

THE FMA REPORT

A PUBLICATION OF



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The Chairman's Report



On behalf of the Fund Managers' Association (FMA), it is my pleasure to present the association's third annual newsletter. The

bulletin targets not only our members, but also our clients, regulators, other industry associations and stakeholders in the fund management and investment sector.

To say that 2020 has been a challenging year, would be an understatement. In this environment, it has been inevitable that a number of FMA activities planned for the year, had to be curtailed. Nevertheless, I am pleased to report that the FMA and its members continued to actively pursue our strategic goals with a spirit of hope and resilience throughout the year.

In mid-February, we met for our Annual General Meeting and as required every two years, a new leadership team was appointed. I had the honor of being elected as the FMA's new Chairman and Rebecca Tiba of Madison Investment Managers Limited was voted in as the first female vice-

Chairman of the FMA. In addition, the leadership of all the FMA committees changed and although since March, we have not been able to meet in person, I am pleased to report that all committees continued their work unabated and met on a regular basis.

New Collective Investment Scheme (CIS) Committee

Of the 15 FMA members, 13 offer Collective Investment Schemes (CIS)'s to their clients. Some, but not all had been members of the Association of Collective Investments Schemes (ACIS) and after discussions which went on for over a year, it was agreed that ACIS would be wound up and a new substantive FMA CIS committee would be formed to represent the interests of members offering such products. Therefore, in addition to the five existing committees, the Collective Investment Schemes (CIS) Committee was formed and Peter Anderson of UAP Old Mutual was elected its first chairman.

In 2020, the FMA actively participated in a variety of noteworthy activities throughout the year, these include:

FMA Strategy Session

Quick highlights:

1. Congratulations again to Jonathan Stichbury and Rebecca Tiba in taking up your new roles as FMA Chair and Vice Chair.
2. Congratulations also to the following committee Chairs and their Vices:
 - a. Stakeholder Committee – Einstein Kihanda, Chair and Patrick Kaniu, Vice Chair
 - b. Public Markets Committee – Anthony Mwithiga, Chair and Elizabeth Irungu, Vice Chair
 - c. Alternative Investments Committee - Nicholas Ithondeka, Chair and Kenneth Kaniu, Vice Chair
 - d. CSR & Staff Affairs Committee – Rose Limo, Chair and Samantha Ngeera, Vice Chair
 - e. CIS Committee – Peter Anderson, Chair and Stanley Mutuku, Vice Chair
 - f. Internal Committee – Jonathan Stichbury, Chair and Rebecca Tiba, Vice Chair and Einstein Kihanda, immediate past Chair.
3. Key areas to focus on in 2020:
 - a. Public Relations and Exposure of FMA
 - b. Sustainability and Fund Raising
 - c. Stakeholders Engagements
 - d. Promote and Get the CIS Committee Up and Running.



The Chairman's Report (contd)

- Providing input to the Capital Markets Authority (CMA), in the preparation of the Guidance issued by the CMA for Collective Investment Schemes on Valuation, Investment Performance Measurement, Reporting and Other Related Matters in September 2020.
- F M A member firms contributed over Ksh 10 million in financial support to the Kenya COVID-19 Emergency Response Fund or the Capital Markets COVID-19 Emergency Response Fund.
- Providing practical feedback to Government of Kenya and a variety of regulators on various policy proposals and risk assessments.
- Providing frequent panelists on industry or related forums, as well as expert presenters in Continuous Professional Development (CPD) workshops and webinars.
- Supporting investment related initiatives such as Kenya Pension Fund Investment Consortium ("KEPFIC") and FMA will shortly execute a Memorandum of Understanding with the Institute of Certified Investment and Financial Analysts (ICIFA) to work together to enhance professional standards within the investment industry.

So despite everything, it has been a busy year for the FMA and I would like to thank all those who have given up their time, knowledge and energy to help ensure that the FMA's voice is increasingly recognised and heard.

I trust that as you reflect on this newsletter, you will remember what has been overcome, and embrace the exciting opportunities that await the FMA in 2021.

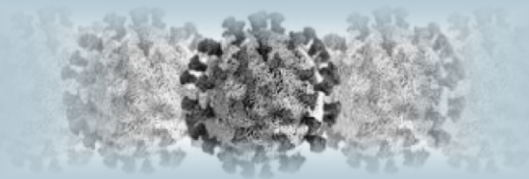
ACIS FMA Coming Together Toast



Kenneth Kaniu, Chair ACIS and CEO Britam Asset Managers and Jonathan Stichbury, Chair FMA & MD & CEO of Sanlam Investments East Africa.



COVID AT WORK



Members shared their experiences during the Covid-19 virus restrictions period in response to CMAs request to see if they can assist.

