

# KEFRI DC RETIREMENT BENEFITS SCHEME



**MINUTES FOR THE MEMBER'S ANNUAL GENERAL MEETING HELD ON WEDNESDAY 18<sup>TH</sup> OCTOBER 2023 AT KEFRI HEADQUARTERS AND ON 24<sup>TH</sup>, 25<sup>TH</sup> AND 26<sup>TH</sup> OCTOBER 2023 AT OTHER REGIONAL CENTRES**

## HEADQUARTERS

### PRESENT

- 1. Mrs. Sarah Mogaka - Deputy Chairperson
- 2. Eng. Davies Musau - Trustee
- 3. Dr. Agnes Ogada - Trustee
- 4. Mr. Charles Koech - Trustee
- 5. Mr. Timothy Wanjala - Trustee

### ABSENT WITH APOLOGY

- 1. Comm. Rose Osoro - Trustee
- 2. Dr. George Muthike - Chairman
- 3. Juliana Makau - Trust Secretary

### IN ATTENDANCE

- 1. Ali Dzitu Fundi - Pension Assistant
- 2. Robert Rotich - Minet Kenya - Fund Administrator
- 3. Mathew Mue - Sanlam Investments - Fund Manager
- 4. Amos Ogwang' - Standard Chartered - Custodian
- 5. John Gitau - WIA Africa - Auditor
- 6. Joseph Kimani - WIA Africa - Auditor

### MEMBERS PRESENT

Headquarters, Karura, Rumuruti & Nyeri - 195

## **MIN 1/AGM/2023: INTRODUCTION AND ADOPTION OF AGENDA**

The Chairman being absent with apology, the meeting was chaired by Mrs. Sarah Mogaka, the Deputy Chairperson. The Deputy Chairperson called the meeting into order at 10.25 a.m. The meeting then commenced with a word of prayer from Lucy Kariuki. The Deputy Chairperson introduced the Trustees and service providers who were present at the meeting.

The agenda of the meeting was adopted as follows:

- 1.1 Introduction and opening remarks
- 1.2 Confirmation of the Minutes of the last AGM held on 12<sup>th</sup> October, 2022
- 1.3 Statement from the Sponsor – Chairman, KEFRI Board of Directors
- 1.4 Statement from the Chairman, KEFRI Board of Trustees
- 1.5 Audited Financial Statements for the year ended 30<sup>th</sup> June 2023
- 1.6 Investment Management Report for the year ended 30<sup>th</sup> June 2023
- 1.7 Custody Report for the year ended 30<sup>th</sup> June 2023
- 1.8 Administration Report for the year ended 30<sup>th</sup> June 2023
- 1.9 Remuneration of Trustees and approval by members
- 1.10 Remarks by the Retirement Benefits Authority
- 1.11 Members Question and Answer
- 1.12 Closing Remarks and Wrap-up

## **MIN 2/AGM/2023: CONFIRMATION OF MINUTES**

The Pension Assistant, Ali Dzitu, presented the Minutes of the last AGM that took place on 12<sup>th</sup> October 2022 at the Headquarters. The Minutes were confirmed as a true recording of the proceedings and was proposed by Sarah Hongo and seconded by Emilly Yobterik.

### **MIN 3/AGM/2023: STATEMENT FROM THE SPONSOR**

Eng. Davies Musau, a Trustee representative of the KEFRI Board of Directors, presented the Statement from the Sponsor. He began his statement by appreciating the Board of Directors for appointing him as Trustee of the Scheme. This was his first AGM and he is looking forward to work with the other Trustees to steer the Scheme to greater heights. He pointed out that the Scheme still remains very critical to the KEFRI Board of Directors and that the Sponsor ensures that all contributions are remitted to the Scheme on time every month despite the financial challenges and austerity measures faced by State Agencies. For the year ended 30<sup>th</sup> June 2023, the Sponsor remitted Kes.190 Million as contributions for employees, employer and AVCs. He urged those who have not taken part in contributing AVC to do so in order to increase their retirement package. He informed the members that the Trustees worked hard within their mandate to get optimal results for the year. Further, he informed the members that in the coming year the Board of Trustees will review the Scheme's Strategic Plan and also carry out the Members Education in all regional centres. Eng. Davies also urged members to fill their Nomination of Beneficiaries forms in order to make it easy for the Trustees to make disbursements of benefits when there is a need. Finally, the Sponsor representative thanked all members for taking part in the just concluded Trustees elections. He further thanked, Dr. Joshua Cheboiwo for the service he rendered to the Scheme. In the same spirit, he thank both Dr. Muthike and Mrs. Sarah Nogaka for their selfless service to the Scheme.

### **MIN 4/AGM/2023: STATEMENT FROM THE CHAIRMAN**

The Deputy Chairman, Mrs. Sarah Mogaka, presented the Chairman's statement as it was written. The Chairman started by welcoming all members to this year's AGM. On the Scheme membership and Performance, he informed the Members that the Scheme closed the year with 667 members, dropping from 727 members last year.

The close of the year, the Scheme assets stood at about Kes.3.14 billion compared to Kes.3.13 billion the previous year. The total net investments for the year was Kes.138 million which is equivalent to 4.7%, a rate which was distributed pro-rata to all Scheme members and was appearing in all individual statements. On Board composition, the Chairman pointed out that during the year two Trustees representing the Sponsor exited that is Dr. John Waithaka and Dr. Joshua Cheboiwo. The Chairman wished them well in their future endeavours. The Chairman informed Members that Dr. John

Waithaka was replaced by Eng. Davies Musau as the Trustee representing the KEFRI Board of Directors. The Chairman welcomed, Eng. Davies Musau to the Board of Trustees as he awaits vetting by RBA through the Trustees Development Programme, Kenya. Further, the Chairman informed the Members that his term and that of the Deputy Chairperson, Mrs. Sarah Mogaka will come to an end on 31<sup>st</sup> October 2023. He appreciated all the members for the opportunity they gave them to serve for the six years.

