



NINE
DECADES *of*
FULFILLING LIVES



CPF
GROUP
FULFILLING LIVES

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How NCBA has partnered with CPF for the past five years.

NINE **DECADES** *of* **FULFILLING LIVES**





Editor's Note

"We are not makers of history. We are made by history- Martin Luther King Junior

This quote by one of the greatest men in history illustrates the importance of our past and how it has the potential to shape our future. And there is no organization steeped in history like the CPF Financial Services Group.

Started as a pension fund for British white-only employees of Nairobi Municipal Council in 1929, the firm has grown into a fully-fledged Kenyan owned financial services company with tentacles in many spheres of the economy while still maintaining its Vision - to offer Innovative Social Security Solutions.

It is a journey that has had its ups and downs but with one common thread - the quest to fulfil lives. This book is by no means an exhaustive coverage of this history. No one can capture it best as those who lived it. But it is a fair attempt at telling it from the people and events that shaped the growth of the organization.

It also answers the question of the future of CPF and the pension industry in general with incisive interviews with top managers not only at CPF but others who play a key role in the sector like the Retirement Benefits Authority, Pensioners, Fund Managers and others. It is a melting point of ideas and discourse.

The book is a labour of love and has been put together with the help of our partners in both

the corporate world and the government. They contributed their time and resources to help us tell our story and the role they played in it. I would like to thank them for that.

Special gratitude also goes to the communications team at CPF for putting in the hours to help research and provide logistics for the publication and our publishers Awesome Concepts Limited, who were our partners for the publication. Enjoy the read.

Irene Mbonge

*Group Head of Corporate Affairs
CPF Financial Services*



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MESSAGE FROM CHAIRPERSON CPF FINANCIAL SERVICES



As Chairman of the CPF Financial Services Board of Directors – the holding company of CPF Group of companies, I am delighted to be part of this noteworthy publication that celebrates the legacy of this great organisation.

In the course of its long and storied history, CPF Financial Services has indeed taken a front seat in the growth of the social security sector in the country and the East African region over the years. A legacy spanning more than nine decades, it transverses two different eras in the history of the Republic of Kenya. Since 1929, the organization has over the years

changed enormously but continues to prudently manage the funds and assets it's entrusted with. It is indeed one of the few historical institutions of this nature in the country today.

To this end, the Board of Directors has a social and fiduciary duty to ensure that CPF Financial Services' focus delivers not just profits for members but also delivers environmental stewardship, social well-being and transparent governance policies so that its profit is purposeful, and its purpose is profitable. I am proud to note that from just a desk stationed within the City Hall in 1929, the organization now managed over Kshs 100 Billion in assets for over 500,000 members across the country.

In addition, the attention that we have been paying to digital channels, as well as to the products, services, and infrastructure that we are putting in place, bode well for our ability to continue putting our customers first, and to benefit from our shared value model. Culminating in the collective efforts of the CPF Financial Services Board of Directors, Management, Staff, and Stakeholders, I am proud of the strides we have made over the past 94 years.

We have reimagined, redefined and reengineered the organization to innovative modern standards that ensure the Group can meet future needs. Through

the new mission, "To offer innovative social security, financial and advisory solutions to our stakeholders," the Group has cemented its identity as a customer-centric organization committed to leveraging innovation and technology in driving business growth. This Plan equally demonstrates our commitment to achieving operational excellence across our focus areas, while carrying along with us all key stakeholders.

In pursuit of our commitment to building a robust institutional framework for future prosperity, CPF Financial Services continues to focus on growing a high-performance culture across the Group, enabling staff to deliver on excellence, and providing exceptional governance and infrastructure to support the Group's mandate.

I wish to express my sincere gratitude to the past Boards of Directors for their leadership over the years. We are a major beneficiary of their great leadership. I also wish to thank the members and sponsors of the various pension funds under our administration for their continued support, as I wish the CPF Financial Services a long and prosperous future.

Maurice Ndurano,

Chairperson, CPF Financial Services Board of Directors.



NAIROBI / OLD CITY HALL 1935



THIS IS WHERE IT BEGAN



The story of CPF Financial Services and that of Kenya are joined at the hip. It is a narrative that spans more than 90 years and has seen the two mirror each other's changes, growth and challenges, traversing different eras of the Republic and its people.



New Stanley hotel on August 1920



King George V who was the King when Kenya became a British prectorate

It can all be traced back to the Municipalities Act Ordinance of 1928, when Kenya was still under the British colonial rule. During the colonial period, legislation was enacted through the instrumentality of legal Ordinances otherwise referred to as: 'Orders-in-Council'.

An "Order-in-Council" was a proclamation issued by the Queen of England with respect to the law applicable to any particular Colony. Similarly, an ordinance was a law enacted by the Legislative Council of any particular colony which became the law upon receiving the assent of the Governor administering that colony. At independence, all the Ordinances became Acts of Parliament.

Kenya became a British colony in the year 1920 and the Local Government (Municipalities) Ordinance enacted in the year 1928 was the principal law with regard to the Local Governments and provided for matters incidental thereto in the Kenyan Colony.

The Ordinance provided for the establishment, control and management of all the Municipal Councils in colonial Kenya. It was this Ordinance that first established the Municipal Councils of Nairobi and Mombasa with the attendant provisions relating to inter alia elections, appointments and running of the Municipal Councils. It was established under the rule of then governor of East African protectorate Edward Grigg, a British politician who later became an MP and editor in London.





The Local Government (Municipalities) Ordinance enacted in the year 1928 established the Municipal Councils of Nairobi and Mombasa

TWO CITIES

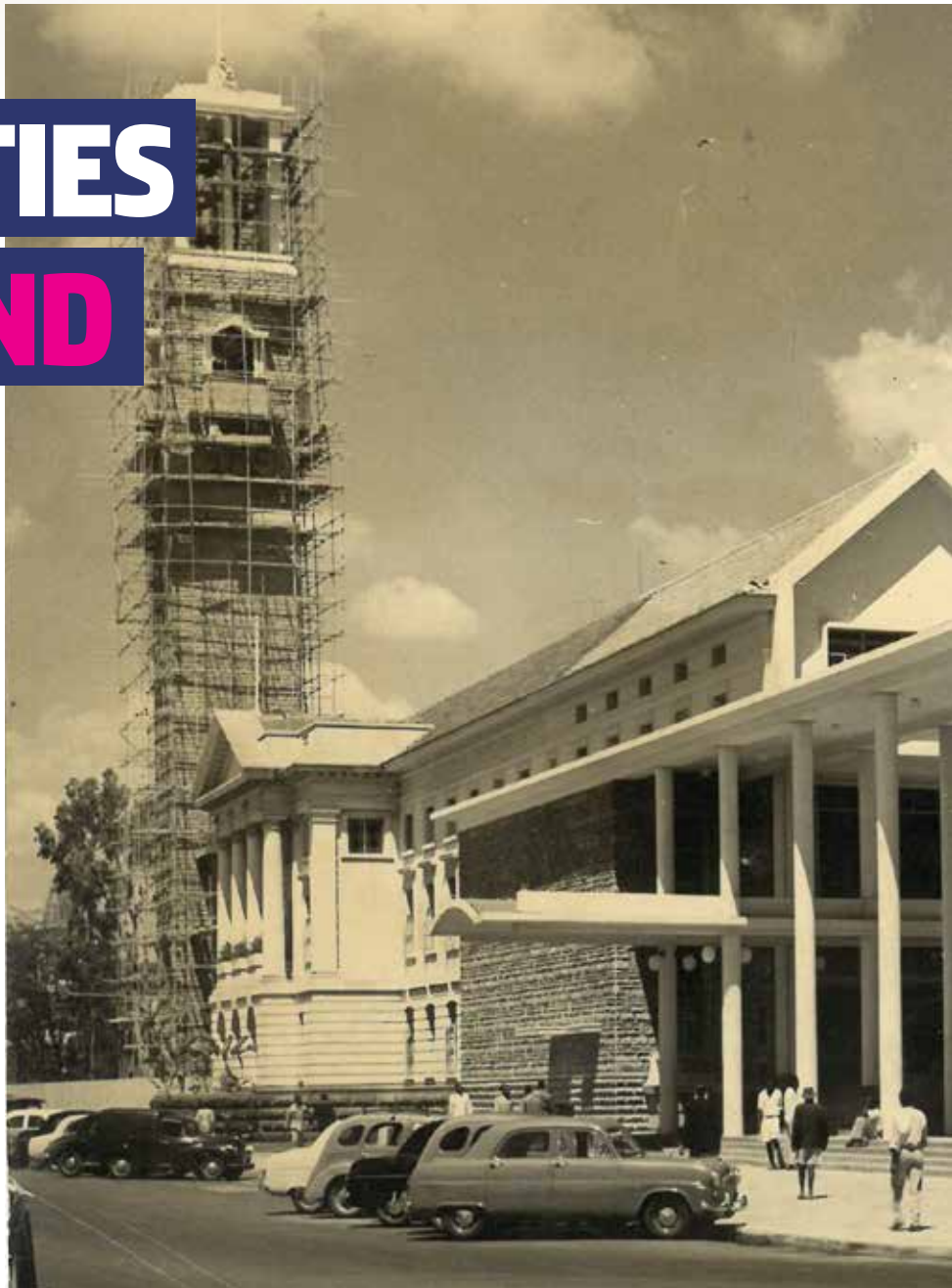
ONE FUND

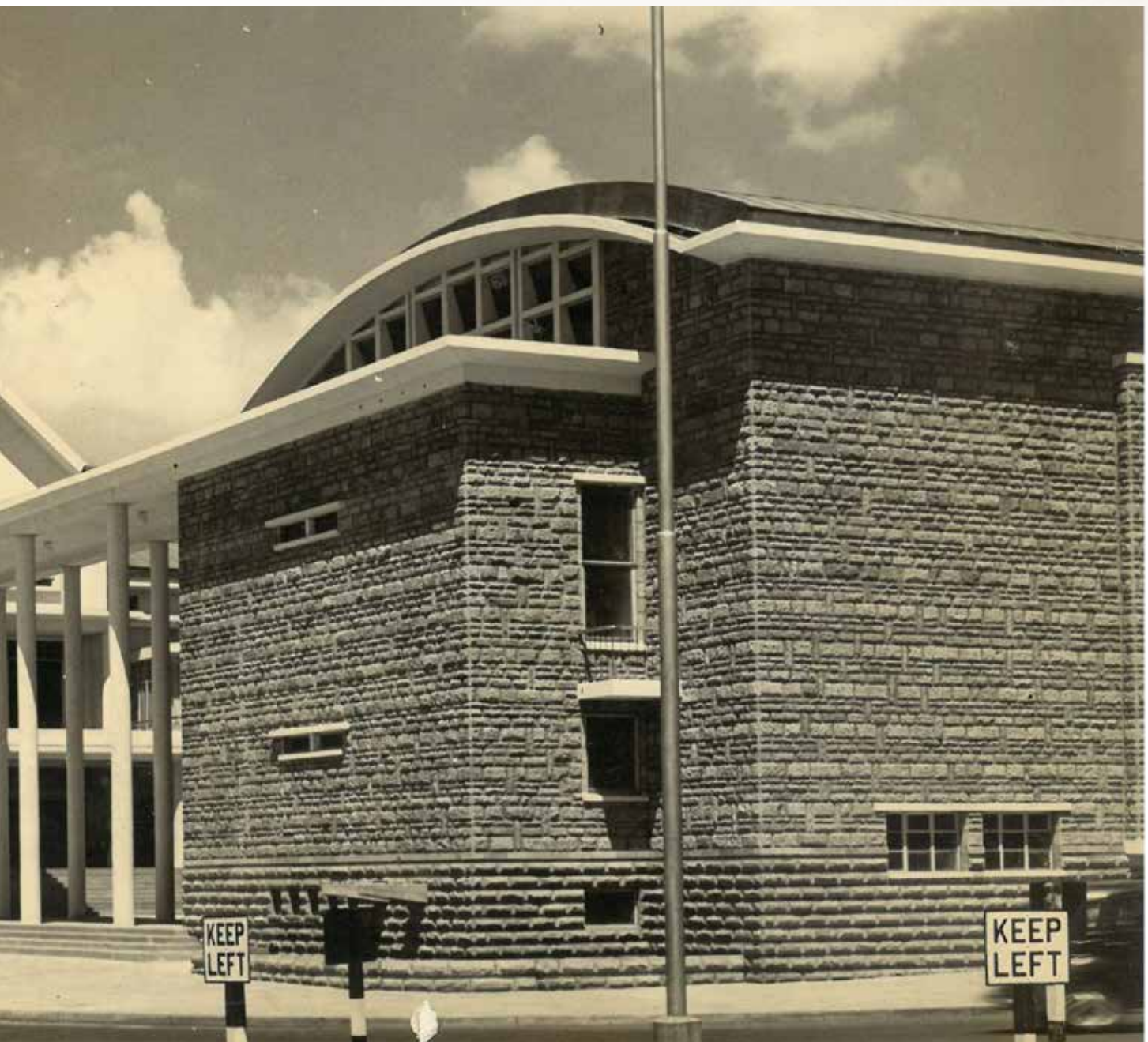
The powers of a Council to establish a pension or provident fund was provided for respectively under sections 52 (19) and subsection (86) of section 89 of the Ordinance.

The Ordinance gave the council powers to establish, control, manage, maintain and contribute to any pension, provident or benevolent fund intended for the benefit of the officers and servants of the Council. Similarly, the section also gave the Council powers to grant pensions and gratuities from any such fund to such officers or servants on their retirement from the service of the Council and to the dependents on the death of such officer or servant. This subsection was exceptional in the sense that it went further and empowered the Governor to grant pensions or gratuities to officers or servants on retirement where no pension, provident or benevolent fund had been established.



*Nairobi Town
Hall October
1958*





NEW

RULES



Nairobi works along govt road (Moi Avenue) 1957.

On the 19th January 1950, the Municipal Council of Nairobi, while exercising the powers conferred upon it by the Municipalities Ordinance, 1928, through Government Notice No. 99, established the Nairobi Municipality (Superannuation Fund) called The Municipal Council of Nairobi Superannuation Fund. Superannuation Fund was the first (and only) pension fund to have been established under the provisions of the Municipalities Ordinance of 1928.

Although the Municipal Council of Nairobi Superannuation Fund was established on the 19th January, 1950, it had a retrospective operation by dint of rules 2, 9 and 12 of the Fund Rules that made provision for membership of those employees who had been in the continuous and uninterrupted employment of the Council since 1st July, 1932 and also for the prior period commencing 1st January, 1929 and ending 1st July, 1932. The importance of this rule was to back-date the operation of the Fund to 1st January, 1929



Old Aerial photo of Nairobi city 1950s.

albeit the fact that the bureaucratic operations of the Fund were set up in 1950.

Any member who had attained the age of sixty (60) years and had completed not less than ten years of continuous employment was entitled to a pension calculated at the rate of one-six-hundredth for each completed month of the period of continuous employment based on the annual average of the salary of the three years immediately preceding

retirement. The management of the Fund was vested upon a management committee appointed by the Council biennially. The management committee consisted of 6 persons three of whom were Nairobi members selected by the Council and nominated from a list of Nairobi members and the other three were members of the Council. The Council therefore had the overall oversight over the Fund through the instrumentality of the management committee whose chairman was

appointed by the committee itself from amongst its members. The Council was in addition tasked with the responsibility of investing all of the Fund's moneys. The Council was for that reason the Fund's Trustee. The day today running of the Fund was vested upon the Municipal Treasurer who was responsible for maintaining the full and true accounts of the Fund and paying out pensions to the pensioners.



Governor Malcom MacDonald, who was ruling Kenya on behalf of the Queen of England



Nairobi Mayor Ald Travis address at Ofafa Jericho housing project July 1958

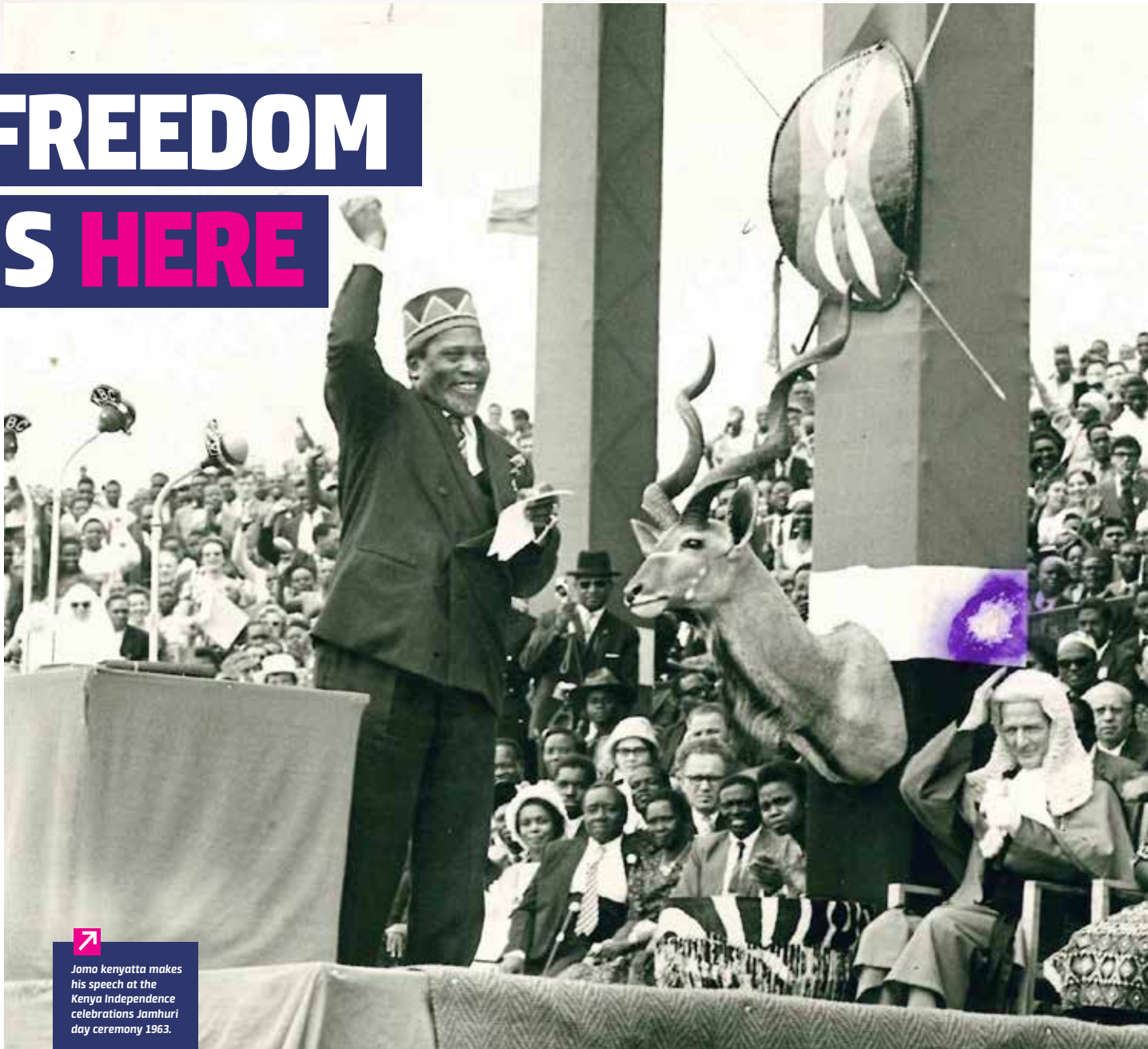
1963


On the 28th January, 1963, the Queen of England promulgated the Kenya (Local Government) Order-in-Council, 1963, that was intended to create fresh provisions relating to the Local Government in Kenya before a new Constitution was enacted for independent Kenya.

