



**KENYA POWER
PENSION FUND**

From: CEO & TRUST SECRETARY

To: MEMBERS

Our Ref: KPPF/ CORP/24/01/23/EKR/jmm(29)

11th August 2023

RE: SCHEME INVESTMENT IN GULF POWER LIMITED

Reference is made to a story that was aired in one of the local tv stations on 10th August 2023, highlighting the alleged ownership of independent power producers in Kenya.

Considering the same, we wish to update the members as follows:

1. In a bid to diversify the Scheme's investment portfolio, the Board of Trustees approved the Scheme's venturing into alternative investments which includes investments in independent power producing companies.
2. The investment of the scheme assets is guided by the investment policy statement and complies with the Retirement Benefit Act and the enabling regulations.
3. In line with the above, the Scheme invested in IberAfrica Power Limited and successfully divested in 2014. In the subsequent year, 2015, a similar investment was made in Gulf Power Limited. The investments have yielded positive returns and contributed significantly to the overall investment performance.
4. Part of the monitoring and evaluation strategy incorporates representation in the investee companies with a view of safeguarding the interests of the investment. In line with this policy, the Scheme negotiated for a board seat in both IberAfrica and Gulf Power investments.
5. The representation in the board of investee companies is appointed by the Board of Trustees. Trustee Ernest Nadome currently sits in the board of Gulf Power Limited as a representative of the Scheme. A different trustee represented the board during the investment in IberAfrica.

In conclusion, we wish to assure the members of the Board of Trustees' commitment to continue identifying and exploring investment opportunities with a view of minimizing risks and maximizing returns for the benefit to all members.

Yours faithfully,
For: **THE TRUSTEES**

E.K. RUTTOH
CEO & TRUST SECRETARY