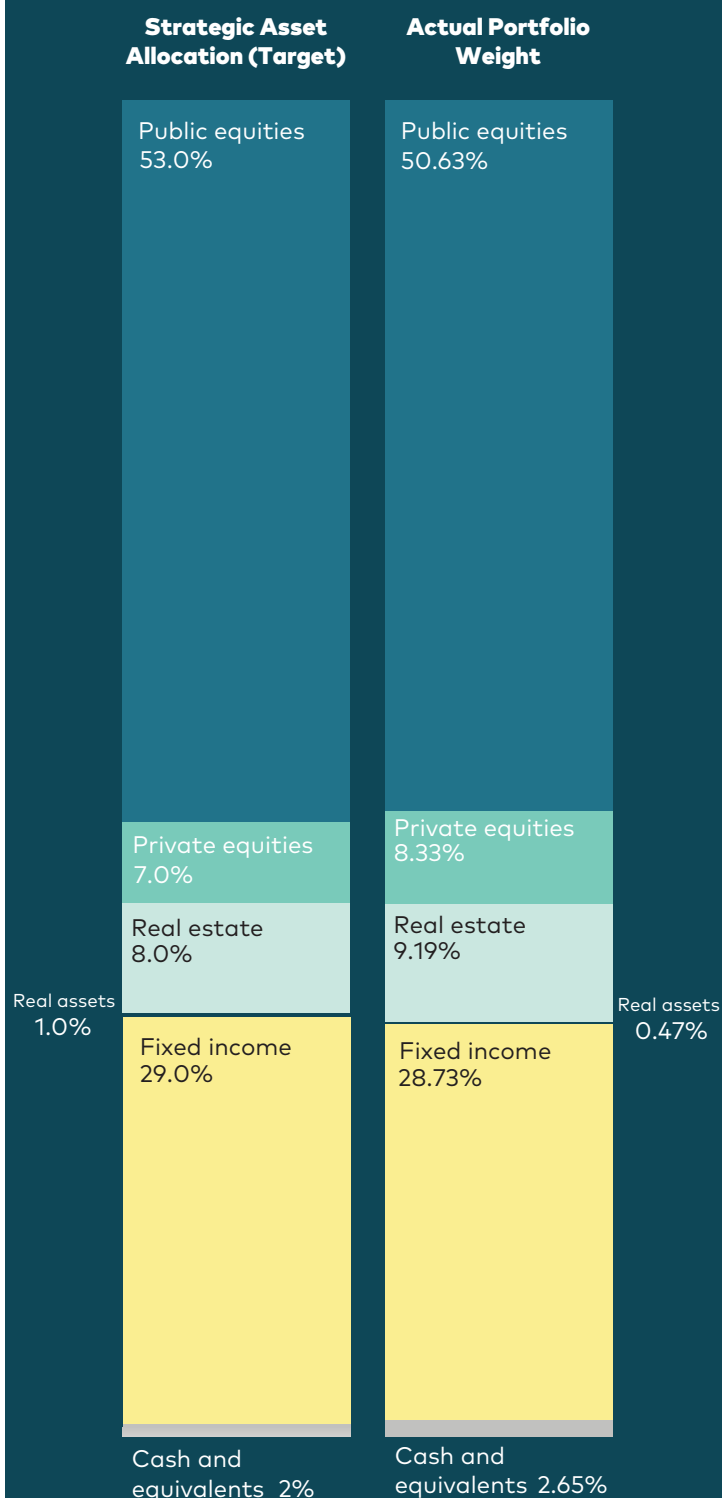
Long-Term and Short-Term Investment Objectives

The Fund's current **long-term investment objective** is to meet or exceed a 3.5 per cent real rate of return (net of inflation, as measured by the US Consumer Price Index) in US dollar terms annualized over the long-term (15 years and longer). The Fund's current **short-term investment objective** is to meet or exceed the return of the policy benchmark over the short-term (3 years).

In aiming to prudently meet its long-term obligations, the Fund must ensure an adequate level of investment return on its assets while being mindful of the approved Risk Appetite Statement and the requirements posed by its liabilities.

Asset Allocation

As of 31 December 2022



PUBLIC EQUITIES

The management of the Public Equities portfolio involves overseeing the investments in global publicly listed equities, while taking a long-term approach.

The benchmark is a custom ESG Morgan Stanley Capital International All Country World index (MSCI ACWI), which is composed of more than 2400 securities across 497 countries/regions, including 24 Emerging Markets. Small cap equities and select markets outside this benchmark are currently managed through specialized external managers and funds.

This asset class is managed internally by four teams at the Office of Investment Management (OIM): North America, Europe, Asia Pacific and Global Emerging Markets, with a small allocation to external specialty managers, mainly in small caps.

The teams follow a disciplined investment process, centred on equity screening, fundamental analysis and frequent dialogue with corporate management teams of the companies the Fund invests in or is interested in adding to its portfolio.

As of 31 December 2022, the total commission paid to brokers for public equities was USD 8.25 million.

FIXED INCOME

The management of the Fixed Income portfolio involves overseeing the investments in lower risk securities, with consideration given to diversification and relative value.

Fixed Income is managed internally in five portfolios comprising US Treasuries, US Securitized, Corporates, Government related (collectively referred to as 'Core') and Global Emerging Markets.

The benchmark for the Core portfolio is the Bloomberg MSCI US Aggregate ESG Custom Index. The benchmark for Emerging Markets is the Bloomberg EM Local Currency Government, 10 per cent Country Capped.

Eighty per cent of corporates and government related portfolios are managed externally and combine the credit portfolio in passive mandates by external managers. The benchmark for the external credit portfolio is Bloomberg MSCI US Government-Related and Corporate ESG Custom Index.

In addition to the Fixed Income portfolio, the team also manages the cash portfolio which is benchmarked against the Bloomberg US Treasury Bill: 1-3 Months Index and provides cash flow and currency requirements (within the Operational Cash and Treasury cash portfolios) for the entire Fund.

The team adheres to a robust and disciplined investment process with a top-down macro/fundamental research focus to identify investment ideas in local debt markets. Analysis is performed on the economic outlook, valuations and positioning. A bottom-up analysis is used for individual security decisions. This includes an examination of credit quality, sector allocation, maturity profile, liquidity and relative value.

PRIVATE MARKETS

The Private Markets portfolio involves overseeing the investments in global private markets asset classes, including private equity and real assets and real estate.

The Private Equity and Real Assets portfolio is responsible for investments in private equity, infrastructure, timber and agriculture through externally managed funds and co-investments. The team works proactively through the selection and management of its external managers and co-investments to reduce risk and increase long term returns.

The benchmark for the private equity portfolio is customized Morgan Stanley Capital International All Country World Index (MSCI ACWI) plus 200 basis points.

The Private Equity Programme began in June 2010. Its charter is to build a private equity portfolio by identifying and investing in top-tier managers that provide superior long-term risk adjusted returns while improving overall portfolio diversification. The Fund's Private Equity Programme currently consists of a select number of over 100 high quality externally managed funds diversified by vintage year, private equity sub-strategy, sector and geography. A small portion of the Private Equity Programme is invested in co-investment alongside high performing private equity managers.

