

# THE FMA REPORT

A PUBLICATION OF



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## The Chairman's Report

It gives me pleasure to present the fourth annual newsletter for the Fund Managers' Association (FMA).

After an understandably quiet period in terms of activities for the FMA in 2020, with a reduction in COVID related restrictions, I am pleased to report that the last year has seen a marked increase in the number and level of initiatives relating to important industry matters that the FMA has been engaged in. As a reminder, the FMA has six sub-committees manned by either council members or representatives of member firms.

These are:

- Internal
- Stakeholders
- Public Markets
- Alternatives Investments
- CSR and Staff Affairs
- Collective Investment Schemes

Each is currently headed by an Executive Council member, usually a CEO, but usually supported by a team selected from the wide range of member firms with an objective of ensuring that the FMA gets access to a broad range of skills, knowledge and experience.

I am delighted to report that each Committee has made a mark in 2021. There are too many initiatives to list in total, but



## The Chairman's Report (contd)

during the year, the FMA has formally engaged National Treasury (NT), Central Bank of Kenya, Capital Markets Authority (CMA), Institute of Certified Investment & Financial Analysts (ICIFA), Kenya Pension Fund Investment Consortium (KEPFIC), Association of Retirement Benefits Schemes, Retirement Benefits Authority, Nairobi Securities Exchange, Actuarial Society of Kenya, Custodians Association and the Kenya Deposit Insurance Corporation among others. Further, through our committees, the FMA has made numerous proposals on regulations, some of which have since been adopted into law.

The FMA is also currently represented on the NT's Task Force to develop a Comprehensive National Retirement Benefits Policy and the FMA has now signed Memorandum's of Understanding with both ICIFA and the CMA.

Other FMA's core values include Education and Standards and it also is encouraging that over 100 employees of FMA member firms are now members of ICIFA, further entrenching an ethos of professionalism within the industry and hopefully a feeling of pride in the work that we do.

Therefore, as we reflect on the past year, I am confident that the FMA is on the right track. Despite the challenges of the COVID pandemic, the Association is not only increasingly trusted and respected as an industry body; but also more importantly, our profession is becoming better understood and our activities and professionalism more widely valued. None of this would be possible without the time, commitment and effort of our Executive Council Members, our Secretariat and the volunteers from our member firms who sit on our Committees'.

I thank you all for your service and look forward to engaging with you in 2022.





## FMA MOU with CMA on the Stewardship Code



After a comprehensive stakeholder engagement process under the guidance of the industry-led Stewardship Code Committee (FMA represented), the Stewardship Code for Institutional Investors was gazetted in June 2017. The Stewardship Code is critical in supporting the effective implementation of the

Corporate Governance Code and will ultimately strengthen the quality of engagement between issuers and institutional investors (asset owners and asset managers).

The Stewardship Code was developed pursuant to a recommendation under the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, which provides as follows:

- Institutional investors shall take up the role of stewardship as the representatives of their clients or investors in listed companies or other approved products through their organizations.
- Institutional investors shall commit to complying with the principles of a Code that governs the roles and responsibilities of institutional investors operating under the jurisdiction of the Capital Markets Authority.
- Asset managers (agents of asset owners who provide fund management and other investment services on a commercial basis to asset owners) shall:

1. Be willing to become Code signatories and take on these responsibilities in support of the Code's seven Principles.
2. Post their statements of Code compliance on their own websites, in addition to sending these on to CMA.
3. Meet with issuers and provide constructive engagement in support of the Code and to promote long-term company success.
4. Be open to forming institutional investor associations or use existing associations to promote collective engagement.
5. Develop and implement policies on stewardship outlined in the Code.
6. Vote actively on behalf of the asset owner, based on governance policies, without relying solely on recommendations from service providers, including proxy advisors.
7. Coordinate with custodians to encourage and facilitate efficient and cost-effective proxy voting practices, allowing for timely reporting of voting activity to clients and for tabulation of poll outcomes by companies and their registrars.
8. Be willing to oppose management resolutions where necessary.
9. Show transparency to on stewardship activities, including policies on securities lending.



## SPONSORSHIP

As part of providing a learning and networking platform, ICIFA held its first virtual quiz challenge for CIFA students and graduates on 2nd and 3rd December 2021 that lead to a Grand Finale on 8th December 2021. This is a competition that will focus on testing the participants' knowledge and understanding of the investment and finance industry. ICIFA sought a partnership with the Fund Managers Association towards this initiative for the empowerment of the youth and development of the investment and finance industry. They expect over 500 CIFA students and graduates to participate in the quiz challenge.

FMA took up the Silver sponsorship category.





# QUIZ Night

The 8th FMA quiz competition took place and congratulations to Fusion Investment Management - 2021 winner.

Also, congratulations to  
1st Runner up - Old Mutual and  
2nd Runner up - Sanlam Investment EA.

A total of 120 participants attended the event.



## 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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Mask Up

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