INSTITUTE OF ACCOUNTANCY ARUSHA

INVESTMENT STRATEGIES AND FINANCIAL PERFORMANCE OF NATIONAL SOCIAL SECURITY FUND (NSSF) IN TANZANIA

BY

MELKIZEDECK F. TEMBA

A dissertation submitted in partial fulfillment of the requirements for the degree of Master of Science in Finance and Investment of the Institute of Accountancy Arusha.

Institute of Accountancy Arusha

October, 2020

CERTIFICATION

I, the undersigned certify that I have read the research proposal and hereby recommend for acceptance of the research entitled: **Analysis of investment strategies and financial performance of National Social Security Fund (NSSF) in Tanzania**, in the fulfillment of the requirements for the award of Master of Finance and Investment.

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Dr. Moga Jilenga

(Supervisor)

Date: ________________________

DECLARATION

I, Melkizedeck F Temba, declare that A Research proposal entitled "**Analysis of investment strategies and financial performance of National Social Security Fund (NSSF) in Tanzania",** is my original work and has not been submitted and will not be presented to any college, institution or university other than the Institute of Accountancy Arusha for academic credit.

SIGNATURE: ____________________

DATE___________________________

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ACKNOWLEDGEMENTS

I owe it to the Almighty God for the gift of life that has given me a path to work on this research report. The completion of this research report has a remarkable experience by the researcher that is not worth acknowledging without mentioning the role of the key persons for their influence. I am so grateful to express my sincere gratitude to all who facilitated the production of this research report. I would like first, to extend my heartfelt gratitude to my supervisor Dr. Samwel Werema who guided me in the initial stage (proposal) and Dr. Moga Jilenga in data processing stage (report). If it is a mature and useful report it is because of her quality supervision. Secondly, I would like to express my heartfelt thanks to the management of National Social Security Fund (NSSF), for accepting me to undergo this study with them. It was good in the sense that I was cordially welcomed and given necessary assistance by the management and members of staff. Deep gratitude to RM. Victoria Marco Gambamala, Wilhelmina Valentine, Anisa Nurdin, Wiston George, Khadija Mussa and all members of my study group. As it is impossible to mention all the names of those who assisted me in one way or another still, I feel assisted through constructive ideas, materials and the emotional support and I am grateful.

DEDICATION

I dedicate this research report affectionately to the following:

My parents, Mr and Mrs Temba

My sister, Kornelia

My brother, Wilhard

LIST OF ABBREVIATIONS AND ACRONYMS

BOT	Bank of Tanzania
GDP	Gross Domestic Product
GEPF	Government Employees Provident Fund
IAA	Institute of Accountancy Arusha
LAPF	Local Authority Pension Fund
NSSF	National Social Security Fund
OECD	Organization for Economic Co-operation and Development
PPF	Parastatal Pension Fund
PSPF	Public Service Pension fund
PSSSF	Public Service Social Security Fund
ROA	Return on Asset
ROE	Return on Equity
SSRA	Social Security Regulatory Authority
URT	United Republic of Tanzania
CMSA	Capital Markets and Securities Authority

ABSTRACT

This study sought to examine investment strategies and financial performance of National Social Security Fund (NSSF) in Tanzania. Specifically, this study focused on in investigating the impact of investments in real estate and financial performance, analysing the impact of investments in capital markets in financial performance as well as examining the significance of purchasing public shares on financial performance. The following hypotheses were used to elucidate investment strategies and financial performance of NSSF in Tanzania. H0: investment in real estate, has no significancy impact on financial performance. H0: investment in capital market has no significant impact on financial performance. H0: purchasing of public shares has no significant impact on financial performance. The target of this study were only employees of the NSSF-Tanzania. Whereby simple random sampling was used to pick a representative sample of 150 respondents. Questionnaire, interview, and documentary review were methods for data collection. It was found that investments in real estate by NSSF has no direct relationship with financial performance, since, investment in real estates proved failure, the fact was that, one need to invest in profitable projects and for this to happen, a thorough feasibility study is of paramount importance in any investment. Basing on this factor therefore, hypothesis that states: “investment in real estate, has no significancy impact on financial performance” was accepted. It was found out that, investments in capital markets had no significant effect on financial performance, basing on this factor therefore, hypothesis that states “investment in capital market has no significant impact on financial performance” was accepted since, the calculated p-value was greater than the alpha level. In this study, it was further found out that, purchasing public shares found to have significant effect on financial performance of NSSF. Basing on this factor therefore, hypothesis that states “purchasing of public shares has no significant impact on financial performance” was rejected. Basing on the findings above, financial performance of NSSF is due to purchasing of public shares. It can also be concluded that, invest in real estates has led NSSF to prove failure due to poor investment plan. It is therefore recommended that, for successfully financial performance to occur, NSSF need to invest in profitable projects and for this to happen, a thorough feasibility study is of paramount importance in any investment.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Since the early 1980s, the structure of retirement income plans has gradually shifted from pay-as-you-go defined benefit (DB) structures to various types of arrangements where funds fund the payment of benefits, either in individual accounts or in group schemes. The move is primarily motivated by policymakers seeking to reduce the fiscal impact of aging populations and diversify sources of pension income.

As a result, the fund's quality and management are at the forefront. Statistical evidence indicates a rapid increase in pension funds in emerging and developed countries. Pension funds accounted for 45% of GDP in the G7 by 2001 (Chatterton et al., 2010). Pension funds contributed 20 percent of the GDP of the third world over the same period. A pension fund is a legally separate pool of capital acquired with contributions to a pension fund for the sole purpose of financing pension benefits (OECD 2008, Yermo 2002). Pension funds are the world's main retirement income sources for millions of people. Pension funds also contribute significantly to the country's gross domestic product (GDP). According to Antolín (2009), changes in demographic characteristics culminated in the enormous contribution to the GDP of developing nations. Chatterton et al. (2010) note that, by providing funds for investment projects, the pension fund complements the capital market and steers the growth of an economy. Furthermore, pension funds investment benefits individuals and the economy, especially investment banks. Pension funds should therefore be carefully managed to avoid short-and long-term comparisons. Meng & Pfau (2010) argue that the Fund's important role in the growth and performance of the country has attracted scholars, practitioners, and policymakers to monitor the performance of the pension.

Pension funds face the regulatory requirement to allocate a large proportion of their capital domestically and, given the large size of their capital, are expected to invest in a wide range of domestic assets and diversify risk within the country as much as possible. Relative to other institutional investors, therefore, pension funds are assumed to be the ones that contribute most to domestic capital markets ' growth (Raddatz and Schmukler, 2008). Therefore, it is important to manage pension funds effectively, not only in Tanzania but in other countries as well. The international pension crisis has threatened to erode contributions made by pension funds to the world economies (OECD 2008). The crisis is emerging in countries with inadequate funds to compensate for the aging population's retirement income as a result of declining financial markets (Kakwani, Sun and Hizn 2006).