1963

Pursuant to the powers conferred to by section 2 of the Kenya (Local Government) Order-in-Council, 1963, on the 30th March, 1963, the then colonial Governor Sir Malcolm MacDonald promulgated the Kenya (Local Government) Pensions Regulations, 1963.

FREEDOM IS HERE



 Jomo Kenyatta makes his speech at the Kenya Independence celebrations Jamhuri day ceremony 1963.



1963

On 21st May 1963, the then Minister for Local Government Daniel Arap Moi, while exercising the powers conferred upon him by Regulation 8 of the Kenya (Local Government) Pension Regulations, 1963, made the Kenya Local Government Officers' Superannuation Fund Rules, 1963 that established the Kenya Local Government Officers' Superannuation Fund.



KDF Kenya military soldiers hoisting Kenyan NATIONAL FLAG and lowering UNION JACK during independence DEC 1963.

fresh provisions relating to the Local Government in Kenya before a new Constitution was enacted for independent Kenya.

This Order-in-Council was a transitional instrument that enabled the Governor, Sir Malcolm MacDonald, to formulate rules at the sunset of the colonial rule before dawn of independent Kenya. This Order came into operation on 2nd February, 1963, and enabled the Governor, by regulations published in the gazette; to make provisions for the local government in Kenya and for any matter that appeared to him to be incidental thereto or consequential thereon.

It should be pointed out that,

hitherto, the only substantive law relating to the local government in Kenya was the Local Government (Municipalities) Ordinance, 1928 that was due to be replaced by the independence Constitution hence the reason for proclamation of this Order-in-Council.

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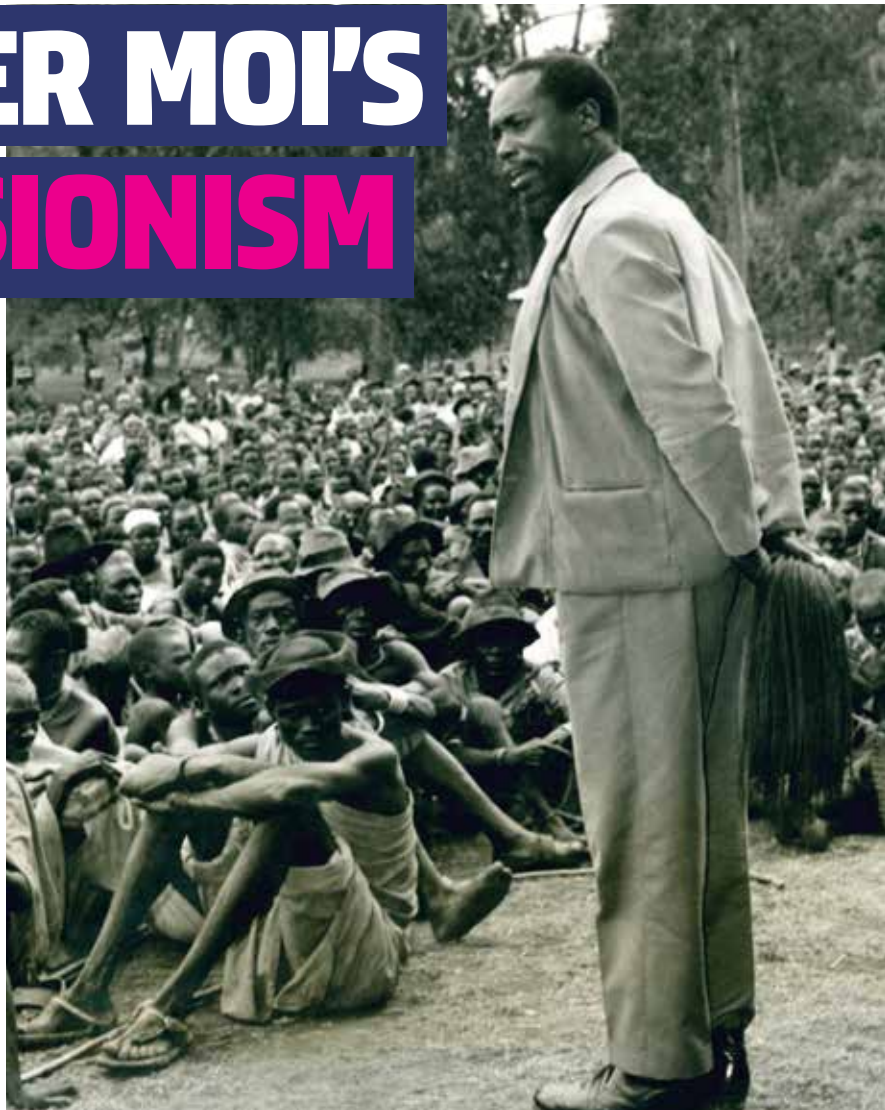
On the 8th May, 1963, while exercising powers conferred upon him by regulation 7 of the Kenya

MINISTER MOI'S EXPANSIONISM

(Local Government) Pension Regulations, 1963, the then Minister for Local Government Daniel Arap Moi made the Kenya **Local Authorities Superannuation Fund Rules, 1963**. The main object of these rules that came into operation on the 1st April, 1963, was to provide for payment of lump-sum and pension entitlements due to members in respect of contributions made by them to the Municipal Council of Nairobi Superannuation Fund during their periods of service with their respective employers from time to time.

These rules were made to give effect to the provisions of Section 7 of the 1963 Regulations which had been vested to the new Fund administered by the Public Trustee of England and Wales; the residue of the assets of the Nairobi Municipal Superannuation Fund; in trust of the European and Asian members who were already pensioners and others in the employment of Local Authorities and who did not want to opt out from the Fund once Kenya attained its internal self-rule.

The administration and management of the Fund was vested irrevocably in the Public Trustee of England and Wales who was advised on any aspect of management and control of the Fund by a consultative committee of five selected and non-selected members.



Minister for Home Affairs Daniel Arap Moi seen addressing a crowd at Kabarnet when he distributed 2000 bags of posho to the Tugen and Njemps tribesmen in Baringo November 1965.

1963

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The Mayor of Nairobi Isack Lugonzo inspects a guard of honor in May 1967

On 21st May 1963, the then Minister for Local Government Daniel Arap Moi, while exercising the powers conferred upon him by Regulation 8 of the Kenya (Local Government) Pension Regulations, 1963, made the Kenya Local Government Officers' Superannuation Fund Rules, 1963 that established the Kenya Local Government Officers' Superannuation Fund.

These rules repealed the Nairobi (Municipalities) Superannuation Fund Rules, 1950 and effectively wound up the Municipal Council of Nairobi Staff Superannuation Fund established under section 42A of the Municipalities Ordinance, 1928, which had been in operation for thirteen years.

The overall control and management of the Super Fund was exercised by Management Trustees through the auspices of the Management committee. The Management Trustees were appointed by the Minister and comprised of a custodian trustee and three other trustees. It was



Minister for local govt Samuel Ayodo swearing June 1963.

this committee that was solely charged with the crucial task of investing the Funds money and paying for the management and administrative expenses of the Fund.

The Management committee comprised of seven persons (including the chairman) who were appointed by the Local Government Service Commission and it was to this committee that all matters concerning the control and management of the Super Fund were referred to.

The responsibility of administering the Super Fund on a day-to-day basis was delegated to the City Treasurer who also doubled as the treasurer to the trustees and was charged with the duty of keeping the full and true accounts of the Fund. This legal position changed in 1985 when the Rule was amended to provide that any person other than the City Treasurer could be appointed as the Fund's treasurer by the Minister on recommendation of the Trustees and Management Committee. In 1995, through an amendment to Rule 285, the term, the Fund's Treasurer was done away with and substituted by the term General Manager who was the Fund's Chief Executive.

Throughout the period between 1963 -1978, besides recruiting new members (through the mechanism of the legal provision that provided for compulsory and automatic membership upon being employed by the Local authority) there was no substantial growth recorded in the affairs or activities of the Super Fund. It can therefore be argued that its main activity was only collecting the member contributions which were previously remitted by the respective Councils and payment of pensions to the retirees. It should however be noted that the Fund's Trustees for the first time invested in real estate having acquired Travel House L.R No. 209/2650/NAIROBI in the year 1975 at a cost of Kshs. 5,725,671.60.



1995

In 1995, through an amendment to Rule 285, "the term" the Fund's Treasurer was done away with and substituted by the term General Manager who was the Fund's Chief Executive.



Old picture of Mombasa Port.



THE AGE OF AUTONOMY



In 1978, the then Permanent Secretary in the Ministry of Local Government Mr. Gitonyi removed the Super Fund from the control of the Nairobi City Council to the umbrella of the Ministry of Local Government. This decisive move was a defining milestone in the history of the fund since it ushered in a period of tremendous progress and growth which saw the Super Fund being transformed from City Hall into a mega Fund, eclipsed only by its younger sister, the N.S.S.F, established in 1965.

Prior to the takeover of the Super Fund by the Ministry of the Local Government, the Fund was administered on day to day basis by the City Treasurer. This was not an officer employed on a full time basis

by the Fund but rather a Municipal employee who was charged with other responsibilities in addition to overseeing the affairs of the Super Fund.

Mr. A. S. Grewal an Economics graduate from the famous Punjab University and an auditor in the Ministry of Local Government was seconded from the Ministry as the Fund's treasurer in late 1978 taking over from Mr. Kariuki who had been the Fund's treasurer for many years. The offices of the Super Fund were still located at the 4th Floor of the City Hall building and remained there until 1982 when it was transferred together with all the Funds records to Jogoo House; the seat of the Ministry of Local Government.

1978

In 1978, the then Permanent Secretary in the Ministry of Local Government Mr. Gitonyi removed the Super Fund from the control of the Nairobi City Council to the umbrella of the Ministry of Local Government.



Detaching the Fund from City Hall was only possible since not only was Mr. Gitonyi the Permanent Secretary in the Ministry of Local Government but he was in the same capacity as the chairman of the Board of Trustees a position that gave him inside perspective in the operations and affairs of the Fund.

Mr. A. S. Grewal was seconded to the Fund as its treasurer together with three other employees of the Ministry namely:

- Mr. Masala
- Paul Munyogo
- Manases Agaya

It was these skeleton staff that shifted with the Fund to Jogoo House and would assist Mr. Grewal to administer the Fund and remit the pensions to the pensioners. In 1983, the Super Fund shifted its office to Protection House along Haile Selassie Avenue; a move that saw it grow its' work force into a large bureaucracy with its own accountant Mr. S.M. Muthigani who later on succeeded Mr. A. S Grewal as the Fund's treasurer. It was during this time that Mr. Grewal was gazetted as the Fund's treasurer on a full time basis with the rest of the seconded staff returning back to their parent Ministry. This was another milestone in the history of the Super Fund since for the first time since its inception; the Fund now had a C.E.O. hired by the Fund and answerable only to the Fund through the Management Trustees. This would become the norm in respect to future appointments of the Funds treasurers/C.E.O.

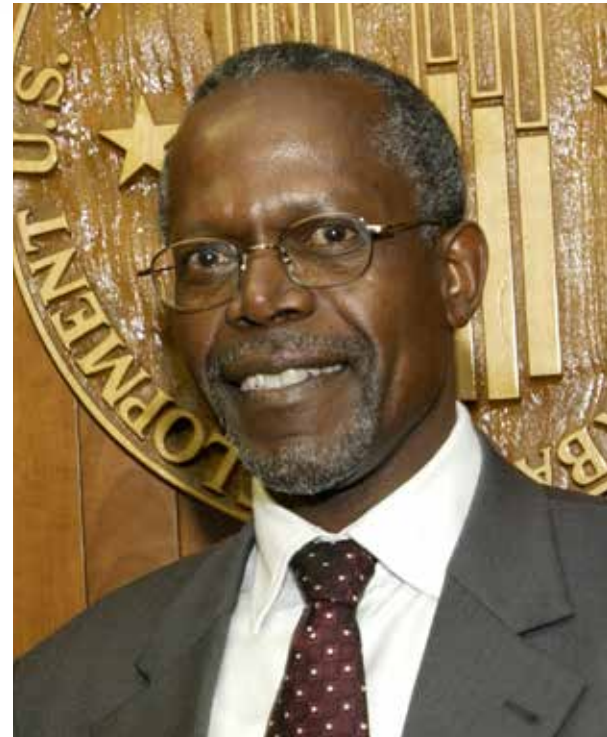
It should be noted that the Fund's move from Jogoo House to Protection House and the subsequent appointment of Mr. Grewal as its full time Chief Executive Officer was the culmination of the Super Fund's quest to gain autonomy from the

City Hall and later on from the Ministry of Local Government. With its own offices, a professional and full time manager backed with a professional work force, the Super Fund was now primed and ready to storm into the corporate world. Having steered the Fund through the better part of 1980s and having overseen the Super Fund transformed from a mere bureaucratic desk at the City Hall, into an autonomous corporate entity with professional workforce, sound capital base and a remarkable investment portfolio, Mr. Grewal retired as the Fund's treasurer in 1986. His replacement was Mr. S. M. Muthigani, the Fund's accountant who was appointed as the Fund's treasurer in 1986.

In October 1992, the Fund acquired the Cannon House along Haile Selassie Avenue and there after shifted its' officers from Protection House to Cannon House (Later renamed Laptrust House, and now CPF House), which has been the Fund's home to date.

In October 1993 through the Local Authorities' unified Terms and Conditions of employment, all employees became "Salaried". Consequently, the Kenya Local Government Officers' Superannuation Fund opened its doors to all employees of Local Authorities. This marked another Watershed moment for the fund. Previously, only the senior cadre of employees 'Salaried employees' could belong to the fund.

On the 13th February, 2007, the then Minister of Local Government Hon. Musikari Kombo by dint of Legal Notice No. 50 of 2007, published the Local Authorities Pension Trust Rules, 2007



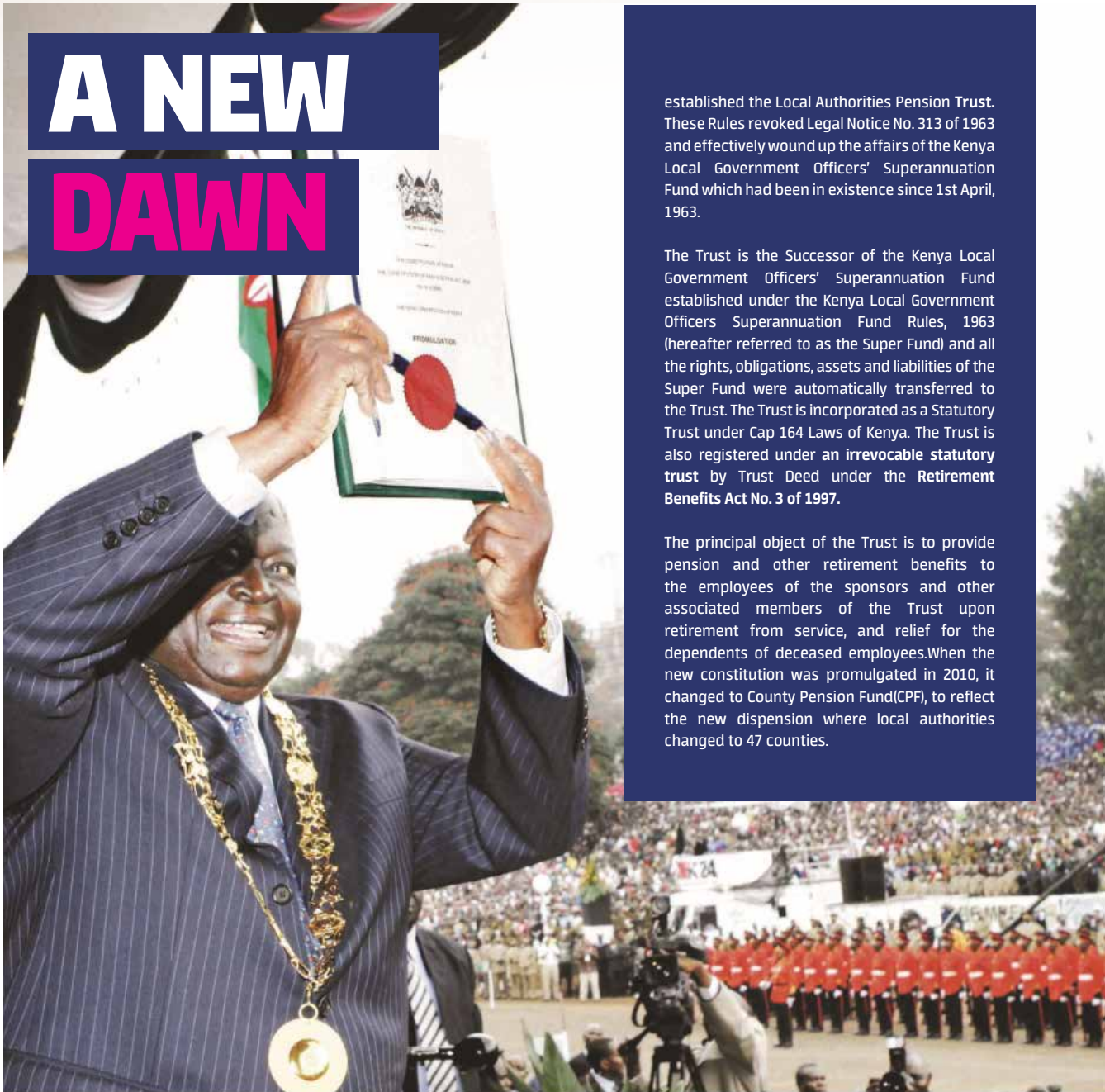
Then minister of Local Government Musikari Kombo who by dint of Legal Notice No. 50 of 2007, published the Local Authorities Pension Trust Rules, 2007 that established the Local Authorities Pension Trust(Laptrust)

2007

On the 13th February, 2007, the then Minister of Local Government Hon. Musikari Kombo by dint of Legal Notice No. 50 of 2007, published the Local Authorities Pension Trust Rules, 2007 that established the Local Authorities Pension Trust.



