****

**MINUTES OF THE 1ST ANNUAL GENERAL MEETING OF THE TAIFA PENSION FUND HELD AT THE EDGE HOTEL, NAIROBI ON TUESDAY**

**JULY 9, 2024 STARTING FROM 8:30 A.M.**

**PRESENT**

**CORPORATE TRUSTEE:** Mr. Victor Odendo - On behalf of Corporate Trustee

**ADMINISTRATOR:** Mr. Maurice Nduranu - Chairman

Dr. Hosea Kili, MBS - Director

Sheikh Ibrahim Lethome - Chairman Salih Scheme

Mr. Joseph Rono - Director

Management & Staff

**IN ATTENDANCE:**  Hon. Abdullswamad Nassir - Gov. Mombasa County

Hon. Gladys Wanga - Gov. Homa Bay

Dr. Ibrahim Lethome - Chair, Salih Adisory Committee

Ms. Elizabeth Omoro - Chair, LASER Board

Mr. George Gibore - Sec Gen. Kenya Union of Clinical Officers

Hon. David Kones - DG. Nakuru County

Hon. Tamalinya Koech - DG. Narok County

 Hon. Fred Lengees - Speaker, Samburu County

Hon. Vincent Kemboi - Speaker, Baringo County

Mr. Boniface Mwangangi - Secretary General, APTAK

**FUND MANAGERS:** Ms. Esther Muchai - ICEA Lion Asset Managers

Mr. Einstein Kihanda - ICEA Lion Asset Managers

Mr. Kanza Musyoka - ICEA Lion Asset Managers

**CUSTODIANS:** Ms. Rachael Wambari - Standard Chartered Bank

**AUDITOR:** Mr. Peter Muiruri - King’ori Kimani & Company

**ACTUARY:** Mr.Abed Mureithi - ActServe

 Ms. Ivy Odhiambo - ActServe

**RBA:** Mr. Jackson Nguthu - Retirement Benefits Authority

**STAKEHOLDERS** Hon. Roba Duba-General Secretary KCGWU

**AND GOVERNMENT** Mr. Ezra Ngoje - County Pensioners Association

**OFFICIALS:** Mr. John Gibore - Kenya Union of Clinical Officers

 Mr. Joel Karuri Maina - Speaker, CA of Nakuru

**MEMBERS & EMPLOYERS:**

Governors and Deputy Governors - Delegates

Water and Sewerage Companies - Delegates

 Retirement Benefits Authority - Delegates

 Speakers of the County Assemblies - Delegates

 Members of the County Assemblies - Delegates

 Clerks of the County Assemblies - Delegates

 Majority and Minority Leaders - Delegates

 Leaders of Trade Unions - Delegates

 County Union Representatives - Delegates

 County Public Service Board - Delegates

 Pensioners Association - Delegates

 KCGWU Branch Chairpersons - Delegates

 Directors/Executive Members - Delegates

 CPSB Chairmen and Secretaries - Delegates

Members - Delegates

**AGENDA:**

1. Introduction and opening remarks
2. Reading of the Notice of the meeting
3. Presentation of the Investment Manager’s reports
4. Presentation of the Scheme’s Custodian Reports
5. Presentation of the Financial Statements and Audited Accounts for year 2023
6. Presentation of the Chairman’s report
7. Presentation of the Administrator’s report
8. Address by Chief Guest
9. Question and Answer
10. Vote of thanks

**MIN. 01: 09.07.2024: INTRODUCTION & OPENING REMARKS**

The meeting was called to order at 9:30 a.m. and opened with a word of prayer from both Peter Mwaniki and Sheikh Ibrahim Lethome.

The Group PR Manager introduced the leadership of various employers and those representing employees in various capacities.

Dr. Ben Kajwang the CEO of the venue gave his remarks and welcomed the participants to the venue.