The Real Asset portfolio is invested through select externally managed funds. Selection is based on moderate leverage, strong cash flow and a demonstrated record of realizations. Primary focus of the Real Asset portfolio is on

Infrastructure. Modest allocations to timber and agriculture funds, invested on a global basis, are also part of the Real Assets portfolio.

The benchmark for the Real Asset portfolio is CPI + 400 basis points.

REAL ESTATE

The management of the Real Estate portfolio involves overseeing global investments in real estate through externally managed funds and co-investments. The team works through the selection and management of its external managers and co-investments to reduce risk and increase long term returns.

The benchmark for the Real Estate portfolio is NCREIF ODCE + 100 basis points.

The Real Estate programme originated in 1971. As of 2022, the portfolio is invested globally in over 100 externally managed funds globally. The Real Estate programme invests in high quality managers that provide superior long-term risk adjusted returns while improving overall portfolio diversification. The allocation is 50 per cent core "open ended" funds and 50 per cent non-core "closed end" funds. The Fund's core funds are diversified by geography and property type, and its non-core funds are diversified by vintage year, geography, property type and risk profile.

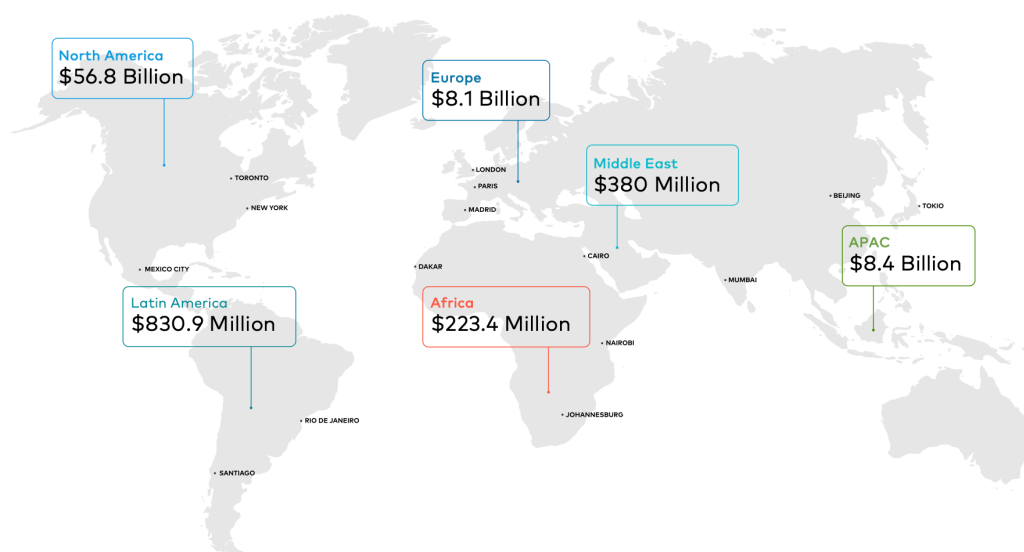
Diversification of Investments

The Fund's policy of broad diversification continues to be a reliable strategy for improving its risk-return profile over the long term. The Fund is unique among major pension funds in its commitment to diversifying its portfolio on a fully global basis.

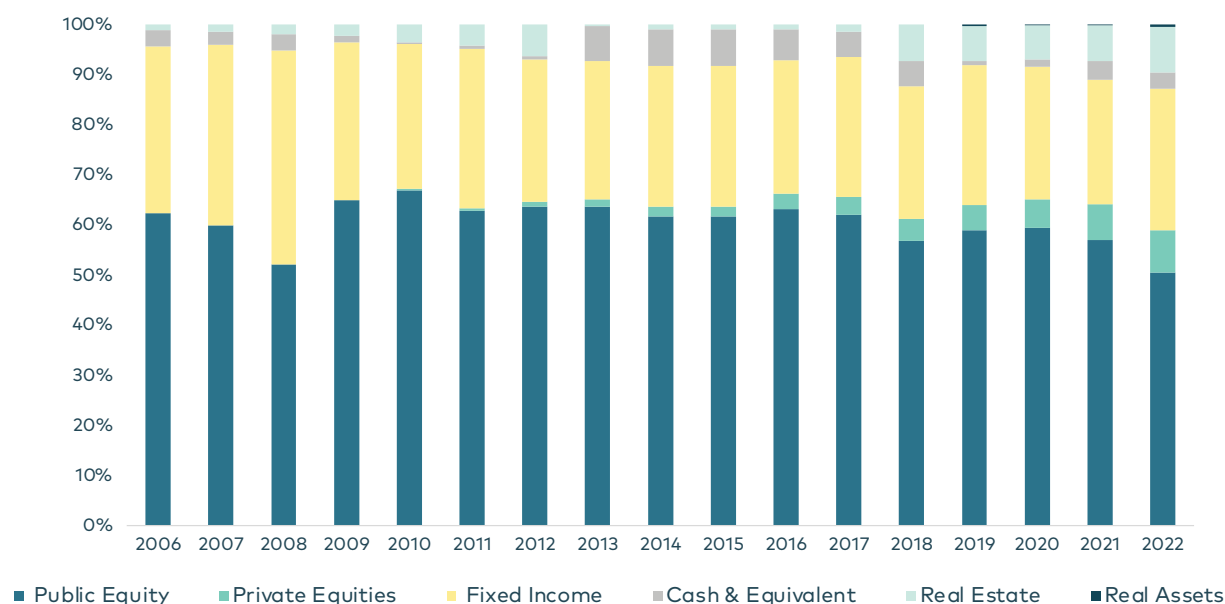
The Fund continually strives to identify opportunities to diversify its investment by asset classes and geographical regions. As of 31 December 2022, the Fund had investments in 97 countries/territories, including both developed and developing countries. This included direct securities investments in 35 currencies along with indirect investments in additional countries through externally managed funds.

Geographical distribution of Fund's assets

As of 31 December 2022



Asset class distribution 2006-2022



Risk, Performance and Compliance Management

Office of Investment Management (OIM)

The Risk and Compliance team at OIM is responsible for independently identifying, measuring, monitoring and managing all aspects of risks to which the Fund is exposed, along with the implementation of key compliance measures, i.e., adequate monitoring and control processes covering the Fund's investments. The team is comprised of the Risk Management team, the Performance team and the Compliance team.

Risk Management

The role of Risk Management team is to independently monitor and oversee the implementation of OIM's risk management policies and practices. A key part of Risk Management is ongoing risk assessments, risk monitoring and regular reporting to appropriate risk governance structures of OIM, including the internal Risk Committee. A risk budgeting approach is used to measure and identify the significant risk contributors (risk components) and to support optimal allocation of risk based on risk adjusted returns. In this process absolute and relative performance of the Fund and asset classes is analysed and monitored regularly.

Performance

The Performance team is responsible for reporting the Fund's investment performance. The team tracks the investment performance on a regular basis and provides the official performance records quarterly to the internal and external stakeholders. The Fund's investment performance is independently measured by the Fund's third-party Master Record Keeper.

