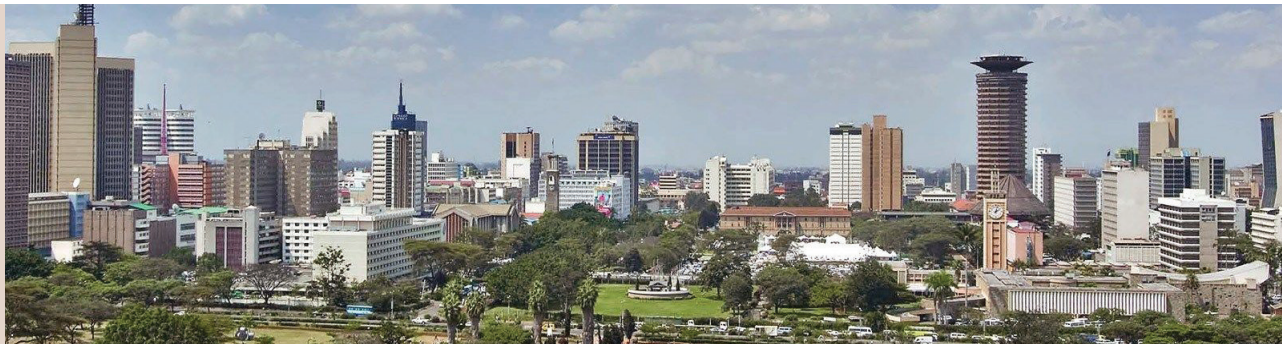
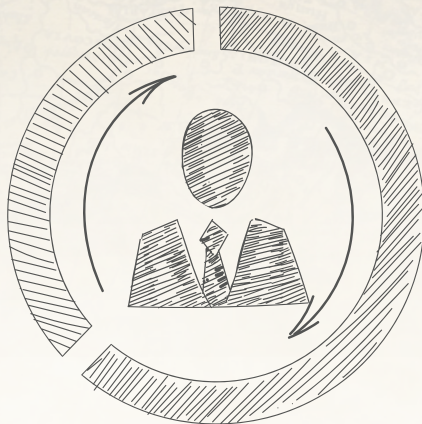




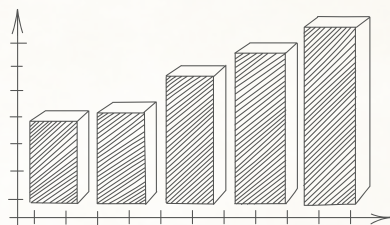
LAPTRUST A HERITAGE OF TRUST



Pensioners;
7,098

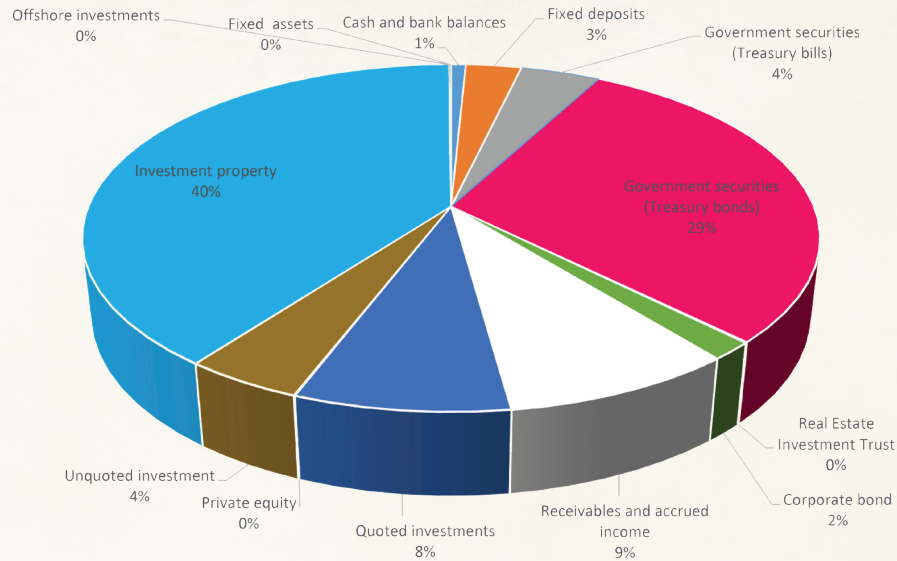


Active Members;
20,936



Fund Value;
47.1 Billion

ASSET PORTFOLIO AS AT 31ST DECEMBER 2018





A word by the Cabinet Secretary, Ministry of Devolution and ASALs

It gives me great pleasure to be part of the 90th Anniversary of the Laptrust Scheme with you the members. This is indeed an organization that is very close to my heart, having served as a Board Member of Laptrust earlier in my career.