**MIN 5/AGM/2023: AUDITOR'S REPORT AS AT 30<sup>TH</sup> JUNE 2023**

Mr. Joseph Kimani and John Gitau presented the Auditor's report as at 30<sup>th</sup> June 2023. In their report, the External Auditor gave highlights on the schemes' financial performance and their financial position as at the end of the financial year. The Scheme's financial performance for the year was summarized as follows:

FINANCIAL STATEMENT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

|  | Note | 2023<br>Kshs         | 2022<br>Kshs        |
|--|------|----------------------|---------------------|
| <b>Contributions and Benefits</b>                          |      |                      |                     |
| Contributions During The Year                              | 2    | 190,194,018          | 190,967,870         |
| Transfers In   | 3    | 3,022,839            | 1,158,350           |
|  |      | <u>193,216,857</u>   | <u>192,126,220</u>  |
| <b>Outgoings from Dealings with Members</b>                |      |                      |                     |
| Benefits Payable   | 4    | (322,605,828)        | (106,331,317)       |
| <b>Net Addition/ (Decrease) from Dealings with Members</b> |      | <u>(129,388,971)</u> | <u>85,794,903</u>   |
| <b>Return On Investments</b>                               |      |                      |                     |
| Investment Income  | 5    | 355,511,053          | 314,992,483         |
| Loss on Disposal of Treasury Bonds                         | 8    | (6,450,770)          | (5,377,514)         |
| Gain on Disposal of quoted equity investments              | 8    | 13,919,154           | 302,244             |
| Fair Value loss on treasury bonds                          | 13   | (103,406,985)        | (88,341,249)        |
| Fair Value (loss)/gain on equity investments               |      | (110,573,498)        | (195,516,605)       |
| Fair Value (loss)/gain on on offshore investments          |      | 36,152,495           | (27,113,866)        |
| Investment Management expenses                             | 6    | (11,463,217)         | (11,812,267)        |
| <b>Net Return on Investments</b>                           |      | <u>173,688,232</u>   | <u>(12,866,774)</u> |
| <b>Scheme Expenses</b>                                     |      |                      |                     |
| Administrative Expenses                                    | 7    | (23,373,526)         | (25,534,711)        |
| <b>Net Return on Investments</b>                           |      | <u>150,314,706</u>   | <u>(38,401,485)</u> |
| Income Tax Expense   | 21   | (11,647,372)         | (9,200,587)         |
| <b>Net Increase/(decrease) in the Fund During the Year</b> |      | <u>138,667,335</u>   | <u>(47,602,072)</u> |
| <b>Increase in Net Assets</b>                              |      | <u>9,278,364</u>     | <u>38,192,831</u>   |

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**  
**NET ASSETS STATEMENT**

|                                      | Note      | 2023<br>Kshs         | 2022<br>Kshs         |
|--------------------------------------|-----------|----------------------|----------------------|
| <b>INVESTMENTS</b>                   |           |                      |                      |
| Treasury Bonds                       | 8         | 2,217,658,153        | 2,159,017,741        |
| Treasury Bills                       | 9         | -                    | 36,672,181           |
| Term Deposits                        | 10        | 281,126,317          | 184,079,562          |
| Corporate Bonds                      | 11        | 20,702,026           | 20,702,026           |
| Quoted Equity Investments            | 12        | 499,819,763          | 632,784,767          |
| Offshore Investments                 | 13        | 118,165,608          | 82,013,113           |
|                                      |           | <b>3,137,471,866</b> | <b>3,115,269,390</b> |
| <b>FIXED ASSETS</b>                  |           |                      |                      |
| <b>Property, Plant and Equipment</b> | <b>14</b> | <b>2,120,544</b>     | <b>2,576,700</b>     |
| <b>CURRENT ASSETS</b>                |           |                      |                      |
| Bank balance                         | 15        | 15,910,294           | 19,332,921           |
| Contributions and Other Receivables  | 16        | 15,648,479           | 20,197,041           |
| Benefits Held in Trust               | 17        | 95,517,433           | 105,348,373          |
| <b>Total Current Assets</b>          |           | <b>127,076,206</b>   | <b>144,878,335</b>   |
| <b>CURRENT LIABILITIES</b>           |           |                      |                      |
| Benefits Held in Trust               | 17        | 95,517,433           | 105,348,373          |
| Benefits Payable                     | 18        | 11,180,491           | 6,923,150            |
| Accrued Expenses and Other Payables  | 19        | 11,043,172           | 10,959,513           |
| Tax Payable                          | 21        | 1,526,728            | 2,278,895            |
|                                      |           | <b>119,267,825</b>   | <b>125,509,931</b>   |
| <b>Net Assets</b>                    |           | <b>3,147,400,791</b> | <b>3,137,214,494</b> |
| <b>REPRESENTED BY:</b>               |           |                      |                      |
| Balance Allocated to Members         | 20        | <b>3,147,400,791</b> | <b>3,137,214,494</b> |

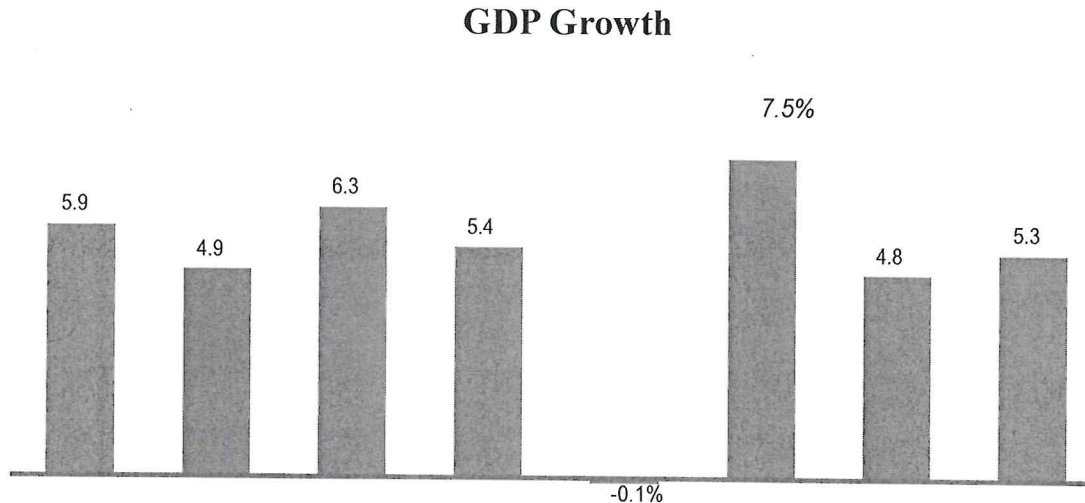
Mr. John Gitau stated that in the Auditor's opinion, the accompanying financial statements give a true and fair view of the financial transactions of the scheme as at 30<sup>th</sup> June 2023.

## MIN 6/AGM/2023: INVESTMENT MANAGEMENT REPORT

Mr. Mathew Mue gave the presentation of the Scheme's investment report as at 30<sup>th</sup> June 2023. In his report, Mr. Mue made an introduction on Sanlam Investments EA Limited. He further explained the role of a Fund Manager in Pension Schemes and these include:

1. Advise the Trustees on the available investment options:
  - Fixed Income – Treasury bills & bonds, Commercial paper & Corporate bonds and fixed deposits
  - Domestic Equities
  - Offshore Investments
  - Alternative Investments e.g. unlisted equities
2. Invest scheme assets according to the approved investment policy.
3. Report to the Trustees on the performance of the scheme funds.
4. Submit appropriate quarterly returns to RBA.