The UNJSPF has claimed compliance with Global Investment Performance Standards (GIPS)* and got this claim verified by an independent and accredited third party for three consecutive years, from 2020 to 2022. Independent verification provides assurance on whether the asset owner's policies and procedures related to total Fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on an asset owner-wide basis.

Compliance

Monitoring and ensuring compliance with existing policies and guidelines is an integral part of the activities of OIM. OIM has a comprehensive governance framework which includes the Compliance Committee, which is tasked with ensuring transparency of its activities and emphasizing standards of honesty, integrity, and professionalism in which Management leads by example.

The Compliance function of OIM is focused on identifying, assessing, monitoring and reporting on compliance risks in matters relating to OIM's investment activities, and the personal conduct of staff members. The Compliance team also ensures that our staff adhere to high standards of conduct which include the United Nations "Staff Regulations" and related staff rules, as well as the "Code of Ethics and Standards of Professional Conduct" promoted by the Chartered Financial Analyst Institute (Annex C), regarded as best practice in the investment industry, in addition to other policies and guidelines.

Compliance policies include the OIM Gifts, Hospitality and Outside Activities Policy, OIM Personal Securities Policy and Procedure, Mandatory Leave Policy, Information Sensitivity, Classification of Documents and Records Management Policy, and OIM Anti-Fraud and Anti-Corruption Policy. OIM adopted a Conflict of Interest and Recusal policy in January of 2021. A revised Reputational Risk policy was also adopted and implemented in August of 2021.

Pension Administration

On the Pension Administration side, the Risk Management Unit executes, maintains and monitors the application of the Fund's risk management and internal control policies and methodologies. The Unit works towards ensuring that an enterprise approach to risk management and internal control is embedded at strategy and operational levels; and independently assesses, reports and monitors enterprise-wide risks. The Risk Management Unit executes, maintains and monitors the business continuity management and fraud awareness, reporting and escalation policies and methodologies.

*GIPS is a registered trademark of the CFA Institute. The CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The GIPS Asset Owner Report is available upon request for all UNJSPF plan participants and beneficiaries. Requests can be addressed to: unjspf-communication@un.org

Fund-wide Risk Management

The Enterprise Risk Management function reports on the Fund's risk profile and the implementation of risk mitigation strategies to the Enterprise-wide Risk Management (EWRM) working group; develops and ensures the operation of the business continuity management strategy and manages the meetings of the business continuity / recovery working group; the Unit monitors and assesses the effectiveness of internal controls to support the Fund's Statement of Internal Control; acts as a liaison and focal point with the Fund's oversight bodies; and works in close coordination with the Office of Investment Management in enterprise risk management, business continuity management and internal control matters.

Operations and Information Systems

The Operations team at OIM is in charge of overseeing Accounting, the Middle Office and Back Office functions. Information Systems is in charge of the following areas: Infrastructure, Information Security & Business Continuity, Program & Vendor Management System Integration & Development and the Service Desk.

During the continued COVID-19 pandemic and the return to office through 2022, OIM transitioned into a hybrid working environment allowing the expansion into a new floor. OIM also successfully retained the ISO certifications for both their Business Continuity and Information Security practices based on an external audit in 2022. This helps ensure the continued safety and security of the Fund's assets.

The accomplishments in the areas of Technology Infrastructure and Change Management also underscore the importance of ensuring that the Information and Communications Technology (ICT) strategy is aligned to the overall strategy of the Fund and that the continued investment is made to support the efforts on the Target Operating Model for the Office of Investment Management.

In 2022, the biggest ICT initiative was the migration of OIM's infrastructure from the United Nations International Computing Centre (UNICC) to a cloud-based infrastructure. The project team was comprised of staff from Infrastructure, Info Security/Business Continuity, Service Desk, Programme & Vendor Management, Systems

Integration & Development, and Data Analytics & Business Applications.

These efforts are the result of a multi-year effort starting with the Target Operating Model (TOM) recommendation in 2017 to externally host its infrastructure and review its existing supplier relationships to ensure an adequate level of support and pricing. There were two RFPs, first in 2019 and then in 2020 with IT Service Management (ITSM) component included.

OIM also built on the work of the newly established Data Analytics and Business Analysis team to continue to create data governance structures and align them with OIM's data strategy and the UN Secretary-General's data strategy.

To reduce exceptions and fails in the trade settlement, the Operations team finalized and went live with the project to migrate the SWIFT notification messaging to our custodian via DTCC's Central Trade Matching (CTM) SWIFT Notification (CTM SN) platform. The role of CTM SN is to introduce trade processing management by exceptions and eliminates the need to manually maintain equity and fixed income Standard Settlement Instructions (SSI) static data for most brokers, drastically reducing settlement risk due to incorrect and late instructions.

In 2022, OIM also onboarded CITCO's fund administration services for Alternative investments to automate back-office processes, increase oversight and reduce the risk of errors. This solution better supports OIM's growing real estate, real assets and private equity portfolios and provides increased visibility and control over our assets.

5

Sustainable Investing

SUSTAINABLE INVESTMENTS

The Office of Investment Management (OIM) is a long-term investor and prefers high-quality companies that can generate stable cashflow return on investment above their cost of capital and achieve sustainable and profitable growth. All teams within OIM consider environmental, social and governance (ESG) factors in their investment decisions. OIM conducts an ESG due diligence on all investment opportunities with a standardized framework and monitors and engage with external managers post investment.

In 2022, OIM continued to pursue the integration of environmental, social and corporate governance processes that initiated in the previous years. In 2021, the Fund's ESG programme obtained a rating of 4 out of 5 stars from the signatories of the Principles for Responsible Investment (PRI) report. The Fund was ranked first in the 2021-2022 Responsible Asset Allocator Initiative (RAAI) Index and Leaders List Report.

In addition, OIM started to roll out ESG certifications for its investment teams.

1. OIM strengthened its existing ESG policy. This document 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 (moving to an enhanced integration process and defining objectives by 2025 and beyond), boosted existing private market ESG integration techniques and initiated a review of its fixed income ESG processes. OIM further developed its impact investing strategy following the General Assembly's resolution A/RES/76/246 asking the Fund to explore impact investing for part of the portfolio.
2. OIM is still 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.
3. 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.