Effective pension fund investment strategies are needed to ensure that pension fund assets are protected against externalities in the investment universe. Currently, Tanzania has merged five social security schemes namely, National Social Security Fund (NSSF), Parastatal Pensions Fund (PPF), Local Authorities Pensions Fund (LAPF), Government Employees Provident Fund (GEPF) and the Public Service Pensions Fund (PSPF) into Public Service Social Security Fund is a social security scheme established by Public Service Social Security Act of 2018. PSSSF's main purpose is to raise donations and provide terminal benefits for public service workers. Investment has been found to be important aspects of host countries economic development and vital to building local business innovation capacities in developing countries (Boocock, 2002). Stanko (2002) describes "investment strategy" as an array of pension fund investments. The investment strategy defines the investment composition of a pension fund's overall assets and seeks to manage investment costs and returns carefully. (Stanko 2002; Eichholtz and Margaritova 2009). The investment strategy is therefore a plan that guides the choice of the investments that pension funds make.

The investment strategy, according to the OECD (2006), varies depending on the type of pension fund. The investment strategy's aim in the case of a DB is to achieve the highest possible returns in line with the pension fund's liabilities and 90 liquidity needs. The main goal of the investment strategy in a DB pension fund is to produce returns that accrue in terms of investment targets for individual member account balances. Therefore, the investment strategy leads to the returns on investments that directly affect the pension fund's financial performance (OECD 2006).

Cheong's (2017) financial performance is a subjective measure of how well an organization is doing. For example, by using its resources to generate profit, a pension scheme may boost its financial performance. Brady (2009) argues that financial reports provide valuable information to investors such as a company's employees and retirees on the success of pension schemes. Financial performance is an essential aspect of a company's net income determination and financial risk assessment. In addition, the financial status of a pension scheme can affect its members ' financial well-being during their retirement years. Pension schemes need to make several calculations in order to account for defined benefit pension plans. According to Blome et al. (2010), these estimates include the prediction of future salary increases for covered employees, the discount rate to be used to determine the value of pension payments and the return on the pension fund's accumulated assets.

Nevertheless, the financial performance of both public and private pension funds has been subject to increased scrutiny. Of the 130 projects in the public sector, 69 have been reported to be grossly underfunded and urgently need action to revitalize them (Daily Nation 2010). It is therefore of great importance to work on ways to improve the quality of pension funds in Tanzania and probably around the world. The quality of the pension fund is significant as it results in investment and therefore high pension benefits for the pensioners. Nonetheless, poor performance results in higher operating costs, low returns on investment and, in extreme cases, the loss of funds. However, low returns on investment and the closure of pension funds reduce the contribution of the latter and the GDP of many countries (Bateman and Mitchell 2014).

Several scholars have a negative relationship-building researcher on the relationship between investment and pension fund results with Roms and Salker (2013), Pallagher and Martin (2014). On the other hand, Cheong 2017; Mahon and Donohoe 2016; Bikker and Dreu (2019) have built a positive relationship with claims that larger pension funds can produce numerous benefits resulting from operational economies of scale (Pyeong 2014). Different studies have shown a variety of relationships due to cost, retirement age, contributions, and size of assets. Thus, it is necessary to establish the effect of investment strategies on performance of pension fund in Tanzania.

1.2 Statement of the Problem

In Tanzania the government has merged its five social security funds into two schemes, the Public Service Social Security Fund (PSSSF) and the National Social Security Fund (NSSF) with the aim of boosting service delivery after signing into law the Public Service Social Security Act, 2018 in June 2018 (URT, 2018). While the PSSSF is a social security scheme established by Public Service Social Security Act of 2018. The main purpose is to collect contributions and payment of terminal benefits to employees of public service in mainland Tanzania. NSSF is a compulsory scheme covers private sectors, government ministries and departments employing non-pensionable employees, Parastatal organisations, self-employed. It was established by the Act of Parliament No. 8 of 1997 to replace the defunct National Provident Fund (NPF). Among other objectives, NSSF aims at increase of investment in viable ventures.

Understanding public pension fund investment strategies(portfolios) and their financial performance if they are performing or not performing, is crucial to know whether pension funds will be able to compensate to pensioners in future. Hence, the researcher aims to analyse the relationship between investment strategies and financial performance of NSSF in Tanzania.

1.3 Research Objectives

1.3.1 General objective

Generally, this study seeks to evaluate the influence of investment strategies of NSSF and financial performance in Tanzania

1.3.2 Specific Objectives

i. To investigate the impact of investments in real estate and financial performance.
ii. To analyze the impact of investments in capital markets in financial performance.
iii. To examine the contributions of purchasing public shares on financial performance.

1.4 Research Hypothesis

H0: investment in real estate, has no contribution on financial performance.

H0: investment in capital market has no influence on financial performance.

H0: purchasing of public shares has no influence on financial performance.

1.5 Significance of the Study

The study will be useful in improving the body of performance management expertise, with changes in the quality of pension funds in developing countries that unlike developed countries, there has been a lack of information. The study findings will also add to the body of knowledge about the effect of investment strategies on pension fund performance and thus store more value in developing countries. This is because the impact of investment strategies on the quality of pension funds is not clearly established. The findings of this study will be helpful to the regulator as it will help to formulate better policies that are relevant to support good investment decisions and better returns for pension funds. It will also be possible to evaluate the effect of investment strategies on the performance of pension funds through the study board of trustees, thereby taking decisions that will enhance the financial performance of pension funds. Finally, the study will be important for academics as it provides an understanding of investment strategies in social security organizations.

1.6 Limitation of the study

Despite of the scope the study, the researcher faced with the following obstacles.

i. Some of the information were confidential for respondents to expose, meanwhile, the researcher assured them with high level of confidentiality of the information.
ii. Some respondents did not return questionnaire on time, this situation facilitated delaying in data analysis and the whole process of report writing. Meanwhile, the researcher managed to insist respondents on the importance of returning questionnaire on time for the sake of writing report and submitting it on time.

1.7 Scope of the Study

The present study assessed the relationship between investment strategies of pension funds and financial performance in Tanzania. The study was conducted in Tanzania and it is hoped that lessons for the pension fund industry worldwide will emerge from this study.

1.8 Organization of the Study

This study consisted of five chapters. Chapter one unveils the problem which informs the study and its context. It provides the justification for the study. Chapter two presents a review of relevant literature, synthesis, and research gap to the study. Chapter three describes the research methodology and procedures of data collection and analysis. Chapter four presents research findings while chapter five, presents conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The NSSF's investment policy requires the fund to invest 75 percent of its total annual sources. The fund traditionally invests in government securities, fixed deposits, corporate bonds, loans, equities, and real estate (NSSF, 2010/2011). Most of the investments are in loans and government securities and a large percentage of the income comes from interest collections. Currently, the NSSF has begun to invest heavily in real estate and have undertaken multi-billion shillings construction projects in various parts of the country.

This section presents definitions of key terms to be used in the study, theoretical review, empirical review, and conceptual framework of the study. Also gives a detailed literature review of pension funds.

2.2 Definition of Key Terms

Investment strategy: An investment strategy "is a set of rules, behaviours or procedures, designed to guide an investor's selection of an investment portfolio. Individuals have different profit objectives, and their skills make different tactics and strategies appropriate" (Campbell and Viceira 2002).

Financial performance: Financial performance "is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period" (https://www.investopedia.com/terms/f/financialperformance.asp).