A NEW DAWN



established the Local Authorities Pension **Trust**. These Rules revoked Legal Notice No. 313 of 1963 and effectively wound up the affairs of the Kenya Local Government Officers' Superannuation Fund which had been in existence since 1st April, 1963.

The Trust is the Successor of the Kenya Local Government Officers' Superannuation Fund established under the Kenya Local Government Officers Superannuation Fund Rules, 1963 (hereafter referred to as the Super Fund) and all the rights, obligations, assets and liabilities of the Super Fund were automatically transferred to the Trust. The Trust is incorporated as a Statutory Trust under Cap 164 Laws of Kenya. The Trust is also registered under an **irrevocable statutory trust** by Trust Deed under the **Retirement Benefits Act No. 3 of 1997**.

The principal object of the Trust is to provide pension and other retirement benefits to the employees of the sponsors and other associated members of the Trust upon retirement from service, and relief for the dependents of deceased employees. When the new constitution was promulgated in 2010, it changed to County Pension Fund (CPF), to reflect the new dispensation where local authorities changed to 47 counties.



CPF HOUSE, Haile Selassie Avenue



Man Apartments



Metro Park



Pension Towers



Freedom Heights Mall



Freedom Heights Mall





DORIS KAJUJU

LAUDS CPF FOR GIVING WIDOWS HOPE

Doris Kajuju is a widow and a mother of six. She is a beneficiary of CPF's pension plan, which was taken out by her deceased husband Samson Mutuma Kiunga who died suddenly in 2017 at 45.

"He had been living with diabetes and was managing it quite well. One Saturday he went to work because he had a lot to do at his desk. He was the one who usually kept the keys to their offices at City Hall, Nairobi. They never used to work on weekends but this time he had to go because he had not done much owing to health complications. My husband was alone in the office. Therefore, when he went into a coma no one was there to help him," says Ms Kajuju.

Her husband was a planner in the defunct Nairobi City Council planning department. He contributed at least Ksh9,000 every month to LapTrust. On the night he died he did not go home, which was unusual. The next day Ms Kajuju and her husband's colleagues went looking for him in the office only to find him motionless on his seat with his head bent

to the side. In his hands, he was still holding documents that he appeared to have been arranging.

They took his lifeless body thinking he was in a coma and rushed him to hospital but he was pronounced dead when they arrived at the Nairobi West Hospital.

"Since his sugar levels would drop drastically, it could result in a coma. I think that's what happened that Saturday and unfortunately there was no one to attend to him. If there was someone available to administer first aid, he probably would not have lost his life," says Ms Kajuju.

Luckily for the family, CPF stepped in promptly and gave them Ksh100,000 to cater for funeral expenses. Later, Ms Kajuju had to get all her documentation done to prove that she was Kiunga's legal wife.

"I went and got my affidavit and a letter from my chief, District Officer and District Commissioner since they were required by CPF. Additionally, they needed to see all the original birth certificates of my children,"

she said. In a record four months, the family received Ksh977,000 from CPF, which surprised her. Normally, it takes at least six months to one year for a payout to mature.

Ms Kajuju moved fast and bought a 40 by 60-acre piece of land at Kamulu on the outskirts of Nairobi where she built a semi-permanent house because she could no longer afford to pay rent at the Nyayo Estate house they had been living in. She made a home out of this piece of land purchased

School fees saving grace

When her husband was alive Ms Kajuju did not have a permanent job. She is a preacher and does outside catering gigs once in a while. Her income was not only insufficient to sustain the family but also could not meet her children's school fees.

"One of the reasons that I'll always recommend CPF to anyone is the way they took over the responsibility to pay for my children's school fees. They always facilitate their education, food and upkeep. That has saved me loads of stress. My husband had accrued a fund of Ksh2.36 million, which is

currently putting our children through school,” says the evangelist.

These days they receive a monthly payment of Ksh7,700 and CPF pays their National Health Insurance Fund. This ensures that the family is covered health wise in case of emergencies. When they run short on food, especially when schools close, Ms Kajuju says the staff at CPF, who she describes as caring and humane, come to their aid.

“My children eat a lot, especially the teenagers. Therefore, I usually go to ask for help from CPF and they’re kind enough to chip in during the holidays when the kids are at home. When the term ends I usually take the report cards to CPF Financial Services so that they can validate that the children were in school. This ensures that school fees are paid every term,” she says.

Message to CPF

“I’d like to thank CPF Financial Services and LAPTRUST for the good work they’re doing. They’re giving hope to widows and families. They’ve also hired professionals who do an excellent job. Their customer service is top-notch. Sometimes they handle clients who are very emotionally charged yet they still manage to take good care of them,” shares Kajuju.

If she met CPF Group Managing Director Hosea Kili, says Ms Kajuju, she would give him a warm hug and pat him on the back for the amazing leadership that he has shown over the years.

Plans

In future, Ms Kajuju hopes to go into full-fledged commercial farming. If she gets starting capital of at least Ksh250,000 she will rear chicken for eggs and meat. She hopes to build a permanent house.



Thank you message to her husband

“My husband was a great man. He still is a great man. Thanks to his decision to invest with LapTrust, our children are studying and they can eat. He still takes care of us even if he’s gone. The children always remember him fondly and talk of him favourably,” says the mother of six. Doris and her late husband have six children -- Brian 26, Blessing 17, Esther 14, Hope 13, Sara 11, Solomon 8.

THESE DAYS THEY RECEIVE A MONTHLY PAYMENT OF KSH7,700 AND CPF PAYS THEIR NATIONAL HEALTH INSURANCE FUND. THIS ENSURES THAT THE FAMILY IS COVERED HEALTH WISE IN CASE OF EMERGENCIES.





Money that works for you

Invest wisely and let your money work for you. With CIC Asset Management, your investment works as hard as you do, trusted by over **four** in every **ten** Kenyans.

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Disclaimer: Past performance is not an indicator of future performance as investment returns may rise or fall. In certain specified circumstances, the right to redeem units may be suspended.

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CIC GROUP



THANKS TO CPF,
OUR LATE DAD

STILL TAKES CARE OF US

Faith Kinyanjui was 19 when elders visited their home with sad faces. It confirmed her worst fear.

“There is an elder in our village who visits people’s homes only when they’ve lost someone. I saw him approaching our home with a group of church members and he confirmed my worst fear; that my dad had died,” says Ms Kinyanjui with sadness.

Daniel Kinyanjui, her father, was a consistent member of LAPTRUST having worked for the Naivasha Municipal Council for 18 years. He started working in 2000 and Ms Kinyanjui says her father would contribute at least Ksh2,000 a month.

“Every time I looked at my father’s pay slips, they always had a LAPTRUST deduction which I didn’t understand. But when he passed on and CPF stepped in to help our family, I understood what it meant,” she says.



Ms Kinyanjui said they received at least **Ksh 250,000** from the scheme monthly to take care of their needs.



February 11, 2018, Ms Kinyanjui's father succumbed to a damaged pancreas due to diabetes and peptic ulcers. It all started one evening when he was leaving work. While driving home, he experienced excruciating pain. He parked the car beside the road as the pain kept on intensifying. Luckily, his colleague saw him while they were also heading home. He was taken to the hospital and the doctors gave him medication and assured him that the problem would go away within a short time.

Contrary to the doctor's advice, his health deteriorated so rapidly that he wouldn't leave the bed for five days. Eventually, he was rushed to Mt Zion Hospital. Before he left, he sent Faith Ksh20,000 to buy her younger twin sisters clothes.

"I had asked him for Ksh2,000 because

that's all we needed. Out of curiosity, I asked him why he sent me such a large amount of money. He didn't explain. Instead, he told me to keep that money safely," shared Ms Kinyanjui.

When Ms Kinyanjui and her sisters returned home from shopping, their father had been taken to the hospital. They did not expect that it would be the last time they would ever set their eyes on their father alive.

The aftermath of the breadwinner's death

Her father's death was devastating because he was the sole breadwinner in a family of six children. Ms Kinyanjui's mother wasn't working at the time.

Fortunately, CPF stepped in to help the family financially because they had been enlisted as beneficiaries by their father. Ms Kinyanjui said they received at least Ksh 250,000 from the scheme monthly to take care of their needs.

"Initially it was tough because we could barely make ends meet. I had just started pursuing my degree at the Jomo Kenyatta University of Agriculture and Technology. Paying school fees was tough for my mother much less taking care of my other siblings. And then we were told about LAPTRUST," says Ms Kinyanjui.

"CPF analysed our situation and paid for my school tuition and upkeep for the three years I was in school. They would give me Ksh20,000 a month, which helped me get by as a student. That was a lot of money," says the 24-year-old marketer.

While in school she started looking for online jobs and with the help of her friends she started her journey in digital marketing. One year after graduating she delved into marketing and advertising

for international clients fully. She's doing well for herself because her job pays her enough to live in a serviced two-bedroom apartment, which is fully furnished.

"I'm also able to support my mother and siblings. I make at least Ksh200,000 a month as a marketing contractor. Thanks to CPF I was able to realise my full potential and right now I'm reaping the benefits," says a contented Ms Kinyanjui.

CPF Financial Services also gave her mother capital to start and operate a general shop where she sells kitchenware and household items. This has stabilised the family financially wiping tears of the pain of lack after the sudden death of their patriarch.

Additionally, CPF Financial Services pays school fees for two of her younger sisters. One is studying at the Rift Valley Training Institute while the youngest is completing Grade Six in Naivasha.

"Were it not for CPF we would not be where we are today as a family. I'd like to commend and encourage them to keep touching lives. Many of us have reached our full potential because of their exemplary work and excellence," said Ms Kinyanjui.

If dad were alive

The deceased father wanted his children to study and be successful in their academics so that they would be financially independent.

"If dad was alive he would be very proud that his decision to be a member of CPF has met his goal which was to ensure that his family was well taken care of. This has inspired me to also start my savings journey with CPF. I want to ensure that my children are well taken care of just as my dad did for us," she says.



EZRA NGOJE: PENSIONERS LOBBY BOSS CHAMPIONING FOR BETTER PENSION

By Wahome Ngatia

As the national chairman of the pensioners association in Kenya, Ezra Ngoje is a fighter. Owing to his passionate pursuit for the increase of pension members receive, Mr Ngoje and other members of the association saw the minimum amount of pension released to members increase to Ksh2,500 in 2007. Six years later, they negotiated with the scheme, and the figure doubled to Ksh5,000 monthly. In 2021, after successful discussions, the minimum monthly pension amount was increased to Ksh5,500.

Right now, Like other Retirees with CPF/ Laptrust, Ezra receives his monthly pension consistently before the 30th of every month. The association consist of Pensioners who worked in various Local Authorities and their Associated organizations across Kenya.

Mr Ngoje worked as a public health officer in Kisumu Municipality. His employer would deduct 12% of his monthly salary and channel it towards his pension savings. When he retired, he says, he used to receive a minimum pension of Ksh450 every month. He has been the national chair of the

pensioners association since 2004. A national election is held every three years. The association members keep endorsing his leadership.

“I believe the members trust me because I’m open and honest in how I run the association. We don’t engage in corruption or opaque dealings. Therefore, the members trust my leadership,” says Mr Ngoje.

Roles of the Pensioners Association chairman

As national chairman, the association has mandated him to ensure that he takes care of the welfare of members. He coordinates their representation on the Board of Trustees of Laptrust.

The association members also came together in 2015 and formed a savings and credit cooperative society known as the Pensioners Cooperative Society to help them save and access credit. Mr Ngoje is also the chairman of the society. Members join by registering with Ksh100 and an additional Ksh500 to buy society shares.

Challenges

Ezra feels that the current rate of inflation is too high, eroding pensioners’ purchasing power.

“However, CPF and LapTrust have been very consistent in giving benefits to members. For example, they usually pay our monthly National Health Insurance Fund of Ksh500. Additionally, when a pensioner dies, the bereaved family receives Ksh100,000 to cover funeral expenses. They have also continuously reviewed our Pension and we get an increase every 3 years.

“Thank you to the leadership of CPF, beginning with Mr Kili, for ensuring that the members’ welfare is always taken care of,” said Ezra.

About Ngoje

Mr Ngoje lives in Migori County with his wife. He enjoys family time with his four daughters, three sons and eight grandchildren. The 82-year-old is a pious man who attends the Seventh-Day Adventist Church.



TURN- AROUND GURU:

How Kili helped CPF Financial Services get its mojo back

By Guchu Ndungu

Mr Hosea Kili is renowned in the pensions industry. An insider even referred to him as the “king of pension” while another thought he is an egghead. When this writer asks him whether he is, he lets out a hearty laugh and dismisses the notion and re-affirms with pride that he can easily own that title. To begin with ‘I am passionate.

It is the most reliable partner you can have when you retire,” he adds in an interview at his magnificent office full of books, awards and exquisite furniture perched on the 7th floor of CPF House in Nairobi.

It is easy to see why the Group Chief Executive of CPF Financial Services is referred to in such terms. Mr Kili and his team are credited with turning around the pension fund from a struggling company with 30 employees to a behemoth with revenues of Sh2 billion, more than 400 employees and Sh120 billion in assets under its management. It has five commercial subsidiaries operating across East Africa namely Laser Property Services, Laser Insurance Brokers, Laser Infrastructure & Technology Solutions, CPF Asset Managers and Rukisha Payments Platform.



**THE CONTRIBUTORY
SCHEME BY CIVIL
SERVANTS WILL
BE ONE OF THE
LARGEST WITH
400,000
PUBLIC OFFICERS
AGED BELOW 50.**

In 2022, the company also won a tender to administer the Public Service Superannuation Fund the pension scheme for National Government Civil servants, Teachers, the police.

The contributory scheme by civil servants will be one of the largest with 400,000 public officers aged below 50. "We were the only public sector administrator registered by Retirement Benefits Authority, that had managed county funds and thus acquired experience to handle such and we have the systems and physical presence across the country to roll it out."

He promises civil servants major changes that include prompt payment of their pension, faster

processes and not having to travel to Nairobi to lodge their claims.

"Even in other schemes, we pay within seven days after a claim has been verified," adds Mr Kili.

It has not always been like this at CPF. In fact, Mr Kili and CPF were brought together by fate and a business misadventure that took place 20 years ago. It was in 2002 and the wind of change was blowing in Kenya. After 24 years in power, the Kanu regime led by President Daniel arap Moi was ousted by a united opposition led by Mwai Kibaki.

Mr Kili was then company secretary and head of human resources at the National Oil Corporation of Kenya, a parastatal.

With a dream in hand and his savings in the bank, Mr Kili quit his job to establish a consultancy and take advantage of the change sweeping across the country and the economic boom that was expected. However, the government suspended all contracting and sent home procurement officers, dealing a blow to the dreams of the budding businessman. Within a year, his savings were gone. He applied for a job at Kenya Local Government Officers' Superannuation Fund, which was a predecessor to CPF, and was offered the position but turned it down due to a low salary. He then ventured into the petroleum business but it did not work out. The fund also re-advertised for the same job after it was dissatisfied with the other applicants when Mr Kili turned down their offer. This time, he applied and took the job after they improved the package.

Back then, there were 30 employees and only four were graduates, including Mr Kili. It also occupied half of the ground floor of the CPF Building.

When Mr Kili settled on his job as the company secretary, the CEO went on terminal leave and he was appointed to act in the position. That is when a call came that changed the law graduate's trajectory forever. The boss of a water company called and complained that the fund was not acknowledging or receipting the pension submitted on behalf of its workers.

Upon enquiry, it turned out the cash had not hit the SuperFund account but the water company boss even sent documents and copies of cheques to show they had paid up.

Mr Kili's fraud antennae went up. And it stayed up even further when he realised that Ruiru Water Company was not the only one facing the problem. Cheques were being sent by email but were not being banked in the company's account.

"I constituted a team and we began investigating. It was big. Some people had colluded with staff to open bank accounts with our names and were banking the Fund's cheques. Initial probe showed they had stolen Sh5 million," recalls Mr Kili. He informed the then Local Government Permanent Secretary Zachary Ogongo, who ordered the police to conduct a full investigation into the affair. They also hired private detectives to cast the net wider.

The findings were as shocking as they were damaging. First, staff had made duplicate keys to the organisation's mailbox and could access it and get cheques to be banked by other collaborators. A trap by police nabbed part of the gang and they were charged in court.

Second, staff were colluding with outsiders to defraud the company and also extort money from pensioners who wanted their dues. A lack of systems meant that any staff could access even sensitive information.

"Keys to the box were hung openly and accessible," recalls Mr Kili. There was only one computer used by the accounts team, meaning most processes were manual and could, therefore, be manipulated. Together with the police, Mr Kili mounted an impromptu search at company offices and employees' desks were searched by police immediately after they reported to work in the morning.

"We found hidden documents belonging to pensioners, messages asking for cash from retirees so they could be paid dues. One lady was also clearly living beyond her means as her assets could not match income," he remembers.

A system was put in place to receive cheques from the post office, mainly through a private bag, a secure way where an organisation has a dedicated

IT WAS BIG. SOME PEOPLE HAD COLLUDED WITH STAFF TO OPEN BANK ACCOUNTS IN THE FUND'S NAME AND WERE BANKING OUR CHEQUES. INITIAL PROBE SHOWED THEY HAD STOLEN SH5 MILLION



Kili's Leadership lessons

Be resilient – when you believe in something, push it till the end
Nothing is impossible, you just have to find a way

Be tenacious Managing stakeholders is a key tenet of leadership;

People want to get involved but do not want to get involved

Stability and continuous leadership are good for an organisation

The good is always yet to come
Always be prepared for change

bag to receive all correspondence and which can only be accessed by a select few.

When investigations were complete, seven of the 30 employees were dismissed after being found culpable.

The management led by CEO, who was still on leave, was also sent home. Mr Kili was appointed as the acting CEO and began fixing some of the mess the probe team had unearthed.

