



Sustainable Governance in a VUCA World



Vision & Values



Our purpose:

Positive social economic transformation of lives through innovative financial services.



Our vision:

A lifetime of financial wellbeing and dignity.



Our way:

Trust , Innovation ,Fun artwork, Excellence .



Our business model:

Building an Ecosystem of Shared Value



Our brand promise:

For a better tomorrow.

Our Offering:



PENSIONS



INSURANCE



INVESTMENT

Enwealth's Journey

| **13** Years



Feature	2024
Human Capital	Above 70
Corporate Clients	Over 200
Retail Clients	Above 80,000
Branches	Kenya,Uganda & Mauritius
Product Addition	Investments
Assets Under Management	Above Kes. 90 Billion
Professional Indemnity	Kes.500 M

Our Products

Enwealth Capital Unit Trust Scheme



▼ INVESTMENT FUNDS

- **Enwealth Money Market Fund**
- **Enwealth Balanced Fund**
- **Enwealth Equity Fund**
- **Enwealth Dollar Money Market Fund**
- **Enwealth Fixed Income Fund**

To Sign up

- <https://invest.enwealth.co.ke/>

Enwealth Money Market Fund



KSH	USD
16.02%	5.32%
Effective Annual Rate as at 9 th May, 2024	
Sign Up HERE	



Unlocking Passive Income

Embrace the Benefits of a High-Yield Money Market Fund

Call Us: +254 700 617 443



enwealthcapital@enwealth.co.ke



www.enwealth.co.ke

Past performance should not be used as a guide to future investment performance

Award and Recognition

EYA 2023



Recognized and awarded as 1st Runners up for Responsible Business Conduct for the EYA 2023 Awards

TOP 100 Mid-sized Co. 2022



Corporate Social Responsibility / Philanthropy Category Diversity, Equity and Inclusion Category

FiRe Awards 2021



Recognized and awarded as 1st Runners up for best reporting in the 2021 Fire Awards, IFRS for the SME category

Stanford Seed



Transformation Program graduation in 2021

Africa Global Fund Awards 2020



Winner of 5th Annual AGF Service Providers Awards 2020 as Best Fund Administrator

TOP 100 Mid-size Co. 2019



Pension Industry champions 2019 Fast Growing Mid-Sized Companies

SMOYA Awards 2018



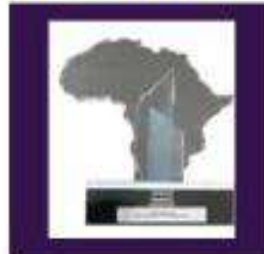
Business Excellence in the Category of Human Resource Focus, Customer Orientation and Financial Management

Champion of Governance Awards 2016



The Award aims at recognizing institutions and individuals that exhibit the highest standards of practice of good governance.

Africa Pension Awards on Innovation and Wide Coverage 2016



2nd best in Africa for driving pension coverage through innovation.

Ethical Business Practices Awards 2014



By the Ethical Business Practice Awards after going through a survey by ELNET. Showing that we are ethical in our dealings.

Think Business Awards 2014



The best Pensions Administrator of the year by Think Business.