Pension funds: "A fund established by an employer to facilitate and organize the investment of employees' retirement funds contributed by the employer and employees. The pension fund is a common asset pool meant to generate stable growth over the long term and provide pensions for employees when they reach the end of their working years and commence retirement. Pension funds are commonly run by some sort of financial intermediary for the company and its employees, although some larger corporations operate their pension funds in-house. Pension funds control relatively large amounts of capital and represent the largest institutional investors in many nations" (Davis 2000).

Return on Assets (ROA): Return on assets indicates "the number of cents earned on each shilling of assets. Thus, higher values of return on assets show that business is more profitable. This ratio should be only used to compare companies in the same industry. The reason for this is that companies in some industries are most asset-insensitive that is they need expensive plant and equipment to generate income compared to others. Their ROA will naturally be lower than the ROA of companies which are low asset insensitive. An increasing trend of ROA indicates that the profitability of the company is improving. Conversely, a decreasing trend means that profitability is deteriorating" (Dogra, 2013).

Real estate

This is a unique kind of investment (Mbogo, 2016). The Real estate Investment strategies can be described as procedures, rules and policies that guides investors in constructing an efficient real estate portfolio. This means therefore that investor's risk-return trade-off is determined by real estate investment strategy adopted. Therefore, an investor should plan his investment strategy well before making any real estate investment decisions (Jones, 2009). The fact is that, real estate investment strategy is the decision made by the investors or the top-level management concerning the amount of funds that can be utilized or deployed in real estate investment opportunities.

Capital market

As a strategy to help Tanzanians mobilise savings and direct them into investing, the capital market was established in 1994 through the establishment of the Capital Markets and Securities Authority (CMSA) that was created to promote and regulate the securities business in Tanzania (Bank of Tanzania, 2010).

2.3 Theoretical Literature Review

2.3.1 Efficient Market Hypothesis

Theory in financial studies, the efficient market hypothesis is a widely used and accepted concept. It relays that all available information is included in the share price at any point in time and therefore the hunt for any new information not included in the "current price" is a waste of time. The theory also suggests that active investment management is futile and should therefore rely on using the market index to assess an investor's investment strategy (Malkiel 2003). Pension fund quality assessment has long been related to the question of market efficiency as originally posed by Fama (1970). Based on the theory markets are information all efficient, and thus would not generate excess returns from historical data. This is because all securities prices reflect publicly available information (Cochrane, 1999). This is of importance in understating the performance of the pension funds market since they are related to the performance of security markets. As such it is expected that any investment that pension funds make is related to the available public information and this will not lead to abnormal performance (Malkiel (2005). The efficient market theory will thus be of help in understanding the financial performance of pension funds given the publicly available information on the various pension fund investment strategies.

2.3.2 Financial intermediation theory

Starting in the '60s, the theory of financial intermediation was developed and can be traced back to the work of Gurley and Shaw (1960). The theory of financial intermediation is based on information asymmetry theory and the theory of agency. In principle, the theory states that institutions exist to reduce information and transaction costs resulting from an asymmetry of information between borrowers and lenders.

The word 'financial intermediary' refers in a financial sense to a person, organization, or corporation that performs intermediation between two or more organizations and one of them is the pension fund (Allen & Santomero, 1988). By contrast with investments, Pension funds receive greater capital flows. Because this is highly regarded by many beneficiaries. These fiscal policies tend to increase demands for savings through the pension funds network. Besides, the growth of pension funds usually depends on corporate social security pension liberality, particularly for unique benefit funds. There are additional elements of the partnership that encourage companies to set up pension funds between the company and the public sponsor.

Based on the perception of corporate finance, defined benefit pension fund liabilities are regarded as corporate debt that members can claim from the company. According to this definition, fund holdings are corporate assets that make collateral for pension commitment (Scholtens, 2003). Based on the theory of financial intermediation that focuses primarily on banks, the role of a financial intermediary is defined by activities such as taking deposits and issuing loans. Davis 'expansion of the theory of financial intermediation to the pension fund activities' (2000) considers pension funds as types of institutional investors that pool, save and invest money contributed by beneficiaries and sponsors to meet future pension retirements of the beneficiaries.

Accordingly, pension funds fulfil the financial intermediary role by investing accumulated money in various financial assets such as government bonds, deposits corporate equity, foreign tools, corporate debt, and real estate. As institutional investors, pension funds may deliver many advantages including increased risk-taking, better return as a result of diversification, and decreased transaction costs as a result of a large volume of trade (scale economies). Characteristics such as transaction cost and asymmetric real-world market data allow pension funds to benefit from fixed asset valuation, technological advances, and decrease average trading costs (Robu and Sandu 2011). Thus, the theory of financial intermediation will contribute to the study by providing an understanding of investment strategies in the financial performance of Pension Funds in Tanzania.

2.4 Empirical Literature Review

Impavido (2003) believes a positive relationship exists between performance evaluation of the pension fund and returns. In countries with poor governance records that do not conduct any quality reviews to measure individual pension fund returns, the worst returns are generated by pension funds. Therefore, an independent assessment of investment results leads to better governance and higher investment returns.

Clark (2005) on the other hand, encourages the use of the market model to analyse pension funds with a careful reference to market opportunities and peer benchmarks of pension provision and fund governance that include cost efficiency, the rate of return, and client responsiveness. Clark (2005) recommends that pension funds keep performance monitoring accurate and timely, as well as the process that can recognize and differentiate between aberrant and systematic performance failures. The present study discusses the effect of objective quality analysis on the productivity of the pension fund.

Gifford (2004) and Friedberg (2006) trace Germany's earliest pension fund scheme. These researchers loan former German Chancellor Otto Von Bismarck for mandatory savings schemes for workers in large firms subjected to the philosophies of socialism in 1889. Crane and Yakoboski (2008) note that, once the employee reached the age of sixty-five (65), the Bismarck pension fund scheme was funded by worker and employer contributions, tax incentives were received, and retirement benefits paid. Under this scheme, pension funds' investments have been invested in financial instruments according to Gifford (2004). However, this system had no pension entitlement for personal representatives in the event of death, it was mainly restricted to civil servants and war veterans, and many works did not live to benefit from retirement benefit as life expectancy was 60 years (Gifford 2004).

There are major economies of scale in the management of pension funds, according to Mahon and Donohoe (2006). We argue that larger pension funds incur higher operating costs per member as they have set many of their expenditures. Therefore, the most important factor affecting pension fund costs is the size based on the number of pension fund members (Mahon and Donohoe, 2006). The Irish Funds Industry Association (2009), cited in Mahon and Donohoe (2006), recognizes the dramatic effects that the size of the pension fund can have on performance. Pension pooling would allow pension funds to "pool" capital into a single investment account that would invest in assets such as global equity, bonds, and cash on behalf of the participating pension funds, according to the association. That means that the greater the size of the pension fund, the lower the expenses it is likely to incur as a result of increasing returns from the pension fund.

In a study conducted in Massachusetts, Ardon (2006) found that smaller pension systems have higher administrative and management costs. The smaller funds recorded administrative costs equal to 0.78% of their asset values, while the larger funds recorded administrative costs equal to 0.44% of the asset values (Ardon, 2006). Therefore, very small pension funds are inexpensive to operate and will result in low-efficiency levels.

