

UNITED NATIONS DEVELOPMENT CORPORATION

Minutes of a Meeting of the Finance Committee

Held at 535 Madison Avenue, 35th Floor
New York, New York

On March 16, 2017 at 11:00 a.m.

The following members of the Finance Committee, representing a quorum, attended the meeting: George Klein, Chairman, Amabel James and Samuel Natapoff. The following also attended: Robert Cole, Jorge Ortiz and Loida Diaz de Jesus (UNDC); and Stephen Faber and Martin Hammond (PFM Asset Management).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting.

The Chairman called the meeting to order at 11:00 a.m.

Minutes of the Meeting of March 10, 2016

The Chairman asked the Committee to consider the minutes of the Finance Committee meeting held on March 10, 2016, in the form previously distributed. On motion made and seconded, the minutes of the March 10, 2016 meeting were unanimously approved.

PFM Asset Management - 2016 Annual Investment Report

Mr. Faber reviewed his firm's 2016 Annual Investment Report, as provided to the Committee prior to the meeting. Mr. Faber stated that the investment portfolios comply with the Corporation's Investment Guidelines, the bond indenture for the 2009 bonds and New York State investment requirements. Mr. Hammond reported that investments continued to be held exclusively in U.S. Treasury securities, consistent with past guidance from the Corporation's Finance Committee and the Board of Directors.

Mr. Faber reviewed PFM's recommendation that the Corporation hold a portion of its investments in highly rated federal agency discount notes. He advised that federal agency

discount notes could offer maturities that better match the Corporation's timing needs and possibly provide higher yields than U.S. Treasury securities. Mr. Faber stated that investments in federal agency discount notes are permitted under the Corporation's bond indenture for the 2009 bonds and the Corporation's Investment Guidelines.

After discussion, the Finance Committee concurred with PFM's recommendation to permit the Corporation to invest in federal agency discount notes, subject to prior review and approval of each such investment by the Corporation's management. Mr. Faber advised that he will attend the Board meeting on March 28, 2017 to review PFM's 2016 Annual Investment Report and PFM's investment recommendations.

UNDC Annual Investment Report for 2016

Mr. Cole reviewed the Corporation's Annual Investment Report for 2016, which is required to be submitted to New York State by March 31, 2017. The Committee approved the Corporation's Annual Investment Report for 2016, in the form previously provided to Committee members, and recommended its approval by the Board at the March 28 Board meeting.

Other Business

There being no other business, the meeting was adjourned at 11:30 a.m.



Loida Diaz de Jesus
Acting Secretary