The story of Laptrust is the story of devolved governance in Kenya. A legacy spanning nine decades, the history of Laptrust transverses two different eras in the history of the Republic of Kenya. Established in 1929, the scheme has continued to prudently manage the funds and assets owned by members and wish to acknowledge and congratulate the Trustees as well as the management for the great job in prudently running this noteworthy institution. It is indeed one of the few historical institutions of this nature in the country.

In the last decade, the cost of maintaining Defined Benefits (DB) schemes has become a real concern for many employers and governments. With increased life expectancy, investment market conditions that remain volatile and the ballooning cost of maintaining the high benefits in such schemes, many governments the world over have been forced to reconsider pension scheme structures to ensure sustainability and adequacy of benefits for members. This was the case too for the former Superannuation Fund now Laptrust DB Schemes, which now remains closed to new members, but will continue in perpetuity for its existing members.

A word by the Cabinet Secretary, Ministry of Devolution and ASALs (continued)

Globally, Pension schemes have contributed immensely to development. In our neighboring country, Tanzania, the state-run pension fund invested USD 135 million to construct a six-lane toll bridge across Kigamboni Creek in Dar es Salaam as part of investing in infrastructure. Retirement benefits funds are preferable because they tend to be available for the long-term. As a result of this realization, and the growing size of retirement benefits funds in developing countries, the discussions on public policy in the financial services must now include retirement benefits more prominently. I am glad to note that Laptrust has continued to be at the forefront in matter pension in the country, and continues to play a key role in addressing old age poverty.

I therefore take this opportunity as the Scheme's parent minister, to thank all esteemed partners and stakeholders for the role they have played in ensuring the success of the fund. The Ministry of Devolution and ASALs remains steadfast in supporting the Scheme for the welfare of all members, both those in active employment as well as our esteemed pensioners.
Keep the Legacy Going.

Hon. Eugene Wamalwa, EGH
Cabinet Secretary, Ministry of Devolution & Asals



A word from The Chairman of the Board of Trustees, Laptrust

What a privilege it is to be celebrating 90 years of the existence of the Local Authorities Pension Trust (Laptrust). Guided by its vision to fulfill the lives of its members, the scheme has a rich heritage, legacy and immeasurable impact in the lives of its members and beneficiaries.

The genesis of Laptrust can be traced back to the Municipalities Act Ordinance of 1928. The Ordinance provided for the establishment, control and management of all the Municipal Councils in colonial Kenya. It was this Ordinance that first established the Municipal Councils of Nairobi and Mombasa with the attendant provisions relating to inter alia the scheme establishment. Fast forward to 21st May 1963, the then Minister for Local Government Daniel Arap Moi, while exercising the powers conferred upon him by Regulation 8 of the Kenya (Local Government) Pension Regulations, 1963, made the Kenya Local Government Officers' Superannuation Fund (KLGOSF) Rules, 1963 that established the Kenya Local Government Officers' Superannuation Fund, later renamed the Local Authorities Pension Trust, or Laptrust as we know it today.

The Laptrust scheme is now 90 years old, its membership having been backdated to 1st January, 1929 by dint of Rule 9 of the Nairobi Municipality (Superannuation Fund) Rules, 1950 that gave the operation of the Fund rules a retrospective effect in respect of those employees who had been in the continuous and uninterrupted employment of the Council from 1st January, 1929.

A word from The Chairman of the Board of Trustees, Laptrust (continued)

The Board of Trustees is the Trust's governing body and is responsible for the corporate governance of the Trust. The Scheme's Corporate Administrator, CPF Financial Services, undertakes the day to day running of the Scheme under the delegated mandate of the Board. The primary role of the Board, therefore, is to ensure long-term wealth and prosperity of the Scheme for the benefit of members and their beneficiaries.

On behalf of the Board, I wish to therefore thank our esteemed members, beneficiaries, pensioners and sponsors for their continued support. Equally, I wish to extend my appreciation to the Scheme sponsors that include; County Governments, Water Companies and other associated organizations; it's a privilege to serve you and we are grateful for your solid commitment towards the Scheme. To the industry regulator, Retirement Benefits Authority, thank you for the support, guidance and leadership over the years. Finally, I wish to express my gratitude to my fellow Trustees, who have been instrumental in providing guidance and leadership towards the success of the Laptrust pension Scheme. I have utmost confidence that Laptrust will continue to grow from strength to strength in the years to come.

God bless you all.

Dr. George Kwedho

Chairman, Laptrust Board of Trustees

A word from the CEO/GMD



On behalf of the scheme administrator, CPF Financial Services, I am delighted to be part of the '90 Years of Fulfilling Lives' celebrations for one of the oldest schemes in the Country, the Laptrust Defined Benefits scheme. The scheme has indeed taken a front seat in the growth of the social security sector in the country and the East African region over the years.