The Retirement Benefits Industry



Mandate And Industry Synopsis

Pension Assets



1.7 Trillion

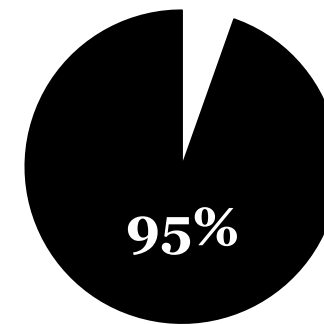
June 2023

Registered Schemes



1.031

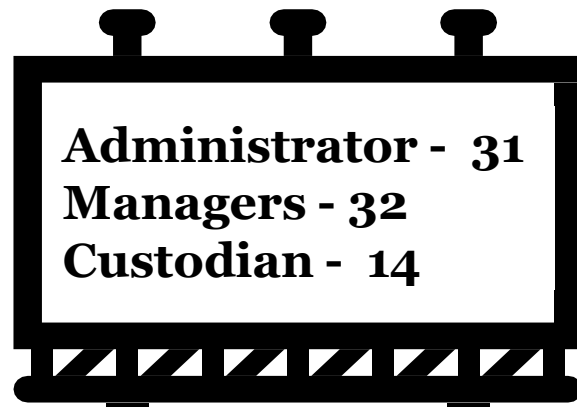
Defined Contribution



Trustees



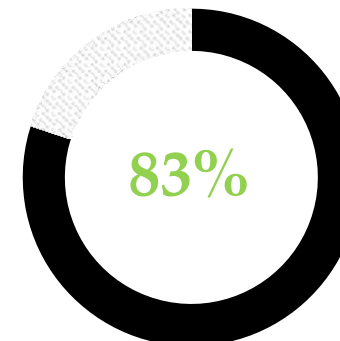
**Over
6,000**



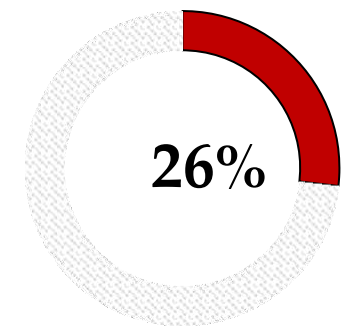
Service Providers



**Active Members:
4.49 million**



Informal Sector



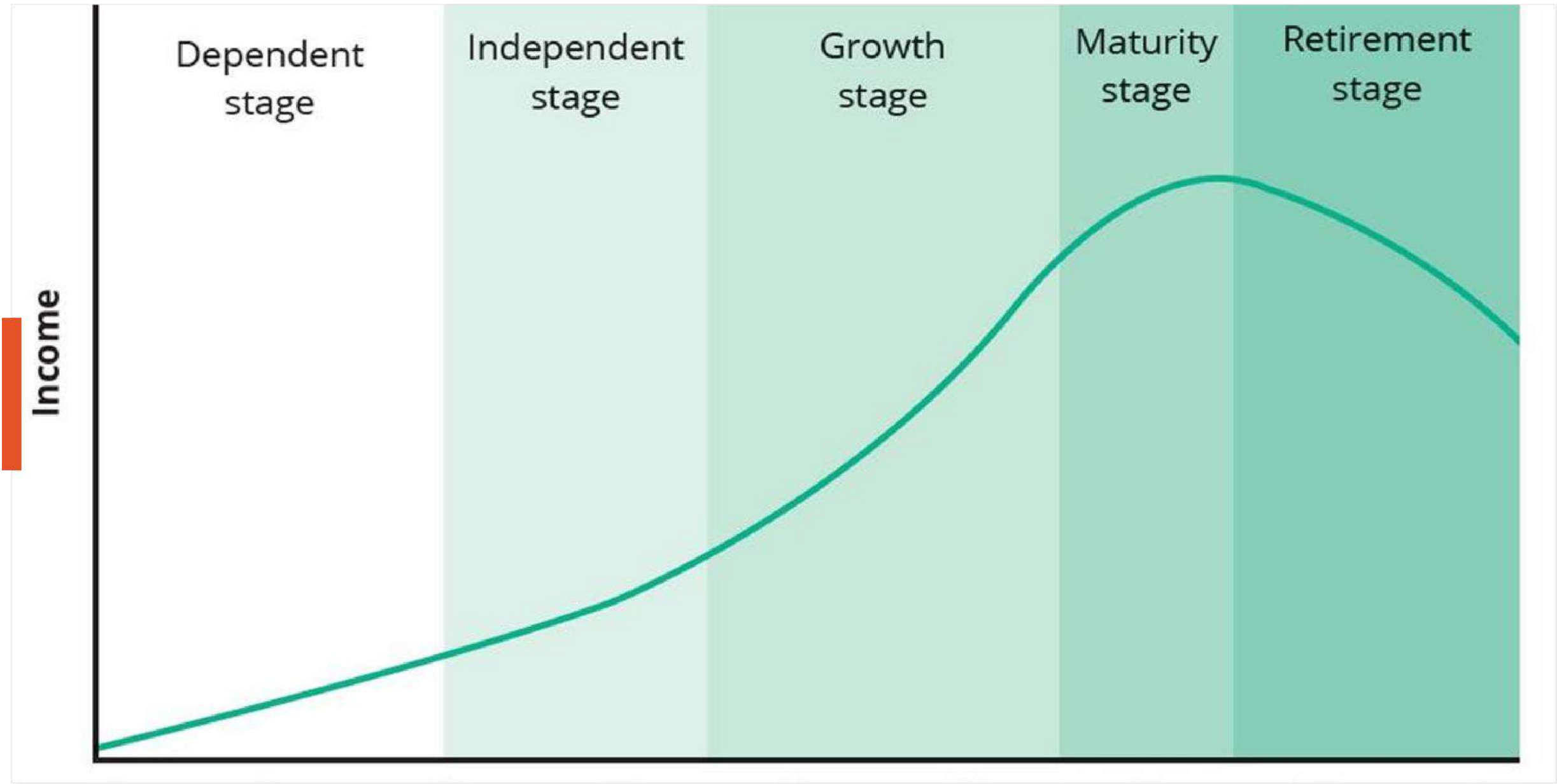
Pension Coverage

Policy Context : Assets Under Management

The largest component of retirement benefits schemes' assets is allocated to government securities

	Assets Category	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23
		Kshs. (Bn)	Kshs. (Bn)	Kshs. (Bn)	Kshs. (Bn)	Kshs. (Bn)	Kshs. (Bn)
1	Government Securities	349.15	394.19	459.68	652.11	695.51	814.26
2	Quoted Equities	159.07	210.17	201.51	249.79	206.13	174.05
3	Immovable Property	178.42	226.72	229.91	247.35	239.22	246.31
4	Guaranteed Funds	129.58	142.97	167.45	247.52	284.51	326.99
5	Listed Corporate Bonds	46.95	41.99	40.28	2.9	7.4	7.54
6	Fixed Deposits	24.57	32.88	36.39	37.07	36.42	67.68
7	Offshore	6.96	12.77	13.13	16.73	15.24	23.13
8	Cash	12.93	12.95	12.72	17.91	20.66	22.62
9	Unlisted Equities	3.95	4.06	3.79	3.4	4.38	5.08
10	Private Equity	0.22	0.322	0.86	2.5	3.4	5.37
11	REITS	0.84	1.03	0.71	0.14	0.27	10.64
12	Commercial Paper, Non-listed bonds by Private companies	0	0.062	0.06	0.02	0.02	0.03
13	Any Other Assets	0	0	0	0.73	2	-
	TOTAL	912.64	1,080.11	1,166.49	1,478.17	1,515.16	1,703.69





Pillars to successful Retirement



Housing



Medical insurance cover



Income adequacy –



Social capital/ Family



Fulfilment



Purpose/ Fulfilment



Emerging Issues in the Pension Industry.

- ☐ Bond Valuations –Hold to maturity / Marked to market?
- ☐ Government Bonds Risk
- ☐ Dollar Risk.... And its impact to pension funds
- ☐ NSSF Act –Impact on Investments
- ☐ Governance –Trustees tenure / Knowledge capital
- ☐ Housing –Asset Class?
- ☐ Healthcare Prefunding
- ☐ Segregated / Guaranteed-Market comparison
- ☐ Data protection
- ☐ Taxation

Increase in the limit of tax-deductible pension contributions made to registered funds The Bill proposes to increase the limit of tax-deductible contributions made by employees to registered pension schemes and provident funds from Kenya Shillings twenty thousand (KES 20,000) a month to Kenya Shillings thirty thousand (KES 30,000) a month. The ability to deduct such contributions in the computation of taxable income makes the pension contributions tax free.

Therefore, going forward, the tax-exempt contributions made by an employee shall be the lesser of: (a) the sum of the contributions made by an employee to the registered fund; or 5 (b) thirty percent of the employee's pensionable income in the year; or (c) three hundred and sixty thousand in a year or thirty thousand shillings a month.

Any amount by which an employee's pension contribution exceeds the above criteria shall not be deductible in computing the employee's taxable income and therefore shall be subjected to income tax. In addition, where the sum of both an employee and employer's contribution exceed Kenya Shillings thirty thousand (KES 30,000) in a month, the entire employer's contribution shall be non-deductible in computing the employer's income tax liability.

Implications

This is a welcome change as it seeks to adjust upwards the tax-free contribution limits that have remained unchanged since the year 2005. It is therefore our view that this is an overdue amendment that recognizes the fact that the limits set nineteen (19) years ago need to be adjusted for inflation and to reflect the fact that incomes have also changed over the past two decades.

We also note that this proposal aligns with the Government's policy of encouraging Kenyans to increase their retirement savings. This proposal will likely result in an increase in the pension contributions as employees take advantage of the increased tax-free pension contribution amounts.

Proposed Effective Date: 1 July 2024

Increase in limit of tax-deductible contributions made persons who are not members of a registered fund or a public pension scheme The Bill seeks to increase the limit of tax-deductible contributions made by individuals who are not members of a registered fund or a public pension scheme from Kenya Shillings twenty thousand (KES 20,000) a month to Kenya Shillings thirty thousand (KES 30,000) a month.