2022 HIGHLIGHTS



Fund ranked first in the 2021-2022 Responsible Asset Allocator Initiative (RAAI) Index and Leaders List Report



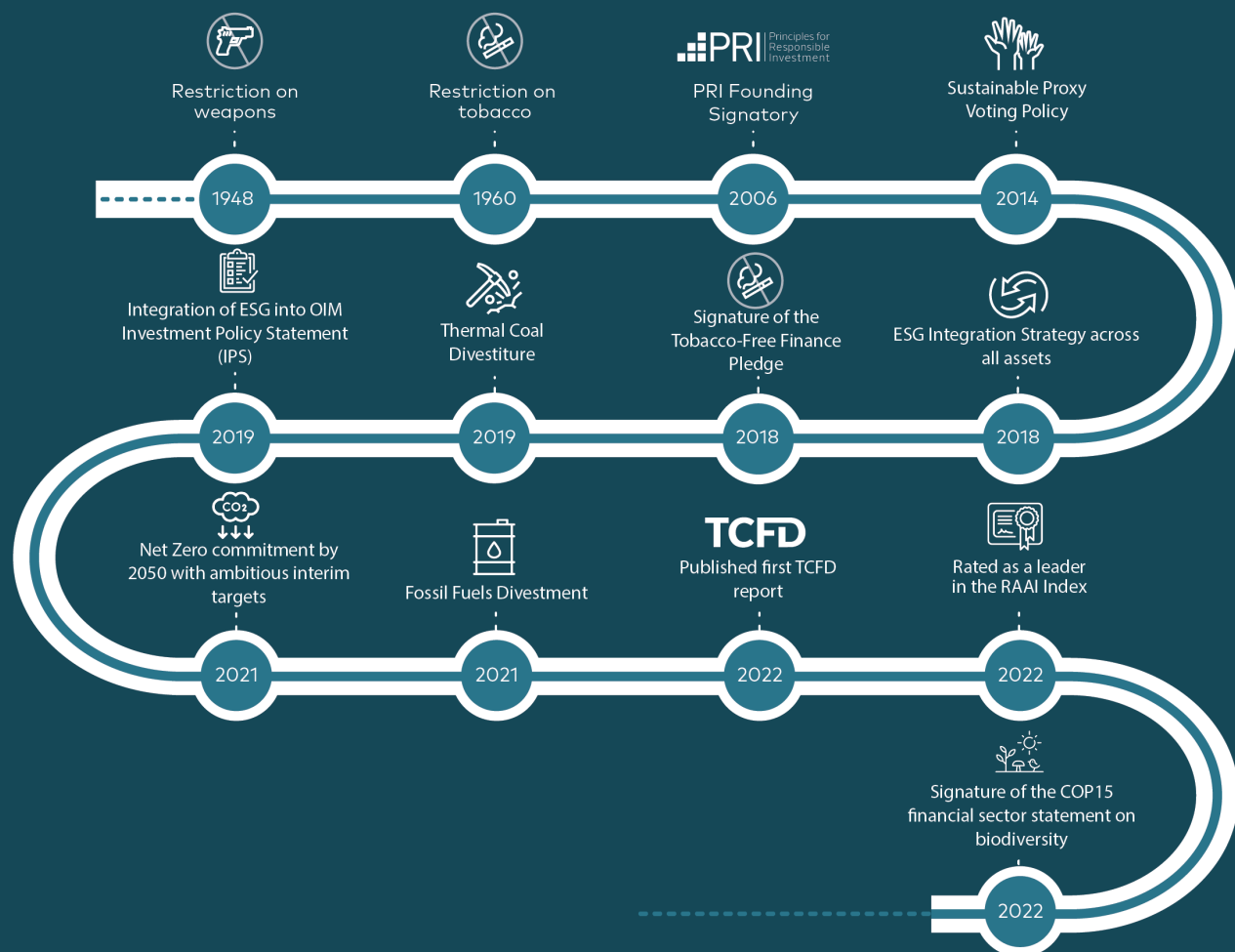
Signatory of the UN Biodiversity Conference (COP 15) Statement from the financial sector



Engaged with more than 500 companies across environmental, social and corporate governance issues.

Achievements to Date

HISTORY OF SUSTAINABLE INVESTING



OUR CURRENT FRAMEWORK

We follow the internal policies and methodologies of the Office of Investment Management (OIM) to ensure sustainability across the Fund. The Investment Policy Statement was updated in 2019 to integrate sustainable considerations.

Sustainable factors are integrated into portfolio construction. OIM's sustainable investment strategy includes material ESG considerations that are integrated throughout the investment decision-making process. Our approach is based on three pillars:

EXCLUSIONARY

Prohibits investments in tobacco, weapons and fossil fuels across the Fund's assets

ESG INTEGRATION

Incorporates ESG metrics in security selection across public equities and fixed income; ESG due diligence for private market investments

POST-INVESTMENT

Proxy voting and active engagement with external partners aimed at pro-active investment

6

Actuarial Matters and
Asset Liability Management

ACTUARIAL VALUATION

Ensuring that the Fund can continue to pay benefits over the long-term is crucial. The Fund's solvency is monitored through actuarial valuations and asset-liability management (ALM) studies.

Actuarial valuations are undertaken every two years to determine whether the present and estimated future assets of the Fund will be sufficient to pay future expected benefits. This involves using various economic and demographic assumptions to model the future and associated uncertainties. The most recent valuation of the Fund was carried out as of 31 December 2021, with the results presented to the Pension Board at its 72nd session in July 2022. The next actuarial valuation will be undertaken to reflect the position of the Fund at 31 December 2023.

The actuarial valuation considers the solvency of the Fund from different perspectives, including:

- **An open group valuation:** Assumes the Fund would be run into perpetuity with a continuous influx of new participants. The key metric 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 in remaining open to existing and new participants.

➤ A closed group valuation on a termination basis:

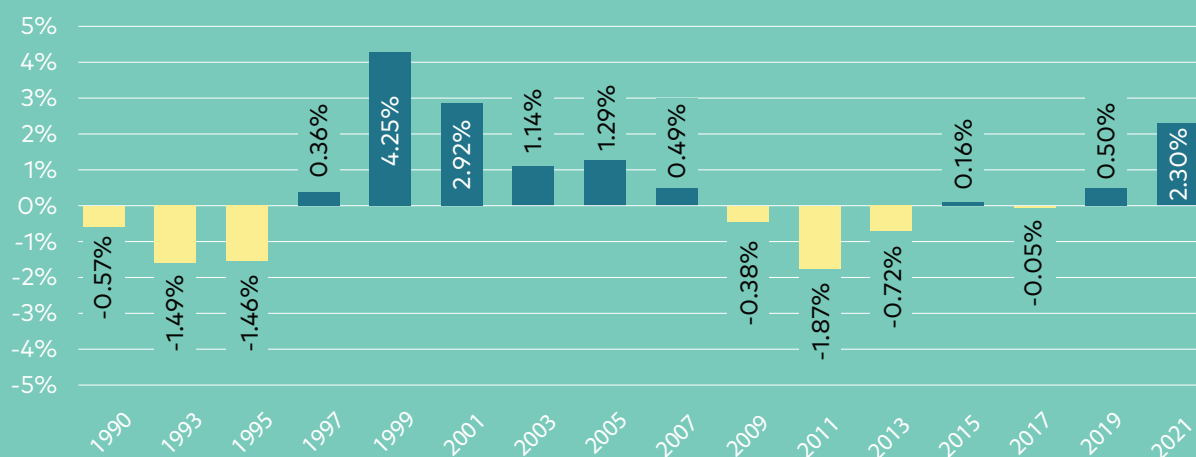
Assumes that the Fund is closed immediately. In common with many national pension fund regulations, this is a valuation that is required under the Fund's own Regulations. The key metric from this valuation is the funded ratio, which provides a view of the Fund's ability to meet its obligations if it were to be closed to all participants.

