

POST RETIREMENT MEDICAL SCHEME

The Board and the Sponsor started a process of completing establish a Post Retirement Medical Scheme. The objective of the Post Retirement Medical Scheme, is to provide medical and curative treatment services to retired and retiring members of the Scheme/Fund.

Members in service will be required to contribute a certain amount from their basic salary for a given period of time, after which the contribution will stop and the member shall wait for retirement to experience and receive the services of the Scheme.

For the members, who would have retired, or nearing retirement, and would wish to participate in the Post Retirement Scheme, they will be required to pay up a certain determined lump sum amount to the Scheme, to enable them receive and enable the prescribed medical benefits

If the employer favourably considers, it may contribute a seed fund to start-off the Scheme. The Scheme is expected to provide medical comfort to retirees as regards to medical costs.

The Consultants have completed designing the Scheme .The Board is organizing for education to members to disseminate further details on how the Scheme will operate to all members.

All members are therefore encouraged to actively register and participate in the proposed Post Retirement Medical Scheme.

GROUP LIFE COVER FOR RETIREES

The Board has secured a group life cover for its retirees. The cover cushions retirees and their dependants in event of passing on.

The benefit shall be that in event of occurrence of death, of the retiree or a dependant, the dependants will receive three years (36 months) of the last value of insured monthly pension. The following example illustrates the value of the cover:-

S/No.	Name of Retiree	Monthly Pension	Premium (P.a)	Value of Cover
1.	A. Another	40,941.00	5,527.00	1,473,876.00
2.	Retiree O.	126,536.00	17,082.00	4,555,296.00

The cover has also the following benefits:-

- (i) Last expense Kshs. 100,000.00 payable within 48 hours of notification of demise.
- (ii) Critical illness benefits of 30% of the sum assured upto a maximum of Kshs. 4,000,000.00 also offered at no addition cost.
- (iii) Free cover limit of Kshs. 10,000,000.00 beyond which a medical examination report will be required.
- (iv) Claim settlement will be within three days of receipt of discharge form.
- (v) No Hiv/Aids exclusion.

COMPLETION OF THE OFFICE DEVELOPMENT.

The Board complete to develop its office space along Uganda Road. The building is now ready for occupation. A number of client have bought and many have reserved space for purchase. The University has reserved and committed to purchase on tower of the building shortly.

ANNUAL GENERAL MEETING

The Board has scheduled an Annual General Meeting for Thursday 19th October 2017 at College of Health Sciences, Medical Education Centre Hall. You are therefore requested to attend promptly.



Tabain Plaza, Ronald Ngala street, 3rd Fl.
(053)2062806, 2061996, 2062033
+254 707 199 100
info@mups.co.ke
www.mups.co.ke

Issue
14

October
2017



The Pensioner

NEWS LETTER FOR CURRENT AND FUTURE PENSIONERS

Summary Report for 2016

INTRODUCTION

The Board of Trustees presents the results and performance of the scheme for the financial year ended 31st December, 2016. In the year under review, the investment environment was not fair in terms of performance and growth.

TABLE 1

Performance In 2016	2016	2015
	Ksh.'000'	Ksh.'000'
Gross Investment Income Including contribution	1,174.138	995.202
Trust Expenses	16.157	14.295
Fund Management Expenses	36.430	36.904
Administrative Expenses	35.634	32.660
Retirement Benefit Authority Levy	5.000	5.000
Gross Investment Return	3.5%	(1.3)%

INVESTMENT RETURN TO MEMBER ACCOUNT

The scheme registered a positive return in 2016 of 3.5% as opposed to (-1.3%) in 2015. On recommendation of the Actuary, the Board has considered and approved a return of 5% to be credited to each member account.

OUTLOOK

The performance for 2017 is likely to be better than 2016. Since January 2017, the Fund has grown by over 34% from Kshs.7.666 billion in January 2017 to Kshs.10.265 in August 2017. It is anticipated that the fund may grow to over Kshs.11.00 billion by the end of 2017.

GROSS INCOME

The gross income has grown by 48.00% from Kshs. 3.222 billion in the year 2012 to Kshs. 4.769 billion in 2016.