**MIN. 02: 09.07.2024: READING OF THE NOTICE OF THE 1ST ANNUAL GENERAL MEETING**

The Notice convening the 1st Annual General Meeting of the Taifa Pension Fund was read by the Board Secretary. It was noted that the Notice had been published in the two daily newspapers (Daily Nation and The Standard) as required and within the statutory timelines of 21 days.

The Agenda was ADOPTED as tabled as proposed and seconded by **Ms. Princess Mwaura** and **Mr. Stephen Lemayan**, respectively.

**MIN. 03: 09.07.2024: PRESENTATION OF THE INVESTMENT MANAGER’S REPORT**

Ms. Esther Muchai of ICEA Lion Asset Managers presented the Fund Managers’ Report as at 31st December 2023 with the following highlights:

**Macro-Economic Review:**

**Inflation:** Average headline inflation was at 7.70% for the year 2023 compared to 7.6% in 2022. This was higher than the CBK upper target. **Impact:** High inflationary pressures result in high-interest rate returns.

**Interest Rates:** Government bond yields increased as a result of government borrowing pressure and currency volatility.

**Impact:** Higher bond yields were positive for new investments but resulted in some unrealized losses in the bond portfolio.

**Currency –** USD/KSH: the currency depreciated by 21%, 26%, and 24.5% against the dollar, GBP, and Euro, respectively. This was due to high demand for foreign currency by investors and high outflows. **Impact:** Increased volatility and upward pressure on interest rates. Short-term rates rose. This negatively affected the equity market as foreign investors increased selling momentum.

**Offshore market:** The offshore market performance recovered strongly in 2023 due to strong demand for technology shares. **Impact:** The Scheme’s offshore investment returns rebound sharply positively.

* The Asset allocation and growth as at 31st December 2023 were as per the tables below:





Members adopted the report as presented.

**MIN.04: 09.07.2024: PRESENTATION OF THE CUSTODIAN REPORT**

The Custody Report was presented by Ms. Rachael Wambari of Standard Chartered, representing the other custodians, namely Standard Chartered Bank and Equity Bank.

The Investment Portfolio outlining the Assets under custody as at 31st December 2023 was presented as outlined in the Chart below.



Members adopted the report as presented.

**MIN.05: 09.07.2024: PRESENTATION OF THE FINANCIAL STATEMENTS & AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023**

Mr. Peter Muiruri, on behalf of the Scheme Auditors King’ori Kimani & Company, presented their report to the members and confirmed that the audited financial statements of the Trust gave a true and fair financial position of the Scheme as at 31st December 2023 in accordance with the International Financial Reporting. The Financial statements comprised statements of net assets available for benefits and the statement of changes in net assets and cash flows for the year ended December 31, 2023.

The Auditor also confirmed that the Financial Audit was conducted in accordance with the International Standards on Auditing (ISAs) and that they were independent of the Scheme in accordance with the International Ethics Standards Board for Accountants (IESBA) and further that the Auditors had fulfilled their ethical responsibilities in accordance with International Code of Ethics for Professional Accountants (IESBA Code).

The Auditor noted that the engagement partner responsible for the independent audit was CPA Joseph Kimani, Practicing Certificate No. P/1460, who was a practicing accountant and signed the accounts.

The Accounts were adopted by members as proposed and seconded by Mr. Makabe Kevin and Mr. Christopher Mitei, respectively.

**MIN.06: 09.07.2024: PRESENTATION OF THE CORPORATE TRUSTEES’ REPORT**

Mr. Victor Odendo apprised the Members that the Board is responsible for policy formulation, Investment of Scheme funds, Scheme Administration, Payment of benefits to persons entitled to such benefits under the Scheme Rules, Protection of the property and assets of the Scheme, and supervising the management and administration of the Scheme.

He emphasized that the principal objective of the Fund is to provide pension and other retirement benefits to employees of the sponsors and other individuals and associated members of the Fund upon their retirement from service and relief for the dependents of deceased employees.