That also exposed him to attacks from those who had been in the organisation longer and felt they deserved the promotion instead of Mr Kili, who was considered a Johnny-come-lately.

When he took over, the CEO's first task was to draw a strategic plan since none had ever been drawn since 1929. In 2005, they also formalised the registration with Retirements Benefits Authority, the regulator.

But the organisation was still encumbered by what he terms as an outdated law that limited their operations and scope. Through the SuperFund lobbying, a task force was constituted by then Local Government Minister Musikari Kombo. It proposed radical reforms and with the government heavily represented on the taskforce, the same was approved.

On February 13, 2007, Mr Kombo by dint of Legal Notice No. 50 of 2007, published the Local Authorities Pension Trust Rules 2007 that established the Local Authorities Pension Trust. Kenya Local Government Officers' Superannuation Fund became LAPTRUST. The Trust was also registered under an irrevocable statutory trust by Trust Deed under the Retirement Benefits Act No. 3 of 1997.

A rebranding of the organisation to LAPTRUST. was done. The new legal notice was a breath of fresh air. It became a semi-autonomous public entity but was not classified as a parastatal. "The notice exempted us from bureaucracies of government and provisions of the State Corporation Act while giving us the leeway to grow," he says. The reforms,



change in government and a new Constitution laid the foundation for the skyrocketing of CPF.

In 2011, the State also started pushing for defined contributions where both employees and employers contribute to pension and cash is invested to be accessed by employees when they retire. This led to the establishment of the LAPTRUST. Umbrella Fund, the first diversification by then LAPTRUST. . When the current Constitution was promulgated in August 2010, some local authorities became counties or were assimilated by the 47 counties that were established.

"We spotted the opportunity and moved in early, establishing the County Pension Fund (CPF)," recalls the CEO. Consequently, CPF is the provider for all the county governments in Kenya. CPF has also roped in the Private Sector as well as Parastatals as clients for Pensions Management among other services. It

has also established various sector-specific pension schemes such as the Water Service Providers Scheme, the Athletics Kenya Scheme among others.

This year, the organisation will launch the CPF Foundation. "The foundation will advance the agenda of proper retirement planning, which is a major gap that the organization has identified. A lot of people retire un-prepared, both psychologically and financially.

"The strategy for launching subsidiaries is very simple. Turn cost centres into profit earners. If we have an agency managing our properties, why can't it manage other properties and make a profit?" Mr Kili explains his diversification strategy.

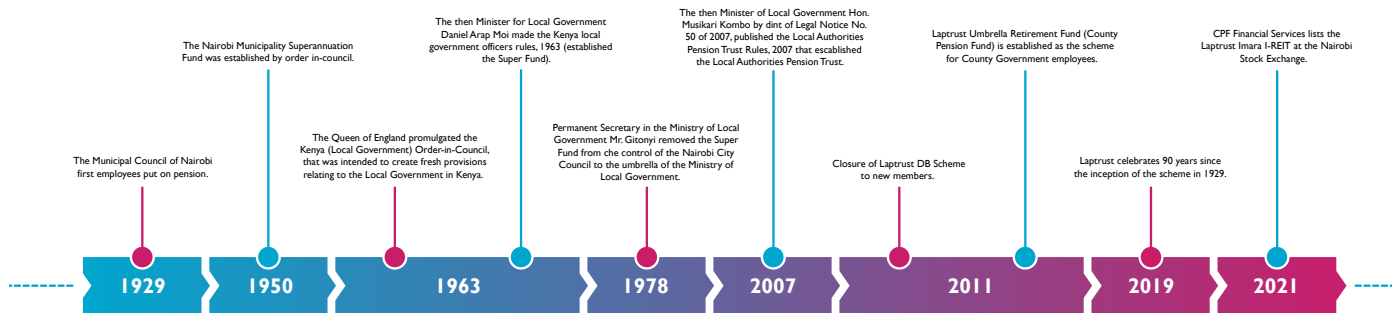
The firm has automated all processes and launched mobile products where customers can save on the go and employees can access advance salary and in

the process save for retirement. "The best strategy to encourage more savings is to incentivise people to save not forcing them," he adds.

CPF is backing the push for an increase in the savings rate and use of savings to fund development and projects like the Affordable Housing Programme. To meet the government rule that pension funds should not hold more than 30 per cent of their investments in real estate, CPF has received the Capital Markets Authority approval to package its real estate assets into a Real Estate Investment Trust called LAPTRUST. Imara I-Reit, which will be listed on the Nairobi Securities Exchange.

The properties that will be held under Imara include CPF Metro Park, CPF House, Pension Towers, Freedom Heights Mall and Service Plot, Man Apartment and Nova Eldoret.

OUR JOURNEY



THE EXECUTIVE SECURING PENSION TRILLIONS

By Guchu Ndung'u

From the boardroom at Rahimtulla Tower in Nairobi, where this interview is taking place, Retirements Benefits Authority (RBA) CEO, Charles Machira, can see the hustle and bustle of the capital city. A matatu making a wrong turn, hordes of workers moving from the unofficial financial district of Upper Hill to the central business district and private motorists speeding on the Nairobi Expressway.

A portrait of Charles Machira, CEO of the Retirements Benefits Authority (RBA). He is a middle-aged man with short, dark hair, smiling slightly. He is wearing a light blue dress shirt and a dark blue necktie. The background is a plain, light-colored wall with a framed picture partially visible on the right side.

Charles Machira

Retirements Benefits Authority (RBA) CEO



WE PLAN TO GROW THE NUMBER OF PEOPLE SAVING FOR RETIREMENT AND LOBBY TO INCREASE THE AMOUNT THAT PEOPLE ARE SAVING. THAT IS WHY I SUPPORT THE CALL BY PRESIDENT WILLIAM RUTO TO INCREASE THE AMOUNT WE SAVE FOR FUNDS LIKE THE NSSF. CURRENTLY, WE ARE SAVING KSH400 A MONTH AND WE SURELY CANNOT HAVE A COMFORTABLE RETIREMENT WHEN SAVING KSH400 PER MONTH. IN THE CURRENT ECONOMIC TIMES, KSH400 CANNOT EVEN BUY YOU A KILO OF MEAT IN SOME AREAS.



It is the work of RBA to ensure that people's retirement savings are safe, more are saving for retirement and the industry is stable. By last June, the retirement benefit assets under management had grown to Ksh1.514 trillion, a 2.16 per cent drop from Ksh1.547 trillion in December 2021. The marginal drop was due to the volatility in the financial market following the adverse effects of the Covid-19 pandemic on the financial markets and the wider economy.

Mr. Machira reckons he is up to the task of growing the industry. And the mathematics and statistics graduate relishes the job, as evidenced by how he easily spills out numbers and figures about the industry to Guchu Ndung'u, about RBA's ambitious targets, CPF Financial Services and how much you need to save to live comfortably during retirement. Below are excerpts.

Your vision is to have a pension coverage ratio of 30 per cent and for the industry to have Ksh2.4 trillion in assets by 2024. Where are you with that?

The pension coverage ratio is the ratio between the people who are saving for retirement to the labour force. Currently, the coverage is about 25 per cent of the labour force. In this market, many employed people are not saving for retirement. This is made worse by the fact that 85 per cent of our labour force is largely in the informal sector. The pension funds we have largely cater to 15 per cent of those who are in the formal employment sector.

Is this percentage growing or decreasing?

It is increasing although marginally. We were at 13% in the year 2000 when the Authority commenced operations, to around 20 per cent in 2019 and the current 25%. The numbers include people who are purely saving with the National Social Security Fund and those in voluntary occupational schemes and individual schemes.

Why are people not saving for retirement?

One of the problems we have is the attitude of those working or in business that their children will take care of them when they retire. That is not the way to deal with life today. Unlike the older generation, our children have different aspirations. Some may go to work abroad and may not be around to take care of their parents. If people do not save for retirement, they will be in trouble. Previously, we still had assets and resources in the village but today, even the village is scrapping for survival just as we are also scrapping for survival in urban areas. The question then is, who will support whom?

How do you plan to increase the number of people saving for retirement?

We plan to grow the number of people saving for retirement by continuously educating the public on the importance of saving for retirement and lobbying for an increase in the amount that people are saving. That is why I support the call by His Excellency, President William Ruto to increase the amount we save for funds like the NSSF. With current savings of Ksh400 a month, we surely cannot have

a comfortable retirement. In the current economic times, Ksh400 cannot even buy you a kilo of meat in some parts of this country.

Further, we want to encourage funds to use technology like mobile money and apps to get more people in the informal sector to save for retirement. The Authority continues to ensure that there are sufficient safeguards to ensure that pensioners' funds are protected and that they continue to enhance their retirement savings promptly.

How many schemes do you regulate?

There are 1,070 registered retirement benefits schemes. Out of these, the NSSF is the largest with a fund value worth Ksh300 billion. This is followed by the recently registered Public Service Superannuation Scheme commonly referred to as PSSS. The scheme caters for civil servants, disciplined services personnel (the National Police Service, Prison Service and National Youth Service) and teachers. CPF Financial Services Ltd. is the administrator of PSSS. Other schemes in the top tier include the Local Authorities Pension Trust (LAPTRUST), the Central Bank of Kenya Pension Fund and the Kenya Ports Authority Staff Pension Scheme.

What percentage of your earnings should one save to have a comfortable retirement?

We have a pension calculator on our website that will give you a definite answer on adequate contributions to make towards a comfortable retirement. Kindly make time and visit the website.

But there are two issues to consider, that is, the number of years prior to retirement and the kind of life you wish to live in retirement. Data shows that people who save or have a retirement income equivalent to 60 per cent of their pre-retirement salaries can live the same quality of life in retirement as they did during their working life. For example, if you earn Ksh100,000 today, and you have saved in your pension scheme to the extent that you can get a pension of Sh60,000 per month, then your retirement life will be comparable to what it was when you were working.

At a rate of return of 10 per cent, you would need to have saved Ksh6m to be earning Ksh60,000 per month in retirement. So, if you are 40 years and want to retire at 60, you need to raise Sh6 million in retirement funds within 20 years. Of course, the presumption is that by the time you retire, you will not have obligations like payment of school fees, rent, and transport, among others.

What are the challenges facing funds?

For schemes whose sponsors are county governments, the main challenge is a lack of timely remittance by the devolved units. There are also several public sector schemes that have outstanding contributions. Prior to 2013, we had local authorities, when we transitioned from the local authorities to counties, all devolved units were very eager to take the assets of the local authorities. However, nobody was eager to take up the liability side, especially unpaid pension contributions. So, there are huge debts owed to LAPTRUST and LAFUND.

Then, we have schemes plagued with challenges due to historical reasons. For instance, these schemes hold immovable assets more than the allowable 30% prescribed in the investment guidelines and as a result, face liquidity challenges such as delays in the payment of pensions. We are however working with these schemes to address these challenges.

AT A RATE OF RETURN OF 10 PER CENT, YOU WOULD NEED TO HAVE SAVED SH6M TO BE EARNING KSH60,000 PER MONTH. SO IF YOU ARE 40 AND WANT TO RETIRE AT 60, YOU NEED TO RAISE SH6 MILLION IN RETIREMENT FUNDS WITHIN 20 YEARS. OF COURSE, THE PRESUMPTION IS THAT BY THE TIME YOU RETIRE, YOU WILL NOT HAVE OBLIGATIONS LIKE SCHOOL FEES AND SUCH.



We are glad to note that despite some of these challenges, schemes like LAPTRUST continue to ensure the timely payment of pensions.

How should the issue of non-remittance be tackled? We have a law that supports the remittance of contributions. We are in the process of making recommendations for a review of the law to ensure that employers who do not remit contributions on time are compelled to do so. We want to push for pension funds to be deducted at source. For instance, if the source of funds for a county or parastatal is the Central Bank of Kenya, then CBK should send pension cash to the scheme directly. When organizations prepare budgets, they allocate the cost of wages including pension contributions, so it is easy to enforce that. We previously had a law under the Local Authorities Act with a similar

provision. That does not mean that we never used to have debts, but organizations had to negotiate with trustees of the pension scheme on how to settle debt and the recourse in case of default. Today, there is no recourse and what happens is that the county that is not remitting contributions is penalized further by being required to pay penalties for late remittances or for failure to remit contributions.

What is your message to CPF as they mark more than 95 years in business?

I want to commend CPF for the good work, particularly for ensuring that people who retire get their benefits on time. They are also doing very well in informing the membership on the need to save for retirement and engaging sponsors on why they should remit contributions on time. CPF has further continued to innovate and introduce unique products such as M-pension which allows members to register and make contributions through mobile phones. There have been some challenges, however, we are working together to address these challenges in the spirit of ensuring that the interests of members of schemes are safeguarded. We urge CPF to ensure that they enhance corporate governance in the management and administration of schemes as that is a never-ending journey.

What is your background?

I graduated with a bachelor's degree in mathematics and statistics then attained a master's degree in social protection financing from the University of Maastricht in the Netherlands. I have worked in the civil service, insurance and pension sectors. In 1997, while working as an actuarial officer in the Insurance Department, Ministry of Finance, I was seconded to the Treasury to assist in the development of legislation which established the Retirement Benefits Authority. I thereafter took up employment with RBA in 2000 hence this is my 23rd year at RBA and my 30th year in public service.



KIWASCO
Refresh Life



KIWASCO: CPF Transforming Our Employees Lives

Kisumu Water & Sanitation Company (KIWASCO) takes this opportunity to congratulate CPF on your 95 years anniversary.

KIWASCO is an ISO 9001:2015 certified company founded in the year 2001 and registered under CAP 486 of the laws of Kenya. The company's mandate is to provide clean potable water and to collect, treat and dispose off sewerage (wastewater) within Kisumu City. In the year 2018, we increased our mandate to include sanitation in line with Water Act 2016. The County Government of Kisumu has also mandated KIWASCO to provide management support to GULF and NYANAS, which are peri-urban water utilities in Kisumu County.

CPF being one of the leading institutions

that provide pension fund administration, management & consulting and corporate training development, we are happy for the milestone you have achieved. We are happy to be part of your celebratory story, having enjoyed a cordial relationship that spans over 25 years.

Working with you has enabled us view retirement differently. We have learnt that retirement is not a death sentence but another phase of life that should be lived in comfort. Over the years, you have held our staffs' hands to comfortably walk the journey towards retirement, which has given them a decent life after service and seeing them thrive has been our joy.

Your training programmes on retirement planning have prepared our retirees

adequately and your financial management trainings have also given our staff the skills to manage their finances to support their lifestyles.

We look forward to strengthening this partnership. Our promise as a company is that we will continue to remit all our dues in time and seek more ways to support our staff. We also wish to encourage you to be more innovative and explore more investment opportunities in real estate, insurance and ICT that match the current era while considering the market trends in information technology, digitisation and sustainability of the future.

Hongera on your 95th Anniversary!

Moses Oyugi:

The man who planted the seed that grew to be CPF behemoth today

When I started working at LapTrust, I grew through the ranks from an internal auditor to the treasurer and finally the general manager. I applied to be the general manager when I was **53 years old.**



Some of the properties I'm proud of are Palli House in Mombasa, and Pension Towers, which we built from scratch on Loita Street in Nairobi.

A former general manager before current CEO Hosea Kili, Moses Oyugi is a quiet, affable, mild but articulate man. He says he's enjoying retirement and has been doing so for the past 16 years after he left his role as general manager at CPF and Mr Kili took over.

A former general manager before current CEO Hosea Kili, Moses Oyugi is a quiet, affable, mild but articulate man. He says he's enjoying retirement and has been doing so for the past 16 years after he left his role as general manager at CPF and Mr Kili took over. He talks to Wahome Ngatia about retirement life, gives a taste of how life in retirement feels like and narrates his experience when he was at the helm of LapTrust.

When did you join LapTrust?

I joined the Kenya Local Government Superannuation Fund in 1985 as an internal auditor. Previously I had left the Ministry of Cooperatives. Little did I know that one day I'd end up as the General Manager of the organization, which would later evolve to be known as Local Authorities Pension Trust (LapTrust).

Do you receive in pension these days?

Thanks to making smart decisions to contribute towards my pension, I now receive enough to live on. Courtesy of being in the LapTrust scheme, which is known as defined benefits, I'll receive those benefits for the rest of my life.

How did you grow to become General Manager?

When I started working at LapTrust, I grew through the ranks from an internal auditor to the treasurer and finally the general manager. I applied to be the general manager when I

were 53 years old.

The interviewing panel asked me why I applied for the job yet I was well advanced in age and my retirement was not too far off. I showed them what I had done for the company. Moreover, I informed them that with additional authority I would do much more despite my age. Fortunately, they believed in me.

What was your tenure as General Manager like?

For six years I led the organisation and I'm proud that I facilitated the organisation to diversify investments from traditional stocks, shares and treasury bills to investing in property. When I took over, LapTrust owned only three buildings. But by the time I was leaving the buildings had increased to seven.

What are some of the properties you can recall?

Some of the properties I'm proud of are Palli House in Mombasa, and Pension Towers, which we built from scratch on Loita Street in Nairobi. I was also at the helm of the company when we purchased Lang'ata Shopping Centre, which has been replaced by residential buildings called Freedom Heights. Freedom Heights is owned by CPF. The current CPF House, which was originally known as Canon House, falls under my portfolio at the time.

What were your priorities as the GM?

When I was the GM, my priorities

were to invest members' funds and grow them. That's why I was happy that the Kenyan government in 1982 moved the Kenya Local Government Superannuation Fund from an appendage of Nairobi City Council to an organisation on its own.

Why do you think LapTrust has survived for the past 95 years?

LapTrust and CPF have thrived for 95 years because of sound management. It was prudent to move it from the city council because that ensured that the company was managed effectively. The management committee had professionals who led the company through sound decision-making. There was an accountant on that committee who looked at the finances, there was also a lawyer who sat on the same committee. They always made sound, practical, professional decisions that, in the long run, contributed to the growth and sustenance of LapTrust.

What were some of the challenges you faced?

During my six-year reign, the biggest challenge that my team and I had to contend with was delayed contributions by the local authorities. A lack of timely consistent contributions by the local authorities hindered trustees from investing members' money and growing it for retirement. Your congratulatory message to LapTrust and CPF Group

When I started working at LapTrust, I grew through the ranks from an internal auditor to the treasurer and finally the general manager. I applied to be the general manager when I was 53 years old.



I congratulate CPF heartily on the 95 years milestone. They're doing a commendable job. For example, our pension is never delayed. They usually disburse it promptly. I urge them to consider reviewing the pensioners' benefits upwards.

Your background?