NET INCOME

The net realized income trend has consistently shown a positive growth. In the year 2016 although the overall performance reflected an improvement though the actual performance for the year 2015 had a reduced results due to loss in fair value of Government securities and quoted shares/stocks.

FINANCIAL PERFORMANCE OF THE FUND

The financial performance of the fund for the years 2011 to 2015 shows a sustained upward growth of 117.07% from Kshs. 3.175 billion in 2012 to Kshs. 7.666 billion in December 2016. This is mainly attributed to members and sponsor's contributions and high income generated through various investment portfolios (Refer to Table 2 together with its graph)

TABLE 2: FIVE YEAR CUMULATIVE GROWTH TREND

YEAR	2012	2013	2014	2015	2016
	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"	Kshs. "000"
Fund	4,229,203	5,357,414	6,442,976	6,891,676	7,666,057
Gross Income	3,222,112	3,975,685	4,606,912	4,518,766	4,769,140
Net Income	1,925,617	2,603,813	3,145,202	3,017,057	3,267,031
Expenses	65,085	75,376	89,778	88,859	93,221

FIVE YEAR CUMULATIVE GROWTH TREND AS AT 31ST DECEMBER 2016

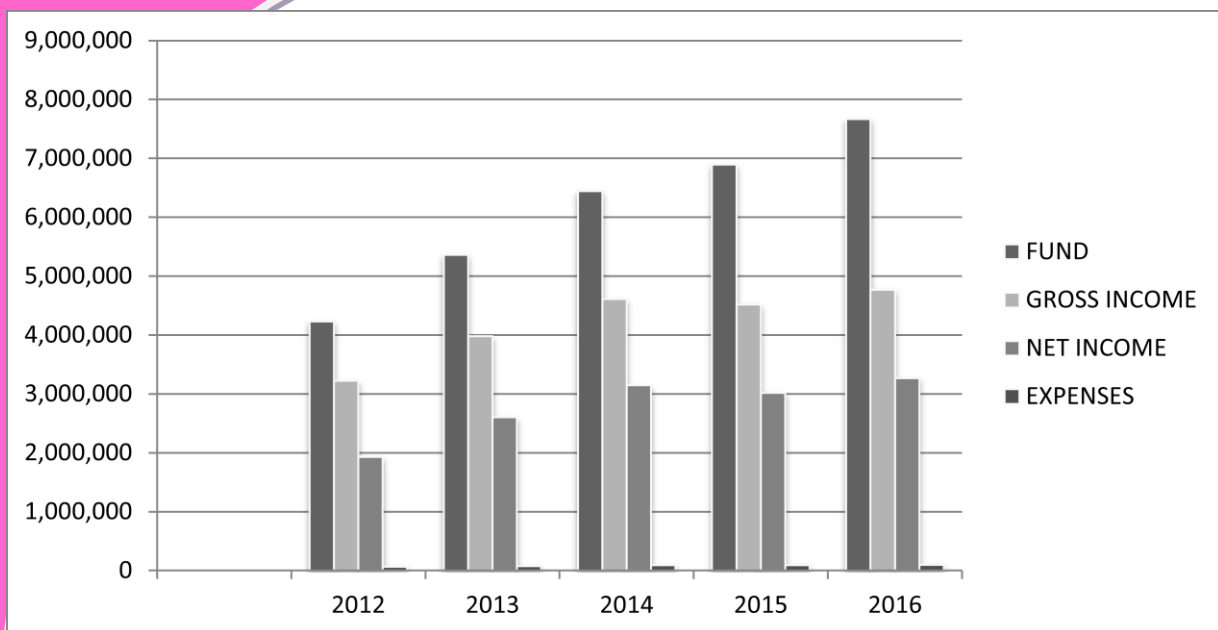


TABLE 3: MEMBERSHIP

The membership of the Scheme has grown from 4330 members in 2015 to 4658 in 2016

Membership movement	2016
As at 31st December 2015	4330
New Entrants	367
Retirements	(28)
Withdrawals	(5)
Death in Service	(6)
As at December 2016	4658