Local studies conducted by Alexander Forbes Survey Consulting Actuaries Schemes ' Survey show that there has been an increase in the types of tools available for investment and some relaxation of regulatory investment guidelines with more focus on investment strategies based on schemes. In 2007, as part of closer integration within the East African Community, investments in Tanzania and Uganda will be viewed as domestic investments to determine the exposure of a scheme to offshore investments. Several local and foreign asset management and pension management companies have entered the market as a result of the new regulatory requirements, resulting in increased demand, lower fees, and improved service levels.

Specific research was reviewed following pension scheme funding. It is important to note that the studies are mainly international with a few local ones. In a study by Mghali (2003), he proposed that businesses should implement pension schemes where the employer contributes a certain percentage of the employee's contribution and then invest, and trustees should manage the fund. In his report on the National Social Security Fund (NSSF), Mugweru (2001) recommended that NSSF's investment department be made up of professionals adhering to correct investment policies and procedures.

William Ambaka Akwimbi's (2011) research considered the fact that pension funds work under different regulatory frameworks and may therefore be subject to specific investment constraints. Therefore, it used four hypothetical benchmarks to evaluate the performance in each country of privately managed pension funds. The study findings showed that in most countries, the quality of pension funds is below what it would have been expected, as reported. The importance of the quality of pension funds means that due to the negative value of the net returns of benchmark returns for each country, careful consideration should be given to the possible benefits that members will derive from them.

Omonyo, (2003) noted that risk and return are the primary factors of Pension Fund Managers' investment activities in Kenya. Current income is not their fund goal; however, capital preservation will be the most prevalent objective. Pension schemes also differ from collective investment schemes because they have a minimum requirement for funding and are set up to invest funds to meet pension obligations.

Mutuku (2011) conducted a study to determine the relationship among fund management firms in Kenya between portfolio composition and risk and return. A descriptive survey was used to study the research. The study's population was 18 registered fund managers who were then operating in Kenya. For this study, both secondary and primary data were used. The secondary data were collected from the financial statements of the registered fund managers, other published sources, and annual returns to regulatory authorities such as the Capital Markets Authority and the Authority for Retirement Benefits. A drop-and-pick questionnaire collected primary data. The study concludes that the investment portfolio percentage return is calculated by the fund management firms. The method the companies used in calculating the rate of return percentage as statistical or time-weighted returns.

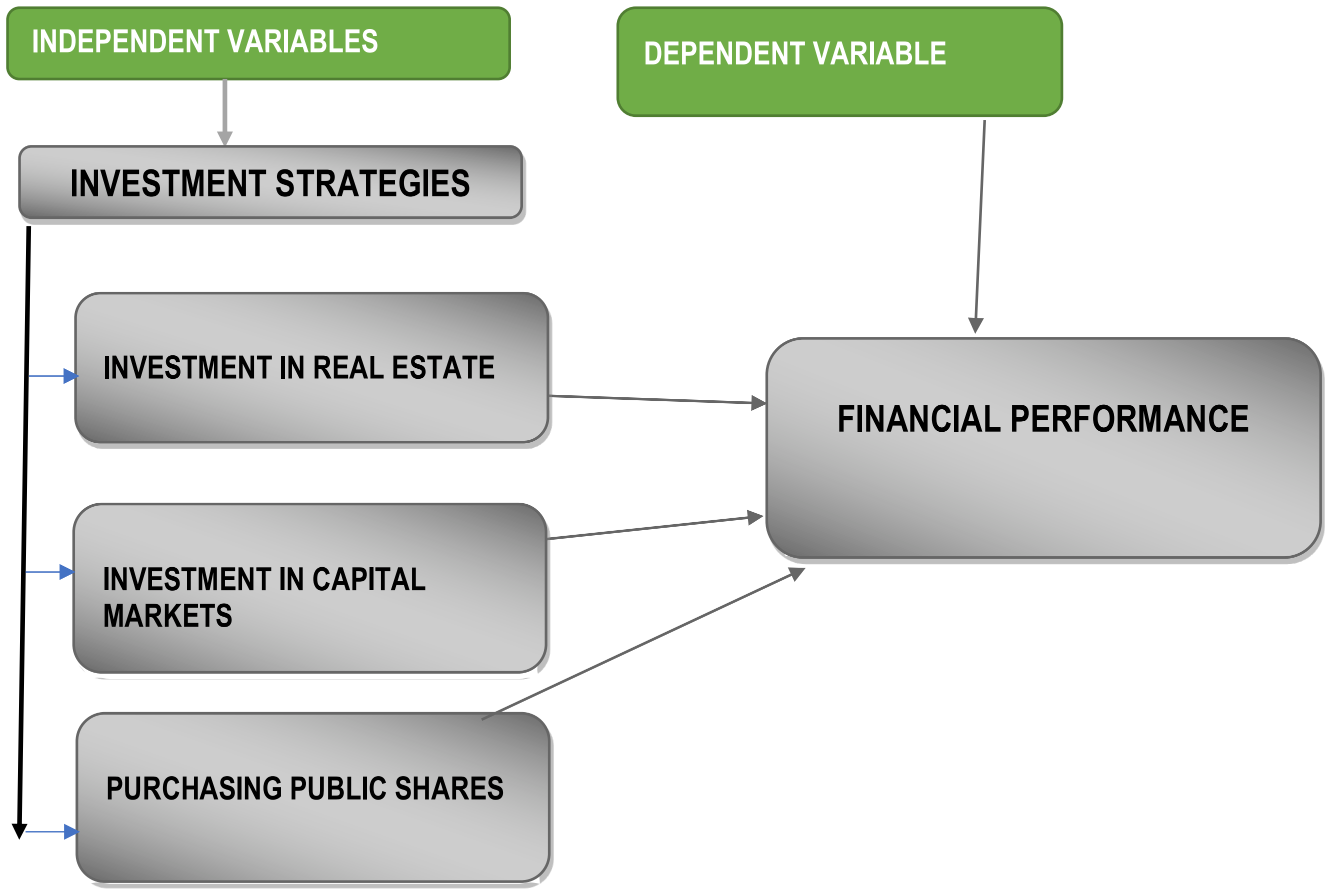
According to Gibson's (2000) report on the impact of the United Kingdom's (UK) strategic asset allocation decision on pension fund results, a finding that 96% of the overall variance in monthly investment returns could be explained by typical asset class holdings across funds on average. More significantly, more than half of the variance in portfolio returns for the fund with the smallest contribution to the return volatility from this element was explained by typical asset class holdings as considered in the study.

In his work on how much asset allocation policy contributed to the return-level pension benefit fund in Kenya, Nguthu (2009) found that the variability in returns over time for pension schemes was clarified by the investment strategy implemented by the scheme's trustees up to 62.4 percent. Other considerations including choice of shares, the timing of acquisitions, and selection of managers explained the rest. The study was carried out on 40 different occupational structures in Kenya and evaluated returns using regression analysis and descriptive statistics.