The ability to deduct such contributions in the computation of taxable income makes the pension contributions tax free. Therefore, going forward, the tax-exempt contributions made by an individual will be the lesser of: (1) the sum of the contributions made by the individual or by the employer in the year; or

(2) thirty percent of the individual's pensionable income in the year; or 6 (3) three hundred and sixty thousand in a year or thirty thousand shillings a month reduced by an amount paid by the individual or by an employer on his behalf to the National Social Security Fund in that particular year. Implications As mentioned above, this is a welcome change that seeks to enhance contributions to registered pension funds. In addition, this amendment seeks to ensure that individuals who are self-employed or who are not members of a registered pension scheme also enjoy the enhanced limits as they contribute to individual retirement funds.

The Bill proposes to subject to tax the interest income earned by resident persons from all listed bonds, notes and other similar securities used to raise funds for infrastructure and other social services (commonly referred to as Infrastructure Bonds).

Accordingly, five percent (5%) withholding tax shall be applicable on the payment of such interest to resident persons. However, the interest earned from Infrastructure Bonds listed prior to this proposal's coming into force shall continue to be exempt from tax. In addition, no withholding tax shall apply on such interest paid to non-resident persons.

Implications Infrastructure Bonds and bonds in general have become quite popular with retail investors in the past with reports indicating that retail investors have overtaken traditional holders of government bonds such as insurers.

Accordingly, this proposal can be seen as an attempt by the government to subject to interest income paid to resident retail investors and increase the tax base.

It remains to be seen what the effect of the imposition of the reduced 5% withholding tax as opposed to the 15% withholding tax applicable on normal bonds will have on the uptake of Infrastructure Bonds by retail investors.

Proposed Effective Date: 01 July 202

The Bill proposes to exempt from income tax the payment of pension benefits to a person upon attainment of the retirement age determined by the rules of their respective registered retirement scheme.

In addition, the exemption shall also apply where a person retires early prior to attaining the retirement age due to ill health or withdraws from the fund after twenty (20) years from the date of registration as a member of the fund.

Implications This proposal will encourage saving for retirement through registered scheme and prevent early withdrawals due to the conditions for the exemption such as the requirement for withdrawal after twenty years from the date of registration as a member of the fund.

Effective Date: 01 July 2024



Sustainable governance in a VUCA world & its impact on investments.

VUCA Model

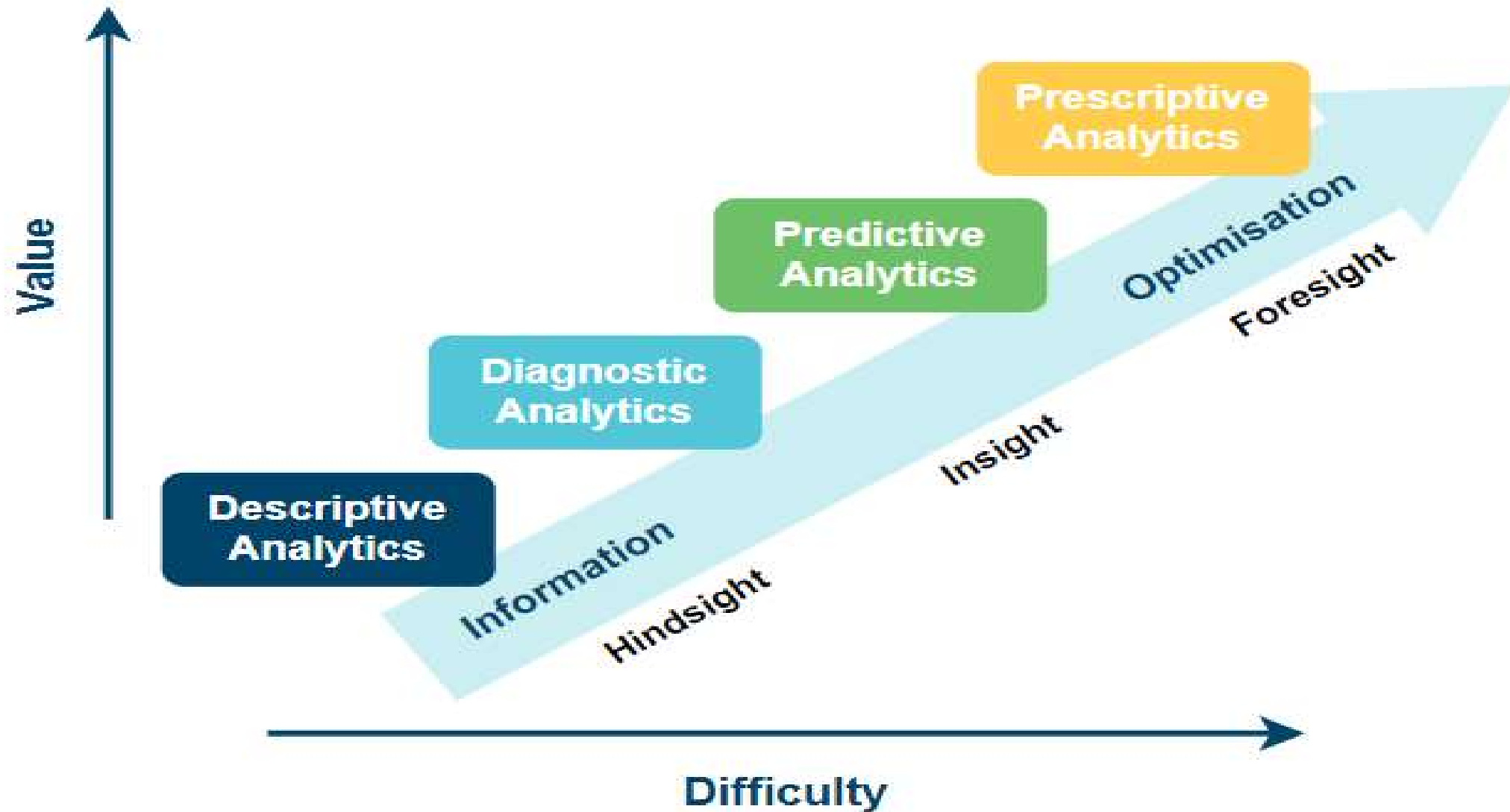
The world we live in is often described as VUCA: Volatile, Uncertain, Complex, and Ambiguous. This environment presents challenges for governance, but also opportunities for those who embrace sustainability.



VUCA stands for:

- ✓ **Volatility:** Rapid and significant changes in markets, economies, and regulations.
- ✓ **Uncertainty:** Difficulty in predicting future events and outcomes.
- ✓ **Complexity:** Interconnected and interdependent systems that are difficult to understand.
- ✓ **Ambiguity:** Lack of clarity or multiple interpretations of a situation.