With liabilities extending over an average of 40 years into the future, it is also important to note that the actuarial valuation takes a long-term view of the Fund's assets. Short term market fluctuations in assets are smoothed. This minimises the risk of the long-term assessment being distorted by short-term capital market movements (both up and down) that should not impact the Fund's ability to meet its obligations.

Last actuarial valuation results

Open group valuation: The 2021 actuarial valuation resulted in a required contribution rate of 21.4 per cent of pensionable remuneration, which compared against the current actual contribution rate of 23.7 per cent. This equates to an actuarial surplus of 2.3 per cent of pensionable remuneration. The following diagram shows recent historical results.

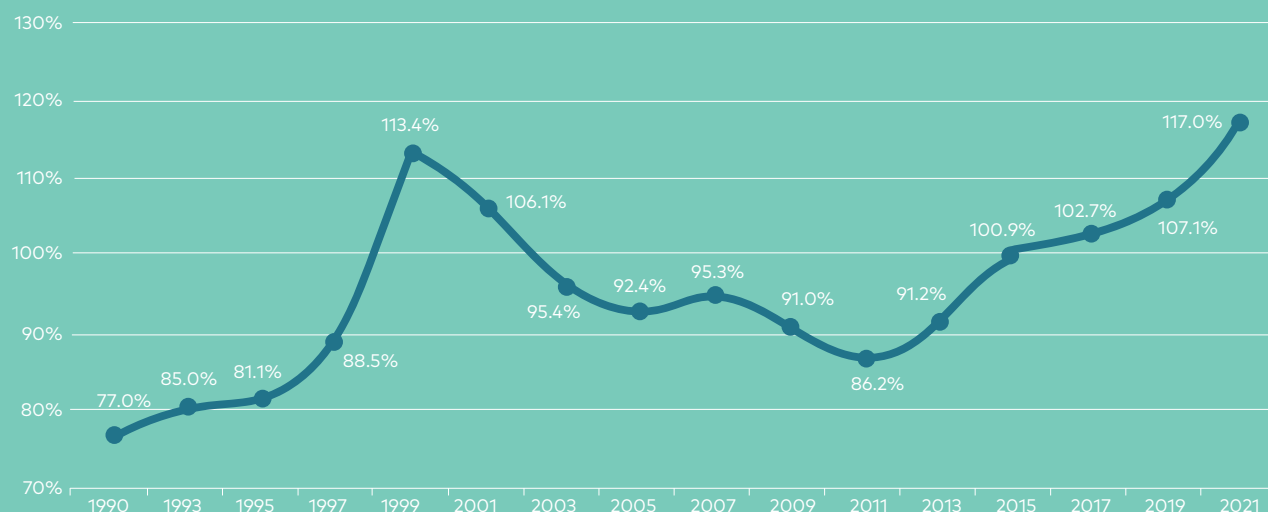
HISTORICAL DIFFERENCES BETWEEN REQUIRED AND ACTUAL RATE OF CONTRIBUTIONS



Closed group valuation: The 2021 valuation resulted in a closed book valuation of US\$ 70,873.8 million in accrued benefit liabilities, as compared with an actuarial value of assets of

US\$82,911.7 million. This equates to a funded ratio of 117.0 per cent, with the historical funded ratios summarised below.

HISTORICAL FUNDED RATIOS



Factors that affect the solvency of the Fund, include investment returns; trends in the number of participants, changes in benefits payable and changes in contributions received by the Fund. Each of these factors is monitored closely by the Pension Board, utilising the advice of the Committee of Actuaries and the Consulting Actuary.

ASSET LIABILITY MANAGEMENT

Every four years, an Asset Liability Management (ALM) Study is carried out by an external consultant on behalf of the Fund.

The main objectives of the ALM study are to:

- Forecast the likelihood that the current contribution rate will remain sufficient in the future.
- Forecast the likelihood that future solvency metrics will remain within an acceptable range.
- Evaluate current and alternative asset allocations.
- Assess whether the assumed rate of investment return (as used in the actuarial valuation) is expected to be achieved in the long-term.

The results are utilised by the Office of Investment Management in setting the Fund's investment strategy, and by the Board in understanding the effects of potential plan design changes and future demographic trends.

The last ALM study was undertaken and published in 2019. The key conclusions were that:

- The real rate of investment return continues to be the most significant factor in maintaining solvency
- The current contribution rate (23.7%) continues to be appropriate
- There are no expected liquidity problems for the Fund over the next 30 years.

The next ALM study is due to be completed in 2023.





Governance

Governance

The Fund is administered by the United Nations Joint Staff Pension Board, the Chief Executive of Pension Administration, the Staff Pension Committee of each member organization, and the Secretariat to each Staff Pension Committee. Governance of the Fund has been high on the agenda of the Pension Board and the General Assembly of the United Nations since 2019. The independent post of Secretary of the Pension Board was created by General Assembly resolution 73/274 as of January 2020. The governance discussions resulted in the adoption of a comprehensive reform package which was supported by the General Assembly in its resolution 76/246 (24 December 2021). As part of the reform package, the Board has clarified the responsibilities of Board members, and is holding more frequent meetings.

Composition of the Board

The United Nations Joint Staff Pension Board shall consist of:

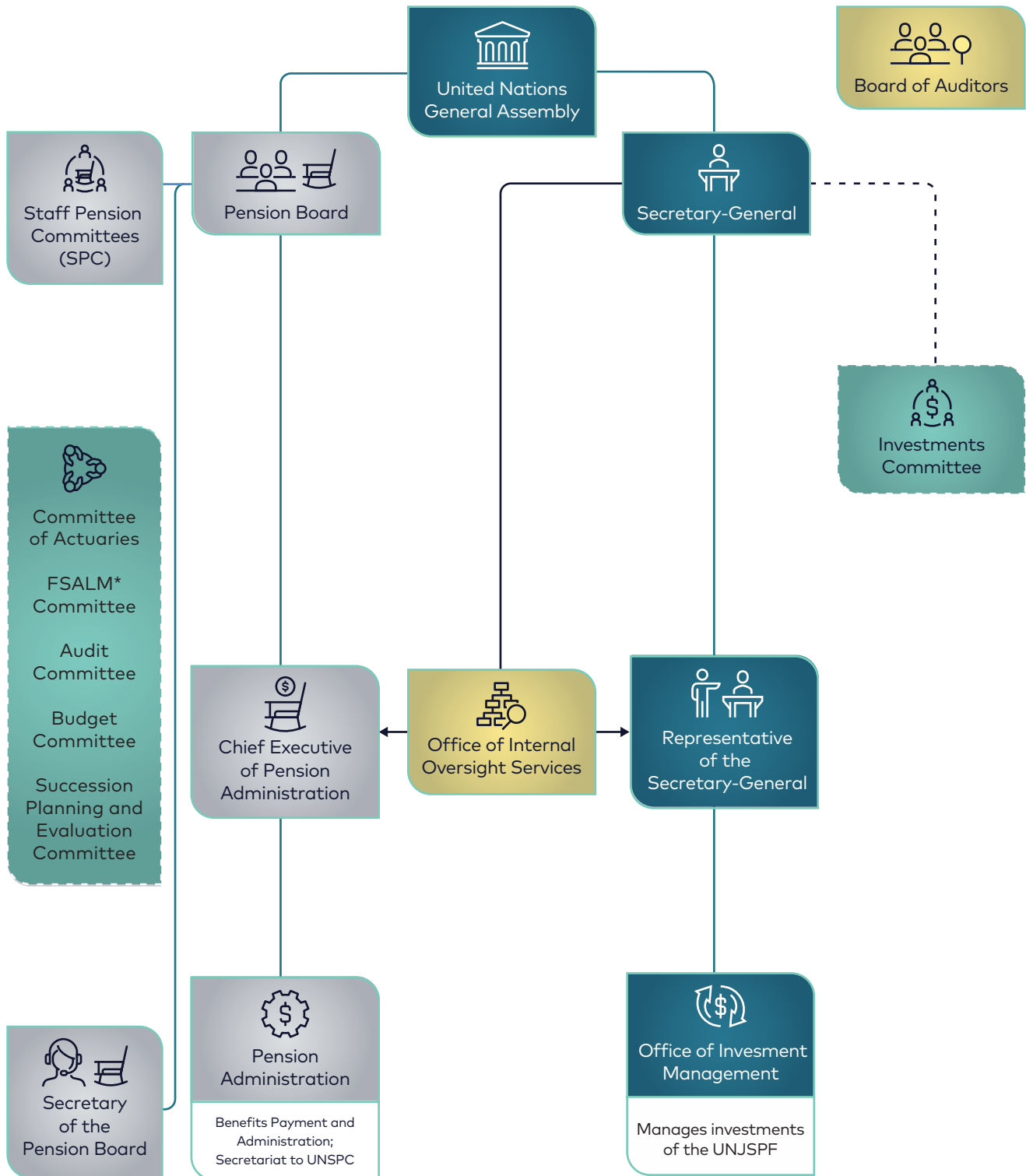
- Twelve members appointed by the United Nations Staff Pension Committee, four of whom shall be from the members and alternate member elected by the General Assembly, four from those appointed by the Secretary-General, and four from those elected by the participants in service in the United Nations; and
- 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 shall be from the members and alternate members 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.

Alternate members may be appointed by each staff pension committee.

Board independence

Members of the Board are appointed and chosen by member organizations, comprising the governing body, its chief administrative officer, and its participants in service.

Governance Chart



*Fund Solvency Assets and Liabilities Monitoring Committee

Fund's Administration

UNITED NATIONS JOINT STAFF PENSION BOARD



Function: The Pension Board formulates recommendations for approval by the General Assembly, including the budget, changes to the Regulations and Rules, and governance. It also reports on the long-term solvency (30 or more years) of the Fund and makes observations and suggestions on the investment policy from time to time.



Composition: The Pension Board is made up of 33 members, of which, 11 represent the governing bodies of the member organizations, 11 are appointed by the Chief Administrative Officers of the member organizations, and 11 are elected by participants in service. Attendance at Board meetings includes other categories without voting rights, such as representatives of retirees.

STANDING COMMITTEE



Function: The Standing Committee is appointed by the Pension Board and has the power to act on behalf of the Board when the latter is not in session. The Committee also considers appeals by participants of decisions of the Staff Pension Committees and of the Chief Executive of Pension Administration.



Composition: The Committee has 15 members, of which, five represent the governing bodies of the member organizations, five are appointed by the Chief Administrative Officers of the member organizations, and five are elected by participants in service. In addition, representatives of retirees without voting rights may participate.

STAFF PENSION COMMITTEES (SPCs) AND THEIR SECRETARIES



Function: For each member organization, a Staff Pension Committee administers staff members' participation in the Fund and has the power to determine incapacity for the purpose of awarding disability benefits.



Composition: Each Staff Pension Committee comprises an equal number of members representing (i) the governing body; (ii) the Chief Administrative Officer; and (iii) participants in service.



Secretaries: The Fund secretariat acts as the secretariat for the United Nations Staff Pension Committee (UNSPC). The Secretaries of the

Staff Pension Committees of other member organizations are appointed by the Chief Administrative Officer of the respective member organization, upon the recommendation of the respective Staff Pension Committee.

Board Committees and Working Groups

COMMITTEE OF ACTUARIES



Function: The Committee of Actuaries advises the Pension Board on actuarial questions arising from the operation of the Fund's Regulations.



Composition: The Committee consists of at least five independent volunteer actuaries from around the world, all of whom are respected in their field and bring an external perspective. The members are appointed by the Secretary-General of the United Nations upon the recommendation of the Pension Board.

FUND SOLVENCY AND ASSETS AND LIABILITIES MONITORING COMMITTEE



Function: The Fund Solvency and Assets and Liabilities Monitoring (FSALM) Committee monitors the solvency of the Fund and provides advice and recommendations to the Pension Board on asset/liability matters.



Composition: The FSALM Committee is made up of eight members designated by the Pension Board, including two from each of the three constituent groups on the Board, and two additional members designated by the Federation of Associations of Former International Civil Servants (FAFICS). It is also supported by the Consulting Actuary and members of the Committee of Actuaries and Investments Committee.

AUDIT COMMITTEE



Function: The Audit Committee provides assistance to the Pension Board in fulfilling its oversight responsibility regarding: (a) the performance and independence of the internal audit function; (b) the accounting and financial audit reporting processes of the UNJSPF; (c) adherence to the Internal Audit Charter of the Fund, and UNJSPF Regulations and Administrative Rules relating to audits.



Composition: The Committee has six members reflecting the tripartite composition of the Pension Board, two external experts, and one representative of FAFICS.

The Audit Committee Terms of Reference can be found here: <https://www.unjspf.org/wp-content/uploads/2020/02/ToR-Audit-committee.pdf>

Click here to read the Internal Audit Charter.: <https://www.unjspf.org/wp-content/uploads/2017/03/IntAuditCharter2010.pdf>

SUCCESSION PLANNING AND EVALUATION COMMITTEE



Function: The Succession Planning Committee assists the Board in selecting senior staff of the Fund, particularly the Chief Executive of Pension Administration, Deputy Chief Executive of Pension Administration, and Secretary to the Board for recommendation to the Secretary-General for appointment; and develops evaluation methodologies for senior positions.



Composition: The Committee has six members reflecting the tripartite composition of the Pension Board and two representatives of FAFICS.

BUDGET COMMITTEE



Function: The Budget Committee advises the Board on the Fund's budget proposal on the administrative expenses to the General Assembly; the Fund's budget performance and revised budget estimates; and the Fund's budget methodology.



Composition: The Committee has six members reflecting the tripartite composition of the Pension Board and two representatives of FAFICS.

