

Pensions Funds Performance in Tanzania
Insights from Comparison of the National Social Securities Fund and Parastatals Pension Fund
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This paper studies efficiency of the largest publicly-managed pension funds in Tanzania and also analyses governance issues in terms of compliance with investment policies. The study used primary and secondary data with a comparative case study orientation. Results indicate that the two pension funds significantly do not comply with their own asset allocation and investment policies and their portfolios of assets are heavily biased towards government securities and real estates. Results also show that levels of administration costs for the funds were significantly high in comparison with international benchmarks. Profitability as measured by return on assets is not significantly different when the two funds are compared to each other but they are significantly lower than international benchmark. Nevertheless, PPF has recorded a higher return on assets although its returns are more volatile and therefore riskier. NSSF on the other hand earned a much less return on assets but with a better diversified and therefore more prudent investment portfolio.