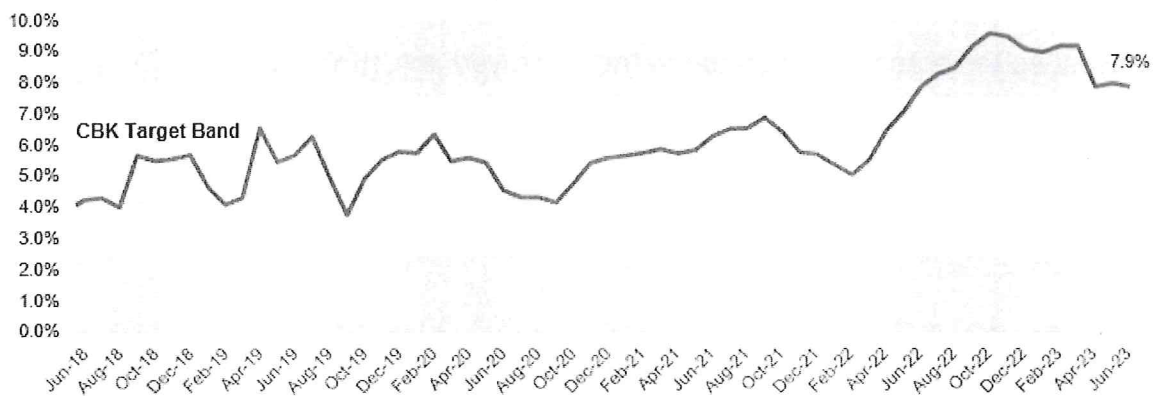
The Fund Manager then gave the economic review for the year.



Source: KNBS, IMF

- The IMF projects economic growth of 5.3% in 2023.

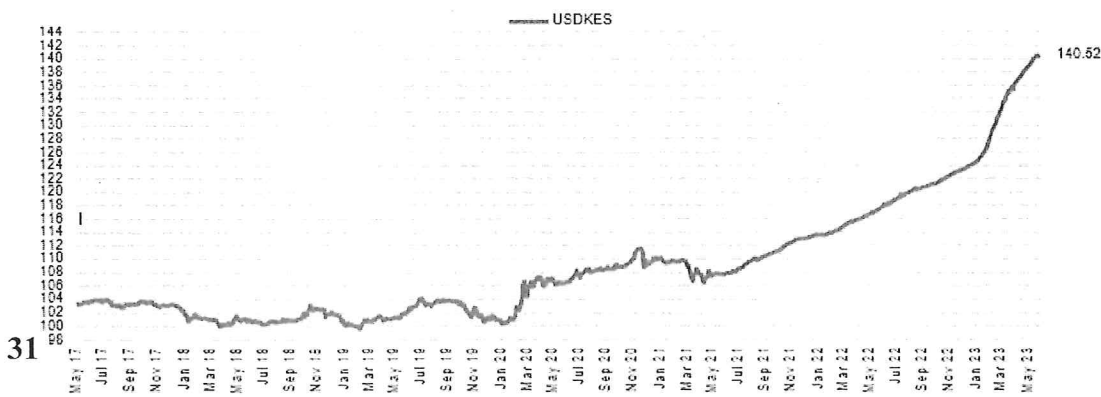
### Inflation



Source: KNBS Economic Survey

- Inflation in Kenya stood at 7.9% in June 2023.

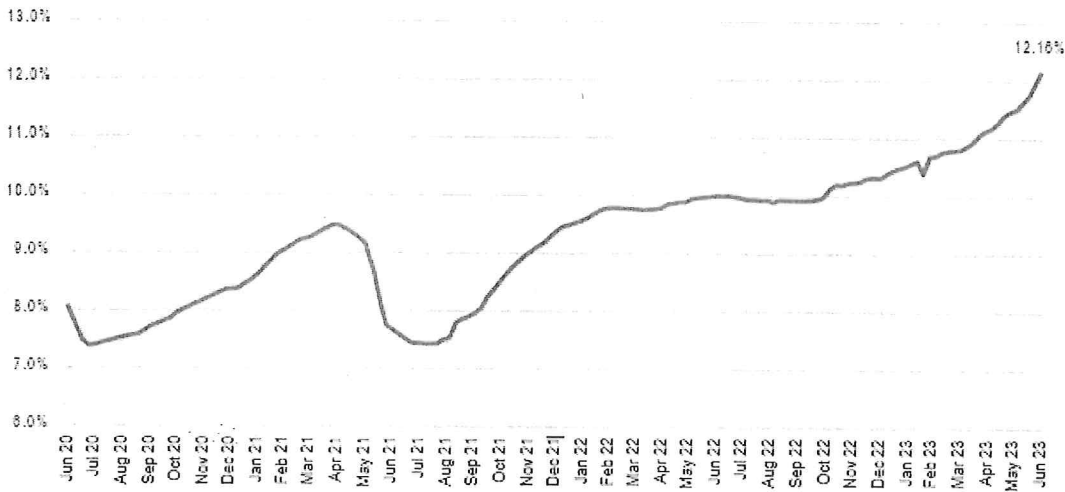
### Currency Trend as at 30<sup>th</sup> June 2023





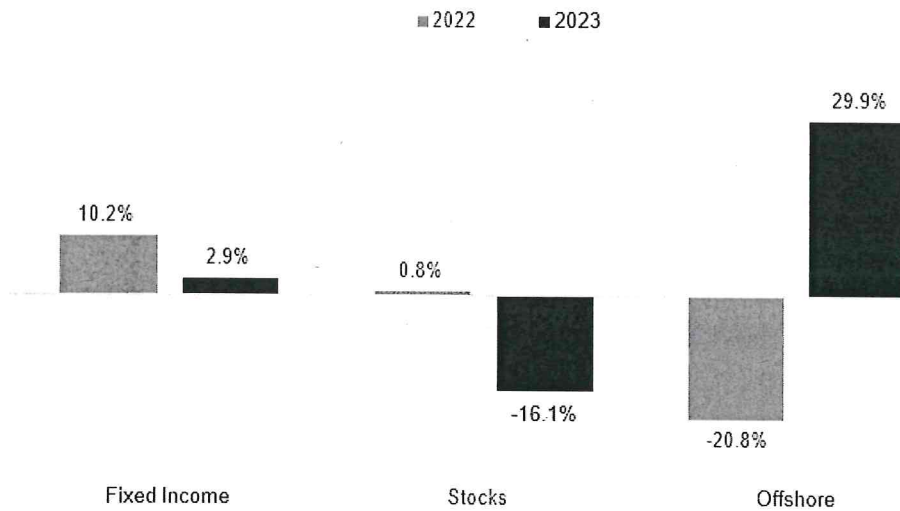
- We may experience a weaker Ksh in the near term due to a combination of external and domestic factors.
- Excess underlying USD demand and subdued CBK intervention both imply further weakness