The scheme currently has 83 sponsors who comprise 47 County Governments and 36 Water Companies and associated organizations. The Laptrust scheme's active membership stands at 20,074 while pensioners and beneficiaries currently stand at 7,098. The scheme continues to embrace best practice in Corporate Governance and Social Responsibility and as such, strives to meet all legal, ethical and economic responsibilities to its members, stakeholders and society. To this end, the scheme has adopted a socially responsible orientation based on the Environmental, Social and Governance (ESG) practices; the aim being to guarantee a higher standard of living and quality of life for the members and communities whom it serves, and still maintain a good return on investments for members.

The Scheme's countrywide reach, a strong asset base and a robust composition of the Board of Trustees remain a real asset. The key pillars of the 2018-2020 Strategic Plan as developed in conjunction with Trustees will continue to guide us in the execution of the scheme's mandate, cognizant of the fact that while this remains a closed scheme, it must remain sustainable until the last member is fully paid their pension.

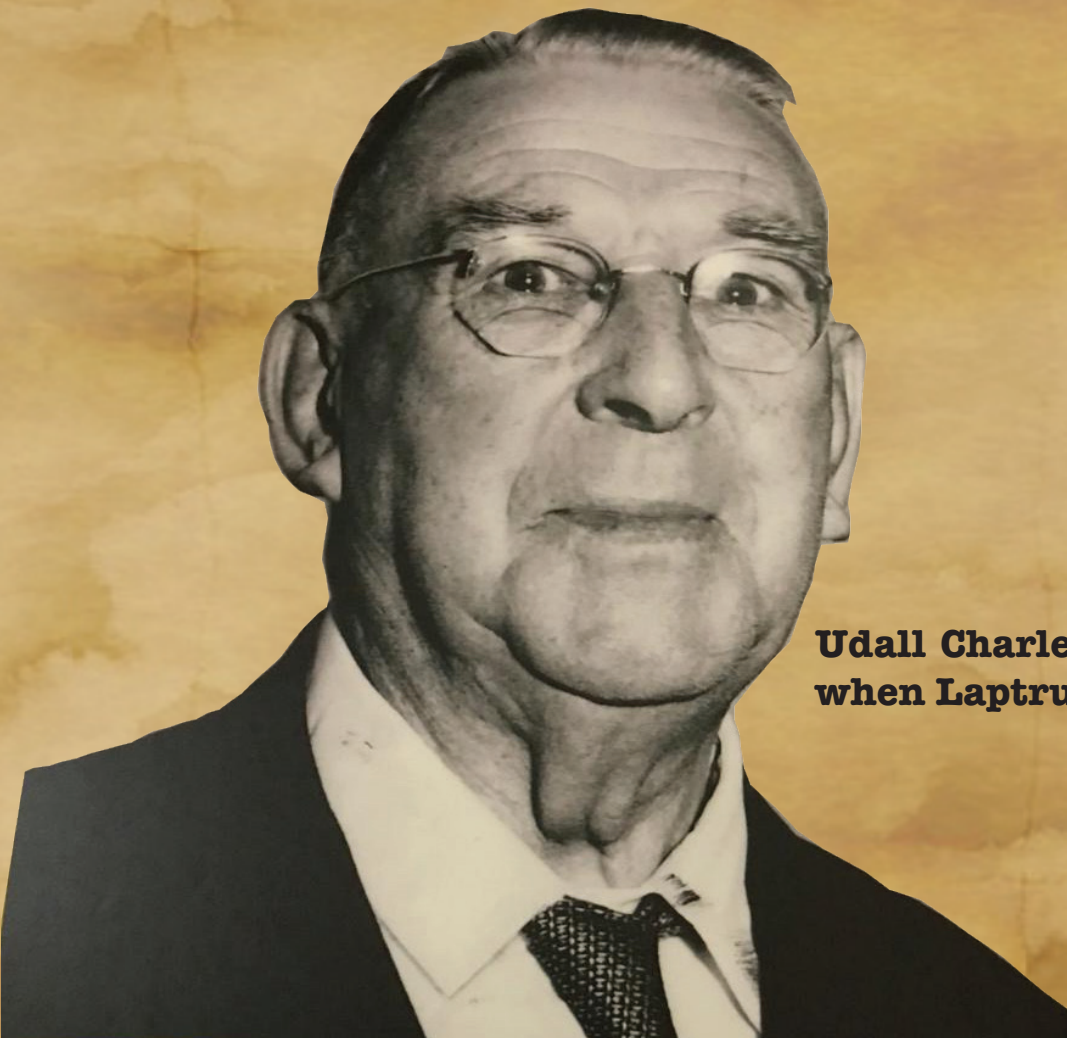
A word from the CEO/GMD (continued)

That could easily translate to another 90 years, going by the age of the youngest member and the increasing life expectancy. We are optimistic that therefore the Scheme sponsors and indeed all stakeholders will continue to play their respective roles to ensure the long term sustainability and success of the scheme.

