KEYNOTE ADDRESS

Structuring Trustee Responsibilities
to be Member-Centric

INTRODUCTION

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Core Definition

A member-centric approach to trusteeship means that trustees place the **(1) interests**, **(2) needs**, and **(3) outcomes** of members at the center of every decision they make.

Scope of Focus

Trustees focus without limiting: **(1) compliance**, **(2) administration**, **(3) organizational interests**, **(4) governance**, **(5) investment**, **(6) communication**, and **(7) service delivery** activities ultimately beneficial to members.

Essential Applicability

This concept is especially important in pension schemes, trusts, and other organizations where trustees hold assets and make decisions on behalf of beneficiaries.

TRUSTEE AND CORE DUTIES

Fiduciary Definition

A trustee is an individual or group appointed to manage assets, funds, or affairs on behalf of beneficiaries (members).

Trustees have a **fiduciary duty**, which means they are legally and ethically obligated to act in the best interests of members.

The Core Duties

- (1) Loyalty to members
- (2) Prudence in decision-making
- (3) Accountability
- (4) Transparency
- (5) Compliance with laws and regulations
- (6) Protection of members' assets

MEANING OF "MEMBER-CENTRIC"

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A member-centric approach ensures systematic prioritization across six key pillars:

Understanding Needs

Focused explicitly on evaluating and incorporating members' operational, demographic, and financial needs.

Improving Outcomes

Designing structures to enhance benefits adequacy and lifetime retirement security.

Protecting Benefits

Mitigating asset risk and maintaining systemic robustness for security of funds.

Enhancing Experience

Ensuring clear pathways, accessibility, and high levels of customer service excellence.

Value for Money

Optimizing operational fee transparency, minimizing overheads, and maximizing performance.

Trust & Confidence

Enabling institutional credibility through open administration and alignment.

PRINCIPLES OF MEMBER-CENTRIC TRUSTEESHIP

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Primary Operational Rule

Trustee Caution:
"How does this decision benefit our members?"

Acting in Members’ Best Interests

Trustees must consistently adhere to:

- (1) **Put members first** in key strategic situations.
- (2) **Avoid conflicts of interest** explicitly and systematically.
- (3) **Make unbiased decisions** rooted in fact-based data.
- (4) **Ensure fair treatment** across all member cohorts.

Applied Case Example

If an investment opportunity benefits the sponsoring employer but increases risk to members, trustees should prioritize members’ interests.

UNDERSTANDING MEMBER NEEDS

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What Trustees Should Understand

Detailed demographic and expectations oversight:

- (1) Age profile of members
- (2) Retirement expectations
- (3) Financial literacy levels
- (4) Member concerns
- (5) Service expectations

Methods Used to Understand Needs

Channels for comprehensive engagement:

- (1) Surveys (quantitative feedback)
- (2) Member forums (interactive discussions)
- (3) Feedback channels (ongoing collection)
- (4) Complaint analysis (identifying structural gaps)
- (5) Engagement meetings (direct communication)

EFFECTIVE COMMUNICATION

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Information Standards

To keep the member at the center of pension communications, members should receive information that strictly adheres to these four basic standards:

(1) Clear language.

(2) Accurate data.

(3) Timely updates.

(4) Easy to understand.

Communication Areas

Channels of deployment and core reports:

- (1) Benefit statements
- (2) Investment performance updates
- (3) Scheme changes
- (4) Regulatory updates
- (5) Retirement planning guidance
- (6) Engagement meetings

TRANSPARENCY

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Open Communication Areas

Trustees should openly communicate and report on:

- (1) Financial performance
- (i) Fees and expenses
- (ii) Investment decisions
- (iii) Governance practices
- (iv) Risks affecting members

Core Philosophy

"Transparency builds trust and accountability."

ACCOUNTABILITY

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Fiduciary Mandate

Trustees must be answerable for their decisions.

Accountability is not passive; it requires proactive institutional mechanisms that allow members to inspect decision paths, assess financial results, and verify governance compliance.

Core Operations Included

Operational steps to verify trustee compliance:

- (1) **Maintaining records** systematically
- (2) **Reporting to members** periodically
- (3) **Monitoring performance** of services
- (4) **Evaluating outcomes** quantitatively

STRUCTURING TRUSTEE RESPONSIBILITIES

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The Structural Need

A member-centric structure clearly defines responsibilities, reducing confusion and focusing execution on member outcomes.

Key Goal

Strong governance that protects members.

Governance Responsibilities

Specific activities trustees should execute:

- (1) Establish clear and protective policies
- (2) Monitor external service providers diligently
- (3) Review governance practices periodically
- (4) Ensure ethical conduct across all transactions

INVESTMENT RESPONSIBILITIES

Strategic Target Areas

Trustees oversee investment strategies to ensure:

- **(1) Appropriate risk management**
- **(2) Sustainable returns**
- **(3) Diversification** across asset classes
- **(4) Long-term growth** of pension funds

Strategic Question

"Will this investment improve members' retirement outcomes?"