TABLE 4: INVESTMENT OF FUNDS

The investment portfolios as at 31st December 2016 were as follows:-

Portfolio	Kshs	%
Cash and bank balances	223,049,043.00	2.37%
Property investment	4,405,084,524.00	46.77%
Investment shares – local	1,199,964,403.00	12.74%
Investment shares – offshore	22,255,390.00	0.24%
Fixed deposits and unit trust	238,502,211.00	2.53%
Kenya Government securities	3,012,317,771.00	31.98%
Corporate instruments	317,501,124.00	3.37%
TOTAL	9,418,674,466.00	100%

TABLE 5: RETURN ON INVESTMENT AND MEMBER ACCOUNT FOR THE LAST TEN YEARS

Year ending 31 st December	Estimated Net (of expenses) return	Rate of return (Declaration to Member Accounts)
2007	8.5%	10%
2008	(5.8%)	5%
2009	8.6%	7%
2010	20.1%	10%
2011	(9.2%)	0%
2012	22.0%	12%
2013	20.2%	10%
2014	9.6%	10%
2015	(1.3%)	5%
2016	3.5%	5%

The positive growth of 22.0% in the year 2012 is so far the highest in the history of the Scheme. This was mainly attributable to increased income from operations and gain in value of Equities and Government Securities.

TABLE 6: MOVEMENT OF THE FUND FOR THE YEAR 2016

Performance of the fund for the year 2016	Dec 2016 Kshs. "M"
Opening balance as at 1 st January, 2016	6891
Additions during the year – contributions and income	1174
(Loss)in value of investments	(137)
TOTAL	7928
Investment Management Expenses	(41)
Benefits Paid	(169)
Administrative and operating expenses	(52)
TOTAL	(262)
CLOSING VALUE	7666

FINANCIAL PERFORMANCE – 2016

Income and expenditure

The gross income from operations/investments for the year 2016 amounted to Kshs 481.168 million while the net income before unrealized loss on investments was Kshs 387.947 million compared to Kshs 248.522 in 2015.

The unrealized loss on valuation of shares/stocks and government securities amounted to Kshs.137.573 million thus a net realized income of Kshs 250.375 million as detailed on Table 7 below.

Balance Sheet

The assets of the scheme increased by 6.97% from Kshs. 6.892 billion in 2015 to Kshs. 7.666 billion in 2016.

TABLE 7: COMPARATIVE INCOME AND EXPENDITURE SUMMARY- 2016 AND 2015

	2016 (Kshs 000)	2015 (Kshs 000)
Gross Income	481.168	337.381
Gross expenditure	(93.221)	(88.859)
Net Income before movement in fair value of Investment	387.947	248.522
Change in fair value of investments	(137.573)	(336.667)
NET INCOME	250.375	(88.145)

AUDITED FINANCIAL STATEMENT

**Moi University Pension Scheme
Financial Statements
As at 31 December 2016**

Statement of net assets available for benefits

	Notes	2016 Kshs.	2015 Kshs.
Assets			
Equipment, furniture & fittings	8	6,072,770	1,716,689
Property investment	9	4,405,084,524	3,099,203,974
Financial assets	10	4,730,540,899	4,294,055,599
Contributions due	11	269,384,832	159,190,764
Other receivables and accrued income	12	14,854,276	153,924,126
Cash at bank and on hand	13	223,049,043	91,284,959
Total assets		9,708,986,345	7,799,376,110
Liabilities			
Unpaid benefits	14	102,031,852	97,089,406
Bank loan	15	1,605,125,662	381,942,055
Other payables and accrued expenses	16	335,771,359	428,668,383
Total liabilities		2,042,928,872	907,699,855
TOTAL NET ASSETS		7,666,057,472	6,891,676,255
REPRESENTED BY:			
Members account and reserve fund		7,666,057,472	6,891,676,255

The financial statements on pages 10 to 24 were approved by the Trustees on 29/3/17 and signed on their behalf by:

[Signature]
Chairman

[Signature]
Trustee

[Signature]