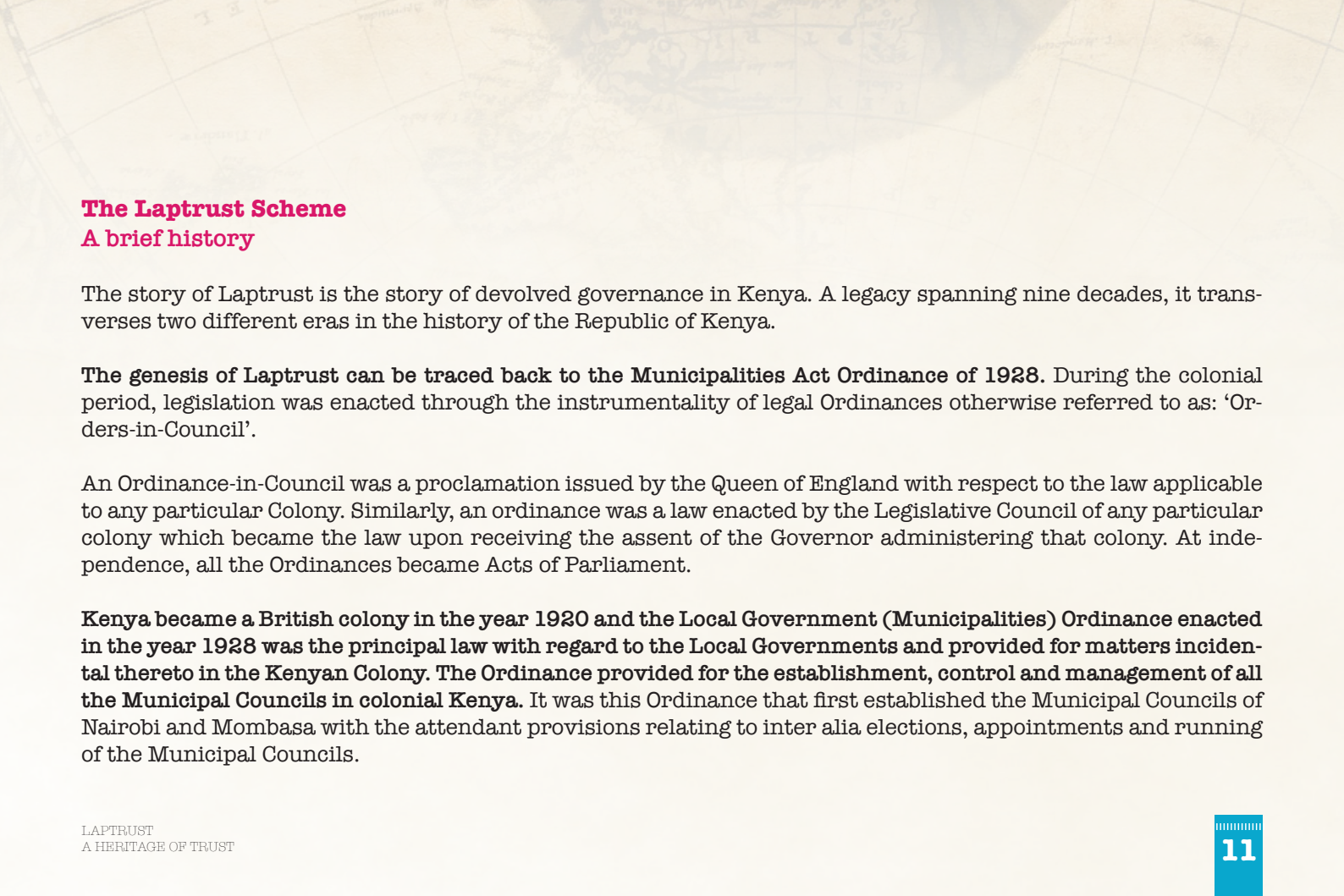
I wish to express my sincere gratitude to the past and present Boards of Trustees for their leadership over the nine decades; the scheme has been a major beneficiary of their great leadership. I also wish to thank the members and sponsors of the scheme for their continued support, as I wish the scheme a long and prosperous future.