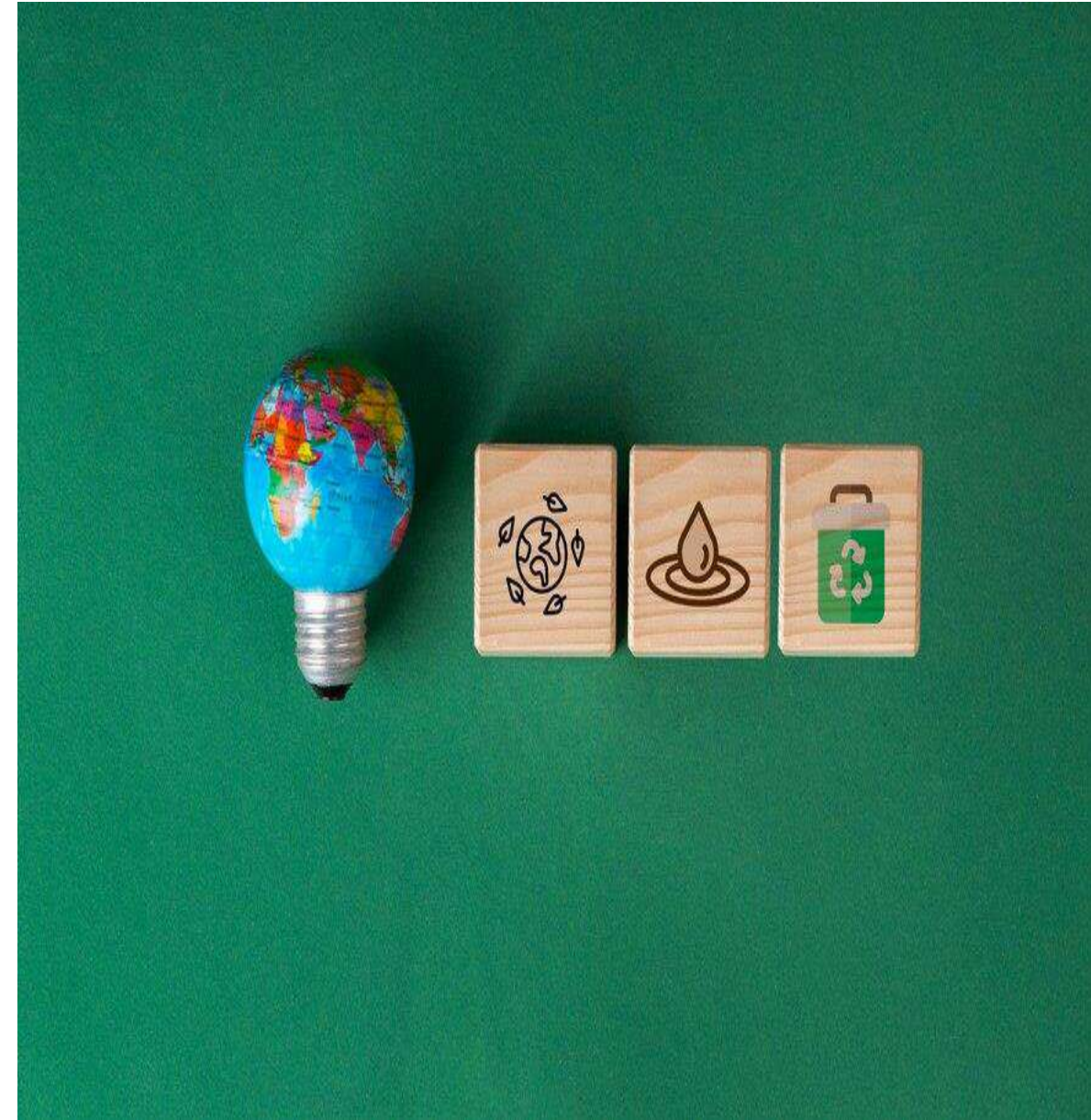
The Opportunity of Data Analytics



What is Sustainable Governance?

Sustainable governance is a holistic approach to managing an organization that considers:

- ❑ **Environmental factors:** Minimizing the company's environmental impact.
- ❑ **Social factors:** Ensuring fair labor practices, diversity, and community engagement.
- ❑ **Governance factors:** Implementing ethical practices, transparency, and accountability.



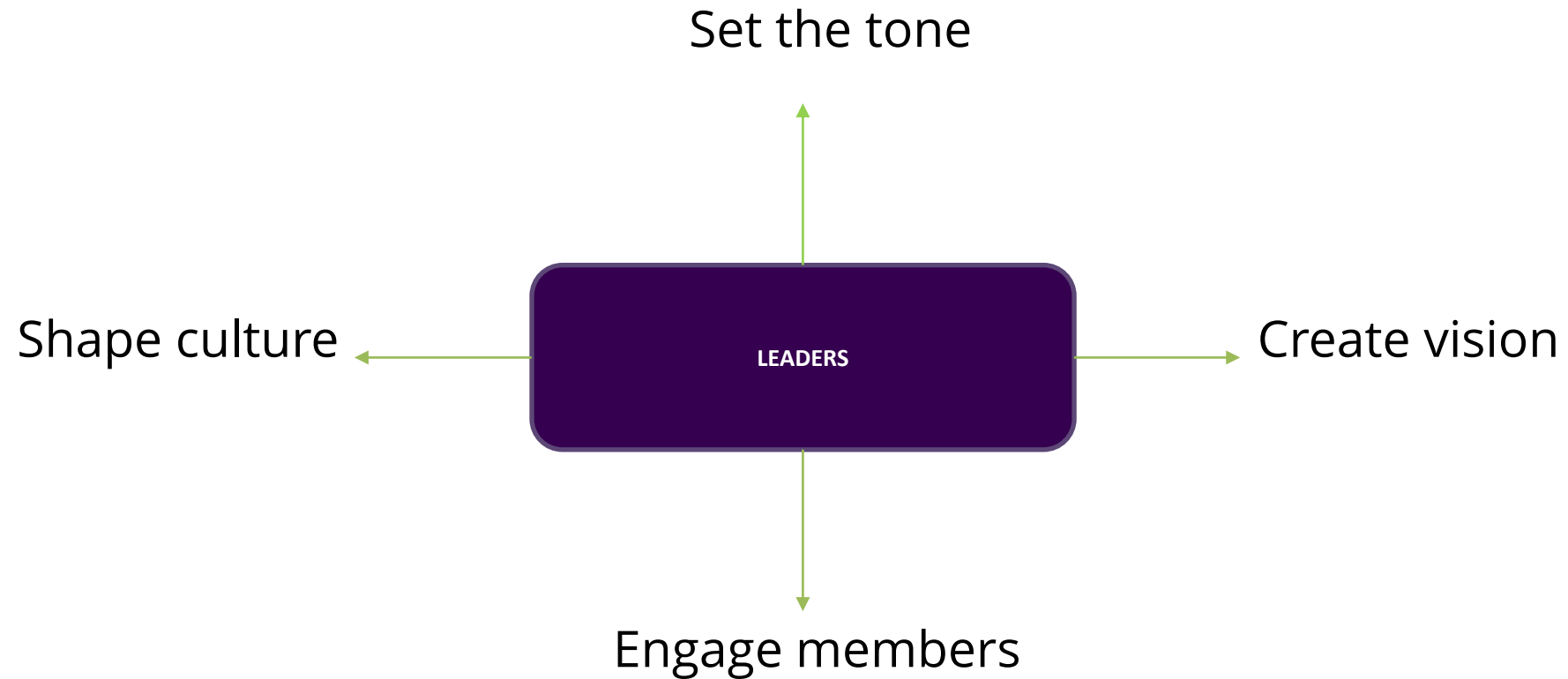
Why is Sustainable Governance Important in a VUCA World?