### Interest Rates Trend



Source: Bloomberg

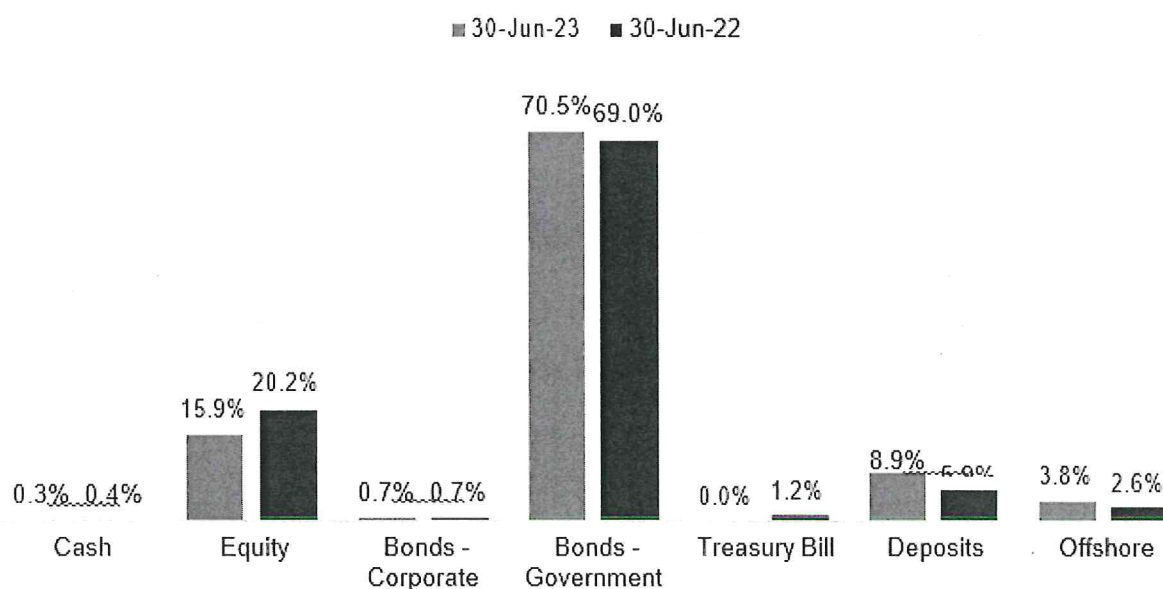
### Markets Performance as at 30th June 2023



## Summary Valuation of the Fund

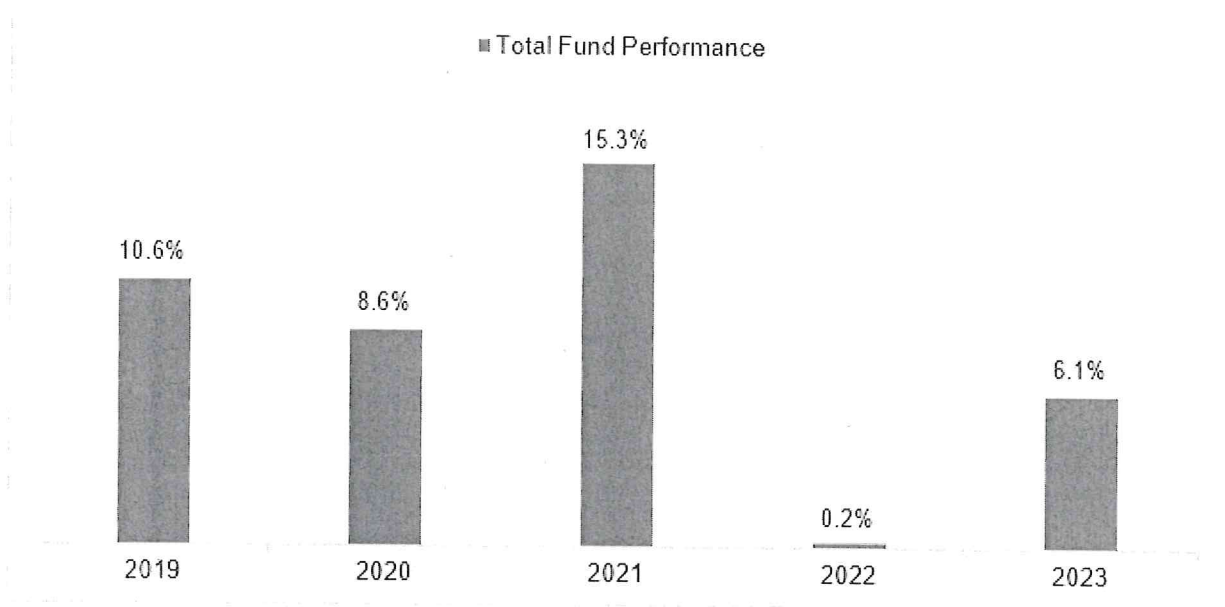
| Kenya Forestry Research Institute                  | Ksh           |
|--|---------------|
| Value of investment portfolio as at 30th June 2022 | 3,127,846,956 |
| Pension Contributions                              | 238,513,631   |
| Pension Withdrawals                                | (405,319,147) |
| Investment growth                                  | 185,762,538   |
| Value of investment portfolio as at 30th June 2023 | 3,146,803,979 |

## Asset allocation



- The Fund's increased its weighting in government bonds and reduced equities

## Total Performance for the Year 2022/2023



- The Fund's return improved in 2023. Offshore investments performed better than other asset classes.

## Investment Outlook for the Year 2022/2023

### Equities

- Portfolio stocks are resilient and well positioned to ride out the macroeconomic risks from global events and the upcoming elections.
- These companies offer high dividend yields and are trading at attractive valuations. The stocks are well positioned to rebound strongly as investor interest picks up.

### Fixed Income

- We expect further upward pressure on interest rates due to persistent Kenya shilling weakness. The prospect of higher inflation, may drive investors to bid for treasuries at higher yields.

### Global markets

- Major Central Banks have emphasized that rising inflation is a bigger risk to their economies than potential growth slowdown.

- As a result, the Central banks are willing to significantly tighten policies to quash inflation pressures, even if that leads to a sharp growth slowdown.

### **MIN 7/AGM/2023: CUSTODY REPORT**

Mr. Amos Ogwang' of Standard Chartered Bank presented the Custody Report as at 30<sup>th</sup> June 2023. In his report, he informed members on the role of the Custodian which include the following:

- Safekeeping/Custody of assets
- Investment administration and
- Asset servicing (for example: collecting dividend payments on shares and interest on bonds, advising investor clients on their corporate action entitlements, e.t.c)

The primary role of a Custodian is to ensure that the client's assets are fully protected at all times, whilst the primary goal of the Fund Manager is to optimize the investment returns that it makes on the invested assets as a Custodian does investment administration & asset servicing.