The general response was that:

1. The outbreak was scary at first and caused panic, but firms have managed to work around it.
2. Majority of firms have 10% of their staff working at the office while 90% from home.
3. Businesses operations, clients, portfolios have generally not been affected.
4. Firms with Money Market funds have seen a growth in saving as people are spending less and have more cash to spare.
5. The pandemic has seen the Collective Investments Schemes industry AUM grow rapidly. The focus on saving became more important as households became more uncertain of their future. The lessons learnt have presented an opportunity to growth the industry even further.



A YEAR OF SILVER LININGS

As if to portend what this year would be like, it began with an illness out of nowhere and a violent robbery. But the year was just getting started - the year that made history...and my year.

2020 for me, is the year that has truly lived out the adage 'every cloud has a silver lining'. I got the best job I could have asked for in the most miraculous way... I also got married to the love of my life - and enjoyed an extended time of early married bliss working from home.

This is also the year I got the sickest ever, and appreciated the value of good health. In the grand scheme of global devastation, of which I too have had a bitter taste, this is the year that I have truly learned that I can be grateful in the midst of despair, especially for the 'little' things - the silver linings.

Winnie Gichuki - Fusion Investment Management

The first time I heard about Robert Frost, I couldn't help but develop a certain air of negativity towards him. Who wouldn't? This is a man who said things like 'in three words, I can sum up everything I've learned about life: it goes on'. Does life really go on? Or does it change when your reason to live is snuffed out? Would you say your life would go on if that one person you really cared about were to suddenly depart from your life?

They say life is what happens to you as you're busy making other plans. We are taught to never get comfortable, to always plan for the next move, to stay hungry, to be a chess master. Sadly, they forget to teach us to live. 2020 stripped away the constant planning and the constant hunger, leaving us with just three things; Health, family and love. This year has taught me that these matter the most. Of course plus sanitizing and wearing a mask. Since March, when we were told about the first Covid 19 case in the country, I immediately thought of what to stock up, how much money to save, how to secure my job and whether my parents would be safe. I never thought of where I'm going to be in the next 5 years. Never thought of that trip to Zanzibar.

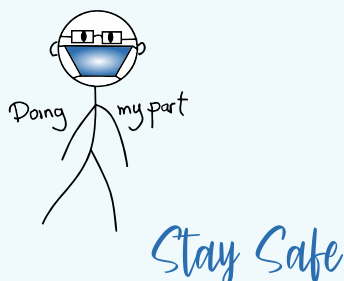
I have learned to breathe, to be patient, to care for others and to appreciate the underrated value of rest. In essence, my life has been one of fear, solitude, hope, and learning to let go. 2020 has been nothing but a roller-coaster of emotions. I can't wait for a change. That is why I believe, life doesn't go on, it changes.

Neville Tadayo- Madison Investment Managers

I remember the gaze on her face. Was she hearing me? I wondered. This was the 2nd relapse from her first diagnosis of depression in 2016. I don't recall celebrating the Christmas festivities or even having a new year's resolution. We were all caught up taking care of mum. By January, she neither eating or sleeping and we had to get her admitted. I juggled from work to hospital and somehow we pulled through by the end of February. And as I look at her now, I can testify of having seen one touched by the hand of God. And that one who does not believe in the divine creator has never pondered a miracle.

I was back at work in March, where working late was the norm trying to meet my monthly budgets when Covid 19 happened. 2020 has been the year of survival. Indeed, life never stagnates and as it changes, we need to readjust, and the process demands committed energy and time. You can have a better life. The best life. Live life at its best and find new energy and peace.

Mary Nganga, Madison Investment Managers



QUIZ NIGHT COMPETITION



Team GenAfrica Asset Management



Team Apollo Asset Management

What an exciting time we had at the 7th FMA Quiz Competition!

Congratulations to **Apollo Asset Management - 2020 winner!**

1st Runner up - GenAfrica Asset Management
2nd Runner up - Genghis Capital



Martha Mueni
Team Leader
Apollo Asset Management

FMA Members

The FMA is a Kenyan trade association established in 2010 to promote responsible and sustainable fund management. It is only open to CMA licensed fund management firms, which manage between them in excess of Sh1 trillion and over 95 per cent of Kenya's pension and CMA regulated CIS assets.

African Alliance Asset Management	Fusion Investment Management
Absa Asset Management	GenAfrica Asset Management
Apollo Asset Management	Genghis Capital
Britam Asset Managers	Madison Investment Managers
NCBA Investment Bank	Old Mutual Investment Group
CIC Asset Management	Sanlam Investments East Africa
Co-op Investment Services	ICEA Lion Asset Management
Dry Associates Investment Bank	

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