Based on other Isbitts (2010) study, the average fraction of the overall variance in the output of the pension fund was found to be due to the distribution of strategic assets at 93.6%. It was therefore summarized that an investment policy (i.e. the distribution of strategic assets) dominates investment strategy (market timing and choice of security). Such studies show the positive relationship between these two factors, asset allocation and efficiency of the pension fund.

2.5 Conceptual Framework

Figure 1 1



Source: The Current Study, 2020

2.5.1 Description of variable

The current study constituted of the major variables namely, an independent variable and dependent variable. An independent variable includes investment strategies, like investing in real estates, investing in capital market, as well as purchasing public shares. It is assumed that, all these elements are pure factors leading to pension funds financial performance and consecutively yield higher return on asset and equity. Dependent Variable on the other side, encompasses financial performance of NSSF therefore, establishment of proper risk management processes, clear investment policies is likely to consequently achieve positive financial performance.

2.6 Research Gap

A lot of research has been done on the performance of pension funds, more specifically in developed countries. Consequently, the financial troubles of a significant number of pension schemes have triggered an urgent need for the formulation and implementation of solutions to the problem. No sufficient investigation has been done to determine the relationship between investment strategies of NSSF and financial performance especially in Tanzania. This study attempts to bridge this gap by evaluating the relationship between investment strategies of NSSF and financial performance in Tanzania.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology part of the research, it covers the research design, area of the study, research approach, population, sample and sampling procedures, methods and procedures used for data collection, data analysis, Validity and Reliability as well as ethical Considerations. It gives an overview of the research methodology used in this study.

3.2 Research Design

As suggested by Shanti & Alok, (2017) a good research design will be prepared if a research problem should be stated clearly. In other words, the purpose of research design is referring as general procedure that you choose to combine the various components of the study in a consistent and logical way. It comprises the outline for the collection, measurement, and analysis of data. A flexible research design which offers the opportunity for allowing the different aspects of a problem is considered suitable if the purpose of the research study is to be clear. As far as this study is concerned, a mixed method design was used for this study.

As pointed out by Zegwaard & Hoskyn, (2015) mixed methods research (using both quantitative and qualitative data collection methods) has become more prevalent in social research. It involves the collection and “mixing” or integration of both quantitative and qualitative data in a study (Creswell , 2014).

3.3 Area of the Study

The study was conducted at NSSF headquarter offices – Dar es Salaam in evaluating the relationship between investment strategies of NSSF and financial performance in Tanzania. The purpose of selecting NSSF -Dar es Salaam was that, there were many projects which are conducted by NSSF, some of them are such as Kibada, Kinyerezi and Mtoni Kijichi housing project, which are the modern settlements with basic social services (a school, a health centre, modern shops and a market) and requisite infrastructure (clean and safe water, electricity and roads) and the Kigamboni bridge. Moreover, the researcher resides in Dar es Salaam he is familiar with NSSF, hence, the collection of data among respondents was not a difficult task.

3.4 Research Approach

There are two basic approaches in conducting research; according to Saunders, et al., (2019) these are quantitative and qualitative approaches. According to Eliyahu, (2014) while the qualitative approach to gathering information focuses on describing a phenomenon in a deep comprehensive manner, done through interviews, open-ended questions, or focus groups. The quantitative approach to gathering information focuses on describing a phenomenon across a larger number of participants thereby providing the possibility of summarizing characteristics across groups or relationships.

Basing on the fact that, other information required to accomplished this study were documents and annual reports from NSSF office, this study employed a documentary review which is a qualitative approach. On the other hand, information that demanded quantification like all primary data were quantitatively analysed, hence quantitative approach. Basing on this factor therefore, this study used a mixed approach.

3.5. Population

A population is the group of all items of interest to a statistics practitioner. It is frequently very large and may, in fact, be infinitely large. It calso be defined as a group of individuals of the same species living and interbreeding within a given area (Tarsi, & Ty, 2012). The population of this study included only employees of the NSSF headquarters Tanzania. Only 240 employees of the NSSF-Dar es Salaam were used as the population of this study.

3.5.2 Sampling Procedure and Sample Size

Sampling is the process of selecting some individuals for a study in such a way that the individuals selected represent the larger group from which they were selected. There are two types of sampling: non-probability and probability sampling. Non-probability sampling uses a subjective method of selecting units from a universe, while probability samples are based on simple random sampling, stratified sampling, systematic sampling, cluster/area sampling (Shanti & Alok, 2017). Simple random sampling was used to pick a representative sample of 150 respondents. Taherdoost, (2017) provides the simplest formula for calculating sample size as follow;

$$\mathrm{n} = \frac{\mathrm{N}}{1 + N.e^2}$$

$$\mathrm{n} = \frac{240}{1 + 240 * 0.05^2}$$

$$= 150$$

Table 1: Shows the Sample Composition Across NSSF Employees

S/N.	Sampled area	Male	Female	Total respondents
1	External Auditors	15	8	23
2	Registration and Documentation	12	16	28
3	Finance and Accounts	41	33	74
5	Compliance unit	7	4	11
6	Administration	8	6	14
	Grand Total	**83**	**67**	**150**

Source: Research findings, 2020

3.6 Data Collection Methods

According to Bhandari, (2020), data collection is a systematic process of gathering observations or measurements. Whether you are performing research for business, governmental or academic purposes, data collection allows you to gain first-hand knowledge and original insights into your research problem. While methods and aims may differ between fields, the overall process of data collection remains largely the same. This study collected both primary data and secondary data. Primary data were collected through a self-administered questionnaire and interview guide to selected respondents. The questionnaire was open-ended as well as closed questions. The documentary review involved historical data disclosed by annual reports of NSSF. Some other secondary data like financial statements were collected through browsing and reading published sources of annual reports, censuses, newspapers, books, pamphlets, journals, and other relevant information concerning the performance of pension funds.

3.7 Data Analysis

Analysis of data was done according to the nature of data collected. Quantitative data was analysed through statistical tool known as Statistical Package for Social Sciences (SPSS) version 25. Statistical methods involved in carrying out a study include planning, designing, collecting data, analysing, drawing meaningful interpretation and reporting of the research findings. On the other hand, Cross-tabulation was used to determine the relationships between the study variables the statistical analysis gives meaning to the meaningless numbers, thereby breathing life into a lifeless data. Qualitative data were analysed by contents depending on the interview questions answered

3.8 Validity and Reliability

Reliability and validity are concepts used to evaluate the quality of research. They indicate how well a method, technique or test measures something (Middleton, 2019). They are closely related, but they mean different things. A measurement can be reliable without being valid. However, if a measurement is valid, it is usually also reliable.

3.8.1 Reliability

Reliability refers to how consistently a method measure something. If the same result can be consistently achieved by using the same methods under the same circumstances. In this study, reliability analysis was conducted to assess questionnaire items consistency in measuring what is supposed to be measured. As added by Hair , et al., (2014), a widely acceptable range of Cronbach’s alpha is 0.70. While in this study, reliability analysis results show that overall Cronbach's alpha (α) for all items was 0.770 which is well above the acceptable level.