This tested model:

1. Allows transparency of operation,
2. It reduces risk and
3. Adds value to portfolio (helps to ensure that income due are efficiently collected and promptly credited to account for new investment opportunities)

#### **Services to the Fund:**

- To maintain a bank accounts for Kenya Forestry Research Institute Defined Contribution Retirement Benefits Scheme
- To receive contributions from the sponsor and ensure the Scheme funds are credited to the schemes account within a day of receipt
- To liaise with investment manager in order to facilitate smooth processing of transactions and payments as instructed by the Fund

Managers.

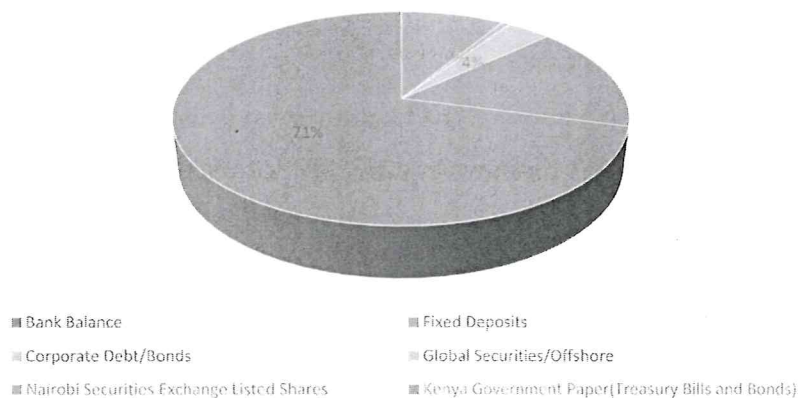
- To keep proper books in order to give a complete record of all investment transactions.
- To periodically report to the Trustees of Kenya Forestry Research Institute Defined Contribution Retirement Benefits Scheme
- To receive and keep in safe custody the title documents, securities and cash for Kenya Forestry Research Institute Defined Contribution Retirement Benefits Scheme
- To report to the Trustees regarding the transactions on scheme funds
- Keep proper books of record of the fund indicating the portfolio held and investment activity
- To maintain technical and adequate operational system capacity

## Assets under Custody

The following assets were under custody as at 30<sup>th</sup> June 2023

| ASSET CLASS                                      | VALUE AS AT 30.06.2023 (KES) | RATIO (%)      |
|--|------------------------------|----------------|
| Bank Balance                                     | 873,927.25                   | 0.03%          |
| Fixed Deposits                                   | 271,963,082.19               | 8.69%          |
| Corporate Debt/Bonds                             | 20,715,603.49                | 0.66%          |
| Global Securities/Offshore                       | 118,166,493.80               | 3.78%          |
| Nairobi Securities Exchange Listed Shares        | 499,819,745.75               | 15.97%         |
| Kenya Government Paper(Treasury Bills and Bonds) | 2,217,657,052.50             | 70.87%         |
| <b>GRAND TOTAL</b>                               | <b>3,129,195,904.98</b>      | <b>100.00%</b> |

Assets Under Custody as at 30th June 2023



We confirm that all the assets are as safe as they can be. We would like to take this opportunity to thank the Trustees and members of Kenya Forestry Research Institute Defined Contribution Retirement Benefits Scheme for appointing Standard Chartered Bank Kenya Limited your scheme custodian.

## **MIN 8/AGM/2023: ADMINISTRATION REPORT**

The Administration report was presented by Mr. Robert Rotich from Minet Kenya. His presentation was as follows:

### **a) Compliance Profile**

Mr. Rotich reported that Scheme was compliant in all aspects of law governing Retirement Benefits Schemes. Some of the aspects in which the Scheme has been compliant are:

- Contribution remittance
- Filling of abandoned assets
- Trustees Certification
- Trustees Board Composition
- Trust Deed and Rules
- Holding Annual General
- Member statements
- RBA levy
- Statement of Investment Principle
- Scheme Financial Statements as at 30<sup>th</sup> June 2020

### **b) Legislative Changes**

#### **➤ Finance Act 2023**

- i. Duties of Trustees; Trustees are required to maintain and provide the Kenya Revenue Authority with necessary records as stipulated by the relevant tax regulations regardless of whether the income by the trust is subject to taxation in Kenya.
- ii. The Act imposes a requirement to remit withholding tax within five (5) working days of deduction.
- iii. Post-Retirement Medical Funds (PRMF)
  - i. Investment Income under the PRMF Funds fully exempted from Tax
  - ii. Taxation of Contributions to PRMF; Contribution upto Kes 60,000 per annum are tax exempted.

- iv. Sharia Compliant Funds- These are exempted from the Investment guidelines set out by the RBA
- v. Taxation Rate - The Act has imposed new tax rates for employment income under the Pay As You Earn (PAYE); with the highest bracket moving from 30% to 35%

➤ **Trustees' Remuneration Policy and Scheme Expenses (Gazette Notice No. 5796)**

- 1) Sets out Permissible allowances payable to Trustees, where a scheme has a remuneration policy.
- 2) The Guidelines do not apply to Schemes which do not pay allowance to Trustees.

➤ **The Retirement Benefits (Mortgage Loans) (Amendment) Regulations 2020**

The amendment to Section 38 of the RBA Act which provided members with the right to access a portion of their retirement benefits for purposes of purchasing a residential house has been suspended pursuant to a decision of the High Court in HCJR/95/2020 - Okiya Omtatah Okoiti vs National Assembly & 3 Others because of lack of public participation amongst other reasons

➤ **NSSF Act 2013**

The Court of Appeal in their full judgement dated 3<sup>rd</sup> February 2023 set aside the Employment and Labour Relations Court's ("ELRC") judgement in entirety, therefore upholding the provisions of the NSSF Act 2013. The NSSF Act 2013 sought to enhance the level of contributions made by employees and employers and establish a new national pension fund and provident fund, whose membership would be mandatory for every employer and employee operating or residing in Kenya.

The net effect of the new contributions will be an increase in the cost of doing business for Kenyan employers. For employees who did not have the opportunity of participating in an occupational or private pension scheme, the increased contributions for the new NSSF Pension Fund will be a welcomed opportunity to help them save more for their retirement.



➤ **Taxation of Benefits to Persons Aged 65 Year and above**

We are pleased to note that the High Court issued conservatory order suspending Paragraph 53 of Part 1 of the First Schedule to the Income Tax Act , CAP 470 , essentially suspending taxation of benefits for persons aged 65 years and above with effect from 31<sup>st</sup> January 2023.

