

**University of Nairobi Staff Pension Scheme 2007  
Custodian's report for AGM for period ending  
30<sup>th</sup> June 2022**

**AGM date: Friday 2<sup>nd</sup> December 2022**



standard  
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## Our Role as Custodians of the Fund

- As the Pension Fund's Custodian, we are charged with the formidable duty of keeping the financial assets of the Pension Scheme safe and servicing the portfolios related to the assets, whether that be settling trades or collecting the income generated:
- Broadly, our core responsibilities as a custodian for the Scheme include:
  - 1). Settlement [this entails effecting settlement of trades]
  - 2). Safekeeping - providing safekeeping of the assets on behalf of the Fund
  - 3). Investment administration and
  - 4). Asset servicing (for example: collecting dividend payments, interest on bonds, deposits, e.t.c)



## Our Role as Custodians of the Fund

- Our role as a Custodian is to ensure that the Fund's assets are always protected.
- The primary goal of the Fund Manager is to optimize the investment returns that it makes on the invested assets as the custodian does investment administration & asset servicing.
- This tested model allows transparency of operation and **reduces risk and adds value** to portfolio (helps to ensure that income due are efficiently collected and promptly credited to account for new investment opportunities)



## Our Statutory Obligations as a Custodian:

- Must be licensed by Central Bank of Kenya as a commercial bank
- Must licensed by the Retirement Benefits Authority (RBA)
- Must be licensed by the Capital Markets Authority(CMA) as an Authorized Depository Agent (CDA) to hold securities
- Must maintain a segregated bank account for a Pension scheme and ensure the Scheme funds are credited to scheme's account(s)
- Periodically report to the Trustees regarding the transactions on scheme funds and the portfolio holdings
- Keep proper books of record of the fund indicating the portfolio held and investment activity – for records and audit purposes
- Maintain technical capacity, adequate operational system and human capital and expertise to perform the duties of a custodian



## Custodian's responsibilities:

In accordance with the Central Bank of Kenya regulations for Banks, the Retirement Benefits Authority regulations for Fund Managers & Custodians and the Capital Markets regulations for Custodians, we confirm that for the year ended 30th June 2022:

- We have effectively discharged the duties prescribed for a Custodian of a Pension Fund in Kenya (and specifically for the University of Nairobi Staff Pension Scheme 2007)
- We have held the assets for the University of Nairobi Staff Pension Scheme 2007 including the securities and income that accrue thereof
- We have also reconciled the positions on the securities we hold for the Scheme with the Fund Managers



## Custodian's responsibilities:

- For the University of Nairobi Staff Pension Scheme 2007's investment activities and payments, we facilitated the transfer, exchange or delivery of the securities and cash in accordance with the instructions received from the Fund Managers and the Trustees.
- We confirm that we have carried out all our activities for the University of Nairobi Staff Pension Scheme 2007 in accordance with the regulations and responsibilities of a licensed Custodian.
- During the period from 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022, we also confirm that we received **contributions** from the University of Nairobi (including contributions from members of the Scheme on unpaid leave of absence) amounting to **KES 492,572,817.70**



## **Custodians' methods of accounting & asset valuations:**

- As Custodians we report on actual holdings and cash at hand and exclude accrued income
- Fund Managers and Auditors report on accrual method (i.e include dividends declared but not yet paid), hence Fund Managers & Auditors numbers always have an element of timing difference when compared to the Custodian's reports.
- Our duties and obligations as Custodians of the Scheme in respect of calculating the asset values are limited to independent calculation of the same, based on prices provided by recognized third parties like the Nairobi Securities Exchange, Other exchanges, e.t.c





## CONFIRMATION OF THE FUNDS ASSETS UNDER CUSTODY AS AT 30.6.2022:

Asset Class	Market value as at 30 <sup>th</sup> June 2022 (in KES)	Ratio of total holdings
Bank Balance	1,677,305.30	0.01%
Call Deposits	281,975,904.63	1.77%
Fixed Deposits	82,811,634.55	0.52%
Corporate Bonds	8,914,585.83	0.06%
Equities	3,880,865,155.71	24.38%
Global/Offshore investments	277,471,092.60	1.74%
Government Securities (T-Bills & T-Bonds)	9,674,686,039.28	60.78%
Property / Real Estate investments	1,710,000,000.00	10.74%
<b>Total</b>	<b>15,918,401,717.90</b>	<b>100%</b>

*(Note: Difference with Fund Manager's & Auditors reported numbers are due to timing and valuation methodologies and expected income like dividends not yet paid as at period end)*