In addition to the above permanent committees, the Pension Board relies on smaller working groups and ad hoc committees to prepare recommendations for the Board's consideration on various matters. Examples of working groups are the Working Group on Sustainability, the Governance Working Group, and the newly established Plan Review Group.

These working groups adhere to the tripartite composition of the Pension Board and include representatives of FAFICS.

Investments Committee



Function: The Investments Committee advises the United Nations Secretary-General on the investment of the assets of the Fund.



Composition: The Committee is made up of nine members plus ad hoc members appointed by the United Nations Secretary-General after consultation with the Pension Board and the United Nations Advisory Committee on Administrative and Budgetary Questions, subject to confirmation by the General Assembly.

Record of Board meetings

The seventy-second session of the United Nations Joint Staff Pension Board was held in Vienna, from 25 to 29 July 2022, in a new hybrid format, of both in-person and remote participation.

The Board recognized the excellent financial health and operational performance of the Fund. The Board approved the Fund's proposed 2023 administrative budget, its 2021 Financial Statements and the results of the latest actuarial valuation at 31 December 2021. The most recent actuarial valuation undertaken by the Fund's Consulting Actuary as of 31 December 2021 showed a surplus of 2.3 per cent of pensionable remuneration on an open group basis and a funded ratio of 117 per cent, thus demonstrating that the Fund remained fully funded and in a sound financial position. On governance topics, the Board took note of the initial report of the Ethics Adviser which included a number of observations and recommendations for further consideration by the Board. The Board agreed to continue its work on reviewing these important matters in collaboration with the Ethics Adviser and to provide the outcomes of these deliberations to the UN General Assembly.

2022 General Assembly decisions

In December 2022, the General Assembly adopted resolution 77/258 whereby it, inter alia, approved the Fund's budget for 2023. The Assembly welcomed and approved the establishment of a Risk Management Unit aimed at strengthening the risk management capabilities of the Pension Administration.

The General Assembly welcomed the continued implementation by the Pension Board of the governance reform plan and acknowledged that the Board considers that the reform plan has started to contribute to improving efficiency and effective decision-making.

The General Assembly also approved amendments to articles 1 and 24 of the Regulations of the Pension Fund to allow restoration of all or partial contributory service in the case of deferred retirement benefits. The UNGA requested the Pension Board to provide the requisite framework for extension of the guidelines to allow retrospective recognition of beneficiaries arising from marriages, in cases where changes under national legislation occurred after the time of the former participants' separation from service and they separated prior to the adoption of the revised guidelines in 2016.

The Regulations and Rules in force as of 1 January 2023 are available on the Fund's website.

Membership of the Board and attendance at the seventy-second session

The Secretary of the Board was notified of the appointment of the following persons by the staff pension committees as members and alternate members of the Board for the seventy-second session, in accordance with article 5 of the Regulations and rule A.2 of the rules of procedure. A/77/9 52/287 22-127462.

<i>Representing</i>	<i>Member</i>	<i>Alternate</i>
United Nations		
General Assembly	Tomoya Yamaguchi	Dmitry Chumakov
General Assembly	Jörg Stosberg	Philip Richard O. Owade
General Assembly	Pia Poroli	David Traystman
General Assembly	Lovemore Mazemo	Ahmed Al-Kabir
Secretary-General	Catherine Pollard	
Secretary-General	Martha Helena Lopez	
Secretary-General	Christian Saunders	
Secretary-General	Kathryn Alford	
Participants	Patricia Nemeth	
Participants	Mary Abu Rakabeh	
Participants	Christian Castelli	
Participants	Ibrahima Faye	
Food and Agriculture Organization of the United Nations/World Food Programme		
Governing Body	Guillermo Rodolico	
Executive Head	Annick Vanhoutte	
Participants	John Levins	
World Health Organization		
Governing Body	Alan Ludowyke	
Executive Head*	Claude Hennetier Rossier	
Participants	Olga Carolina Bascones	
United Nations Educational, Scientific and Cultural Organization		
Governing Body	George Sarpong	
Executive Head	Magdolna Bona	
International Labour Organization		
Governing Body*	Fabrice Merle	
Participants*	Elisabeth Fombuena	
International Atomic Energy Agency		
Executive Head	Peter Frobel	
Participants	Imed Zabaar	
United Nations Industrial Development Organization Organization		
Governing Body*	Andrea Nemes	

<i>Representing</i>	<i>Member</i>	<i>Alternate</i>
World Intellectual Property Organization		
Participants*	Nicoletta Marin-Cudraz Davi	
International Civil Aviation Organization		
Executive Head	Kamini Balram	
Participants	Andrew Larcos	
International Telecommunication Union		
Governing Body	Vilém Veselý	
World Meteorological Organization		
Executive Head	Brian Cover	
International Maritime Organization Organization		
Participants	Edwin Titi-Lartey	
International Fund for Agricultural Development		
Governing body	Mohammed A. M. Alghamdi	
International Organization for Migration		
Executive Head	Alejandro Rovira	
Federation of Associations of Former International Civil Servants		
Representatives	Jerry Barton	
Representatives	Linda Saputelli	
Representatives	Gerhard Schramek	
Representatives	Suzanne Bishopric	
Office of Investment Management		
Representative of the Secretary-General for the investment of the assets of the UNJSPF	Pedro Guazo	
Pension Administration Management		
Chief Executive of Pension Administration	Rosemarie McClean	
	David Penklis	
	Karl-Ludwig Soll	
	Dulcie Mapondera	
Pension Board secretariat		
Secretary of the Board	Jan De Preter	
	Katrin Toomel	
	Gedma Arndt	

*Decided to attend virtually.

Below is the list of those who attended virtually for all or part of the session.

<i>Representing</i>	<i>Representative</i>	<i>Alternate</i>
United Nations		
Secretary-General		Chandramouli Ramanathan
Secretary-General		Maria Costa
Participants		Ian Richards
Participants		Youssef Sfeir
Food and Agriculture Organization of the United Nations/World Food Programme		
Governing body		Hammad B. Hammad
Executive head		Davide Marzano
Participants		Cristina Ascone
Secretary	Sasha You	
World Health Organization		
Governing Body		Gerald Anderson
Executive head		Xavier Daney
Participants		Paul De La Croix-Vaubois
Secretary	Frederick Loirat	
United Nations Educational, Scientific and Cultural Organization		
Governing body		Rodrigo Waghorn
Executive head		Amol Khisty
Participants	Anna-Christina D'Addio	
Secretary	Immo Welter	
International Labour Organization		
Executive head	Luca Bormioli	
Participants		Florian Leger
Secretary	Colleen McGarry	
International Atomic Energy Agency		
Executive head		William Tam
Participants		Markus Kohl
Secretary	Gjorgji Nikolovski	
United Nations Industrial Development Organization		
Governing body		Charitha Weerasinghe
Executive head	Dana Vavrikova	
Participants	Steven Eales	
Secretary	Ralf Dotzauer	
World Intellectual Property Organization		
Governing body	Vladimir Yossifov	
Executive head	Janice Cook Robbins	
Participants		William Meredith
Secretary	Marie-Sylvie Zinzindohoué	

