



21 October 2019

Dear Mr. Secretary-General,

Subject: Protection of our Pension Fund Investments

We write to you in your role as ultimate fiduciary for the funds of the UN Pension Fund. At the same time, we as UN Participants' Representatives have a responsibility to the staff that elect us, staff for whom their UN pension may well be their sole form of social security. In this context we are legally required to report to you any concerns that come our way.

At this year's Pension Board, your representative in charge of investments (known as the Representative of the Secretary-General), Mr. Sudhir Rajkumar presented a new investment policy for the Fund - the [Investment Policy Statement](#), along with new targets and benchmarks, to be implemented over a period of four years. The policy includes significant shifts in assets to emerging markets and alternative asset classes.

Since then a number of conflicting accounts have emerged, some through the media, some directly from staff in the Office of Investment Management, which together have raised concerns and worries among the staff we represent and from fellow Board members. They include:

- Questions with regards to the manner in which the policy is being implemented. It would appear that the horizon is now four months instead of four years, a period during which half our invested equities would need to be shifted.
- Questions with the shift from North American to emerging markets at a time when North American markets are being seen to perform strongly.
- Questions with regards to what appears to be a shift from a conservative to a more aggressive investment approach with higher risk tolerance that could deliver more volatile returns.
- Questions regarding a revised delegation of authority (Annex I of the Investment Policy Statement) that now prevents further delegation to directors and senior investment officers, even though they were previously empowered to take investment decisions.
- Questions regarding conflicts between staff at OIM, for which we understand OIOS and OHR have been asked to intervene and on which it would be useful to have clarity. We have also discussed these matters directly with the RSG.

Mr. Antonio Guterres  
Secretary-General  
United Nations

We are aware that General Assembly resolution 73/274 calls for more investments in emerging markets and commitments to ESG ideals, which we support. The concerns brought to our attention would appear to relate to the path our Fund takes to get there and which seem to mark a break with the conservative approach of the last 70 years.

We would therefore appreciate your urgent examination of these important matters, including with regard to the need to adhere to the basic principles of safety, profitability, liquidity and convertibility.

Your kind and urgent response to this matter is greatly appreciated.

With warmest regards,

*Michelle Rockcliffe for*

UN Participants' Representatives

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