3.8.2 Validity

Validity is about accuracy and whether the instrument measures what it is planned to measure (Saunders, et al., 2019). On the other hand, reliability is about precision; it is used to check the consistency and stability of the questionnaire. In order to ensure validity of this study, before distributing questionnaire to respondents, a pilot study of few respondents was done to the PSSSF Arusha region, and the questions were modified. Validity test usually determines whether the research truly measures what it was intended to measure in the study population. In addition, a draft of the questionnaire was reviewed by the supervisor who has enough knowledge and experience in this scope to make sure that each item is measuring what is intended to measure, and to avoid any doubt or complexity in the phrasing of the questions.

3.9 Ethical Considerations

Ethical consideration was the priority in this research ethical issues were one of the main concerns. Moreover, confidentiality was ensured during this study. It was found out that in this study, respondents were not being harmed or damaged in any way during this study. Therefore, before collecting information from respondents the researcher clarified the purpose of the examination to the respondent. In order to assure this, the researcher received an introductory letter from director of postgraduate studies office to the NSSF office. In the process of collecting data, the researcher assured respondents high level of confidentiality on the information to be provided by respondents through questionnaires were maintained.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents study findings, which are organized according to the study objectives. The study was guided by the following objectives: - To investigate the impact of investments in real estate and financial performance, to analyse the impact of investments in capital markets in financial performance and to examine the significance of purchasing public shares on financial performance. In this study, the researcher expected the sample size of the study to be 150 participants however only 130 questionnaires were returned and on time. The rest 20 were not returned.

4.1 Demographic characteristics of respondents

In social sciences research demographic characteristics of respondents have very significant role to play in expressing and giving the responses about the problem, keeping this in mind, in this study a set of personal characteristics namely, age, sex, education, working experiences of the 130 respondents have been examined and presented in this chapter.

4.1.1 Age of respondents

Age of the respondents is one of the most important characteristics in understanding their views about the problems; by and large age indicates level of maturity of individuals in that sense age becomes more important to examine the response.

Table 2: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30	9	6.9	6.9	6.9
	35-40	52	40.0	40.0	46.9
	45-50	51	39.2	39.2	86.2
	55-60	18	13.8	13.8	100.0
	Total	130	100.0	100.0	

Source: Field Data, 2020

It is evident from the Table that the range of the age was found to be 35 years starting from 25 to 60 years. Nearly 7 per cent are between 25-30 years of age, whereas majority of respondents were aged between 35-40 years. The findings show that, majority of manpower from NSSF were aged between 35-40 years and 55-60 years.

4.1.2 Gender of respondents

Gender is an important variable in a social situation which is variably affected by any social or economic phenomenon and globalization is not an exception to it. Hence the variable gender was investigated for this study. Data related to gender of the respondents is presented in the Table below.

Table 3: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	53	40.8	40.8	40.8
	Female	77	59.2	59.2	100.0

Total	130	100.0	100.0	

Source: Field Data, 2020

It is quite clear that out of the total respondents investigated for this study, overwhelming majority (59.2 per cent) of them were females whereas about 40.8 per cent were found to be males. The findings from this study show that, majority of respondents involved in this study were females.

4.1.3 Education of Respondents

Education is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular social phenomena. In a way, the response of an individual is likely to be determined by his educational status and therefore it becomes imperative to know the educational background of the respondents. Hence the variable 'Educational level' was investigated by the researcher and the data pertaining to education is presented in the table below.

Table 4: Education level of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	7	5.4	5.4	5.4
	First Degree	35	26.9	26.9	32.3
	Post graduate	49	37.7	37.7	70.0
	Masters	39	30.0	30.0	100.0
	Total	130	100.0	100.0	

Source: Field Data, 2020

Table 4 shows that about 5.4 per cent of the respondents were educated up to diploma level, 26.9 per cent were educated up to first degree level. The number of respondents attaining higher postgraduate education dominated in this study, followed by Masters holders who constituted of 30 per cent of the respondents. It can be concluded from the Table above that by having larger number of respondents with higher level of education, it implies that, NSSF is rich in qualified manpower to make changes in day to day operations.

4.1.4 Working experience of respondents

Performance of any organisation depends upon qualification of its manpower that can be examined by their level of experience. The work experience of respondents involved in this study are presented in the table below:

Table 5: Working experience of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 3 Years	18	13.8	13.8	13.8
	4-9 years	55	42.3	42.3	56.2
	10-16 Years	49	37.7	37.7	93.8
	17 and above years	8	6.2	6.2	100.0
	Total	130	100.0	100.0	

Source: Field Data, 2020

The table above show that, majority of respondents (n=55) which is equivalent to 42.3%, they had 4-9 years followed by other respondents (n=49) which is equivalent to 37.7% with experience of 10-16 years. Other respondents (n=8) which is equivalent to 6.2% they had experience of 17 and above years. The findings from this study indicated that, NSSF if full of experienced staff to achieve its mission and vision.

4.1.5 Cross tabulation between working experience and level of education of respondents

The main purpose of this cross tabulation was to assess whether level of education of respondents relates with their working experience. The table below show that, experience of NSSF staffs was related with their level of education. This means that, education that staff possess was directly related with their working experience. Basing on this factor therefore, it can be concluded that, NSSF have enough number of qualified staff with required level of education and experience.

Table 6: Working Experience of Respondents * Education level Crosstabulation

Count

		Education level				
		Diploma	First Degree	Post graduate	Masters	Total
Working Experience of Respondents	Below 3 Years	3	1	8	6	18
	4-9 years	3	20	19	13	55
	10-16 Years	1	10	19	19	49
	17 and above years	0	4	3	1	8
Total		7	35	49	39	130

Source: Field Data, 2020

4.2 Hypothesis testing

The main objective of this study was to evaluate the relationship between investment strategies of NSSF and financial performance in Tanzania. To test the hypotheses that have been developed for this study, multiple regression technique was used. Additionally, the level of significance (α-level) was chosen to be 0.05 and the probability value (p-value) obtained from the statistical hypothesis test was the decision rule for rejecting the null hypotheses. Basing on this reason therefore, if the p-value is less than or equal to α-level, the null hypothesis was rejected and the alternative hypothesis was therefore supported. However, if the p-value is greater than the α-level, the null hypothesis cannot be rejected and the alternative hypothesis will not be supported.

4.2.1 Multiple regression

After making sure that all necessary conditions are satisfactory met, the proposed model hypotheses were tested by using multiple regression analysis. The model constructs were; "investments in real estate", "investments in capital markets" and "purchasing public shares", was regressed on financial performance.

Table 7: Coefficient of relationship

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.455	.346		7.099	.000	1.771	3.140
	purchasing public shares increase financial performance of NSSF	.276	.095	.256	2.892	.005	.087	.464
	investment in real estate increase financial performance of NSSF	-.037	.148	-.024	-.251	.802	-.329	.255
	investment in capital market increase financial performance of NSSF	.131	.127	.097	1.036	.302	-.120	.383
a. Dependent Variable: Financial performance is due to Investment strategies								

Source: Field Data, 2020

As illustrated in the table 7 above, the research findings shows that, the calculated p-value (sig value) for investing in real estate is 0.802 which is ≥ 0.05); the calculated p-value (sig value) for Investment in capital market is 0.302 which is ≥ 0.05); were found to have a direct and negative influence on financial performance of NSSF. Nevertheless, different from our expectation, purchasing public shares was found to have 0.05 which is ≤ 0.05).

