

Pension fund size (Asset Size) and fund investment performance in Zimbabwe: does size really matter?

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Abstract:

The main purpose of this paper was to investigate the effects of the size of a pension fund on its investment performance (efficiency) in Zimbabwe from 2010 to 2013 post multicurrency era. This is an empirical study based on quantitative data that includes the returns of the portfolio of pension funds and their asset sizes. This is a deductive approach that lets the researcher tests hypotheses and theory. The research sample was 20 stand-alone pension funds and 9 fund administered pension funds using a cluster sample. Data analysis revealed to a greater extent that no relationship exists between the pension fund size and its investment performance based on the data that was presented on Zimbabwean pension fund. The implications of the above results mean that data on pension funds coming from third world economies like that of Zimbabwe cannot be used to predict the performance of pension funds because a lot of factors come into play and that the markets are not efficient