**c) Facing Retirement – Questions of Key Concern**

Finally, Mr. Rotich presented several rhetorical questions on retirement as shown below:

1. What do People say you are.... (Brand Recognition)
2. What are your core values in life – Excellence, Integrity, Accountability, innovative,
3. Who are you without your employer (sense of identity)
4. Is Money the solution to everything in your life – “ the best way to know a man is when he is blessed with lots of resources”
5. Are you the sole Provider in your family? (Risk Reviews)
6. To what extent have you embraced the concept of continuous training (Self Training)
7. Are you a Landlord, a Tenant , a Homeowner or None of the above
8. To what extent are you connected with the community where you reside
9. Health – Health is wealth; how will this be impacted by your retirement
10. Relationship – will retirement be a boon or a bane in your fam

**MIN 9/AGM/2023: REMUNARATION OF TRUSTEES**

Trustee Timothy Wanjala informed members that on May 5<sup>th</sup>, 2023, the Retirement Benefits Authority released the Guidelines on Trustees’ Remuneration Policy and Schemes Expenses. These Guidelines were published in the Kenya Gazette Notice No. 5796, dated April 18<sup>th</sup>, 2023. The trustees are in the process of reviewing the current policy to ensure compliance. The remuneration for trustees therefore remains the same as follows;

| ALLOWANCE                | APPROVED RATE       | REMARKS                            |
|--------------------------|---------------------|------------------------------------|
|                          | PER SITTING<br>Kshs |                                    |
|                          | 30,000.00           | Chairperson only                   |
| <b>Sitting Allowance</b> | 15,000.00           | All other Trustees                 |
| <b>Lunch Allowance</b>   | 2,000.00            | All Trustees                       |
| <b>Mileage Allowance</b> | As per AA Rates     | For Trustees based out of KEFRI HQ |
| <b>Per Diem</b>          | 18,200.00           | All Trustees                       |

The Trustees remuneration were approved by Members as proposed by Mathews Mauya and Seconded by Sarah Hongo.

#### **MIN 10/AGM/2023: REMARKS BY RBA**

The Retirement Benefits Authority (RBA) was represented by Ms. Yvonne Muthwii. She informed the Members the role of RBA. Further, the regulator highlighted the rights of the members to the Scheme and also the rights of the Sponsor.

#### **MIN 11/AGM/2023: QUESTION AND ANSWER**

Members were given a chance to ask questions and which were answered as follows:

- ❖ Why do you tax members retiring at age 60yrs and exempt those retiring at age 65yrs?
  - That's the law. Those members aged 65yrs are tax exempt on their retirement benefits.
- ❖ Why should we contribute to NSSF and we already have our Scheme?
  - Contribution to NSSF is mandatory as per the new NSSF act. However, the Scheme has the option of receiving Tier II of the NSSF contributions once approved by RBA.
- ❖ Training expenses increased during the year why? Is the training for new Trustees or all Trustees?
  - There was a slight increase in the training of Trustees due to the new Trustees who joined the Board during the year. All Trustees are required to

attend regular trainings to keep them informed of the industry developments and the skills to run the Scheme.

- ❖ Why do the Trustees alter the Nomination of Beneficiaries in allocation of benefits of deceased members?
  - If not filled correctly, the Trustees have been given the powers to redistribute the benefits in a fairly manner to all the beneficiaries.
- ❖ Can the Members involved in the selection of the Scheme Chairperson?
  - Members should not be concerned about who should be the Chairperson of the Scheme because all Trustees have equal powers whether the Chairperson or ordinary Trustees.
- ❖ How far is the recovery of the lost Funds?
  - The Board has not been able to recover the lost Funds and the matter is still with the DCI.
- ❖ How can individuals invest after retirement?
  - One can invest in all assets classes as an individual.
- ❖ How far is the establishment of the Post-Retirement Medical Fund?
  - The Board of Trustees is working on the policies regarding the PRMF Scheme.
- ❖ Why some of the recommendations which has been proposed by members during AGMs has not been implemented? Like members has been requesting to be served lunch at KEFRI House and not given packed food and the Trustees has been ignoring that.
  - The Trustees agreed to implement their demands in the coming AGMs.

#### **MIN 12/AGM/2023: VOTE OF THANKS**

Mr. Joshua Kyalo gave a vote of thanks on behalf of the members and closed with a word of prayer at 12.25pm.

#### **MIN 13/AGM/2023: DRYLANDS ECO-REGION RESEARCH CENTRE-KITUI**

##### **PRESENT**

- |                       |   |          |
|-----------------------|---|----------|
| 1. Dr. George Muthike | - | Chairman |
| 2. Eng. Davies Musau  | - | Trustee  |
| 3. Comm. Rose Osoro   | - | Trustee  |
| 4. Mr. Charles Koech  | - | Trustee  |

## IN ATTENDANCE

- |                    |   |                    |   |                |
|--------------------|---|--------------------|---|----------------|
| 1. Ali Dzitu Fundi | - | Secretariat        | - | Taking Minutes |
| 2. Mathew Mue      | - | Sanlam Investments | - | Fund Manager   |
| 3. Kelvin Macharia | - | Minet Kenya        | - | Administrator  |

## MEMBERS PRESENT

Kitui & Garissa - 32

## PRELIMINARIES AND PRESENTATIONS

The meeting at the Drylands Eco-region Research Centre, Kitui was held on 24<sup>th</sup> October 2023. The Regional Director, Dr. Albert Luvanda called the meeting to order at 9.20am. He then welcomed the members, Trustees and service providers to Kitui. The meeting was chaired by Dr. George Muthike who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Comm. Rose Osoro who presented the Auditor's report on behalf of **WIA Africa** and Trustee Charles Koech who presented the Trustees' remuneration.

## QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ How many times do the Trustees sit in a year?
  - The Trustees holds their meetings quarterly which means they meet four times in a financial year.
- ❖ Can one make adjustments to the AVC contribution?
  - Yes, a member can make changes anytime as they may wish.
- ❖ The Investment Income has been indicated as Kes.138 million but some items are fair value, does it mean that you have distributed even the fair value amounts?
  - Yes, the law requires sharing both realized and unrealized gain/loss.
- ❖ Trustees travelling and accommodation increased in this financial year why?

- The increase was due to Trustees traveling to different locations to look for beneficiaries who had benefits in the Scheme and the deceased members had not filled the Nomination forms.
- ❖ What is the Management doing on the huge pay-outs due to retirement of members to avoid the Scheme going down?
  - The Sponsor has been replacing those retiring although at a slower rate.
- ❖ What is the process of being paid when a member takes early retirement?
  - Early retirement is paid as normal retirement no difference. The Member is paid 1/3 and the 2/3 is used to purchase an annuity.
- ❖ Is it possible for the Scheme to hold one AGM for all the Members?
  - If members accept the online AGM, it's possible.
- ❖ Has the fraudulent amount been recovered?
  - The amount has not been recovered so far. It was reported to the relevant authorities and the legal office is handling it.

Elyas Hassan, a member from Garissa station, gave a vote of thanks on behalf of the members. The meeting ended at 12.45pm with a word of prayer.