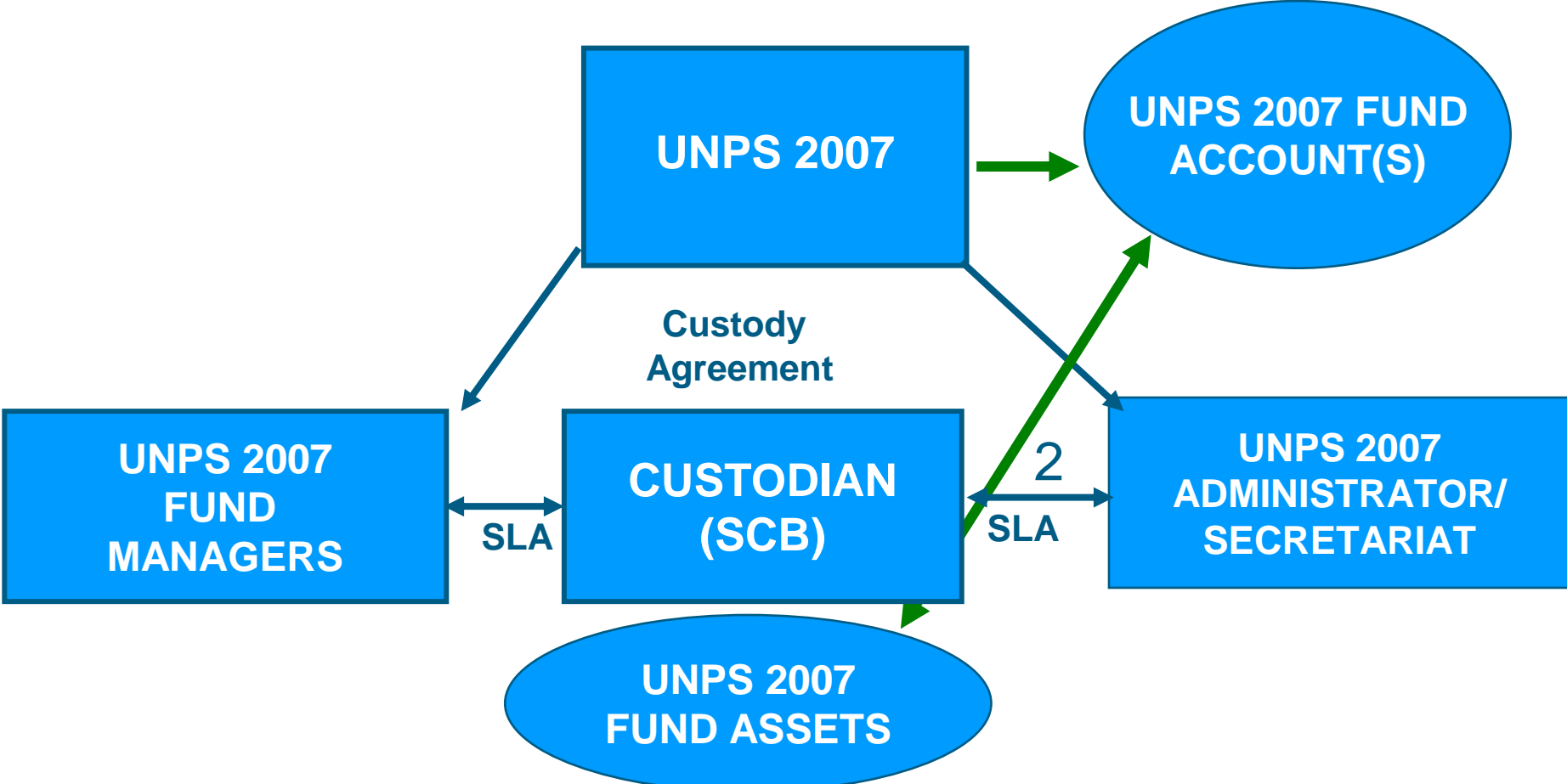
## CONFIRMATION OF THE FUNDS ASSETS UNDER CUSTODY - UPDATED AS AT 30.9.2022:

Asset Class	Market value as at 30 <sup>th</sup> September 2022 (in KES)	Ratio of total holdings
Bank Balance	7,194,738.25	0.04%
Call Deposits	195,987,073.42	1.21%
Fixed Deposits	292,720,733.22	1.81%
Corporate Bonds	4,976,057.34	0.03%
Equities	4,067,246,953.38	25.15%
Global/Offshore investments	304,983,946.95	1.90%
Government Securities (T-Bills & T-Bonds)	9,587,305,456.67	59.29%
Property / Real Estate investments	1,710,000,000.00	10.57%
<b>Total</b>	<b>16,170,414,959.23</b>	<b>100%</b>

*(Note: Difference with Fund Manager's reported numbers are due to timing and valuation methodologies and expected income like dividends not yet paid as at period end)*



# Fund Structure



Your Assets Are  
Safe With Us



**Thank you**



# Q & A

Your Questions?



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