- ❑ **Mitigates Environmental Risks:** Climate change, resource scarcity, and pollution pose significant threats to businesses. Sustainable governance helps companies manage these risks and build resilience.
- ❑ **Improves Brand Reputation:** Consumers are increasingly making purchasing decisions based on a company's social and environmental responsibility. Sustainable governance can enhance brand reputation and customer loyalty.
- ❑ **Manages Regulatory Risks:** Governments are implementing stricter regulations on environmental and social issues. Sustainable governance helps companies stay ahead of the curve and avoid regulatory sanctions.
- ❑ **Attracts and Retains Talent:** Millennials and Gen Z prioritize working for companies with strong ESG values. Sustainable governance practices can attract and retain top talent.

Impact of Sustainable Governance on Investments

- ❑ **Sustainable investments are on the rise:** Investors are increasingly recognizing the long-term value of companies with strong ESG practices.
- ❑ **Outperformance Potential:** Studies have shown that companies with strong ESG practices can outperform their peers in the long run.
- ❑ **Risk Reduction:** Sustainable governance helps companies manage risks associated with environmental, social, and governance issues, leading to more stable returns for investors.
- ❑ **Increased Investor Demand:** There is a growing demand from institutional investors and individual investors for sustainable investment options.

Role of Leaders



- ❑ **Integration of ESG factors:** Environmental, Social, and Governance (ESG) factors are crucial for sustainable long-term returns. Trustees should integrate ESG considerations into investment analysis and decision-making. This involves assessing how companies manage environmental risks, social issues like labor practices, and governance aspects like executive pay and board structure.
- ❑ **Engagement with investee companies:** Trustees can engage with companies in their portfolio to encourage sustainable practices. This could involve proxy voting on ESG resolutions, dialog with company management, and collaboration with other investors.
- ❑ **Risk management:** VUCA environments expose investments to new and evolving risks. Trustees need to identify, assess, and manage these risks, including those stemming from climate change, social unrest, and technological disruption. Sustainable governance practices can help mitigate some of these risks.
- ❑ **Alignment with beneficiary interests:** Trustees have a duty to act in the best interests of beneficiaries. Sustainable governance can contribute to long-term financial returns, which aligns with beneficiary interests.

Implementing Sustainable Governance: A Guide for Pension Trustees

- ❑ Develop a clear ESG policy that aligns with your values and risk tolerance.
- ❑ Integrate ESG factors into your investment analysis and decision-making processes.
- ❑ Engage with companies on ESG issues and promote positive change.
- ❑ Regularly monitor and report on your ESG performance.



Checklist For 21st Century Trusteeship



1. Good governance
2. Clear roles and responsibility
3. Clear purpose and strategy
4. Trustee training
5. Skills and experience
6. Advisers and service providers
7. Managing risk
8. Managing conflicts of interest
9. Meetings and decision making
10. Value for members



**Good Trustees grow
scheme benefits .**

**Great Trustees change
lives.**

Session - 3

Personal Finance

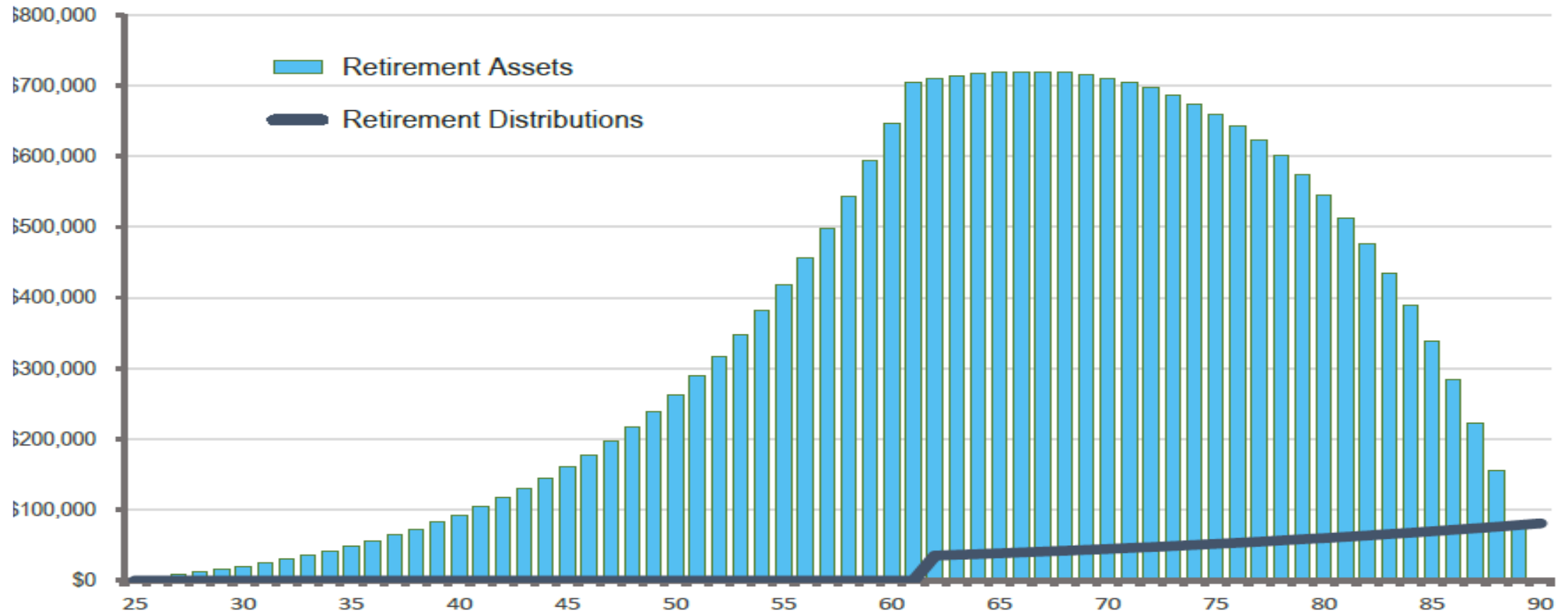
Fun Question

**If your money was
your spouse, how
would you describe
your relationship?**



Decumulation

Spending down your retirement savings strategically



Three Types of People

Victors - Those who
make things happen

Those who watch things
happen : Spectators

Those who things
happen to : Victims



What you focus on matters...