Hosea Kili, OGW

For Corporate Administrator



**Udall Charles the Mayor of Nairobi
when Laptrust was born in 1929?**



The Laptrust Scheme

A brief history

The story of Laptrust is the story of devolved governance in Kenya. A legacy spanning nine decades, it transverse two different eras in the history of the Republic of Kenya.

The genesis of Laptrust can be traced back to the Municipalities Act Ordinance of 1928. During the colonial period, legislation was enacted through the instrumentality of legal Ordinances otherwise referred to as: 'Orders-in-Council'.

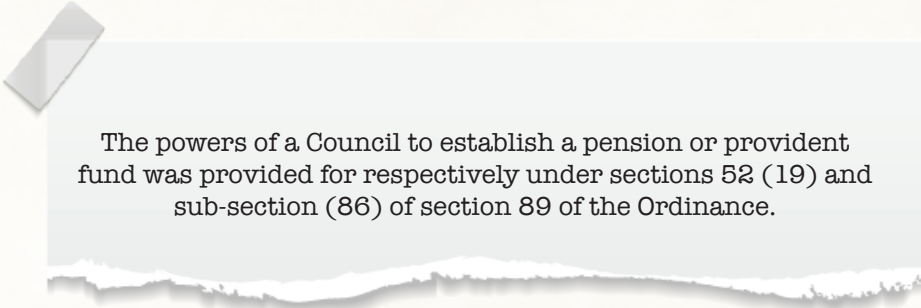
An Ordinance-in-Council was a proclamation issued by the Queen of England with respect to the law applicable to any particular Colony. Similarly, an ordinance was a law enacted by the Legislative Council of any particular colony which became the law upon receiving the assent of the Governor administering that colony. At independence, all the Ordinances became Acts of Parliament.

Kenya became a British colony in the year 1920 and the Local Government (Municipalities) Ordinance enacted in the year 1928 was the principal law with regard to the Local Governments and provided for matters incidental thereto in the Kenyan Colony. The Ordinance provided for the establishment, control and management of all the Municipal Councils in colonial Kenya. It was this Ordinance that first established the Municipal Councils of Nairobi and Mombasa with the attendant provisions relating to inter alia elections, appointments and running of the Municipal Councils.

Establishment of Pension and Provident Funds under the Ordinance

The powers of a Council to establish a pension or provident fund was provided for respectively under sections 52 (19) and sub-section (86) of section 89 of the Ordinance.

The Ordinance gave the council powers to establish control, manage, maintain and contribute to any pension, provident or benevolent fund intended for the benefit of the officers and servants of the Council. Similarly, the section also gave the Council powers to grant pensions and gratuities from any such fund to such officers or servants on their retirement from the service of the Council and to the dependents on the death of such officer or servant. This sub-section was exceptional in the sense that it went further and empowered the Governor to grant pensions or gratuities to officers or servants on retirement where no pension, provident or benevolent fund had been established.



The powers of a Council to establish a pension or provident fund was provided for respectively under sections 52 (19) and sub-section (86) of section 89 of the Ordinance.

The Municipal Council of Nairobi Staff Superannuation Fund

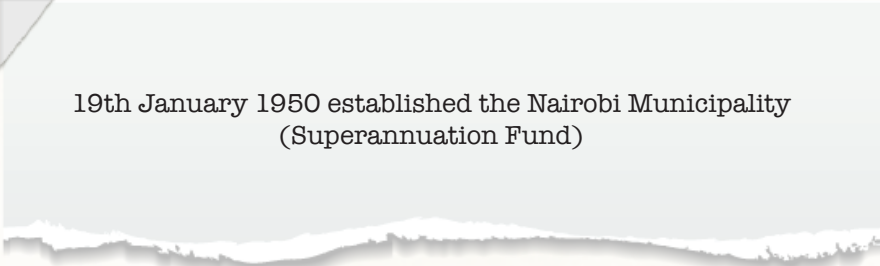
On the 19th January 1950, the Municipal Council of Nairobi, while exercising the powers conferred upon it by the Municipalities Ordinance, 1928, through Government Notice No. 99, established the Nairobi Municipality (Superannuation Fund) called **The Municipal Council of Nairobi Superannuation Fund**. Like the Nairobi Municipality Provident Fund, **the Nairobi Municipality Superannuation Fund was the first (and only) pension fund to have been established under the provisions of the Municipalities Ordinance of 1928.**

Although the Municipal Council of Nairobi Superannuation Fund was established on the 19th January, 1950, it had a retrospective operation by dint of rules 2, 9 and 12 of the Fund Rules that made provision for membership of those employees who had been in the continuous and uninterrupted employment of the Council since 1st July, 1932 and also for the prior period commencing 1st January, 1929 and ending 1st July, 1932. The importance of this rule was to back-date the operation of the Fund to 1st January, 1929 albeit the fact that the bureaucratic operations of the Fund were set up in 1950.

