



## PRESS RELEASE

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### **CMA, NSE and KEPFIC sign MoU to promote infrastructure investments through the capital markets**

**Nairobi, 27 October 2021...**The Capital Markets Authority (CMA), Nairobi Securities Exchange (NSE) and Kenya Pension Funds Investment Consortium (KEPFIC) have signed a Memorandum of Understanding (MOU) to support infrastructure projects financing and development through the capital markets. This is expected to lead to growth and deepening of the country's capital markets.

The pensions sector regulator, the Retirement Benefits Authority, recently introduced infrastructure as a distinct investment category under the pension fund investment regulations. This allows pension funds to directly invest up to 10 percent of their portfolio in the asset class, potentially unlocking approximately Ksh.140 billion for infrastructure investments.

Infrastructure investments are capital-intensive, meaning pooling of long-term capital is necessary. The MoU between CMA, KEPFIC and NSE will not only leverage economies of scale, but also help in financing big-ticket infrastructural projects. The MoU will also provide an avenue for enhancing the liquidity of KEPFIC investments through the capital markets.

The CMA Chief Executive, Mr. Wyckliffe Shamiah observed that; "Through the partnership, NSE, CMA and KEPFIC will seek avenues to deploy pension funds' investments into infrastructure projects using available capital markets products such as Green bonds, Asset Backed Securities (ABS) and Real Estate Investment Trusts (REITs).The partnership will therefore cement the capital markets contribution to the Sustainable Development Goal Nine, by leveraging capital markets to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, while providing pension funds with a significant return on their investments."



The NSE Chief Executive, Mr. Geoffrey Odundo said, “This collaboration between NSE, CMA, and KEPFIC outlines the direction NSE is taking in enhancing pension fund activity through forming strategic partnerships as well as reaffirming our commitment to increase liquidity in our market. The MoU will not only leverage economies of scale, but also help in financing big-ticket infrastructural projects and provide an avenue for enhancing the liquidity of investments through the capital markets.”

The KEPFIC Chairperson, Mr. Sundeep Raichura added, “There is considerable need to utilize the appropriate capital market structures to finance the development of infrastructure in Kenya, whilst ensuring optimal returns and diversification to investors. We are excited to formalize this partnership which will enhance the transparency and liquidity of our members’ investments as well as pave the way for collaborative stakeholder engagements and capacity building initiatives pertaining to alternative assets in the capital markets”.

**ENDS**

#### **BACKGROUND INFORMATION ON THE CAPITAL MARKETS AUTHORITY**

The Capital Markets Authority (CMA) was set up in 1989 as a statutory agency under the Capital Markets Act Cap 485A. It is charged with the prime responsibility of both regulating and developing an orderly, fair, and efficient capital markets in Kenya with the view to promoting market integrity and investor confidence. The regulatory functions of the Authority as provided by the Act and the regulations include; Licensing and supervising all the capital market intermediaries; Ensuring compliance with the legal and regulatory framework by all market participants; Regulating public offers of securities, such as equities and bonds & the issuance of other capital market products such as collective investment schemes; Promoting market development through research on new products and services; Reviewing the legal framework to respond to market dynamics; Promoting investor education and public awareness; and Protecting investors’ interest. For more information, please contact Antony Mwangi, Manager Corporate Affairs & International Relations on [amwangi@cma.or.ke](mailto:amwangi@cma.or.ke)

#### **BACKGROUND INFORMATION ON NAIROBI SECURITIES EXCHANGE**

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association and the East African Securities Exchanges Association. It is a full member of the Association of Futures Markets and the World Federation of Exchanges, and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative. For further information contact, Waithera Mwai-Ireri, Senior Manager, Corporate Affairs and Sustainability on [wmwai@nse.co.ke](mailto:wmwai@nse.co.ke)



## BACKGROUND INFORMATION ON KENYA PENSION FUND INVESTMENT CONSORTIUM

KEPFIC is a consortium of Kenyan retirement funds that have come together for the purpose of collaborating to make long-term infrastructure and alternative asset investments in the region. The consortium was created to address schemes' alternative assets investment hurdles, build the infrastructure investment expertise of its members and pool investments from pension funds - both large and small and from the public and private sector - into bankable infrastructure and alternative asset opportunities with the goal of providing competitive returns and diversification opportunities to its members. For further information please contact Ngatia Kirungie, Head of KEPFIC Secretariat on [ngatia.kirungie@kepfic.co.ke](mailto:ngatia.kirungie@kepfic.co.ke)