Opportunities are nowhere

Did you see

Opportunities are nowhere

or

Opportunities are now here

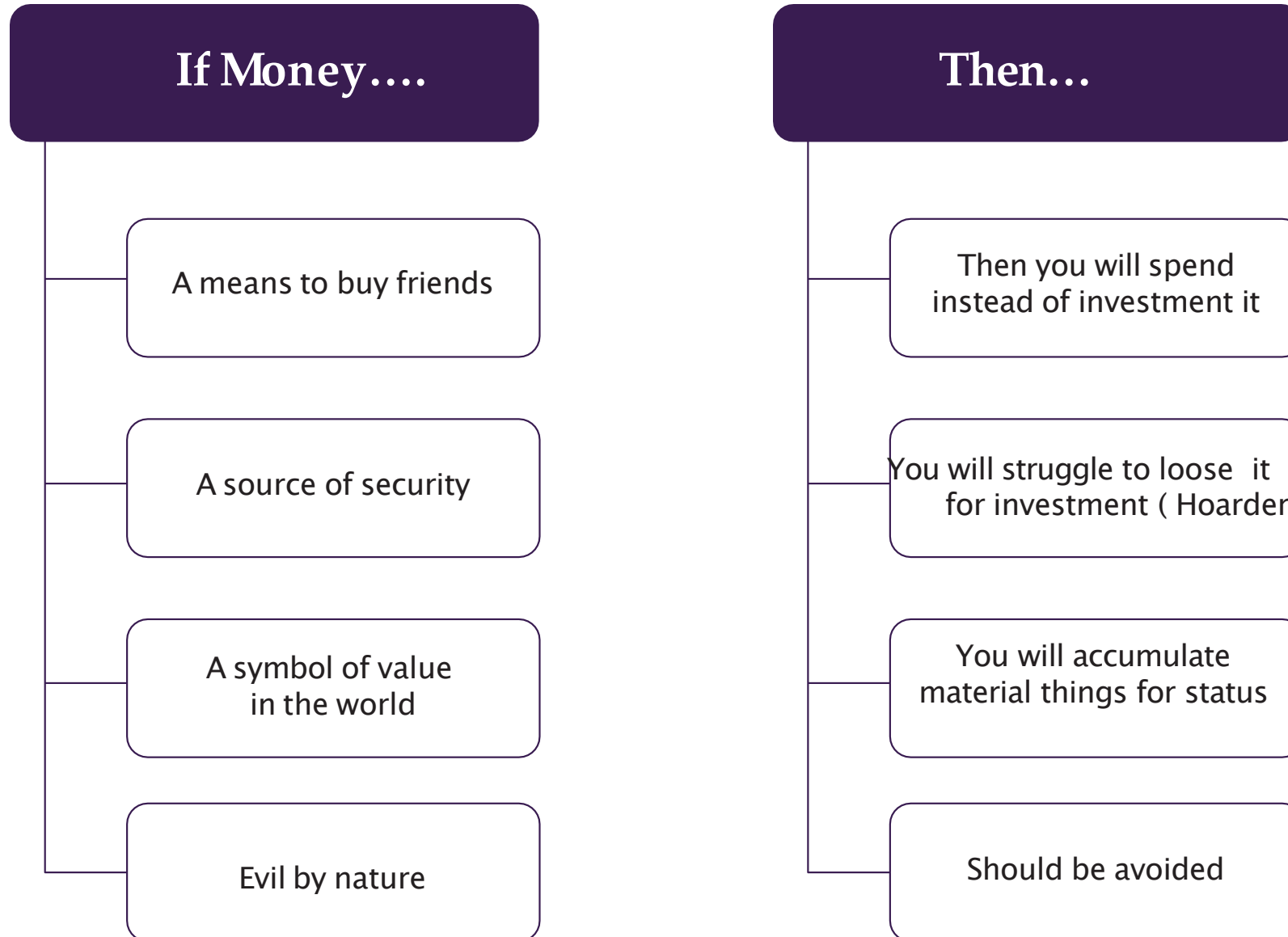
?

“resources have never
been scarce ,only
resourceful minds are”

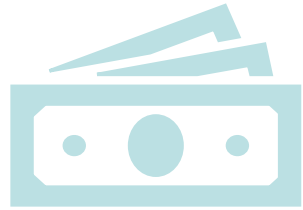


The Starting point

- Evaluate where you are
- Where you want to be
- How do you get there
- Why do you want to get there
- What do you have at hand
- What are the risks



The Poor and Rich Mindset



Poor

- Hate the rich
- Look for money
- Use time to save money
- They eat the future now
- They spent by hope ... expected income
- They make long-term commitments based on short-term commitments
- Take money to the Bank for Safety



Rich

- Celebrate one another
- Look for opportunities to express purpose
- Use money to save time
- They enjoy progressively
- They earn and spent
- They get their priorities right at each life stage
- Take money to the bank as collateral

Some Fun Questions

Would you rather have a spouse who is beautiful/handsome but broke or less beautiful/handsome but rich?



Ambition vs Capacity

A danger often faced by people is
*trying to do too much with too little
Capacity*