#### **MIN 14/AGM/2023: KIBWEZI SUB-CENTRE**

##### **PRESENT**

- |                       |   |          |
|-----------------------|---|----------|
| 1. Dr. George Muthike | - | Chairman |
| 2. Eng. Davies Musau  | - | Trustee  |
| 3. Comm. Rose Osoro   | - | Trustee  |
| 4. Mr. Charles Koech  | - | Trustee  |

##### **IN ATTENDANCE**

- |                    |   |                    |   |                |
|--------------------|---|--------------------|---|----------------|
| 1. Ali Dzitu Fundi | - | Secretariat        | - | Taking Minutes |
| 2. Mathew Mue      | - | Sanlam Investments | - | Fund Manager   |
| 3. Kelvin Macharia | - | Minet Kenya        | - | Administrator  |

##### **MEMBERS PRESENT**

- |                        |   |    |
|------------------------|---|----|
| Kibwezi & Taita Taveta | - | 33 |
|------------------------|---|----|

## PRELIMINARIES AND PRESENTATIONS

The meeting at the Drylands Eco-region Research Centre, Kibwezi was held on 25<sup>th</sup> October 2023. Ms. Linet Muindi called the meeting into order at 9.25am. She then welcomed the members, Trustees and service providers to Kibwezi. The meeting was chaired by Dr. George Muthike who presented the Chairman's statement. More presentations were made by the Sponsor, Service Providers as well as Comm. Rose Osoro who presented the Auditor's report on behalf of **WIA Africa** and Trustee Charles Koech who presented the Trustees' remuneration.

## QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ Why our NSSF Statements has gaps on contributions?
  - Kindly present your NSSF Statement to the Sponsor's salaries section for any concerns.
- ❖ When will the Post-retirement medical Fund be implemented?
  - The Trustees are still working on the policies once completed they will roll-out the PRMF.
- ❖ Can I invest the 1/3 lump-sum with Sanlam before I can think of my investments?
  - Yes, you can invest in their money market fund as soon as you receive the 1/3 payment.
- ❖ How do we choose the insurer for the annuity?
  - The Secretariat office shall provide you with quotations from different underwriters and guide you to select your preferred annuity provider.
- ❖ Why do we relate our Kenyan Shilling more to the US Dollar than any other currency?
  - As a country we buy more in US Dollars than the other currency.

Ms. Linet Muindi, gave a vote of thanks on behalf of the members. The meeting ended at 1.10pm with a word of prayer.

## MIN 15/AGM/2023: COAST ECO-REGION RESEARCH CENTRE-GEDE

### PRESENT

1. Dr. George Muthike - Chairman
2. Comm. Rose Osoro - Trustee
3. Mr. Charles Koech - Trustee

### IN ATTENDANCE

1. Ali Dzitu Fundi - Secretariat - Taking Minutes
2. Irene Wanjiku - Sanlam Investments - Fund Manager
3. Kelvin Macharia - Minet Kenya - Administrator
4. John Kea - RBA - Regulator

### MEMBERS PRESENT

Gede & Lamu - 38

### PRELIMINARIES AND PRESENTATIONS

The meeting at the Coast Eco-region Research Centre was held on 25<sup>th</sup> October 2023. The Assistant Regional Director, Dr. Nadir called the meeting into order at 9.30am. He then welcomed the members, Trustees and service providers to Gede. The meeting was chaired by Dr. George Muthike who presented the Chairman's statement. More presentations were made by the Sponsor, Regulator and Service Providers as well as Comm. Rose Osoro who presented the Auditor's report on behalf of **WIA Africa**. Trustee Charles Koech presented the Trustees' remuneration.

### QUESTION AND ANSWER

Members were given a chance to ask questions which were answered as follows:

- ❖ Where does the declared interest go to for the Trust Fund?
  - The declared interest is further reinvested together with the main Fund.
- ❖ Why do we invest more in Treasury Bills and Treasury Bonds and not to Money Market Funds?
  - The Scheme invests in Money Market Funds too in form of call deposits.

- ❖ Which Money Market is the best one can invest as an individual?
  - There are a number of them in the newspapers you can invest as an individual.
- ❖ What structures are there that the Trust Fund is safe now?
  - The Board has banned all cash payment and the Sponsor seconded an accountant to the Secretariat.
- ❖ Members retiring at age 65yrs are not taxed. Can I retire at age 60yrs and leave my benefits in the Scheme until I attain age 65yrs to avoid the tax?
  - Yes, you can delay your payment but you need to get in touch with the Trustees so that the benefits are not sent to UFAA.
- ❖ Why the interest earned not stable for all the years?
  - Due to emerging issues like the Russia war, Covid 19 and more.

Dr. Stanley Nadir, the Assistant Regional Director, gave a vote of thanks on behalf of the members. The meeting ended at 1.44pm with a word of prayer.

**MIN 16/AGM/2023: RIFT VALLEY ECO-REGION RESEARCH PROGRAMME – LONDIANI**

**PRESENT**

- |                        |   |                    |
|------------------------|---|--------------------|
| 1. Mrs Sarah Mogaka    | - | Deputy Chairperson |
| 2. Dr. Agnes Ogada     | - | Trustee            |
| 3. Mr. Timothy wanjala | - | Trustee            |

**IN ATTENDANCE**

- |                     |   |                           |   |               |
|---------------------|---|---------------------------|---|---------------|
| 1. Andrew           | - | Minet Kenya               | - | Administrator |
| 2. Lucy Kariuki     | - | Pension Accountant        | - | Secretariat   |
| 3. 3.Elvis Konchory | - | SANLAM E.A.Investment Ltd | - | Fund Manager  |

**MEMBERS PRESENT**

Londiani & Marigat - 37



## **INTRODUCTION AND PRELIMINARIES**

The meeting at the Rift Valley Eco-Region was held on Tuesday, 24<sup>th</sup> October 2023. The Regional Director (RD), Dr. David Lang'at called the meeting into order at 9a.m. Opening prayers were led by Ms Alice Adonga. The RD then welcomed the members, Trustees and service providers to Londiani. The meeting was chaired by Mrs Sarah Mogaka who handed over to Mr Timothy Wanjala who introduced the Trustees, Service Providers and other Staffs. Dr. Agnes Ogada presented the sponsor's statement, Mrs Sarah Mogaka presented the Chairman's statement. CPA Timothy Wanjala presented the Audited Accounts for the year. More presentations were made by the Service Providers present.

The minutes of the previous meeting were read by Mrs Lucy Kariuki and confirmed as a true copy of the day's deliberations, they were proposed by Ms Alice Adongo and seconded by Ms Prisca.