RISK MANAGEMENT RESPONSIBILITIES

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Identify & Manage

Active monitoring of threat vectors:

- (1) **Investment risks** (market fluctuations)
- (2) **Operational risks** (administrative errors)
- (3) **Compliance risks** (statutory delays)
- (4) **Cybersecurity risks** (data integrity breaches)
- (5) **Reputational risks** (trust loss)

Objective

Protect members from avoidable losses.

COMPLIANCE RESPONSIBILITIES

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Legal Frameworks

Ensuring Strict Adherence

Trustees ensure compliance with:

- (1) Retirement benefits laws
- (2) Trust deeds and guidelines
- (3) Regulatory requirements
- (4) Internal policies and procedures

Primary Shield

Compliance protects members and the scheme.

MEMBER SERVICE RESPONSIBILITIES

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Standard Responsibilities

Trustees should systematically ensure:

- (1) Efficient benefit processing timelines
- (2) Prompt, thorough responses to inquiries
- (3) Effective, objective complaint resolution
- (4) High ongoing service delivery standards

Concrete Action Examples

Deployable methods to improve service:

- **(1) Faster claims processing** protocols to optimize liquidity and access.
- **(2) Better customer support** channels with active feedback gathering.
- **(3) Digital self-service platforms** allowing real-time balance queries.

GOVERNANCE FRAMEWORK - PART I

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Board of Trustees

Responsible for:

- (i) Strategic oversight
- (ii) Policy approval
- (iii) Risk monitoring

(1) Investment Committee

Responsible for:

- (i) Investment oversight
- (ii) Performance review

(2) Audit & Risk Committee

Responsible for:

- (i) Risk management
- (ii) Internal controls

(3) Member Services Committee

Responsible for:

- (i) Member experience
- (ii) Communication effectiveness

MEASURING MEMBER OUTCOMES

Trustees must evaluate quantitative data in three areas:

$ (1) Financial Outcomes

Key indicators:

- (i) Investment returns
- (ii) Funding levels
- (iii) Benefit adequacy

(2) Service Outcomes

Key indicators:

- (i) Response times
- (ii) Complaint resolution rates
- (iii) Member satisfaction

(3) Engagement Outcomes

Key indicators:

- (i) Attendance at meetings
- (ii) Survey participation
- (iii) Communication effectiveness

CHALLENGES & PRACTICAL SOLUTIONS

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Identified Challenge	Rebranded Mitigation / Solution
1. Limited Member Engagement Members may not actively participate.	Improve communication and education.
2. Conflicts of Interest Trustees may face competing priorities.	Strong governance and conflict management policies.
3. Regulatory Complexity Regulations may be difficult to interpret.	Continuous trustee training.
4. Diverse Member Needs Different members have different expectations.	Segment members and tailor services accordingly.

BENEFITS: MEMBERS & TRUSTEES

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1. For Members

Direct impact on beneficiaries:

- (1) Better retirement outcomes
- (2) Greater trust in the scheme leadership
- (3) Improved service quality
- (4) Better understanding of benefit rights

2. For Trustees

Direct operational benefits for the board:

- (1) Better decision-making pathways
- (2) Reduced volumes of claims complaints
- (3) Improved structural governance
- (4) Stronger corporate reputation

BENEFITS: THE SCHEME

3. For the Scheme

Holistic institutional advantages

- **(1) Increased member confidence:** Bolsters overall involvement and stability.
- **(2) Improved sustainability:** Long-term stability of contribution inflows.
- **(3) Enhanced compliance:** Lowers exposure to audit and legal actions.
- **(4) Better overall performance:** Maximizes performance metrics and cost efficiency.

SAMPLE BEST PRACTICES

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- **1. Put members** at the center of every decision.
- **2. Communicate** regularly and clearly.
- **3. Use member feedback** to improve services.
- **4. Monitor investment** performance continuously.

- **5. Conduct regular** trustee training sessions.
- **6. Measure member outcomes**, not just process metrics.
- **7. Promote transparency** and clear accountability.
- **8. Review governance** structures and models regularly.

CONCLUSION - PART I

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1. **Structuring trustee responsibilities to be member-centric means designing:**

(1) Governance

(2) Investment oversight

(3) Risk management

(5) Communication

(6) Service delivery

...around the **needs and interests of members**.

CONCLUSION - PART II

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1. Core Board Focus Areas

A truly member-centric trustee board focuses without limiting on:

- (1) Compliance and administration
- (2) Delivering positive outcomes
- (3) Protecting benefits
- (4) Enhancing trust
- (5) Improving overall member experience

2. Fiduciary Effectiveness

This approach strengthens governance and helps trustees fulfill their fiduciary responsibilities effectively.

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DISCUSSION & QUESTIONS

"You cannot shake hands with a clenched fist!"

— Asante.

Thank You

ADDRESS

5th Floor, Crescent Business Centre (CBC), Parklands.
P.O. Box 48179-00100, GPO Nairobi, Kenya

CALL US

+254 719 560656, +254 740 257777, +254 111052230

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