Assets vs Liabilities

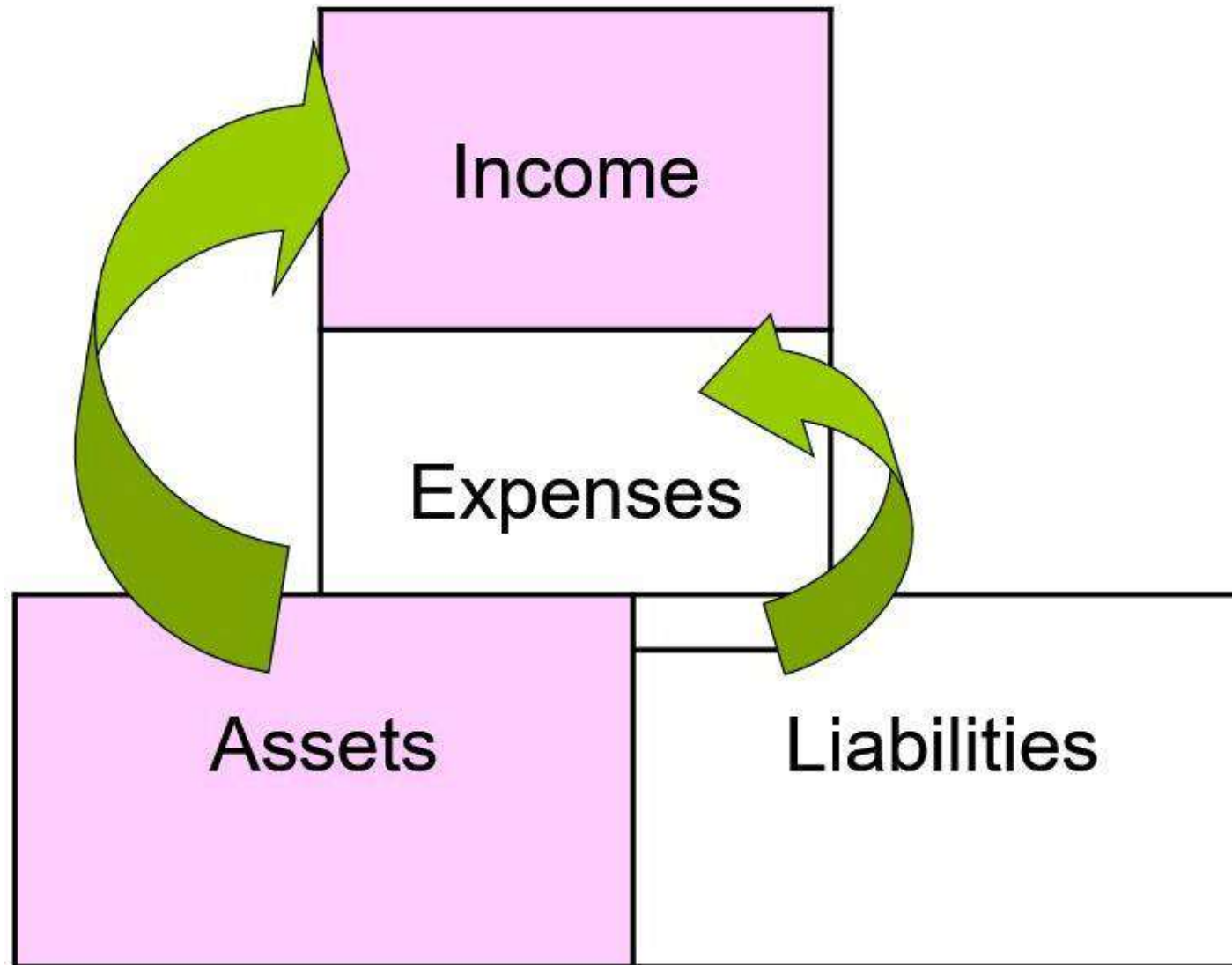
 Difference between Asset & Liability Watch later Share



Assets
✓ make you money

Liabilities
✓ Cost you money

IMPORTANT!
✓ Don't confuse the two!





Ability to attract wealth

Skill, Experience , competency
Career, Credibility (Employee or
Business Owner)



Ability to Preserve wealth

Spending and savings behavior,
knowing your why



Ability grow wealth

Savings , financial knowledge , risk
management, , discernment of time
and risk

Investing as a **Growth** Opportunity

- **Equity / Shares**
 - Dividends , Capital Appreciation
- **Interest Bearing Assets**
 - Coupons
 - Interest
 - Cashflow
- **Property**
 - Capital appreciation
 - Rental Income
- **Insurance Products**
 - Protect Capital, Risk assurance
 - Declared Interest
- **Alternative Investments**
 - Private Equity
 - Derivatives (Cost savings, Profits)
 - Agribusiness Funds