## **QUESTION AND ANSWER**

Members were given a chance to ask questions which were answered as follows:

- ❖ How is the growth of the Fund?
  - There's positive growth. Offshore investment and Money Markets being the best investment as at now. We expect a growth of 5.3% for the year.
- ❖ How safe is the Pension Fund?
  - The Scheme is safe as there is no cash payments and the Sponsor has seconded an Accountant to the Scheme.
- ❖ Is the money lost fraudulently recovered?
  - The money has not been recovered yet. The case is with DCI.
- ❖ What steps have you taken to ensure the Fund invested with Government is safe?
  - We are monitoring and service providers too. The safest place to invest is with the Government.
- ❖ How is the taxation for those below and above 60years?
  - Below 60 years pension is taxable whereas there is No taxation for retirement above 65years.
- ❖ Is Post-Retirement Medical Fund implemented? If not When Shall it be implemented?
  - The Fund is not yet established. The Board is still is working on it at the draft stage.

❖ Can one access pension to obtain a Mortgage?

- Not yet. The High court issued an injunction (stopping pension to be used for purchase of a mortgage).

Having no other business for the day; Mr John Getonto closed with a word of prayer at 1.30pm.

## **MIN 17/AGM/2023: LAKE BASIN ECO-REGION RESEARCH PROGRAMME – MASENO**

### **PRESENT**

1. Mrs Sarah Mogaka - Deputy Chairperson
2. Dr. Agnes Ogada - Trustee
3. Mr. Timothy wanjala - Trustee

### **IN ATTENDANCE**

1. Andrew Mutuku - Minet Kenya - Administrator
2. Lucy Kariuki - Pension Accountant - Secretariat
3. Elvis Konchory - Sanlam E.A. Investment Ltd - Fund Manager

### **MEMBERS PRESENT**

Maseno, Kakamega & Migori - 40

### **INTRODUCTION AND PRELIMINARIES**

The meeting at the Lake Basin Eco-Region Program was held on Tuesday, 25<sup>th</sup> October 2023. The Deputy Regional Director (DRD), Mr. Samson Okoth called the meeting into order at 8.30a.m. Opening prayers were led by Mr. Sebastian Kioko. The RD, Dr. Otwoma then welcomed the members, Trustees and service providers to Maseno. The meeting was chaired by Mrs. Sarah Mogaka who handed over to Mr. Timothy Wanjala who introduced the Trustees, Service Providers and other Staff. Dr. Agnes Ogada presented the sponsor's statement, Mrs. Sarah Mogaka presented the Chairman's statement. CPA Timothy Wanjala presented the Audited Accounts for the year. More presentations were made by the service providers present.

The minutes of the previous meeting were read by Mrs. Lucy Kariuki and confirmed as a true copy of the days deliberations, Minutes of previous AGM were proposed by Mr. Brian Machote and seconded by Ms. Joyce Oreta.

### **QUESTION AND ANSWER**

- ❖ How is the Post-Retirement Medical Fund? Is it implemented?
  - The Sponsor has hired a consultant to review the members profile and the cost of contribution.
- ❖ Can the investor consider other investment ventures?
  - Mr Konchory, the Fund Manager Rep gave an overview of the global Economy and the best returns favourable to our Pension especially offshore investment and Money Market investment.
- ❖ Why Members Sensitization was Kes.4000 while in 2022 it was Kes. 1,640,483?
  - We didn't have Members Sensitization in 2023, Trustees conduct member education after every three years.
- ❖ On children Nomination in the Nomination of beneficiaries form, in case both parents are not alive, what happens?
  - One can nominate a Guardian, however, Trustees have a right to apportion just in case of death.

Having no other business for the day, Mrs. Sarah Mogaka Handed over to Dr. Otwoma who invited Ms. Judy Ogenche to give a vote of thanks and closing prayers at 2.30pm.

### **MIN 18/AGM/2023: TURBO FORESTRY RESEARCH PROGRAMME**

#### **PRESENT**

1. Mrs Sarah Mogaka - Deputy Chairperson
2. Dr. Agnes Ogada - Trustee
3. Mr. Timothy wanjala - Trustee

#### **IN ATTENDANCE**

1. Andrew - Minet Kenya - Administrator
2. Lucy Kariuki - Pension Accountant - Secretariat
3. Elvis Konchory - Sanlam E.A. Investment Ltd - Fund Manager

## **MEMBERS PRESENT**

TURBO & Turkana - 30

## **INTRODUCTION AND PRELIMINARIES**

The meeting at the Lake Basin Eco-Region Program was held on Tuesday, 26<sup>th</sup> October 2023. The Assistant Regional Director (ARD), Ms. Joyce Okumu called the meeting into order at 9a.m. Opening prayers were led by Ms. Mary Mudaki. The ARD then welcomed the members, Trustees and service providers to Turbo. The meeting was chaired by Mrs. Sarah Mogaka who handed over to Mr. Timothy Wanjala who introduced the Trustees, Service Providers and other Staff. Dr. Agnes Ogada presented the sponsor's statement, Mrs. Sarah Mogaka presented the Chairman's statement. CPA Timothy Wanjala presented the Audited Accounts for the year. More presentations were made by the service providers present.

The minutes of the previous meeting were read by Mrs. Lucy Kariuki, proposed by Ms Joyce Oreta and seconded by Christon Bitok.

## **QUESTION AND ANSWERS SESSION.**

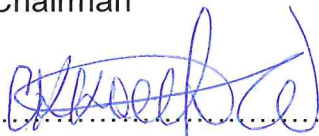
- ❖ Can the Members be given Money instead of food?
  - The RBA Rules do not allow members to be paid cash
- ❖ How far have you gone with the fraudulent Case? Have we managed to recover the money?
  - The Case is with DCI and we shall follow up
- ❖ Why don't we close Pension and go to NSSF? We are being overtaxed.
  - NSSF contribution is a statutory requirement which will add to our pension Fund when retiring.
- ❖ If the Government borrows our Money, are we safe?
  - The safest place to invest our money is with the Government.
- ❖ When the bonds loose value, don't we lose money?
  - There is a law which is about to be introduced to ensure unrealised loss is not reported as loss in the books of accounts.

- ❖ If an officer leaves employment today will the KEFRI Pension process the benefits immediately? What benefits will I receive if I retire below 50years?
  - You shall be able to access 50% of your total benefits within 30 days.
- ❖ Can I be allowed to use my Pension to clear SACCO Loans & other loans if I choose to retire today?
  - Yes, with your consent in writing but pension is not assignable.
- ❖ How are KEFRI Officers allowed to clear with loans?
  - RBA doesn't allow employers to hold an employees' retirement dues even if they have not cleared.
- ❖ If a nominated Spouse or Son dies, what happens?
  - The Member can amend the Nomination of Beneficiaries Form anytime and remove the deceased beneficiary.

Having no other business for the day, Mrs. Sarah Mogaka thanked CPA Timothy Wanjala, and Members for attending, especially those near retirement and encouraged them to have a side hassle. She then handed over to the ARD, Ms. Joyce Oreta who invited Mrs. Lucy kariuki who closed with a word of prayer at 2.45pm

**Signed for Circulation**

Chairman

  
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Date

13/8/24  
.....

**Signed for Confirmation**

Chairman

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Date

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