Any member who had attained the age of sixty (60) years and had completed not less than ten years of continuous employment was entitled to a pension calculated at the rate of one-six-hundredth for each completed month of the period of continuous employment based on the annual average of the salary of the three years immediately preceding retirement.

The Municipal Council of Nairobi Staff Superannuation Fund (continued)

The management of the Fund was vested upon a management committee appointed by the Council biennially. The management committee consisted of 6 persons three of whom were Nairobi members selected by the Council and nominated from a list of Nairobi members and the other three were members of the Council. The Council therefore had the overall oversight over the Fund through the instrumentality of the management committee whose chairman was appointed by the committee itself from amongst its members. The Council was in addition tasked with the responsibility of investing all of the Fund's moneys. The Council was for that reason the Fund's Trustee. The day today running of the Fund was vested upon the Municipal Treasurer who was responsible for maintaining the full and true accounts of the Fund and paying out pensions to the pensioners.



19th January 1950 established the Nairobi Municipality
(Superannuation Fund)

The Kenya (Local Government) Order-in-Council, 1963

On the 28th January, 1963, the Queen of England promulgated the Kenya (Local Government) Order-in-Council, 1963, that was intended to create fresh provisions relating to the Local Government in Kenya before a new Constitution was enacted for independent Kenya.

This Order-in-Council was a transitional instrument that enabled the Governor, Sir Malcolm MacDonald, to formulate rules at the sunset of the colonial rule before dawn of independent Kenya. This Order came into operation on 2nd February, 1963, and enabled the Governor; by regulations published in the gazette; to make provisions for the local government in Kenya and for any matter that appeared to him to be incidental thereto or consequential thereon. It should be pointed out that, hitherto, the only substantive law relating to the local government in Kenya was the Local Government (Municipalities) Ordinance, 1928 that was due to be replaced by the independence Constitution hence the reason for proclamation of this Order-in-Council.

Pursuant to the powers conferred to by section 2 of the Kenya (Local Government) Order-in-Council, 1963, on the 30th March, 1963, the then colonial Governor Sir Malcolm MacDonald promulgated the Kenya (Local Government) Pensions Regulations, 1963.

Official Pensions.

AMENDING ORDINANCE ADOPTED.

A Bill to amend the European Officers' Pensions Ordinance, 1927, passed its second reading, Committee stage and third reading in the Legislative Council on Wednesday.

In proposing the second reading the Acting Treasurer said the Bill was a formal one to make certain amendments in the European Officers' Pensions Ordinance in accordance with instructions from the Secretary of State and with a view to improving the Ordinance. A clause in the Bill provided for the extension of concessions to cases of re-employment outside Kenya and was in accordance with the general practice. The other East African territories were bringing in, or had already brought in, similar legislation.

The second reading was seconded by the Attorney General and carried. No amendments were adopted in the Committee stage of the Bill and the third reading was passed without comment.

**The East africa Standard
Pension Publication
Sat Nov 2, 1929**

The Kenya Local Authorities Superannuation Fund

On the 8th May, 1963, while exercising powers conferred upon him by regulation 7 of the Kenya (Local Government) Pension Regulations, 1963, the then Minister for Local Government Daniel Arap Moi made the Kenya **Local Authorities Superannuation Fund Rules, 1963**. The main object of these rules that came into operation on the 1st April, 1963, was to provide for payment of lump-sum and pension entitlements due to members in respect of contributions made by them to the Municipal Council of Nairobi Superannuation Fund during their periods of service with their respective employers from time to time.

These rules were made to give effect to the provisions of Section 7 of the 1963 Regulations which had been vested to the new Fund administered by the Public Trustee of England and Wales; the residue of the assets of the Nairobi Municipal Superannuation Fund; in trust of the European and Asian members who were already pensioners and others in the employment of Local Authorities and who did not want to opt out from the Fund once Kenya attained its internal self-rule.

The administration and management of the Fund was vested irrevocably in the Public Trustee of England and Wales who was advised on any aspect of management and control of the Fund by a consultative committee of five selected and non-selected members.

The Kenya Local Government Officers Superannuation Fund (continued)

On 21st May 1963, the then Minister for Local Government Daniel Arap Moi, while exercising the powers conferred upon him by Regulation 8 of the Kenya (Local Government) Pension Regulations, 1963, made the Kenya Local Government Officers' Superannuation Fund Rules, 1963 that established the Kenya Local Government Officers' Superannuation Fund.