Mr Oyugi graduated with a diploma in corporate management from Cooperative College, which is now known as Cooperative University in Nairobi. I got my Certified Public Accountant (CPA) certification in 1979. Later I became the Managing Director of LapTrust in 2002.

How is retirement life now?

Retirement life is good. I live in my retirement home with my wife while running our restaurant called Hill View hotel in Migori. At 73 I own a home in Donholm, Nairobi, which I rented out. I used to live there before I moved to Migori town where I reside currently. I got the house via financing from Housing Finance. The house gives me a monthly rent to subsidise my monthly pension.



Joseph Rono:

Relentless learner who keep the CPF engine running

As the Group Executive Director and in charge of the group, reporting directly to the Group Managing Director, Hosea Kili. He is the numbers man who keeps an eye on the bottom line while ensuring that things run smoothly. Mr. Rono also oversees the running of the four CPF subsidiaries namely Laser Property Services, Laser Infrastructure, and Technology Solutions, CPF Asset Managers and Laser Insurance Brokers.

Colleagues say Mr. Rono is a cool, affable, simple and articulate leader with a thirst for knowledge.

“I believe in continuous learning. I also have a passion for disseminating knowledge and that is why I am a part-time lecturer,” he says. The Manchester United fan and a father of five talks to Wahome Ngatia about running the company and the future of the behemoth. Below are excerpts:



What does your role entail?

My role is to principally assist the Group Managing Director while conducting oversight over the subsidiaries. I also ensure that we stick to our policies financially while managing the day-to-day running of the company.

When did you join CPF and how were things then?

I joined the company on July 6, 2012. It's a special day because that's my wife's birthday. I came in as the Chief Manager in charge of Finance, Investments and Strategy. We were mainly running the Laptrust Defined Benefits (DB) scheme then, and the journey to broadening our services was just beginning.

What were the priorities back then and how have they evolved now?

The priority was to separate the scheme from the company. We also wanted to move employees from the scheme to work for a limited liability company. Therefore, when the holding company was established and registered, Laptrust became a client.

We also prioritized the survival of the company, especially when we stopped admitting members to the Laptrust DB scheme and started the Defined Contributions scheme. (Editor's note: According to RBA, a defined contribution (DC) scheme is a scheme in which member' and employer' contributions are fixed either as a percentage of pensionable earnings or as a shilling amount, and a member's retirement benefits has a value equal to those contributions while a defined benefit (DB) Scheme is an arrangement where the benefits, which is ordinarily determined by the scheme rules, are defined in advance. Contributions mostly done by employer).

Therefore we started establishing structures that

would sustain CPF in the long haul. CPF became the external scheme administrator to these first two pension schemes. As it stands, the pension schemes under our administration have grown tremendously, drawn from both public and private sector organizations.

What can you credit the success to?

I believe that our agility has helped us survive for this long. We established a company, separate from the pension schemes, so that we could diversify our service offering in different business lines. This is what led to the CPF Group of companies that exist today, all profitable, all adding great value to the pension schemes that we manage.

What are some of the toughest challenges you've faced in your leadership journey?

When you do things differently as an organization, it tends to attract a lot of interest – both positive and negative.

Initially, certain government agencies did not fully appreciate our structure and business model; and this resulted in a lot of unnecessary scrutiny and a case of having to prove that everything that we do, is within the law and within the relevant regulations; which we did eventually.

How did you overcome the challenges?

We believed in our strategy and stuck to our plans. When you believe in something, people will appreciate why you are the way you are.

What are your plans?

First I acknowledge the progress we have made over the years. When I came in, the assets under management stood at Ksh10 billion. Now they have grown tenfold to Ksh100 billion. Currently, we have 400 staff members from the original 80 in 2012, representing a growth difference of 500 per cent.

I can see our potential expanding as we move forward. We currently command six per cent of the market share and we want to grow that to 10 per cent.

Why did you have to diversify as a company?

It was important for us to broaden our revenue base and turn cost centres into revenue centres. Having been with our clients for a long time we wanted to bring customer satisfaction by becoming a one-stop shop for all their needs. We aimed to provide end to end solutions under the CPF banner, and that's what the CPF Group is all about – meeting our various customer needs and creating value for our client schemes.

How do you handle the growing competition from other pension funds while maintaining profitability?

We love competition because it forces us to keep innovating to stay ahead. That is why as an organization, we have dedicated a whole department to research and innovation. The department is instrumental in incubating and coming up with new ideas on where we need to invest in and new products that we can offer our members and clients. On profits, we first ensure that all the individual subsidiaries are making a profit such that they don't need the mother company for support. When they individually do well, the group succeeds as a whole.

What's your style of leadership?

I have an open leadership style, which can also be called democratic. I like to give room for other people to share their ideas and thoughts.

What do you look for when you're hiring someone?

We love people who have a vision and are aggressive. They have to be go-getters. Most importantly, they



should possess and exemplify integrity.

How has been your career journey?

I am an accountant, having attained CPA-K status early in my career. Although I pursued a bachelor's degree in statistics and computer science at the Jomo Kenyatta University of Agriculture and Technology, I started working in the pension industry 19 years ago. My first employer was a pension administrator, and that's where my interest grew. Later on, I pursued a master's degree in finance at the University of Nairobi. It has been a journey of learning and growth. It never stops.

What are you passionate about?

I have a passion for disseminating knowledge to Kenyans. Therefore, I've been a part-time lecturer. I'm also currently studying a UK-based leadership course.

With my kind of work which involves long hours of sitting and hard thinking, keeping fit is very key. A fit body is an alert mind and therefore, I make it a routine to hit the gym a couple of times a week just to stay Fit for Life as we say around here.

What is the message to your colleagues at CPF after over nine decades of existence?

The CPF Group has come a long way. From only one pension scheme by the name Laptrust, to where we are today is nothing but remarkable. It had taken a lot of strategy, tenacity and hard work from the leadership.

We can't drop the ball. Let's make the company better. We should keep improving our services such that the company will still thrive even when we're gone. Everyone should play their role effectively so that even in the next 190 years the company will still exist, and in an even greater form.

Meet CPF's oldest employee

After a 31-year stint at the CPF Financial Services, Beatrice Nyongesa is the longest-serving employee at the organisation and knows it like the palm of her hand. She started her journey at the CPF in 1991 as a clerical officer. This meant that she would do whatever she was assigned to do by her seniors.

At the time she joined she was just 21 years old and had completed high school. Right now she has risen through the ranks through hard work, God's grace and patience to her current position as a Customer Experience Officer.

She says that the promotion to her current position was a result of her deep knowledge and experience at the organisation. In the course of her career at CPF, she got married and is the mother of one child.

Her loyalty to the organisation is unmatched. In her words, she doesn't do anything else. No side hustles or part-time jobs so that she can focus on her job at CPF and deliver value. Ms Nyongesa still has eight years to go before retirement but she says she'll keep working hard and retire honourably. "I've never worked for any other company in my life. CPF is the only employer I know and I intend to keep it that way until the day I retire," says Ms Nyongesa.

Her life has been transformed tremendously over the past three decades working at CPF. As a



result, she always speaks fondly and highly of her employer. She couldn't stop singing praises about the company.

"I like my employer very much. Right now I'm somebody and I'm somewhere compared to where I was when I started because of this job. It has moulded me in all spheres of life and my personality. I bought land and built the home where I currently live courtesy of working here," says a delightful Ms Nyongesa.

The customer experience professional also studied computer packages at Strathmore College in 1992. In 2008, she studied customer experience at the Nairobi Institute of Business Studies and acquired a diploma in Business Management. All her education was paid for by the company. This explains her devotion and undeniable fervour for CPF.

It has been a bumpy ride

It hasn't been a smooth ride. Two of her toughest moments that she can recall were when there was a restructuring and people were losing their jobs. She thought she was one of them because when she reported for work she was told to sit at the reception and wait.

Like a beaten-down dog or a rained-on cat, she took her handbag and started heading home. On her way to board a matatu, she decided to call her immediate supervisor. The supervisor was immensely perplexed about the news and had to correct Ms Nyongesa's assumptions. Her boss told her to return to work immediately because she was still part of the team.

In her admission, however, the lowest moment was when there was a fraud case in 2004. At that time she used to approve cheques and payments



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IN 1991 THE ORGANISATION PURCHASED CANON HOUSE, WHICH IS NOW KNOWN AS CPF HOUSE. ACCORDING TO MS NYONGESA, THE BUILDING WAS BOUGHT FOR A TOTAL OF KSH85 MILLION

to clients. One of the payments she innocently approved had been done fraudulently without her knowledge. Her job and reputation were both on the line. Luckily for her, when an internal investigation was done she was found innocent and cleared of any wrongdoing.

Did you know?

When Ms Nyongesa joined CPF, it was originally known as the Kenya Local Government Officers Superannuation Fund. They were based in the Protection House then. In 1991 the organisation purchased Canon House, which is now known as CPF

House. According to Ms Nyongesa, the building was bought for a total of Ksh85 million. Coincidentally, she used to work as an office messenger then. Therefore, she had the privilege of carrying the cheque to the New Stanley hotel which is now known as the Sarova Stanley. The owner of the building received the payment and in February 1992 LapTrust or KLGOSF moved to their current offices. CPF House is located on Haile Selassie Avenue.

Therefore, her relationship with CPF has been mutually beneficial.

Message to the leadership

"Mr Hosea Kili is one of the most patient and resilient leaders I've ever come across. He views us the workers as family. I pray that the next leader will be as hardworking and as committed as the one we have now. I acknowledge that our Group Managing Director has done a lot," she says.

Outside work

When Ms Nyongesa is not handling complex customer experience cases at CPF, the mother of one engages in church duties where she is one of the regional leaders.



Why KCB is the custodian of choice in investor services sector

KCB is one of the major players in the custody business. The lender has been working with CPF Financial Services as a custodian for their funds since 2011. They have grown immensely from zero to Ksh10 billion assets under management with KCB. KCB's head of investor services Florence Nduba shares about the professional relationship between KCB and their client CPF Financial Services. She traces the journey that has contributed to its growth.

Florence Nduba is a banker, with more than 19 years of finance and management experience. She has honed her expertise in the financial services industry primarily by serving in several key leadership positions at KCB Kenya. Currently, she is the Head of Investor Services at the bank.

Elizabeth Mwazighe who is the Relationship Manager at KCB also contributed to the conversation.

You have been a custodian of CPF Funds. When did you start and how has your relationship grown so far?

Florence: KCB began offering custody services to CPF Financial Services in 2011 for the LAPTRUST DB Scheme. Since then we have also been appointed to provide custody services for the County Pension Fund Post-Retirement Medical Fund, and CPF Wealth Management. KCB has

also partnered with CPF in offering conventional banking services, including current accounts, bank guarantees and property development loan facilities.

What added benefits does CPF get from you as a custodian?

Florence: As a custodian, we ensure that the scheme's assets are fully safeguarded at all times. We've invested in our people and systems to ensure we deliver superior services at all times. In addition to custody services, we have walked with CPF and supported them in their financial needs. For example, we have been instrumental in supporting their journey in the property space namely Freedom Heights and Oloolua Ridge, Karen by giving them loans to accomplish those goals. We also provide them with trade finance products such as guarantees for their transactions as well as banking for their employees.

How much did you start with and to what number has it grown so far?

Florence: We started by offering custody services to the client when they invested in listed equities way back in the early 2000 and the funds in our custody have since grown to over Kshs.10Bn assets under management as at September 2022.

What is unique about CPF as your client that has sustained this relationship so far?

Florence: The cordial working relationship and

meeting the customer's needs have helped sustain the relationship to date. The CPF team is also very experienced and professional, and it is a pleasure working with them. They're very easy to approach and reach when you need to sort out issues. At any time of day, you can get a response which makes it easy to get approvals and confirmations done promptly.

Elizabeth: We have an easy way of interacting just to understand the client's needs and act immediately and that has helped to streamline that relationship.

How is the communication process? Giving and receiving instructions?

Florence: It's a very easy process because we know the key people we need to contact when we need to verify transactions and they're always reachable.

What challenges have you experienced and how did you overcome them?

Florence: The industry is still growing and we continue to see new regulations and guidelines governing the industry. Therefore, there is a need to keep abreast and ensure compliance by both service providers and schemes in the industry. Our challenge is to be on top of the change and update our clients when these regulations come

What is your market share in the pension fund custodians space?



Florence: KCB is a leading provider of custody services within the region. KCB's market share in the provision of custody services for pension funds stands at around 25 per cent. We grew from zero shillings when we started in 2001 to Ksh400 billion currently. We also provide both custody and trustee services to pension schemes.

What differentiates you from the competition?

Florence: We have engaged a very experienced team, which is made up of industry experts who are knowledgeable and well-trained in the pension industry. Additionally, we offer customised services to our clients. We've also invested heavily in our systems and processes to provide automated processes. Our prices are very competitive. Therefore, we've looked at the business wholesomely and this has enabled us to spread our wings both locally and in the region. We're currently in Uganda and Rwanda as we also set up in Tanzania.

How are you developing your products to suit growing clients such as CPF and LapTrust?

Florence: We're constantly monitoring and keeping abreast of industry developments to ensure we can manage our customer's expectations as their needs change. We have automated and adopted new products and services to be able to facilitate investment in these products by our clients. For example, we can facilitate securities borrowing, lending transactions, day trading and derivatives. We are involved in industry initiatives to improve automation within the securities settlement space.

What are your plans, especially in the pension industry?

Florence: We will continue to be a key player in the pension industry. We provide both Custody Services and Trustee Services to our clients and are committed to safeguarding members' benefits, even as the industry grows.

As KCB we congratulate CPF for over 90 years of being in existence and are proud to be associated with you on this momentous occasion. We shall continue to partner with and support you as you grow and innovate in providing solutions to the members in LapTrust DB Scheme and County Pension Fund in line with your objectives.



We'll continue investing in our people, and systems and providing access to diverse financial markets so that our clients can continue to safely invest their members' funds, and members can be assured of access to their funds when they retire. KCB will keep growing its market share both locally

and regionally as we monitor the industry practices to ensure that our offerings are up-to-date. We'll look out for where our clients want to invest and support them to go into those markets. Over and above that we'll ensure that we have effective systems so that our members' assets are safeguarded in a way that they can access their money any time they need it.

What are the lessons you've learnt in this industry?

Florence: I encourage members to keep saving because regulators have established strong systems to safeguard their savings.

Your congratulatory words to LapTrust for 95 years of consistency

Florence: As KCB we congratulate CPF for 90 years of being in existence and are proud to be associated with you on this momentous occasion. We shall continue to partner with and support you as you grow and innovate in providing solutions to the members in LapTrust DB Scheme and County Pension Fund in line with your objectives.

Brief profile of Florence Nduba

I have rich experience in leadership and management, Ms Nduba is a council member of the Association of Retirement Benefits Schemes and a member of the Women on Boards Network. More than that I'm an associate of the Chartered Institute of Securities and Investment and has a Master of Business Administration (Finance) degree from the University of Nairobi, and a Bachelor of Commerce (Accounting) degree, from the University of Punjab, Pakistan. I love doing charity work and that's why I joined the Rotary Club where we mentor young students in the slum areas and pay school fees for brilliant students in St John's Korogochu.



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JAMES NDIRANGU: FORMER DRIVER WHO ROSE TO BECOME MANAGER

He started working at LAPTRUST in 1999 as an executive driver who chauffeured the previous managing directors. Today he is the manager in charge of CPF's Archival Centre. The centre is Ndirangu's brainchild and offers archival services to corporate clients and preserves records.

Patience, resilience and, most importantly, ambition characterise his inspirational journey from the lower cadres to the top. Mr Ndirangu's passion led him to pursue his goals.



"I credit my rise through the years to God for His help. Secondly, I have ambition, which has propelled me to go hard after my dreams and goals. This journey has been a process since the day I started working as a driver to my current post," he shares.

His testimony reinforces the saying that your current circumstances and conditions don't have any bearing towards how your life will turn out in future.

Climbing the corporate ladder

The seed was planted when he not only worked as a driver but also at the registry where he organised records. "Around 2002, I worked as a driver and organised records. I started working in the finance department as a cashier and accounts clerk," says Mr Ndirangu.

He later went into finance but later enrolled at the Kenya School of Professional Studies for a records management course. This course came in handy because he was transferred to the pensions department to work as an administrator. He was tasked with creating files for contributors and setting up a fully-fledged registry, which launched its operations in 2014

The challenge that gave birth to the opportunity

As he worked, he realised that retrieving files was a challenge because there were only two employees in that department. For Mr Ndirangu, this was the perfect opportunity to solve the problem through technology. "When I was studying records management,

we had been taught about a system in which you scan files and store them digitally in a computer. I decided to look into the idea so that we can make the process of file retrieval and storage more efficient and faster. It was a huge challenge because there were times when we would look for the files of specific clients and the physical files could be very difficult to find. Technology helped us solve that simple problem," said Ndirangu.

In 2010, this gave birth to Advanced Document and Knowledge Management Application (ADA), a digital record management system. The ADA is still in use at CPF. He pitched the idea to the company leadership and they graciously accepted to procure the ADA system to boost workflow efficiency.

Before the acquisition of the records management system, the company benchmarked with various companies. They saw how the system works in various capacities but the most impressive and comprehensive was the Israeli Defence Forces. With that background information, they deployed ADA.

Interestingly, other government departments got wind of the effectiveness of ADA and decided to give it a try. Since no one in Kenya was knowledgeable enough to operate and manage the system effectively, County Pension Fund was subcontracted to supply the government. They were paid to supply the expertise, and technical knowledge and support the ADA. As a result, this opened up doors for additional revenue streams.



The Archival Services Centre

Mr Ndirangu's experience in records management came in handy when he realised that companies still retained physical records of scanned documents.

"When Laser Infrastructure and Technology Solutions (LITES) would digitise the records of different companies and even County Pension Fund itself, it left companies with the quagmire of where to place the physical records. They need space and they're guided by a policy which determines the period before records are destroyed. I thought about it and I saw an opportunity to provide archival

services to clients so that we can store those records for these clients," he says.

Mr Ndirangu quickly pitched the idea to the management who bought the idea. After visiting various companies that had their archival centres, they decided to look for space in Nairobi to host the new business.

They're based in Imara Daima, Nairobi, where they have a centre that can hold at least 19,000 records. The facility is well-fitted with security systems and surveillance cameras. In the archival centre, you can't access the area if you're not an approved staff member. It

About Mr Ndirangu



Mr Ndirangu has a degree in information science and he's finalising his master's in the same discipline at Kenyatta University. He had retired from County Pension Fund, but the company came calling when it wanted him to head the archival centre and nurture it from scratch.

