



Jubilee
LIFE INSURANCE

octagon
AFRICA

HAKIKA TRUST FUND

TRUST FUND

BACKGROUND

Organisations, schemes, high net worth individuals over the years have managed death benefits casually either in-house i.e., in HR/ Finance department for organisations, within the scheme for retirement benefits, no written Will or Trust set up for individuals. The children end up suffering because there is no structured way for them to receive school fees, medical, and upkeep support. This method of management of children's funds is only sustainable when there are few cases to be handled. However, when the beneficiaries are many it leads to increased risks for organisations, schemes, and individuals.

To guarantee sustainability, minimise risk and professional management, we recommend that organisations, schemes, and high net worth individuals consider outsourcing the management of death benefits (Group-life, Personal Accident, Retirement benefits) into a Trust Fund.

BENEFITS OF SETTING UP A TRUST FUND

- Trust funds are invested in pooled funds to enhance growth of the funds to meet the ongoing liabilities.
- Professional structures to provide advisory services to the beneficiaries in respect of management of the benefits.
- When the beneficiaries are of age and have gone through their education, the Trust fund can be wound up and benefits paid to them in agreed proportions.
- Frequent updates and comprehensive reports on how the funds are performing.
- Facilitation of periodic audits to enhance accountability and overall transparency.

VALUE ADDITIONS

- Financial Wellness advises -Octagon.
- Counselling-Outsourced at the beneficiary.
- Open day:Jubilee & Octagon, cost sharing at an agreed venue

TRUST FUND GOVERNANCE STRUCTURES

- In our endeavour to provide superior professional services in respect of the provision of this Settlement Trust Fund Management, Octagon Trustee Services Ltd will provide Trustee and administration services, and Jubilee Life Insurance Limited provides guarantee fund management services.
- Periodic reports are availed to the guardians, beneficiaries, and other related parties on the Trust fund performance to enhance transparency and accountability.
- Assets under management (AUM) for the various trusts we administer are more than Ksh. 200 Million.
- We serve over 70 trusts.

HOW TO SET UP A TRUST FUND

- i. Individuals, organisations, or the schemes agree to appoint Octagon Trustees Services Limited and Jubilee Life Insurance Ltd as the Corporate Trustees and Guarantee Fund Managers, respectively.
- ii. The objectives of the Trust Funds shall be to pay school fees, medical care, and upkeep where necessary. However, in the preparation of each Trust Deed these objectives can vary depending on the needs of the beneficiaries and discussions with the Trustees.
- iii. A deed of settlement shall be developed for the settlor and signed jointly with Octagon Trustees Services Limited as the Corporate Trustees.
- iv. The established fund shall be implemented by discussing with the settlor/ beneficiaries the periodic payments that need to be made for upkeep and education including the mode of instructions plus making of payments.

FEE CHARGES ON THE TRUST FUND

The charges on corporate trustee and administration services are 1% exclusive of VAT of the fund value payable monthly. This fee is netted off from the investment income earned by the fund before being allocated to the Trust account.

WHY SET UP A TRUST FUND

The settlor should consider setting up a Trust Fund because:

- i. Payments in respect to the beneficiaries in terms of school fees, upkeep and medical expense is well structured.
- ii. Income on the accumulated fund will be reinvested to allow for the quick growth of the funds.
- iii. Once all the children are through with school/college, they have the option of drawing down the funds at a pre agreed rate over a period of 10 years.

For more information, please get in touch with us on, Trustfund@octagonafrica.com



CONTACT US

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