These rules repealed the Nairobi (Municipalities) Superannuation Fund Rules, 1950 and effectively wound up the Municipal Council of Nairobi Staff Superannuation Fund established under section 42A of the Municipalities Ordinance, 1928, which had been in operation for thirteen years.

The overall control and management of the Super Fund was exercised by Management Trustees through the auspices of the Management committee. The Management Trustees were appointed by the Minister and comprised of a custodian trustee and three other trustees. It was this committee that was solely charged with the crucial task of investing the Funds money and paying for the management and administrative expenses of the Fund.

The Management committee comprised of seven persons (including the chairman) who were appointed by the Local Government Service Commission and it was to this committee that all matters concerning the control and management of the Super Fund were referred to.

The Kenya Local Government Officers Superannuation Fund (continued)

The responsibility of administering the Super Fund on day to day basis was delegated to the City Treasurer who also doubled as the treasurer to the trustees and was charged with the duty of keeping the full and true accounts of the Fund. This legal position changed in 1985 when the Rule was amended to provide that any person other than the City Treasurer could be appointed as the Fund's treasurer by the Minister on recommendation of the Trustees and Management Committee. In 1995, through an amendment to Rule 285, the term, the Fund's Treasurer was done away with and substituted by the term General Manager who was the Fund's Chief Executive.

Throughout the period between 1963 -1978, besides recruiting new members (through the mechanism of the legal provision that provided for compulsory and automatic membership upon being employed by the Local authority) there was no substantial growth recorded in the affairs or activities of the Super Fund. It can therefore be argued that its main activity was only collecting the member contributions which were obviously remitted by the respective Councils and payment of pensions to the retirees. It should however be noted that the Fund's Trustees for the first time invested in real estate having acquired Travel House L.R No. 209/2650/NAIROBI in the year 1975 at a cost of Kshs. 5,725,671.60. This state of affairs continued until 1978 when the Super Fund will ascend from its self-induced slumber and grow in leaps and bounds.

Autonomy

In 1978, the then Permanent Secretary in the Ministry of Local Government Mr. Gitonyi removed the Super Fund from the control of the Nairobi City Council to the umbrella of the Ministry of Local Government. This decisive move was a defining milestone in the history of the fund since it ushered in a period of tremendous progress and growth which saw the Super Fund being transformed from City Hall into a mega Fund, eclipsed only by its younger sister, the N.S.S.F, established in 1965.

Prior to the takeover of the Super Fund by the Ministry of the Local Government, the Fund was administered on day to day basis by the City Treasurer. This was not an officer employed on a full time basis by the Fund but rather a Municipal employee who was charged with other responsibilities in addition to overseeing the affairs of the Super Fund.

Mr. A. S. Grewal an Economics graduate from the famous Punjab University and an auditor in the Ministry of Local Government was seconded from the Ministry as the Fund's treasurer in late 1978 taking over from Mr. Kariuki who had been the Fund's treasurer for many years. The offices of the Super Fund were still located at the 4th Floor of the City Hall building and remained there until 1982 when it was transferred together with all the Funds records to Jogoo House; the seat of the Ministry of Local Government.

Detaching the Fund from City Hall was only possible since not only was Mr. Gitonyi the Permanent Secretary in the Ministry of Local Government but he was in the same capacity as the chairman of the Board of Trustees a position that gave him inside perspective in the operations and affairs of the Fund.

Autonomy (continued)

Mr. A. S. Grewal was seconded to the Fund as its treasurer together with three other employees of the Ministry namely:

- Mr. Masala
- Paul Munyogo
- Manases Agaya

It was these skeleton staff that shifted with the Fund to Jogoo House and would assist Mr. Grewal to administer the Fund and remit the pensions to the pensioners. In 1983, the Super Fund shifted its office to Protection House along Haile Selassie Avenue; a move that saw it grow its' work force into a large bureaucracy with its own accountant Mr. S.M. Muthigani who later on succeeded Mr. A. S Grewal as the Fund's treasurer. It was during this time that Mr. Grewal was gazetted as the Fund's treasurer on a full time basis with the rest of the seconded staff returning back to their parent Ministry. This was another milestone in the history of the Super Fund since for the first time since its inception; the Fund now had a C.E.O. hired by the Fund and answerable only to the Fund through the Management Trustees. This would become the norm in respect of future appointments of the Funds treasurers/C.E.O.

Autonomy (continued)

It should be noted that the Fund's move from Jogoo House to Protection House and the subsequent appointment of Mr. Grewal as its full time Chief Executive Officer was the culmination of the Super Fund's quest to gain autonomy from the City Hall and later on from the Ministry of Local Government. With its own offices, a professional and full time manager backed with a professional work force, the Super Fund was now primed and ready to storm in the corporate world. Having steered the Fund through the better part of 1980s and having overseen the Super Fund been transformed from a mere bureaucratic desk at the City Hall, into an autonomous corporate entity with professional workforce, sound capital base and a remarkable investment portfolio, Mr. Grewal retired as the Fund's treasurer in 1986. His replacement was Mr. S. M. Muthigani, the Fund's accountant who was appointed as the Fund's treasurer in 1986.