Regression model was developed from general regression equation as shown below;

From $y = \alpha + a\beta_1 + b\beta_2 + \varepsilon$

Then, $y=\alpha+RES(\beta_1)+ICM(\beta_2)+PPS(\beta_3)+e$

Hence, y=2.455+RES ($\beta_1$0.276) +ICM(β_2-.037) +PPS (β_3.131) +e

***Where*,**

Y =Financial Performance

α = Constant

RES = Real Estate investment

ICM = Investing in Capital Market

PPS = Purchasing of public share

Table 8: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.265[a]	.070	.048	1.538	.070	3.179	3	126	.026

a. Predictors: (Constant), investment in capital market increase financial performance of NSSF, purchasing public increase financial performance of NSSF, investment in real estate increase financial performance of NSSF

Table 8, shows three important elements, thus R, R^2 and the adjusted R^2. According to the table above, R shows an insignificant positive relationship of 0.265 which is 27%. The R^2 value =0.70 meaning 70% of the variance in the model can be predicted using the independent variables or in simple words 70% of financial performance is explained by the independent variables.

Table 9**: ANOVA**

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.570	3	7.523	3.179	.026[b]
	Residual	298.207	126	2.367		
	Total	320.777	129			

a. Dependent Variable: Financial performance is due to Investment strategies

b. Predictors: (Constant), investment in capital market increase financial performance of NSSF, purchasing public increase financial performance of NSSF, investment in real estate increase financial performance of NSSF

In the table 9 above, the F- value = 3.179, and p = 0.026 and it is confirmed that, there, exists a multiple regression model between Y (Financial Performance) and the independent variables (predictors) at the 5% level of significance.

4.3 Discussion of the Findings

The key purpose of this study was to evaluate the relationship between investment strategies of NSSF and financial performance in Tanzania, specifically, the study focused on investigating the impact of investments in real estate and financial performance, analysing the impact of investments in capital markets in financial performance as well as examining the significance of purchasing public shares on financial performance. Based on literature review done by different scholars, this study has developed a research model and hypotheses which itemized that "investments in real estate", "investments in capital markets", "purchasing public shares", has no significant impact on financial performance. In this study, the findings suggest that, all predictor variables involved in this study did not influence financial performance of NSSF, expect purchasing public shares which was found to have less or equal sig value with the alpha level.

Investments in real estate, "investments in capital markets, was not found to have any impact in financial performance to NSSF, but purchasing public shares was a strong predictor compared to the other variable, this means that NSSF do loose it finance when investing in real estate and capital market.

The findings from the first hypothesis of this study H0: investment in real estate, has no significancy impact on financial performance, is accepted, simply because, the computed P-value is greater than 0.05, basing on this reason therefore, investing in real estate by the NSSF adds no value to its financial performance.

Through an interview with one of management staff pertaining investment in real estate that have been done by NSSF in the couple of years that seems to prove failure, he was quoted saying that:

"Although the CAG report for the fiscal year ending June 2017 found out that members' contributions amounting to 27.1bn/- were likely to be lost due to the management's poor investment decisions. The projects include the construction of Apollo Hospital in Dar es Salaam where the contract was signed on September 2014 between NSSF and Apollo Hospital Enterprises Limited, Singapore, the fact is that, already construction have started and we expect to complete it soon".

The fact is that, there existing several arguments on the performance of NSSF especially in real estate investment. Through documentary review on several real estates that NSSF have invested, it was observed that, many projects done by NSSF like Mkuranga Power Projects, procurement of 100 hectares of land for drilling of 11 water wells, implementation of the Housing project at Kiseke and Bugarika in Mwanza region, all these projects puts NSSF at risk.

The findings from the second hypothesis that stated "H0: investment in capital market has no significant impact on financial performance" was further accepted in this study. This hypothesis had the P-value greater than the alpha level (0.05). through an interview by one of management staff, he was quoted saying that:

"Decrease in investment values is the difference of market values at the beginning and end of the period of quoted equity securities at Dar es salaam Stock Exchange (DSE), this has been attributed by poor treasury risk management, the fund uses derivative financial instruments for speculative purposes, most of fund face any liquidity risk due to its nature of operations and investment policies".

Through documentary review especially from NSSF financial report, it was found out that, ceasing of and failure of the NSSF to retain NSSF membership even when a member faces a short-term loss of employment, has facilitated to the poor financial

performance of the NSSF. This was further elaborated through an interview with one of management staff who acknowledged that:

"the situation occurred in the country in the couple of years, influenced withdraw of members from NSSF, it is known that, NSSF covers private sectors that demands good environment in the country, but due to poor investment environment in the country, these companies have downsized their companies due to poor financial status. Moreover, the e=incident of CORONA, has led into crossing of offices and withdraw from NSSF hence poor financial performance".

In this study, it was further found that, hypothesis that stated, "purchasing of public shares has no significant impact on financial performance" was not rejected since its calculated p-value was less than the alpha level. Basing on this factor therefore, financial performance of NSSF was influenced by the act of purchasing of public shares.

CHAPTER FIVE

SUMMARY, CONCLUSION, RECOMMENDATIONS, POLICY IMPLICATIONS AND CRITICAL EVALUATION OF THE STUDY

5.1 Introduction

This chapter presents the conclusion and recommendations based on the relationship between investment strategies of NSSF and financial performance in Tanzania. Conclusion and recommendation from this chapter emanated from the impact of investments in real estate and financial performance, the impact of investments in capital markets in financial performance as well as significance of purchasing public shares on financial performance. Recommendation for the further study is also presented in this chapter.

5.2 Summary of Findings

The objective of the study was to evaluate the relationship between investment strategies of NSSF and financial performance in Tanzania, specifically, this study intended to investigate the impact of investments in real estate and financial performance, to analyse the impact of investments in capital markets in financial performance as well as to examine the significance of purchasing public shares on financial performance. In this study, financial performance was treated as dependent variable whereas investment strategies where classified as independent variables which included investments in real estate, investments in capital markets as well as significance of purchasing public shares. The research findings indicate that there was no positive relationship between all independent variables expect one (purchasing of public share).

In other words, the research findings show that, the calculated p-value (sig value) for investing in real estate is 0.802 which is ≥ 0.05); the calculated p-value (sig value) for Investment in capital market is 0.302 which is ≥ 0.05); were found to have a direct and negative influence on financial performance of NSSF. Nevertheless, different from our expectation, purchasing public shares was found to have 0.05 which is ≤ 0.05).

5.3 Conclusion

This study evaluated the relationship between investment strategies of NSSF and financial performance in Tanzania. The study was guided by three objectives namely, to investigate the impact of investments in real estate and financial performance, to analyse the impact of investments in capital markets in financial performance as well as to examine the significance of purchasing public shares on financial performance. In this study it was found out that, the calculated p-value (sig value) for investing in real estate is 0.802 which is ≥ 0.05); the calculated p-value (sig value) for Investment in capital market is 0.302 which is ≥ 0.05); were found to have a direct and negative influence on financial performance of NSSF. Nevertheless, different from our expectation, purchasing public shares was found to have 0.05 which is ≤ 0.05).