Outside work, he farms maize, fodder crops, livestock and pigs. He loves exercise and is a stickler for hard work. By 6am he is already seated at his office getting his work done. He says he respects hard work because it helped him buy himself his first-ever pair of shoes, having come from a humble background.

requires biometric access, where fingerprint readers scan one's fingerprint to authenticate one's identity before accessing the hub.

They started operations in March 2021 serving LapTrust and CPF and they're looking to onboard other corporate clients. Having been certified by the Kenya Archives and Records Management Association, Mr Ndirangu hopes the Archival Centre will grow to be an autonomous subsidiary of the CPF Group.

Word of advice to the company leadership

"Kudos to Mr Hosea Kili and the company management for transforming the company into a great institution. I'll never forget how the company would go for an overdraft to pay our salaries in its formative years, before the transformation that the now CEO oversaw, which has brought us to where we are today. Now we have nine branches all over Kenya, which bring our services close to the client," shared the records manager.

Last words

"Many people ask me how I moved from finance and accounts to dealing papers and records. I say it's my passion to see companies keep records of the policies for purposes of posterity and retrieval. I'm also fortunate to have an employer who bought into my idea and supported me with everything I needed.

When I needed to go to school, CPF paid my school fees in full. They also invested funds to build and establish this baby," states a contented Mr Ndirangu.



23 *Years of patience, resilience and, most importantly, ambition characterise his inspirational journey from the lower cadres to the top.*

He was tasked with creating files for contributors and setting up a fully-fledged registry, which launched its operations in 2014

Mr Ndirangu quickly pitched the idea to the management who bought the idea. After visiting various companies that had their archival centres, they decided to look for space in Nairobi to host the new business.

Zamara CEO: Passion and Ambition got us here

By Correspondent

From humble beginnings in 1994 as a pure actuarial firm, Zamara has evolved to become a leading financial services player specializing in actuarial services, pensions, medical and insurance solutions with a presence in six countries in Africa and a Pan African ambition.

Originally the company was based only in Kenya, but has now established its dominance in Rwanda, Tanzania, Uganda, Malawi and Nigeria too. "We take pride in offering home grown rather than imported solutions tailored to meet the unique requirements in each of the markets we operate," says Zamara's Chief Executive Sundeep Raichura. "Countries in Africa face many cross cutting challenges and we have been immensely successful in replicating and adapting our service offering to other markets in Africa" added Raichura.

The Group initially focused on the corporate market, but in recent years has made a breakthrough in the retail, SME and MSME market through its unique pensions and insurance offerings, including its personal pension plans Vuna and Fahari which target the formal and informal sectors respectively and a recent insurance aggregator platform that enables



customers to compare prices and terms and conditions of insurance companies for a variety of retail insurance products.

The term “Zamara” stands for powering prosperity and our higher purpose is to create a financially secure and prosperous society.”, says Mr Raichura, an affable, quiet man who loves nature and attributes his success to hardwork, patience and discipline. “This strong commitment to our higher purpose, a strong and winning team culture is the driving force behind Zamara’s growth and success in Africa” adds Raichura.

His corner office’s internal décor comprises a minimalistic design well organised, with few paintings and portraits with endless awards. “Experience is one of the best teachers and this is why I always urge the youth who I interact with to not cut corners and do the grind for success. You have to give it time. Success comes with patience, discipline, resilience and time,” says the CEO. “But you also need ambition and force yourself out of your comfort zone to succeed” adds Raichura.

For 17 years, Zamara has offered actuarial services to Laptrust and now CPF, the administrator of the Laptrust. The relationship has been cordial,

FOR 17 YEARS, ZAMARA HAS OFFERED ACTUARIAL SERVICES TO LAPTRUST AND NOW CPF, THE ADMINISTRATOR OF THE LAPTRUST. THE RELATIONSHIP HAS BEEN CORDIAL, PROFESSIONAL AND MUTUALLY BENEFICIAL.

professional and mutually beneficial. “CPF has been one of Zamara’s cherished clients over many years. “What I really like and admire about the leadership at CPF, particularly Mr Hosea Kilii is his zeal to understand technical advice and effectively implement strategies and recommendations given to them.” says Mr Raichura. “CPF under the leadership of Hosea Kilii is not a typical public scheme, but one that wants to be at the forefront in terms of innovation and getting the best value for its members.”

Whilst complimenting the CPF team and its execution ability, the CEO also urges CPF to engage more aggressively with Government and its participating

A SIMPLE RULE FOR BUDGETS



“I’d like to take this opportunity to congratulate LapTrust for its phenomenal progress in the past ninety years and look forward to celebrating 100 years with them.



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county employers on the late and non-remittance of contributions as this detracts from the otherwise exemplary performance of the CPF over the last ten years. "As actuaries, our role is to help our clients make financial sense of the future and make more informed decisions by giving them the advice and tools needed to help them better model and appreciate future outcomes". Actuarial science is not rocket science but needs enormous financial modelling skills as well as good judgement and professional skills.

Mr Sundeep also notes the fact that the level of pension coverage in Kenya is less than 20% and urges Government to provide the right incentives and framework, including making pension savings mandatory to help

address the huge gap. "All stakeholders need to engage on how we can address the twin challenge of pensions coverage and adequacy in Kenya and indeed the whole of Africa. With the looming retirement crisis we are staring at in Africa, inaction is not an option" concludes Sundeep.

Congratulatory message to CPF Financial services

"I'd like to take this opportunity to congratulate LAPTRUST for its phenomenal progress in the past ninety years and look forward to celebrating 100 years with them. I also wish to single out and comment Mr Hosea Kili [CPF Managing Director] for his vision and his strong personal commitment to increasing pensions savings in Kenya," said Mr Raichura.



More about Mr Raichura

He loves nature and expeditions. He was born in Uganda, raised in Kenya and studied in the United Kingdom. He left a promising consulting career in London to come back to Kenya when his father died, says Mr Raichura.

He is a qualified actuary and the Group Chief Executive Officer of the Zamara Group with more than 30 years of experience in actuarial, pensions and investment consultancy gained in the UK and Kenya. Raichura championed the formation of the Kenya Pension Fund Investment Consortium [KEPFIC], a group of 18 leading pension funds in Kenya with an asset base of more than K Sh500 billion. He is the current chair of the consortium.



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ThinkBook

TONY OLANG: GROWING A TECH COMPANY WITH A LASER FOCUS

Tony Olang, an apt, focused, meticulous, down-to-earth man is the Executive Director at Laser Infrastructure and Technology Solutions. LITES, a subsidiary of CPF Financial Services Group specialises in technology and renewable energy.

The Executive Director narrates one of his travels to Ndhiwa to visit the late assistant minister Orwa Ojode. Ndhiwa is a small town in Homa Bay County. The road to Ndhiwa is surrounded by hills and valleys. As Olang was driving he noticed some unique light on the horizon. Every time the car descended downhill it was pitch darkness. But as he ascended the hills the light would swell from a small glimmer in a distance to a well-lit beautiful town as he neared his destination.

“When I arrived in Ndhiwa I started cruising through the town with the team that had accompanied me. I came across a girl studying under one of the street lights. As I progressed I witnessed another woman washing her child under a different street light. It didn’t stop there. There was still another woman who was washing dishes under another street light. All these individuals were doing this because they didn’t have electricity in their houses. I was overcome with emotion because

this was one of our products, which was impacting lives and giving hope to the hopeless,” says Olang.

In his pursuit to lead LITES, you can easily tell that his motivation goes beyond money. He’s driven by impact, which has enabled him to steer the ship as its captain since 2015 when he joined LITES as a project manager.

Why LITES?

“LITES came at a time when CPF was driven by the need to automate and go paperless. The company started as an ICT Department and the wisdom of the leadership then dictated that they would also offer these services to other entities and companies. Therefore, the department was spun off into a strategic business unit, which later grew over time to LITES,” says Mr Olang.

For LITES to be born, other factors had come into play. The membership was growing and they needed data-driven solutions to serve them better and more efficiently. “LapTrust has about 100,000 customers that we’re serving. We’re also currently onboarding 600,000 members from the Public Service Superannuation scheme. That means in the next week we’ll be serving at least 700,000 members in the pension service line alone,” notes the Executive Director.

Services offered

Renewable energy products and services LITES does energy audits and assists its clients to implement the recommendations of the energy audits. They also supply commercial solar companies, solar home systems and solar grid-powered street lights. Mr Olang also said they were part of the service providers that participated in the Last Mile Connectivity Project in Lamu, Tana River, Garissa and Kilifi. They connected more than 30,000 homes to the national power grid. A feat that he believes has cemented the legacy

and impact of LITES in the Kenyan economy.

On the other side of the aisle, LITES offers technology products and software such as biometric solutions, enterprise resource planning systems, Digiboard (a software that helps one run board meetings), document management systems and others.

Clientele

They boast of a wide-ranging respectable clientele, which boosts their credibility. Alliance for a Green Revolution in Africa (AGRA), Harambee Sacco, Pension Towers, Insurance Regulatory Authority, Madison Insurance and others are some of their notable clients.

Big plans

For you to remain relevant you need to keep innovating. For the future, they’ve divided their plans into three terms. They have short-term, medium-term and long-term goals. Olang classifies them as Horizon one, two and three, respectively.

In Horizon one (2021-2023), they plan to leverage new capabilities by expanding their reach, ensuring that people see them and forming strategic partnerships that will guarantee them growth and influence.

In the second horizon (2024-2026) they want to, among other things, get listed on the Nairobi Securities Exchange and become a publicly traded company.

Horizon three, which will run from 2021-2050 is expected to extend its reach beyond traditional markets and enter other regions and countries such as South Sudan and Ethiopia.

Kenya and the world at large are adopting technology at a rapid pace. With more than an 80 percent Internet penetration, LITES under the leadership of Mr Olang is counting



on the development of the Internet of Things, electric cars, smart homes and other futuristic concepts, for growth.

LITES is therefore positioning itself to be one of the key solution providers in the next 10 years not only in Kenya but also in the rest of Africa. "We plan on building a data centre that will serve the central African region because we already have two in Egypt and South Africa," says Mr Olang.

Tony's transformation

During his time at LITES Olang's life has been transformed positively. He says that his purpose was codified and crystallised in his tenure at LITES.

"My mission in life is to become an agent of continuous positive change. In the process of trying to find out who I am, I would visit my grandmother every two weeks. I always had a notebook and a pen to jot down her words of wisdom and learn from her. As a result, I wrote and published my first book From Cradle to Cradle. The book seeks to explain life principles according to the Luo culture. These may range from money, marriage, leadership and others," explained Mr Olang.

His burning zeal to find out his origins and discover his identity led him to write his genealogy from himself all the way to Adam. It explains his meticulousness when it comes to leadership and his work ethic.

He's guided by a personal vision and mission statement. The senior bachelor also has a list of core values that determine how he lives his life and how he fashions his relationships both professionally and personally.

As an aspiring instrumentalist, the executive director owns a tenor saxophone, which he plays occasionally during his free time.

Message to the leadership of the CPF Group

"I'm grateful to the leadership for granting me this opportunity. We've touched more than a million lives and that's commendable," said Mr Olang.

CO-OP Trust: **Local wealth manager breaking industry records**

CO-OP Trust is a wealth manager that helps high-net-worth individuals and companies invest their money in low-risk, high-yield ventures. They've been working with CPF for close to 20 years now. Through prudent management, they saw the fund grow from under Ksh100 million to more than Ksh70 billion.

Under their book, CO-OP Trust CEO Nicholas Ithondeka intimates, the organisation manages more than Ksh200 billion up from Ksh30 billion seven years ago, a testament to its prudence. Mr Ithondeka reflects on the relationship between CPF Financial Services and CO-OP Trust as well as their plans.

As a wealth manager, how long have you worked with CPF?

We started working together in 1998. We're the fund managers for their defined contribution scheme - the County Pension Fund. We've been together for at least 20 years now.

In terms of numbers, how much did CPF start with and to what extent has it grown now?

We started with as low as Ksh100 million but now it has grown to an excess of Ksh70 billion across the bigger book, which was originally Kenya Local Government Superannuation Fund that is now known as LapTrust. In 2011, the government decreed that all State schemes should move to defined contributions. Since then under CO-OP Trust the defined contribution has ballooned from zero to the excess of Ksh30 billion.



THEY'VE BEEN WORKING WITH CPF FOR CLOSE TO 20 YEARS NOW. THROUGH PRUDENT MANAGEMENT, THEY SAW THE FUND GROW FROM UNDER KSH100 MILLION TO MORE THAN **KSH70 BILLION.**

What can you credit your success to?

CPF has been jubilant in their advertising to members and non-members. Secondly, they have engaged professionals like us to help them know how to invest money wisely. They have an internal investment committee with which we meet every quarter of the year to evaluate how the schemes and investments are growing. This ensures sustained growth. They ensure that member statements and member services are always done. And when it comes to investment income, they set a standard that 95 per cent is always yielding.

What investment strategies did you use for CPF funds and why?

First and foremost I'd say God's favour has helped us reach where we are now. We're guided by CPF's investment policy statements and the RBA Act, which guides us on the best low-risk investment ventures to engage in. Therefore, this keeps the pot of money growing.

How are you improving your products and services to serve your clients better?

If you take a client like CPF, for example, who has a dynamic clientele, we have to ensure that we meet the needs of those specific clients. CPF has MCAs and other county workers whose tenure is five years. We structure investments that fit in those five years as CO-OP Trust. Additionally, we're agile in such times when different entities are moving to infrastructure projects and public-private partnership agreements. Our work is to advise accordingly and execute when we're given the mandate.

How do you identify low-risk investment ventures for CPF?

We have a dynamic team that engages with CPF every two weeks to give a status update and evaluate the progress. Our team is made up of certified financial professionals whose work is analysing the market every day. They're constantly on the lookout for new opportunities and keep abreast with the financial news so that they can advise on the best investments which have low risk but high yields. Together with CPF, we're also engaging in Real Estate Investment Trusts (REIT), which are low-risk high-yield investments. A REIT is where different properties are owned by many individuals and then shares are floated for people to buy.

What are your plans as far as wealth management is concerned?

We're in excess of Ksh205 billion we manage on behalf of pension schemes. Our goal is to keep being relevant even in changing times. Therefore, we'll remain dynamic such as investing in infrastructure projects and expanding into private equity. We want to ensure that investment is available to everybody whether you have Ksh10 or Ksh1. No one should be locked out because of the high capital involved.

What is your unique value proposition as CO-OP TRUST in the market?

We're one of the most successful locally-owned

fund managers in the market. Therefore, we understand the Kenyan market intimately. Over the past four years, we've risen from number nine to position three in terms of performance. That can be credited to our resilience and knowledge of the market. If you invest in us, we have the flexibility of being local.

What are some of the most challenging bottlenecks that you've had to contend with in the last five years? How are you mitigating them?

As a locally owned manager, we've had a challenge convincing Kenyans that we're competent and able to deliver on our mandate just as well as other locally affiliated managers. Over time those reservations have subsided as we kept on proving ourselves. But we had to organise many workshops, training seminars and conferences to show our clients what we can do for them.

Covid-19 environment was tough because people wanted quick money. Our investments need time and patience. But over time, our clients have been coming on board and we've made remarkable progress.

What are some of these long-term investments that you're looking into?

Private equity is where you have private companies such as Java and Nova Pioneer Schools, which are looking for capital to expand their reach. We also use structure these pension scheme money and channel them into small and medium enterprises and they've been working well.

A message of encouragement to LapTrust for 90 years of consistency and cementing their legacy.

CPF is well run and they've been prudent in how they handle their clients' money. A client can get their money within 48 hours if they leave the scheme. That's a testament to how the company upholds excellence. I also encourage them to keep going. They have evolved over time from the Kenya Local Government Superannuation Fund to LapTrust and

now CPF Financial Services.

How do fund managers earn their money?

Our clients give us a proportion of what they earn. It's calculated as the benchmark +3%. And as the fund keeps growing, our commission grows equally. CPF gave us an automatic renewal because we always outperform ourselves and deliver on our mandate as fund managers.

Quick Fire questions



Brief profile of the CEO

I studied Actuarial Science at the University of Nairobi. Through hard work, determination and God's favour, I became a CEO at the age of 32. When I was 36 I had the privilege of being named one of the Top 40 under 40 by the Business Daily. When I first became CEO, CO-OP Trust had a portfolio of Ksh28 billion. But now it has grown in leaps and bounds to more than Ksh100 billion seven years later. I'm a family man. I have four children. Outside work I love cycling. I'm an avid cyclist and I love collecting vintage cars.

Leadership style

I love leading from the front. My team will tell you that I never ask them to do something that I can't.

Leadership lessons

I learnt that life never stops. Therefore, you have to keep on grinding. You'll always have problems. Keep innovating solutions.

Where do you get your drive?

I'm a natural-born problem solver. My desire to always make things right always keeps me on my toes because problems never cease.

Gideon Mueke: The numbers expert who never gives up

Gideon Mueke joined LAPTRUST in 1997 as an accountant and a finance manager from a church-based NGO. Back then the organisation was known as the Kenya Local Government Officers Superannuation Fund. They were only 17 employees with an asset value of Ksh3 billion.

Twenty-five years later Mr Mueke is the Debt Collections Manager who oversees statutory debts, actuarial deficits, principal contributions and accrued interests. His is a story of consistency, patience and resilience. And these virtues have given him a bountiful harvest, which he acknowledges with pride.

When he joined the organisation he says he started with a modest salary of Ksh20,000 but now he says over time that has grown 15-20 times bigger.

"Over time, I have bought a car, a house and advanced my studies to the master's level. CPF being the supportive employer that they are, facilitated my Master's in Business Administration," reflects a grateful Mueke.

In delight, he also talked about how CPF enabled him to acquire and pay off a mortgage, reasonable insurance that covers him and his family. He couldn't resist talking about the generous pension package awaiting him when he retires in 2023.



BACK THEN THE ORGANISATION WAS KNOWN AS THE KENYA LOCAL GOVERNMENT OFFICERS SUPERANNUATION FUND. THEY WERE ONLY 17 EMPLOYEES WITH AN ASSET VALUE OF KSH3 BILLION.

Mr Mueke is a firm, focused and affable man. According to him, these are the traits that have given him the longevity that he has established in his long-spanning stint at CPF. He's always forward-thinking and very growth-oriented, which has fuelled his mobility up through the ranks even as the institution kept expanding.

"Five years later after I started working here my boss left the company and we had to compete for

his position. I emerged on top and assumed the role of the company's treasurer. This new role set me to manage the entire company's finances. We were only five managers then," he says.

