

## 2023/2024 ANNUAL HIGHLIGHTS – KENYA PORTS AUTHORITY PENSION SCHEME

The Scheme is pleased to share key highlights from the 17th Annual General Meeting of the Kenya Ports Authority Pension Scheme, reflecting on the financial year ended 31st December 2023 and notable developments into 2024.

### Fund Performance and Financial Position

- **Total Fund Value:** The Scheme's fund declined from **KES 20.12 billion (2022)** to **KES 17.42 billion (2023)**, primarily due to a downturn in investment property values and broader market conditions.
- **Funding Level:** The Scheme's actuarial funding stood at **66.6%**, with an actuarial deficit of **KES 8.72 billion**.
- **Auditor's Opinion:** External auditors issued an **unqualified opinion**, confirming the financial statements present a true and fair view in line with applicable standards.

### Contribution Changes

- **Sponsor's Commitment:** The Sponsor, Kenya Ports Authority, increased its **annual remedial contribution from KES 535.2 million to KES 1.2384 billion**, effective **July 2024**, to help restore the Scheme's financial health.

### Membership and Governance Updates

- **Trustee Elections:** Held on **30th November 2023**, resulting in the election of **Ms. Susan Leli** and the re-election of **Mr. Ferdinand Malumbo** and **Ms. Violet Mugambi**.
- **Board Self-Evaluation:** Conducted in compliance with RBA guidelines, achieving an average score of **82%**.
- **Biometric Census:** A comprehensive biometric registration was undertaken to support secure and remote member identification.

## Key Scheme Activities

- **Property Management:** Several properties were disposed of during the year; however, property exposure remains high at **59.90%**, exceeding the regulatory threshold.
- **Project Oversight:** The **Bandari Apartments Project** is currently undergoing both a **forensic audit (by RBA)** and an **independent audit (by the Board)** to ensure transparency and value for money.

## Pension Adjustments

- **Pension Increment:** A pension increase, approved by the Sponsor, was successfully implemented and disbursed in **August 2024** to cushion members from the rising cost of living.

## Legal and Regulatory Compliance

- **Good Governance:** The Scheme was commended by RBA for full compliance with statutory and governance requirements.
- **Three Payslip Case:** Benefits were recomputed as per the Retirement Benefits Appeals Tribunal's judgment. The matter remains pending final Tribunal determination.
- **Trustee Remuneration:** A proposal to revise Trustee allowances was declined by members during the AGM following a member vote.

## Looking Ahead

- **Market Outlook:** Positive economic indicators for 2024 include improved equity performance, a stronger Kenyan shilling, and easing inflation.
- **Strategic Focus:** The Scheme will continue to pursue a **diversified investment strategy**, improve governance, and prioritize **member education and engagement**.

## **Appreciation**

We thank all members, Trustees, and stakeholders for their continued support and engagement. The Scheme remains committed to delivering dignified and sustainable retirement benefits to all members.