5.4 Policy Recommendations

The study therefore recommended that; since investments done by the NSSF found to perform poor in terms of returns, it is therefore recommended that, NSSF need to invest in profitable projects and for this to happen, a thorough feasibility study is of paramount importance in any investment.

5.4 Areas for Other Studies

This study recommends a further in-depth study on other investments that can be used by NSSF to increase financial performance because, investing in real estate and capital market found to insignificant in determining financial performance.

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APPENDIX I: QUESTIONNAIRE FOR NSSF STAFFS

Dear Respondents,

I **Melkizedeck F. Temba**, currently a student at **INSTITUTE OF ACCOUNTANCY ARUSHA**, Pursuing Master of Science in Finance, and Investments. The completion of the **MSc. FI** program requires researching the area of interest. I am researching the **ANALYSIS OF RELATIONSHIP BETWEEN INVESTMENT STRATEGIES AND FINANCIAL PERFORMANCE OF NATIONAL SOCIAL SECURITY FUND (NSSF) IN TANZANIA.** I kindly ask you to assist me in my study by answering the following questions. I assure you that your information will be kept confidential. This research is purely for organization purpose hence no party of information sought will be used for non-organization purposes principles of anonymity and confidentiality are guaranteed.

Thank you for your cooperation

SECTION A: (Personal Information)

Please put a tick (√) in the appropriate box ( ) as the most agreed answer to the following questions:

1.	**Specify your gender**	Male Female
2.	**Working Experiences**	Below 3 years 4-9 years 10-16 years 17and above
3.	**Level of education of respondents**	a. Diploma b. First degree c. Masters d. Others
4.	**Age of Respondents**	a. 25-30 b. 35-40 c. 45-50 d. 55-60

SECTION B:

The following part seeks to investigate the impact of investing in real estate and financial performance
1=strongly disagree 2= Disagree 3=Neutral 4=Agree 5=strongly agree

QN	impact of investing in real estate	Options				
1.	Until now there is nothing going on despite the money being spent	1	2	3	4	5
2.	Before investing, there are always feasibility study	1	2	3	4	5
3.	NSSF gets a lot of profit from invested real estate	1	2	3	4	5
4.	Poor investment strategies have led NSSF fail to achieve its objectives.	1	2	3	4	5
5.	Most of real estate investments by NSSF do not consider sustainable neighborhood and also community stability.	1	2	3	4	5
6.	Houses built by NSSF are sold at high cost for normal person to afford.	1	2	3	4	5
7.	NSSF conduct screening exercise in order to generate the risks	1	2	3	4	5

SECTION C:

The following part seeks to identify the impact of investing in capital markets and financial performance.

1=Strong Disagree 2=Disagree 3=Neutral 4=Agree 5=Strong Agree

QN	Impact of investing in capital markets	Options				
1.	NSSF normally invests in Government debt (Treasury bills)	1	2	3	4	5
2.	Capital market enhance mobilization of savings to finance long term investment	1	2	3	4	5
3.	investing in capital market has facilitated trading of securities	1	2	3	4	5
4.	investing in capital market has led to increase in business opportunities	1	2	3	4	5
5.	investing in capital market has led into the continuous availability of fund	1	2	3	4	5

SECTION D

The following part seeks to examine the significance of purchasing public shares to enhance financial performance. Please put a tick (√) in the appropriate box following the following statements: 1=strongly disagree 2= Disagree 3=Neutral 4=Agree 5=strongly agree

SN	Significance of purchasing public shares to enhance financial performance	OPTIONS				
1.	investing in buying public share has led into the improvement of business confidence	1	2	3	4	5
2.	as a result of investing in buying public share, there is a raise of the business profile	1	2	3	4	5
3.	Enlargement of the size of the business have been achieved to due investing in buying public share	1	2	3	4	5
4.	Business satisfaction is observed	1	2	3	4	5
5.	Incremental sales	1	2	3	4	5

Thank you for your cooperation and God bless you!

APPENDIX 2: IN INTERVIEW GUIDE TO NSSF MANAGEMENT

Dear Respondents,

I **Melkizedeck F. Temba**, currently a student at **INSTITUTE OF ACCOUNTANCY ARUSHA**, Pursuing Master of Science in Finance, and Investments. The completion of the **MSc. FI** program requires researching the area of interest. I am researching the **ANALYSIS OF RELATIONSHIP BETWEEN INVESTMENT STRATEGIES AND FINANCIAL PERFORMANCE OF NATIONAL SOCIAL SECURITY FUND (NSSF) IN TANZANIA.** I kindly ask you to assist me in my study by answering the following questions. I assure you that your information will be kept confidential. This research is purely for organization purpose hence no party of information sought will be used for non-organization purposes principles of anonymity and confidentiality are guaranteed.

Thank you for your cooperation

SECTION A: (Personal Information)

Please put a tick (√) in the appropriate box (☐) as the most agreed answer to the following questions:

1.	**Specify your gender**	☐ Male ☐ Female
2.	**Working Experiences**	☐ Below 3 years ☐ 4-9 years ☐ 10-16 years ☐ 17and above
3.	**Level of education of respondents**	a. Diploma ☐ b. First degree ☐ c. Masters ☐ d. Others ☐
4.	**Age of Respondents**	a. 25-30 b. 35-40 c. 45-50 d. 55-60

SECTION B:

The impact of investing in real estate and financial performance

1. Do you agree with the statement that, until now there is nothing going on despite the money being spent?
   ………
   ………
2. Before investing, there are always feasibility study done by NSSF?
   ………
   ………
3. NSSF gets a lot of profit from invested real estate, to what extent this statement is true?
   ………
   ………
4. Poor investment strategies have led NSSF fail to achieve its objectives
   ………
   ………
5. Most of real estate investments by NSSF do not consider sustainable neighborhood and also community stability

   ………
   ………
6. Houses built by NSSF are sold at high cost for normal person to afford
7. NSSF conduct screening exercise in order to generate the risks

   ………
   ………

SECTION C:

The impact of investing in capital markets and financial performance.

1. How does capital market enhance mobilization of savings to finance long term investment?

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   ………

2. How does investing in capital market has facilitated trading of securities

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3. Does investing in capital market has led to increase in business opportunities

……

………

4. How does investing in capital market has led into the continuous availability of fund

SECTION D

The significance of purchasing public shares to enhance financial performance.

1. How does investing in buying public share has led into the improvement of business confidence?
   ………
   ……

2. As a result of investing in buying public share, there is a raise of the business profile, doe this statement applies at NSSF?

   ………
   ………
   …..

3. Enlargement of the size of the business have been achieved to due investing in buying public share
   ………
   ……

Thank you for your cooperation and God bless you!

APPENDIX 3

DOCUMENTARY REVIEW

SN	Type of document	Place to get
1	Annual reports of NSSF	Browsing and reading published sources of annual reports
2	Financial statements	censuses, newspapers, books, pamphlets, journals, and other relevant information concerning the performance of pension funds.