This is also the period that the company was going through a transition in leadership. The former general manager, Moses Oyugi, had left and Hosea Kili, the current Group Managing Director assumed that role.

Back then, Mr Mueke says, the work culture was the normal slow-paced lethargic kind of environment witnessed in a typical public organisation. But in the past two decades, that has changed radically and dramatically.

"Our culture is similar to the ones modelled in competent private companies. We are now results-oriented, and fast-paced and we work under a performance-based system. An employee is gauged based on their performance. If their performance is not up to par, they're let go. But also those that need support are trained at the expense of the company. In fact, all our 400 employees go through at least three training per year," he says.

With an expanding workforce, there needed to have systems that enable teamwork and a seamless transition to a bigger team. Mr Mueke says they adopted proper coordination and a directorate of operations to ensure that the ship sails smoothly and harmoniously. In addition, they're reaping great benefits from hiring competent staff.

His grasp of the numbers is impressive as he explains how LapTrust and CPF have grown. "When I joined LapTrust we had 15,000 members and now we have at least 25,000. CPF started operations in July 2011. We have an active membership of more than 70,000 members and counting. We're no longer recruiting members for LapTrust but since I joined the organisation I've seen it grow from a fund value

of Ksh3 billion to Ksh32.3 billion. In line with that CPF has grown to a fund value of Ksh31.2 Billion since it was founded in 2011," says Mr Mueke.

Highlight

In his 23-year stint, he will always treasure the experience that CPF has offered him. "I will always cherish the job satisfaction that I've received. I've got what I wanted, especially when I compare myself to my peers who have worked for other organisations. This company is also liquid because of good management. Therefore, we've never experienced salary delays like other public organisations," said Mr Mueke.

Challenges

One of the biggest challenges that he continuously faces as a debt collection manager is delayed remittances by county governments. "County governments have bloated wage bills. There are several counties whose wage bill is above the recommended 35 per cent cap. This causes them to default on their contributions. Following up to ensure that the payments are made is one of the most arduous tasks that I have to contend with in my job," he lamented.

Plans

When Mr Mueke retires he plans to start a consultancy to keep him busy while also serving on various county public service boards.

Life lessons

While at CPF he's gathered key life lessons that have carried him through his work life. "I've learnt how to be self-disciplined and work without supervision. "There are countless times that I came to the office at 6am and left at 8pm. I have developed an undeniable work ethic while working at CPF," he says.

Message to the leadership of CPF

"Let's keep the tempo up. Let's keep being trustworthy so that we can win bigger."

Back then the organisation was known as the Kenya Local Government Officers Superannuation Fund. They were only 17 employees with an asset value of

Ksh3 billion

I joined LapTrust we had 15,000 members and now we have at least 25,000. CPF started operations in July 2011. We have an active membership of more than **62,931 members** and counting.

When he joined the organisation he says he started with a modest **salary of Ksh20,000** but now he says over time that has grown 15-20 times bigger.



Consistency key to ICEA Lion's soaring growth

LAPTRUST has engaged various fund managers over the years to ensure that they deliver on their mandate to members of their scheme. The Insurance Company of East Africa Limited (ICEA LION) is one of the longest-reigning fund managers. They started when the scheme was known as Kenya Local Government Super-annuation Fund.

The ICEA LION Asset Management CEO Einstein Kihanda talks about the journey and what has contributed to the County Pensio/n Fund growth from Ksh500 million to Ksh25 billion in 19 years.



What is the work of a fund manager?

Our work is to manage the funds of our clients prudently and update the trustees on the performance of the investment.

As an investment manager, how long have you worked with LAPTRUST?

We have worked together for 19 years now. Back then it was called the Kenya Local Government Superannuation Fund. In terms of numbers, how much did LapTrust start with and to what extent has it grown now? We started with a fund of less than Ksh500 million but now it has ballooned to a fund value of more than Ksh25 billion under our portfolio.

What investment strategies did you use for LapTrust's funds and why?

We usually assess the investment environment and come up with an investment policy statement. For CPF we have invested in government securities, stocks, properties and offshore accounts.

What can you credit your success to?

We have an excellent relationship with CPF. The seamless cooperation has helped us communicate and work together excellently. The investment has also been performing well. Our success was also caused by additional contributions by CPF and LAPTRUST members annually. CPF is also visible on the ground because they have various offices across the country. Therefore, they've brought services closer to the people.

How are you improving your products and services to serve your clients better?

We have introduced Digitrust, which is one of our intentions to digitise our products and leverage technology so that we serve our clients faster and in a more efficient way. Additionally, we want to appeal to the younger generation, therefore, we're targeting them with our messaging and customising our products to suit them. We have upgraded our systems and diversified our portfolio. For example, now we're looking to invest in government



infrastructure and affordable housing.

What are your plans as far as investment management is concerned?

We want to be the one-stop shop for financial services. That means we'll broaden our investment offerings which will place us as a significant player in the market.

How are you positioning yourself as the investment manager of choice and a trusted corporate partner above your competitors? We constantly look for new opportunities to invest and explore in the market. As part of our portfolio, we have diversified into affordable housing and private equity for private companies.

What are some of the most challenging bottlenecks that you've had to contend with in the last five years? How are you overcoming them?

For the past two years, we have experienced a lot of volatility in the investment environment. The currency depreciation that we have witnessed has also affected business negatively. This year the General Election was a major cause for concern and impacted the business environment negatively.

What can government do?

I attended a Nairobi Securities Exchange event earlier this year where President William Ruto and County Pension Fund General Managing Director Hosea Kili were in attendance. Mr Kili said the government should develop a policy where it will be mandatory for employers to remit pension payments on behalf of their workers. This will help Kenyans develop a saving culture and live dignified lives in retirement.

Do you help private individuals invest their money?

Yes, we do. Seven per cent of the Ksh265 billion we manage for our clients belongs to private individuals. We're licensed to offer unit trusts and private wealth management.

How important is it for anyone to think about their retirement early and choose a pension scheme that they can trust?

Personally, I never thought that I would grow old so I didn't save as much as I would have wanted. If I had an option I would save more when I was younger. I also realised that the higher your income grows the more your needs increase. Therefore, you need to ensure that you think about your retirement and start saving early. One of the most important things I did was to take out an

education policy for my children which I faithfully paid for. Right now it has helped take them through university.

A message to LapTrust for 90 years of consistency and cementing their legacy.

I congratulate CPF and LapTrust for being consistent in the industry. I wish them well as they even get to 100 years old.

Who is Mr Kihanda?

Einstein Kihanda is the CEO of ICEA LION Asset Management who studied accounts and finance at USIU-Africa for his degree then he proceeded to Scotland to pursue a master's degree in finance. In 1999 he became an investment analyst and then a stockbroker. In 2002 he went into fund management at ICEA LION before moving to Old Mutual. He also worked at CFC Financial Services, Sanlam before coming back to ICEA in 2010 as a Chief Investment Officer at ICEA. He then rose to the position of CEO in December 2015. Mr Kihanda has three adult sons aged 25, 22 and 20. He is actively involved in church and loves to read a lot. On a normal day, he arrives at the office by 6am.

What lessons have you learnt over the years?

Always keep your clients close. Remain positive. Maintain consistency in your management.







PASSION FOR INSURANCE GAVE BIRTH TO LASER INSURANCE BROKERS

Laser Insurance Brokers (LIB) is a subsidiary of the CPF Group, which started operations in June 2014. CPF Financial Services, the main shareholder of the company, injected Ksh10 million in start-up capital into the Laser Insurance Brokers.

According to Executive Director Johnathan Marucha, the insurance brokerage company is worth more than Ksh700 million. They started with one client, the County Pension Fund the parent company. Thanks to the stewardship and servant leadership of Mr Marucha, the company serves more than 1,000

clients drawn from all sectors including parastatals, private companies and NGOs.

The journey

Mr Marucha was a crucial part of the formation of LIB. He joined LAPTRUST as the manager in charge of insurance services in 2014. This time there were conversations around how to save money by having an internal department act as an insurance broker for LapTrust. Because at the time County Pension Fund was contracting external companies to do that work for them. Therefore, when he came onboard he was just the last piece of the puzzle and the spark that



THANKS TO THE STEWARDSHIP AND SERVANT LEADERSHIP OF MR MWARUCHO, THE COMPANY SERVES MORE THAN 1,000 CLIENTS DRAWN FROM ALL SECTORS INCLUDING PARASTATALS, PRIVATE COMPANIES AND NGOS.



lit the fire. Having worked in the insurance industry for more than 16 years by then, he was pretty knowledgeable and well experienced to steer the ship in the right direction.

Having studied Bachelor of Commerce specialising in insurance for his undergraduate studies in 2001, he started his career as a secondary school teacher after he graduated. One year later he went to the College of Insurance to hone his skills in the field.

That's when his successful journey in insurance started at the Mackly Insurance Brokers where he worked as an underwriting clerk.

"This job involved working like a messenger where I was sent to various insurance companies to sort claims," reminisces Marucha of his humble beginnings. He worked at Mackly for five years before moving to Directline Insurance to be in charge of claims and compliance. His journey led him to Clarkson and Metropolitan Canon Insurance companies in top leadership roles before the most significant move to LapTrust.

"We started LIB from scratch literally. I was the one who was involved in the whole process. When

we identified the need for a brokerage that could earn us a commission, we conducted feasibility studies. We also observed other brokers and assessed the market size. Later, we came up with a name, registered the company, and we also had to ensure that we were compliant with the Insurance Regulatory Authority (IRA) regulations," says Mr Marucha.

His long experience and passion for the insurance industry helped him midwife LIB and bring the baby up to a stable, growing insurance brokerage.

The rise of LIB

The Executive Director says the company has succeeded because of its commitment to walking with the client through the whole journey. They were entering a market where their competitors had already cut their teeth in the business. If LIB was going to thrive and have its share of the market, it needed an edge.

"Our main selling point and success was our service delivery. Unlike our competitors and other entities to this very day, we commit to walking intimately with our clients from end to end. We first listen to them and seek to understand what they need. With



a clear understanding of their needs, we advise them better on the best products to take using a customised approach.

“Later on we help them through the whole process while offering advisory services. We handle all the important communication instead of leaving the client to figure things out on their own. For example, if a claim has been successful we usually inform them and advise them on the next steps,” says Mr Marucha.

Products

LIB has a comprehensive catalogue of products such as personal accident, travel insurance, life insurance, motor comprehensive, medical insurance, burglary insurance and public liability insurance among others.

Challenges

One of the biggest challenges they've faced is sabotage from other players in the industry. It manifests itself in various ways. One of them is price undercutting, which occurs when a competitor lowers its market price to attract more customers. This has the ripple effect of making others drop the price. As a result, insurance brokers receive meagre commissions.

The other form of sabotage that Mr Marucha says they've always encountered is competitors bad-mouthing one another in a bid to get the advantage. Consequently, this erodes trust in the industry and clients develop a cold shoulder towards procuring the services of an insurance broker.

Due to a lack of unity among the different layers in the insurance industry, there is negligible growth. He adds that different brokers want to push their agendas and interests, hampering the growth of many companies.

Message to the CPF leadership

“I encourage the CPF Group leadership to keep being versatile and innovative. Through the creation of jobs, we're taking care of many families. And if we keep doing that we'll feed more families. Let's grow to the point where we even loan the Treasury money so that our economy can keep moving forward,” says Mr Marucha.

Leadership style

The insurance guru, who is also a member of The Association of Insurance Brokers of Kenya (AIBK), has adopted the servant leadership style of governance. He firmly believes in being democratic and giving everyone a chance to express themselves.

“I listen to everyone and I'm available on call to my members of staff. When I'm not in the office I usually call them to make sure that everything is going according to plan. Because I know that I'll always have something to learn even from the janitors, I don't dismiss anyone. I'm passionate about developing people and uplifting communities,” says Mr Marucha.

Beyond work

He loves to take care of and nurture his family. He's married with three children. When he's not working the seasoned golfer plays the game at the Kenya Railways Club where he was once the club Captain. He also loves travelling to different destinations.

Why should anyone take insurance?

“Insurance is important because it's one of the risk mitigation measures and will help you in time of need,” advises Mr Marucha.



LIB | Laser
Insurance
Brokers

CIC Asset Management: How we invest CPF Billions

LapTrust and CPF have been working with CIC Asset Management since 2019 as fund managers. These fund managers have overseen the growth of the CPF fund portfolio under their management of Ksh5.7 billion to Ksh13 billion, representing 56.15 per cent growth. The LapTrust fund in our portfolio has shrunk from Ksh10 billion to Ksh8.4 billion because it is slowly being phased out to give way to the defined contributions scheme. Linda Oyaya, the Head of Pension at CIC Asset Management and Teddy Yanga, the Portfolio Manager in charge of LapTrust and CPF give details about their relationship with CPF and how the partnership unfolded.

What's the work of a fund manager?

Teddy: The main role of a fund manager is to advise and make investments on behalf of the trustees for the benefit of the scheme members. The trustee oversees the fund on behalf of the scheme beneficiaries. In this case, Nat Bank is the trustee working on behalf of CPF. The investment policy statement highlights the client's risk-return profile and is the document that guides us on the investments we make for the schemes. Our role also entails reporting to the Trustees and members during Annual General Meetings (AGMs) on the status of the investments.

In terms of numbers, how much did LapTrust and CPF start with and to what extent has it grown now? Teddy: When we onboarded CPF in 2021 we started with Ksh5.7 billion but the fund has ballooned to Ksh13 billion. On the other hand, we started with Ksh10 billion for LapTrust in 2019 that has since reduced by 16 per cent to Ksh8.4 billion. There is a difference between the two schemes. LapTrust is a Defined Benefits scheme while CPF is a Defined Contributions scheme. Defined Benefits mean that the employer takes the sole responsibility of contributing to scheme to meet employee retirement obligations. Defined Contributions, however, mean that both the employer and the employees contribute towards the employees' retirement. The defined benefits scheme was discontinued while the defined contributions scheme has been maintained. This explains the reason why the DB scheme will fade away with time.



MD CICAM - Humphery Gathungu



When we onboarded CPF in 2021 we started with Ksh5.7 billion but the fund has ballooned to Ksh13 billion. On the other hand, we started with **Ksh10 billion** for LapTrust in 2019 but it has dropped by 16 per cent to Ksh8.4 billion simply because they stopped contributions to LapTrust.



Take us through the process of risk assessment and how has it been for CPF?

Teddy: Before we make any investments, there is an elaborate process that we follow. It begins with the research team, which recommends opportunities for investment. They then forward the recommendations to an investment committee for consideration. When the investment committee agrees to take up the opportunities, the portfolio managers would then implement the decision. A portfolio manager analyses the different portfolios and determines which opportunity will best serve the needs of the client by basically looking at the cash flows, liquidity and risk-return trade-off.

What are your plans as far as investment management is concerned?

Linda: We have long relied on traditional investments that Treasury bonds and equities. There is a lot of volatility in the market and this model might not be sustainable. We intend to diversify by investing in other available options in the market. Additionally, we're looking into partnering with the government to build infrastructure and other non-traditional investments

What are some of the most challenging bottlenecks that you've had to contend with in the last five years? How are you overcoming them?

Teddy: We've been quite limited in our offering because as Linda alluded to it earlier, we have money but all of us are channeling it to the government through government securities or to the Nairobi Securities Exchange for equities. As a result, our client's do not get to enjoy the benefits of diversification as it should.

A message to CPF as they celebrate 90 years of consistency?

Teddy: We congratulate LapTrust and CPF for being important stakeholders in the retirement space. They are on the right track to making an impact and we as the fund managers will work hand in hand with them to ensure that they achieve the set goals.

More about Teddy Yanga and Linda Oyaya

Teddy Yanga is a Portfolio Manager at CIC Asset Management where he has been working for the past seven years. He started as an investment analyst but rose through the ranks over time. As a portfolio manager, his work is to devise and implement investment strategies and processes to meet client goals. While not working he loves travelling and engaging in adventurous activities.

Linda Oyaya has been working in the retirement industry for the past 13 years. Her role as a Business Development Manager at CICAM involves looking for

clients and more business. She also does client relations and is part of the investment committee among many other roles. Outside work she is an extrovert who loves attending social events, travelling to different countries and watching movies and series.

Why is it important for anyone to think about their retirement early and choose a pension scheme that they can trust?

Linda: These are the reasons that a person should consider saving up for their retirement: According to a survey done by the Retirement Benefits Authority, 80 per cent of the people who retire from the Kenyan workforce don't thrive during their retirement years because they didn't plan for it financially. They're left stranded depending on others for their financial needs. You secure your future financially when you start contributing towards your pension. Secondly, these days people sire children later in life. You may find that you're still paying children's school fees well into your retirement. A good pension scheme covers you when that time comes. With a reduced mortality rate, you never know what might happen to you. As you age you'll be more vulnerable to sickness and disease. When you choose a good pension scheme it will help you get the best medical attention and you'll live longer.

Equity Bank, the first custodian of the CPF Fund

By Wahome Ngatia

Equity Bank was the first custodian Lap-Trust contracted 13 years ago. The fund has grown steadily from zero to crossing the Ksh30 billion mark. George Mwangi, Head of Custodial Business at Equity, reveals what it has been like to have a business relationship with the CPF.

You have been a custodian of CPF Funds. When did you start and how has your relationship grown so far?

We have had a working relationship for the last 13 years. It has been a mutually beneficial relationship. We were the first custodians of the fund. In return, Equity procures the services of CPF. For example, we usually send our staff members for training in retirement planning to CPF.

How much did you start with and what is the growth, so far?

The fund was worth less than a billion but now it has ballooned to more than Ksh32 billion. We also started the Individual Pension Plan (IPP) in 2015 from zero. It has risen steadily to more than Ksh2 billion currently.

What added benefits does CPF get from you as a custodian?

Since CPF caters to old citizens, we want to ensure that they can see their performance at the touch of a button. Therefore, we're improving our technology to give convenient services to CPF clients.



George Mwangi, Head of Custodial Business at Equity Bank



What is unique about CPF as your client that has sustained this relationship so far?

Generally, CPF has an organised system where they market their products. Owing to the good leadership at CPF, the company has grown steadily. I believe that their effective communication with their clients has also helped them grow. Most importantly, they have complied with the Retirement Benefits Authority rules and regulations. That cements their longevity.

What is your market share in pension fund custodian space?

We got our custody licence in 2008. From zero, we have grown to a market share of at least 12-13 per cent with more than Ksh300 billion in our custody.

How much do you charge for your custodial services?