He noted the scheme remained resilient and realized significant growth and that the performance was expected to continue in a growth trajectory despite the political election cycles, which significantly affect the scheme operations. As the Corporate Trustee, he reassured members that they will continue to support the scheme through benchmarking on governance and best practices, including the sustainability agenda to ensure the scheme becomes and remains green.

He assured members that the scheme is safe, and that no assets had been used as collateral, and confirmed that the Board held all mandatory meetings as provided in the annual report. The Trustees had discharged their fiduciary role and had not registered any conflict of interest situation during the year.

In conclusion, he appreciated the Management Team in their efforts to ensure accountable administration of the scheme, which had been affirmed by report from the external audit carried out.

**MIN.07: 09.07.2024: PRESENTATION OF THE ADMINISTRATOR’S REPORT**

Dr. Hosea Kili, the Group Managing Director, presented the report for the year ended 31st December 2023 with the following highlights:

* Net assets increased to Ksh. 39B from 32.8%
* Shariah, a segregated fund, increased to Ksh 1.5B from 636.8M in 2022.
* The PRMF, another segregated fund, stood at Ksh. 32.8M from Ksh. 14.5M in 2022.
* Encouraged all members in the schemes under administration and governors to join the PRMF to start saving for medical costs in old age, while still healthy.
* He proposed to Employers, through resolutions, that out of the pension contribution ratio of employer and employee of 15% and 12% , a deduction of 2% be made from both parties towards PRMF.
* The Administrator was managing over 200B in total assets for all the schemes under their administration.
* The scheme to considering diversifying to offshore investment to maximize on the allowable limit of 15% by the RBA to ensure the scheme continues to scale greater heights.
* He thanked all members who honored the invite to attend the meeting and encouraged members to visit the CPF branches across the country, visit the digital platforms, and social media channels for more information on the Scheme and its operations.

The Administrators’ Report was adopted by members as presented.

**MIN.08: 09.07.2024: REMARKS BY THE CHIEF GUEST**

Hon. Teresiah Mbaika, the PS for the State Department of Devolution, which is under the Office of the Deputy President, confirmed that they were consulting on pending bills.

She welcomed the chief guest.

**H.E. Gladys Wanga**

The Governor encouraged the Union Representative to keep reminding the relevant Council committee of the workers’ welfare. Her remarks included:

* Congratulated CPF as trailblazers in the pension sector.
* That aligning investment strategies with member needs had provided solutions to members.
* Affirmed unwavering support for the CPF Fund and acknowledged the collaborative partnership on the Homabay County HQ investment. The investment was lawful and had received approvals from all relevant stakeholders, ensuring that the pension money was protected and returns were quaranteed.
* COG appreciated continued collaboration and support through devolution conferences and capacity building for council staff.
* She thanked CPF for the timely payment of benefits at retirement
* She noted the delay in remittance of member contributions, but mentioned that Governors were working closely with the National Treasury to bring an end to the practice.
* CPF was urged to explore higher-yielding investments and participate in affordable housing for the counties.

**MIN.09: 09.07.2024:** **QUESTION AND ANSWER SESSION**

The Question-and-Answer Session was facilitated by the CEO and the MC for the day. Members’ concerns were adequately and satisfactorily addressed.

**MIN.10: 09.07.2024: VOTE OF THANKS**

The vote of thanks was done by **Mr.** **Dan Awendo,** a member of the Board of Trustees of the Laptrust Scheme. He appreciated all the stakeholders, the Chief Guest, the Governors and Deputy Governors, Pensioners, Scheme sponsors (County government and County Assemblies, RBA, Union officials the Chairmen of all Boards, the GMD/CEO, the Corporate Trustee, CPF staff, the Choir, service providers, the organizers, MC of the day and the caterers.

There being no other business, the meeting ended at **2:30 p.m.** with a closing prayer from **Mr.** **Joshua Moilo,** the CPF Group Finance Manager.

**Signature in Confirmation of Minutes:**

**CHAIRPERSON, CORPORATE TRUSTEE DATE**