In October 1992, the Fund acquired the Cannon House along Haile Selassie Avenue and there after shifted its' officers from Protection House to Cannon House (Later renamed Laptrust House, and now CPF House), which has been the Fund's home to date.

In October 1993 through the Local Authorities' unified Terms and Conditions of employment, all employees became "Salaried". Consequently, the Kenya Local Government Officers' Superannuation Fund opened its doors to all employees of Local Authorities.

Establishment of the Local Authorities Pension Trust

On the 13th February, 2007, the then Minister of Local Government Hon. Musikari Kombo by dint of Legal Notice No. 50 of 2007, published the Local Authorities Pension Trust Rules, 2007 that established the Local Authorities Pension Trust. These Rules revoked Legal Notice No. 313 of 1963 and effectively wound up the affairs of the Kenya Local Government Officers' Superannuation Fund which had been in existence since 1st April, 1963.

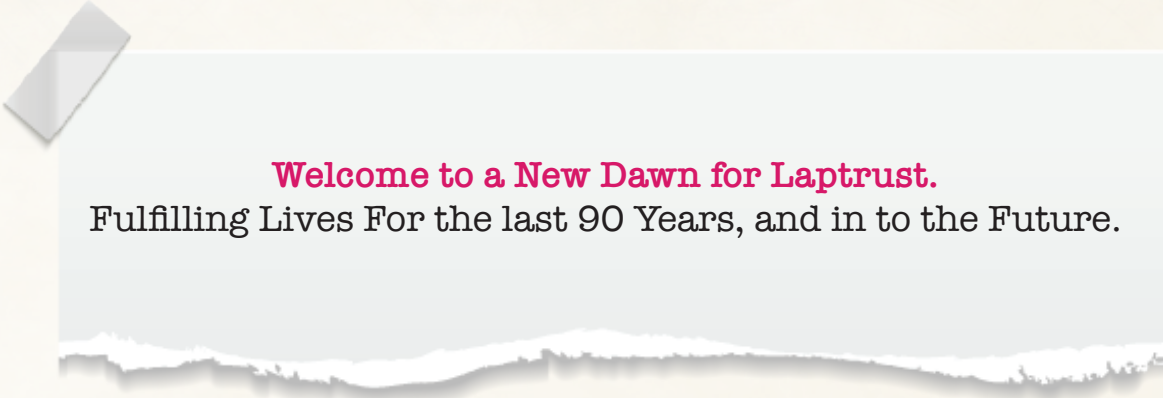
The Trust is the Successor of the Kenya Local Government Officers' Superannuation Fund established under the Kenya Local Government Officers Superannuation Fund Rules, 1963 (hereafter referred to as the Super Fund) and all the rights, obligations, assets and liabilities of the Super Fund were automatically transferred to the Trust. The Trust is incorporated as a Statutory Trust under Cap 164 Laws of Kenya. The Trust is also registered under **an irrevocable statutory trust** by Trust Deed under the **Retirement Benefits Act No. 3 of 1997**.

The principal object of the Trust is to provide pension and other retirement benefits to the employees of the sponsors and other associated members of the Trust upon retirement from service, and relief for the dependents of deceased employees.

WHY LAP TRUST?

The Local Authorities Pension Trust as it has been established is the predecessor of the Municipal Council of Nairobi Staff Superannuation Fund established on the 19th January, 1950 and the Kenya Local Government Officers Superannuation Fund established on the 21st May, 1963. Lap Trust as it stands today is a blue chip organization and one of the fastest growing Pension Schemes in Kenya with an assets base of over 40 billion. This is in contrast to the rudimentary Pension Fund that Mr. A. S Grewal inherited in 1980, which was a mere desk within the city City Hall and managed by the City Treasurer.

Even though the actual legal instruments, machinery and bureaucracy of the Fund were established on the 19th January, 1950 by the Nairobi Municipality (Superannuation Fund) Rules, the Funds membership dated back to 1st January, 1929. Upon the establishment of the Fund's bureaucratic machinery on the 19th January 1950, the Fund immediately started disbursing pension benefits to those employees of the Council who had attained the retirement age and had completed not less than ten years of continuous employment with the Council.



Welcome to a New Dawn for Laptrust.
Fulfilling Lives For the last 90 Years, and in to the Future.



LAP
TRUST

90
Years
of Fulfilling Lives

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