When we started, we charged one per cent, but as the fund grew, we now charge 0.065 per cent. Since CPF has been consistent we also give them discounts. For example, when they had a new product, we gave them a payment holiday for a whole year.

How many clients do you have in the custodial business?

Currently, we have 500,000 clients. They are categorised into retail (70 per cent), high-net-worth individuals

(20 per cent) and corporate clients (10 per cent).

What are your plans, especially in the pension industry?

We aim to introduce pension-backed mortgages where someone uses their pension as collateral for their mortgage. Instead of renting a home, the monthly rent they pay will be a mortgage for their own home.

Your congratulatory words to LapTrust for 90 years of consistency

I reckon that it's almost a century. Congratulations on the progress that you've made and the good leadership that you have exemplified. CPF keeps improving their offerings, which makes us look forward to partnering with them even more. CPF is a force to reckon with.

Brief profile of the interviewee

I have been working at Equity for the last 25 years. I've seen the bank grow from a small bank to the banking giant that it is today. Throughout my career, I've worked in different places, such as Kericho as a bank manager before returning to the head office as the Head of Custody Business in Equity.

Equity has been my only employer. I pray that it remains so until I retire. I'm married to Dr Naomi Kamau, and we have three children. When I'm not working, I love reading books and

singing as a choir member in the Catholic Church.

What lessons have you learnt in all your years of banking?

It's important to learn the purpose of something. For example, as a banker, my purpose is to serve humanity with humility. I always tell my staff to ensure that they uplift the customers by giving them a smooth time when they come to us. I started out as a cashier, and here I am after being patient and humble. Live well and serve well.



WHEN WE STARTED, WE CHARGED ONE PER CENT, BUT AS THE FUND GREW, WE NOW CHARGE 0.065 PER CENT. SINCE CPF HAS BEEN CONSISTENT WE ALSO GIVE THEM DISCOUNTS. FOR EXAMPLE, WHEN THEY HAD A NEW PRODUCT, WE GAVE THEM A PAYMENT HOLIDAY FOR A WHOLE YEAR.



How NCBA has partnered with CPF for the past five years.

NCBA Bank Kenya PLC (NCBA) has been in the custodial business for more than two decades. County Pension Fund (CPF) contracted NCBA to be their custodian in 2017. The CPF fund under custody with NCBA has continued to grow in leaps and bounds with its assets under custody currently valued over Ksh14 billion. Eva Bore Mwangi, the General Manager and Head of NCBA Custodial Business, gives insights into what has made the relationship between CPF and NCBA work. She also reveals how the bank has positioned itself to offer its clients unique services and products, giving competitors a run for their money. The bank is also leveraging technology to ease service delivery for its clients. Here is the interview for more:



You have been a custodian of CPF Funds. When did you start and how has your relationship grown so far?

Our relationship with CPF started back in July 2017 after a successful tender process. We were appointed as one of the two custodians for their Defined Contribution Scheme, LapTrust (Umbrella) Retirement Fund which later changed its name to County Pension Fund in 2019. In March 2020, we also successfully bid to be the custodian for the Mwamba Trust Fund which was established to manage payments due to surviving beneficiaries of the LapTrust scheme.

How much did you start with and how has it grown so far?

We started at zero for both funds and have seen the funds grow steadily over the years. The current value of assets under our custody for the County Pension Fund is over Ksh13.5 billion and for the trust fund closing at slightly under Ksh1 billion as at December 31st, 2022.

What is unique about CPF as your client, and what has sustained this relationship so far?

What makes CPF interesting to me is how they turn challenges or problems they may encounter in the day-to-day running of the funds they administer into workable solutions. The solutions are repackaged

into a product, marketed to potential clients, thus growing their business. An example is the CPF Consulting service they offer to potential pension funds. Through this service, they have been able to grow their assets under administration and also allowed other service providers in this sector to bid for the same funds. As NCBA, we have benefited from this.

What challenges have you experienced and how did you overcome them?

Our relationship has been very beneficial and we haven't experienced any challenges so far. We look forward to further collaboration with CPF and growing this relationship to greater heights.

How did the merger with Commercial Bank of Africa in 2018 positively impact your business and clients?

The merger brought together two strong financial institutions which allowed us to leverage our combined resources to better serve our clients. This included investing in new technology and systems to improve our services. Our footprint in the market has increased in Kenya and the region as well, allowing us to expand our services to new markets and clients. The merger also strengthened our risk management capabilities allowing us to better manage and mitigate risks associated with custodial services.

What were the downsides that came with such a huge merger?

Just like with any mergers, we had a few teething problems like integrating systems that manage customer data, transactions and other critical functions, but since the former NIC and CBA were almost similar, it flowed smoothly for us.

In terms of numbers in market capitalization and market share, what was it before the merger and what is it now?

NCBA's market capitalization as at December 31st 2022 was Ksh 64.8 billion. I would estimate the custody business market share before and after the merger to be around 14 per cent in the pension fund sector.

How are you developing your products to suit growing clients such as CPF and Lap Trust?

We are on a digital transformation journey that will help us deliver our services efficiently and conveniently to our customers. For instance, our customers can now access their transaction statements, holdings and portfolio valuation reports via our web portal. We are also very intentional about the way we receive instructions from our customers. Our main focus at NCBA is making it easier for our clients to do business with us. We will focus on digitization to ensure the efficiency and security of looking after retirement money for the retirees that we will all become.

How do you distinguish yourself from the competition?

We are keen on providing the best service to our customers. Our customers need to know that we're backing them in everything they do. Therefore, we do offer training to our customers, share research notes and also invite them to the bank's economic forums, webinars and other engagements that will further their learning.

We also stay up to date with the latest developments in our sector and share this knowledge with our customers to make informed decisions.

What are your plans, especially in the pension industry?

As NCBA custody, we value the relationship that we have with the regulator of the retirement benefits



THE CURRENT VALUE OF ASSETS UNDER OUR CUSTODY FOR THE COUNTY PENSION FUND IS OVER KSH 13.5 BILLION AND FOR THE TRUST FUND CLOSING UNDER SLIGHTLY KSH 1 BILLION AS AT 31ST DECEMBER 2022.



sector and will be on hand to provide all the support needed in driving policy to make the lives of retirees better. Our focus is also pushing for digitization in the pension sector to create efficiency that will ultimately increase future returns to retirees.

What does Eva do outside work?

I love watching movies, travelling and spending time with friends and family.

Brief profile of the General Manager Custodial Business at NCBA

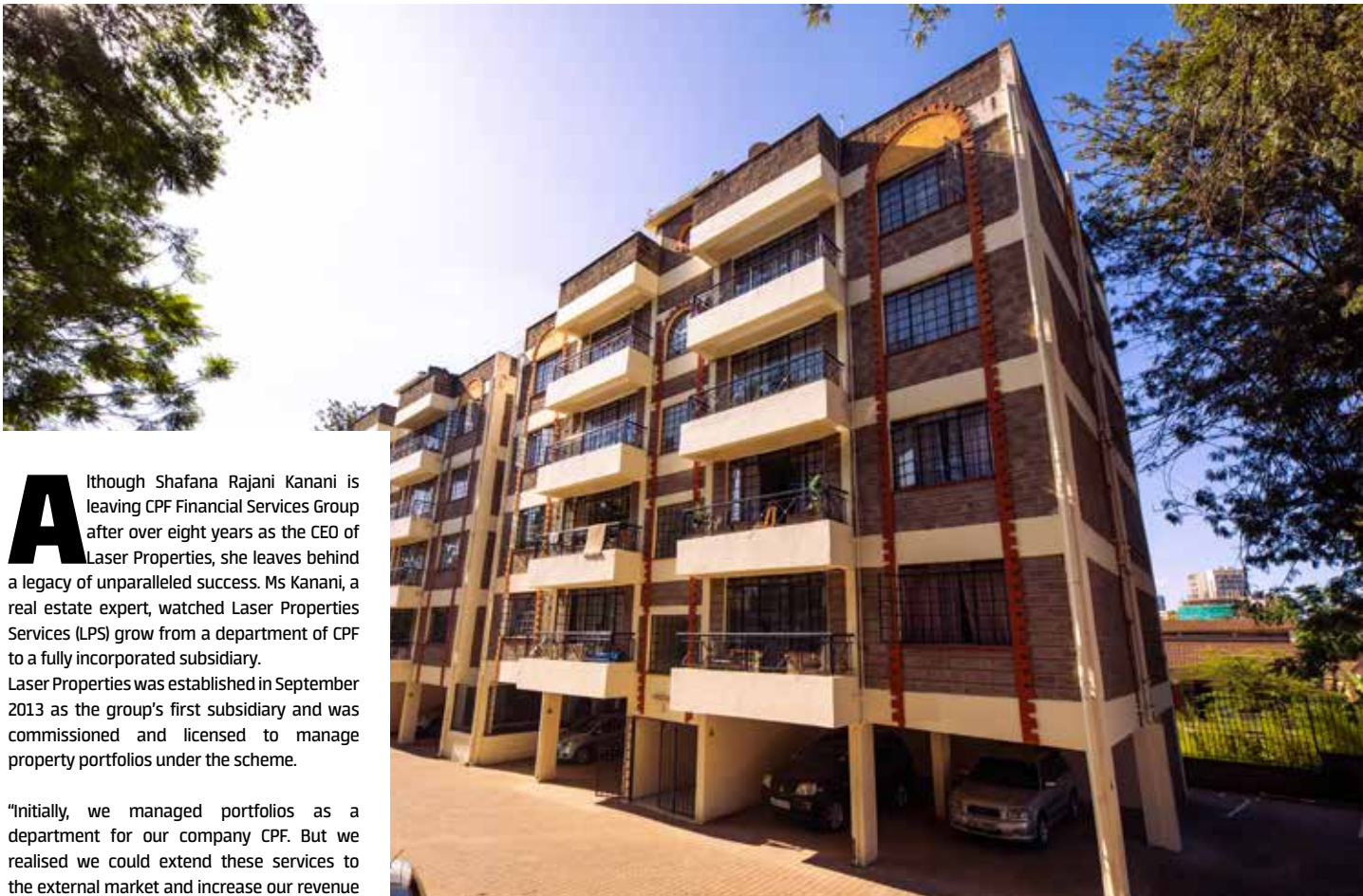
Eva Bore Mwangi is a seasoned banking professional with +20 years' experience in banking and the financial services industry. As the General Manager, she has the responsibility to provide overall management and control of the Custodial Business at NCBA Bank. Eva oversees the growth of the business, is charged with building and maintaining the current client relationships as well as ensuring delivery of good quality service to custody clients. Her role also involves management of the custodial business team including P&L ownership and participating in formulating strategies, policies and objectives for the business. Eva has an MBA (Finance) and B.Sc Banking and Finance. Additionally, she has attained several certifications in the area of business.

Brief history of NCBA

- NCBA has been offering custodial services for the last 22 years to retirement benefits schemes, unit funds, corporates, insurance companies, umbrella funds, and high-net-worth individuals. Guided by the RBA Act (1997) and Regulations (2000) as well as the CMA Act, the bank has been able to successfully perform all the custody duties as expected in both Acts, while accommodating client-specific requirements based on their relationship. NCBA is a licensed bank by the Central Bank of Kenya, registered as a custodian bank by the Retirement Benefits Authority and registered as a depository, by the Capital Markets Authority.
- The custody staff is proficient and has a good understanding of investment markets with all client-facing and management personnel having undertaken the mandatory Chartered Institute for Securities and Investment training required by Capital Markets Authority.
- NCBA Bank has excellent systems and controls to ensure the security of the assets under custody and uses a highly specialized custody software Custody Plus, which is integrated with the main banking platform T24. In addition. The bank has adequate safe custody facilities, and safe and secure strong rooms, dedicated to custodial clients.
- NCBA always strives to provide efficient, solution-driven and personalized service. At NCBA, innovation is a value we live by and always look to provide technologically advanced value-adding services, maintain proper and accurate record-keeping and stay accountable and professional at all times. NCBA has cordial and proven working experience with other industry players and regulators.

How Laser Properties Services disrupted Kenya's crowded real estate market

By Wahome Ngatia



Although Shafana Rajani Kanani is leaving CPF Financial Services Group after over eight years as the CEO of Laser Properties, she leaves behind a legacy of unparalleled success. Ms Kanani, a real estate expert, watched Laser Properties Services (LPS) grow from a department of CPF to a fully incorporated subsidiary. Laser Properties was established in September 2013 as the group's first subsidiary and was commissioned and licensed to manage property portfolios under the scheme.

"Initially, we managed portfolios as a department for our company CPF. But we realised we could extend these services to the external market and increase our revenue

Man Apartments

base. That occasioned the need for us to morph into a registered company with its own licence," says the outgoing Executive Director.

Initial challenges

Initially, after the company was registered, it was not a smooth ride. They had to contend with a myriad of challenges.

"When you're part of a group like us, the mother always shines brighter. We were new in the market and struggled with brand awareness since many people could not tell the difference between us and our mother company. Secondly, in a group, you perform different activities and offer services for your mother and sister companies without getting paid," says Ms Kanani.

However, the company soldiered on selling and offering value to their clients. Aside from selling and letting property, it also manages commercial, residential, and retail properties. They also started taking care of vacant land for a fee. Now, they also do valuation and consultancy together with project management. They implement end-to-end projects, from laying the first brick to delivering the finished product.

Through Ms Kanani's leadership, the subsidiary domiciled at the CPF House offices is on the right trajectory. The company manages 27 properties, 15 of which belong to LapTrust, while the rest belong to external clients. At the launch, the company recruited staff from scratch. As of this year, Laser Properties has 55 employees under its payroll.

"Over the nine years of existence, we have increased our business by about 50 per cent. Of the three subsidiaries, we have the largest workforce, which includes caretakers and management staff. For all the 27 properties we manage, we usually designate a caretaker in each," shares an elated Ms Kanani.

One of the famous buildings under their impressive portfolio is the towering Freedom Heights in Lang'ata on Lang'ata Road in Nairobi.

"Freedom Heights is our flagship project, which consists of a shopping mall and 252 apartments. Therefore, it's a mixed-use development built on five acres. It cost around Ksh3.5 billion. We started building in 2015 and completed it in 2020. We now manage the property by collecting rent and managing the common area services," says the Laser Properties Executive Director.

Due to various disruptions such as the Covid-19 pandemic, oversupply in the market, especially in the surrounding area, 2022 General Election, among others, Freedom Heights is currently at 68 per cent occupancy in the retail section. However, the company is upbeat that the occupancy will hit 100 per cent soon. However, on the upside, the company has sold all the 252 residential apartments.

Naserian Villas in Karen is also one of the projects that the company managed from start to finish. They built 30 five-bedroom villas, which now go for Ksh95 million per unit. Currently, the company has embraced the affordable housing programme and is working on Anderson Apartments in Kisumu. The company plans to develop the county offices tower, G48, in Kilimani, Nairobi, in partnership with the 47 devolved units.

Financial wellness

The company grows its revenue by at least 10 per cent annually with diligent leadership and strategic management.

"Going by 2022, currently our annual turnover is Ksh150 million. In our first year, we started a little at Ksh35 million. The growth has been caused by client confidence in our brand while we have been growing our network. We also offer competitive remuneration and commissions for agents. This is

because we realised that we needed to partner with other stakeholders in the industry to succeed in this business," says Ms Kanani.

Client profiles

Laser Properties does not discriminate in the search for clients, the company targets any individual or company seeking real estate services. You may be a property owner looking for property managers or an aspiring homeowner who wants to buy a home, Laser Properties provides you with solutions tailored to suit your needs.

Challenges

"Competition has been one of our biggest challenges. This is because the market is flooded with people and companies offering services that are similar to ours. Secondly, the market is very volatile. Things keep changing by the day, week or month. Keeping up is not an easy task. Thirdly, the government doesn't enforce licensing of real estate agents. Anyone can be a real estate agent. This has led to the many instances we hear about conning and scamming. As a result, it affects the credibility of genuine service providers in the industry," says Ms Kanani.

To mitigate the challenges, Laser Properties employs differentiation strategies and innovation to take on competitors, for example, by providing Property Management Audit Services.

"We're the only company that helps property managers identify the challenges and opportunities that arise from how they manage their property and give them strategies on how to make it better. That's what we call Property Management Audit Services," she says.

More than that, they have unshakable credibility, which has been built over the years and also has been firmed up by the fact that they belong to a larger group.

Financing

While getting finance to buy a good property might be a challenge, Laser Properties partners with different banks to help clients acquire affordable mortgages. For example, the company has collaborated with different banks willing to finance clients seeking to buy Naserian Villas. The company has also attracted investors interested in the real estate market.

LapTrust Imara Income Real Estate Investment Trust (IREIT)

On January 3, 2023, Laser Properties registered their first IREIT at the Capital Markets Authority (CMA) called the LapTrust Income IREIT.

“We have been appointed the property managers for the Imara IREIT. On top of that we assisted the manager in setting up systems for the IREIT for the nine months before registration,” says Ms Kanani.

Real estate bubble

Will Kenya experience a real estate bubble burst or a market crash as witnessed in the West? Ms Kanani is confident that Kenya will never get to that point.

“As a country, we’re not highly dependent on credit for property purchase and acquisition. Bubble bursts happen when industries purely depend on financing from the banks. For example, in Dubai, the developers, homebuyers and real estate companies relied on banks. Therefore, when the banks started withholding credit, people packed their bags and left.

“Kenya’s market, however, depends on cash buyers. We have a significant amount of people who pay cash for a property,” she says. What she has loved while working at Laser Properties Ms Kanani says she loved working with different stakeholders. The job also challenged her to keep thinking outside the box.

She’s also caught some important lessons in her stint at the company. Teamwork and integrity have been some of the biggest lessons that she’ll take with her as she leaves the company. Message to LapTrust for 95 years of consistency

“I’d like to congratulate CPF and LapTrust for being

consistent over the last nine decades. We have come a long way in improving our services and fulfilling the lives of our customers through excellence and great professionalism. Let’s keep sharpening our skills and working harder so that the company can last for 100 years more.”

More about Shafana Rajani-Kanani

Shafana has more than 15 years of professional business management experience with seven years in the real estate industry having served with an international Real Estate company previously. She holds a Bachelor of Science degree in International Business Administration and a master’s in International Relations, both from the United States International University-Africa. She is currently pursuing a PhD in business management. Ms Kanani is also a member of the Marketing Society of Kenya. On the lighter side of life, she focuses on her family, friends and social circle. She takes pride in being a homemaker who enjoys cooking and loves outdoor activities. When she wants to relax, she meditates.







NINE
DECADES *of*
FULFILLING LIVES