<i>Representing</i>	<i>Representative</i>	<i>Alternate</i>
International Civil Aviation Organization		
Governing body	Mauricio Ramirez Koppel	
Executive head		Olga Nam
Participants		Christiane Dermarkar
Secretary	Susan Mwangi	
International Telecommunication Union		
Governing body		Jacques Sanou
Executive head	Jean-Paul Lovato	
Participants	Jude Mariani	
Secretary	Subira Suedi	
World Meteorological Organization		
Governing Body	Arlene Laing	
Participants	Monique Salmon Schalk	
Secretary	Chenchen Hu	
International Maritime Organization		
Governing body	Watchara Chiemanukulkit	
Executive head	Andrew Richardson	
Secretary	Ingrid Lopez-Cardona	
International Fund for Agricultural Development		
Executive head	Alvaro Lario	
Participants	Allegra Saitto	
Secretary	Francesca Maselli	
International Organization for Migration		
Participants	Florian Forster (25–27 July)	
Participants	Aanuoluwapo Akinyera (28–29 July)	
Secretary	Malcolm Grant	
International Tribunal for the Law of the Sea		
Participants	Roman Ritter	
Secretary	Svitlana	
International Centre for Genetic Engineering and Biotechnology		
Governing body	Maria Luisa Fichera	
Comprehensive Nuclear-Test-Ban Treaty Organization		
Participants	Vesselin Grozdanov	
Secretary	Sanchia Gordon Hall	
Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies		
Executive head	Sergey Zamyatin	
Secretary	Gabriela Kremnitzer	
Federation of Associations of Former International Civil Servants		
		Adriana Gómez Saguéz
		Mohammed Sebti
Medical consultant (25 July)		
	Bernhard Lennartz	

<i>Representing</i>	<i>Representative</i>	<i>Alternate</i>
Investments Committee (26 July)		
Chair	Michael Klein	
	Keiko Honda	
	Simon Jiang	
	Luciane Ribeiro	
	Patricia Parise	
	Sarah Alade	
	Yasir Al-Rumayyan	
	Macky Tall	
Audit Committee (28 July)		
Chair	Adnan Chughtai	
Vice-Chair	Marian McMahon	
Pension Board – Ethics Adviser (28 July)		
	Peter Liria	
Consulting Actuary		
	Tonya Manning	
	Stuart Schulman	
Committee of Actuaries		
Chair	Assia Billig	
Rapporteur and Vice-Chair	Rosemary Nantambi-Amiri	
Federation of International Civil Servants' Associations		
	Tanya Quinn-Maguire	
Coordinating Committee for International Staff Unions and Associations of the United Nations System**		
	Prisca Chaoui	
United Nations International Civil Servants Federation		
	Mark Polane	
Office of Investment Management		
	Isabela Munch	
	Sandhya Peerthum	
	Anastasia Rotheroe	
	Terezie Hesounova	
	Bill Wilkinson	
	Toru Shindo	
Pension Administration		
	Maria Clarissa O'Donnell	
	"Dino" Cataldo Dell'Accio	
	Alan Blythe	
	Serge Gas	
	Sarah Mathieson	
	Kathalina Manosalvas	
	Abu Bockarie (25 July)	
	Cristiano Papile (25–27 July)	
	Gilles Fado (25–27 July)	

**The Coordinating Committee for Independent Staff Unions and Associations of the United Nations System decided to withdraw its status as observer for the remainder of the session following its statement made on 28 July. Under section A.9 (e) of the rules of procedure, observers are invited by the Board to attend each session.



8

Financial Statements

Financial Overview

Net assets available for benefits

The statement of net assets available for benefits provides 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. Meeting the requirements of the IAS 26, the Fund has opted to disclose the actuarial present value of accumulated plan benefit in a footnote.

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).

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 US dollars

	31-Dec-22	31-Dec-21	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 equivalents	750	1 625	(875)	(53.8)
Total investments and Cash and cash equivalents	78 187	91 481	(13 294)	(14.5)

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

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.

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.

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.

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.

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.

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), primarily due to the decrease in the liabilities for the post-employment benefits.

Operating expenses

The United Nations Joint Staff Pension Fund is an integral part of the UN system and manages its operating expenses following the regulations and rules in the UN. The administrative expenses are actively managed through the Fund's budget process requiring approval by the UN General Assembly. The transparency of the Fund's administrative expenses is established through Statement IV of the Fund's Financial Statements presenting its disclosure under International Public Sector Accounting Standard 24 "Presentation of Budget Information in the Financial Statements".

Operating expenses include administrative expenses, and investment transaction costs and management fees expenses. Administrative expenses primarily include staff costs, 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 costs include explicit costs 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.

Operating expenses of the Fund for the year ended 31 December 2022 and 2021 are as follows:

Millions of US dollars

Operating expenses for the year ended 31 Dec 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%	-	-

Operating expenses for the year ended 31 Dec 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%	-	-

Please refer to Note 16 Administrative expense of the Financial Statements 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.

Statement of comparison of budget and actual amounts on a comparable basis in relation to administrative expenses provides explanation of difference greater than 5 per cent 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.

Internally and externally managed assets by asset class as of 31 December 2022 and 2021

Millions of US 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

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

Public markets external manager fees

Millions of US 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

Private markets external manager fees

Millions of US dollars

Externally managed public 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

Externally managed public 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

The Fund periodically reviews its processes to maintain tight control over its operating expenses. We have also been benchmarking costs by asset classes by conducting an annual benchmarking analysis with CEM Benchmarking, an independent provider of cost and performance benchmarking information for pension funds and other institutional asset owners around the world. This analysis ranks us favourably among our peers.

Statement of Changes in Net Assets Available for Benefits

Thousands of US dollars

	Notes	2022	2021
Investment (loss)/income	13		
Net change in fair value of investments		(14 739 883)	8 709 060
Interest income		592 014	582 824
Divident 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 and other investments		(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			
		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

Statement of Net Assets Available for Benefits

Thousands of US dollars

	Notes	31-Dec-22	31-Dec-21
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
ASHI 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

Statement of Accumulated Benefits

Actuarial present value of accumulated plan benefits as of 31 December 2022

Millions of US 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

Letter of transmittal

New York, 31 May 2023

In accordance with Financial Rule G.5 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 McClean
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

Certification of Financial Statements for the year ended 31 December 2022

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 Fund, 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.

Signed

Karl-Ludwig W. Soll, Chief Financial Officer,
United Nations Joint Staff Pension Fund
(New York, 31 May 2023)

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, which comprise the statement of net assets available for benefits as at 31 December 2022, the statement of changes in net assets available for benefits, the cash flow statement, 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, 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 its 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. 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 2021, 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 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 Fund to cease to continue as a going concern; and

- (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

Furthermore, 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 United Nations Joint Staff Pension Fund.

Signed

Jorge **Bermúdez**
Comptroller General of the Republic of Chile
Chair of the Board of Auditors
(Lead Auditor)

Signed

Kay **Scheller**
President of the German Federal Court of Auditors

Signed

Hou Kai
Auditor General of the People's Republic of China



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