Investments

**3.
Risk
Appetite**

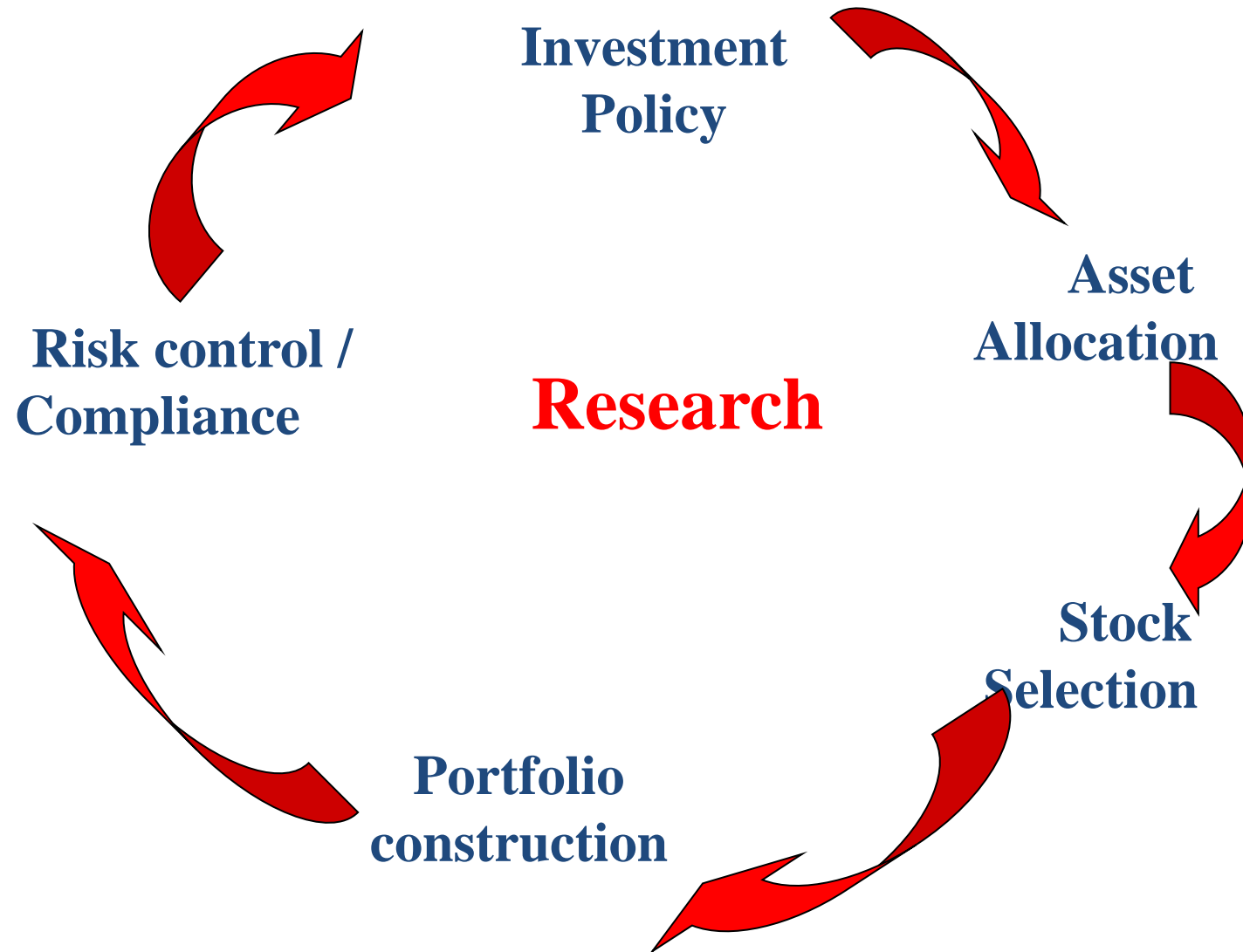
**1.
Objectives**

**2.
Horizon**

Your 3 Investment Cooking Stones



Decision Making Process



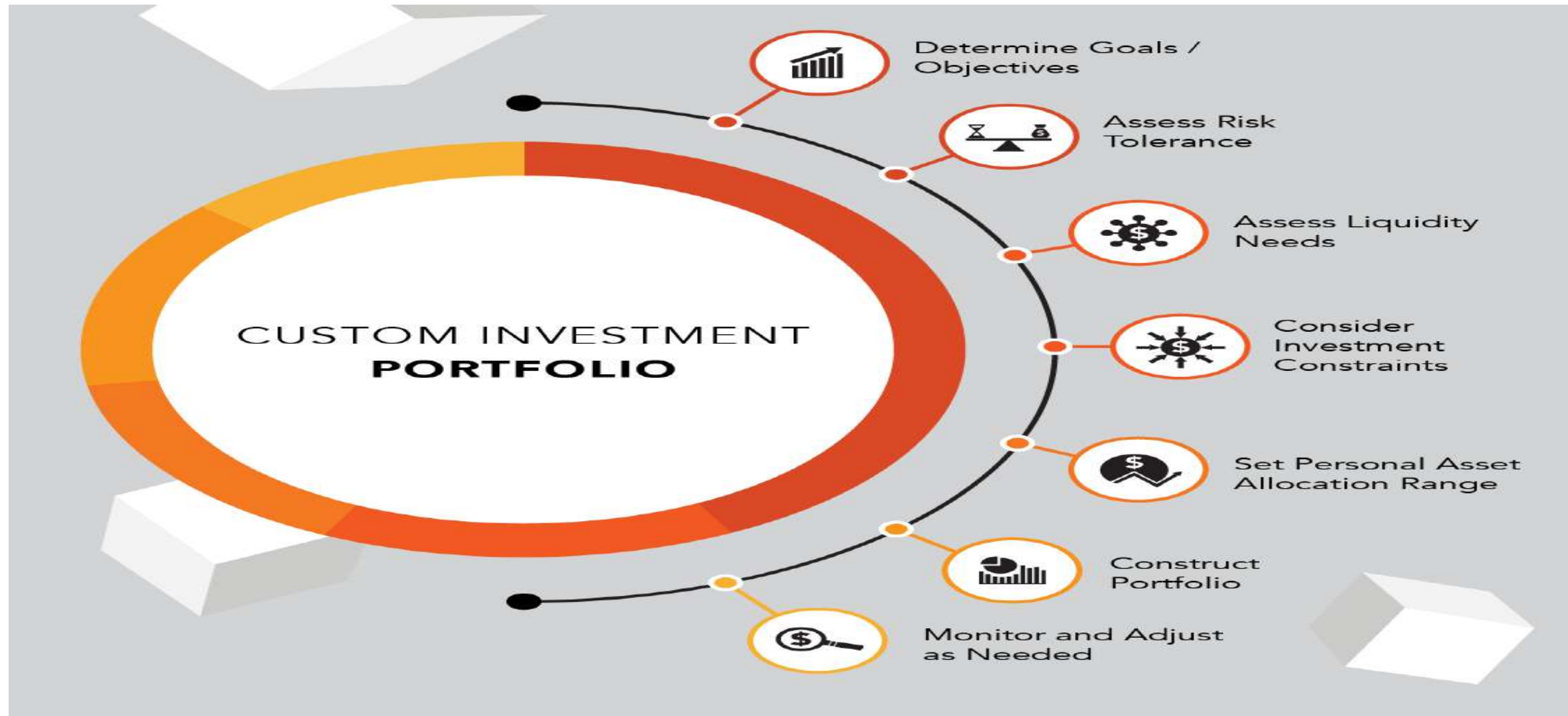
Where do I Invest?

Asset class	Returns	Volatility	Liquidity	Suitability
Equities	Dividends	High Volatility	Moderate to high liquidity	Short-term & long-term investors
Fixed Income Securities	Interest income	Low volatility	Moderate to High liquidity	Short-term & long-term investors
Mutual Funds	Capital appreciation Interest Income Dividends	Low volatility	Moderate to High liquidity	Short-term & Long-term investors
Private Equity	Dividends Capital appreciation	Relatively stable	Low liquidity	Long-term investors
Real Estate	Rental income Capital appreciation	Relatively stable	Low to moderate liquidity	Long-term investors
Structured Products	Capital appreciation Dividends Interest Income	Low to moderate volatility	Moderate liquidity	Long-term investors
Pension funds	Capital appreciation Dividends Interest Income	Low to moderate volatility	Moderate liquidity	Long-term investors

Diversifying Investment Portfolio

Age	20 – 30	31 – 40	41 – 50	51 – 60	61 – 70
Equities	60%	40%	30%	20%	15%
Fixed income	25%	25%	25%	25%	35%
Property	10%	30%	40%	50%	40%
Other	5%	5%	5%	5%	10%

Sample Portfolio Structure



Key Notes on Toxic Charity:

ONE:

Give once and you elicit appreciation;

TWO:

Give twice and you create anticipation;

THREE:

Give three times and you create expectation;

.

FOUR:

Give four times and it becomes entitlement;

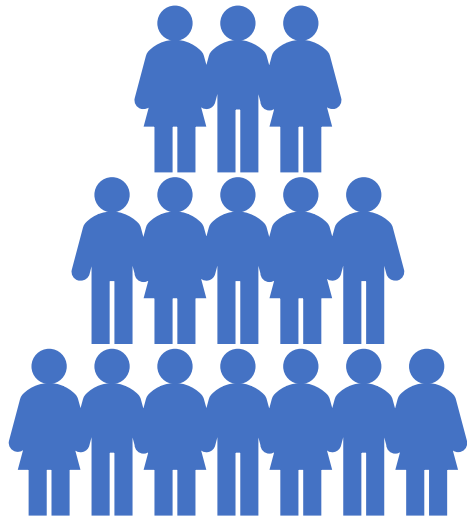
FIVE:

Give five times and you establish dependency.



PENSION | INSURANCE | INVESTMENTS

✉ www.enwealth.co.ke ☎ 0701617443 | 0788617443



Financial Planning Lessons from Football

- Each team has a coach
- Each game has a Half time
- Each team has diversified
- Substitutes are allowed
- Have a game plan “ your strategy”
- Celebrate every win moment
- Play with the end in mind
- Each team has a reserve bench – emergency savings
- Each team has a cheering squad



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