

**INFLUENCE OF LONG-TERM INVESTMENTS ON FINANCIAL PERFORMANCE OF LISTED
NON-FINANCIAL FIRMS IN KENYA**

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ABSTRACT

The aim of this paper is to analyze the influence of long-term investments on the financial performance of non-financial firms listed at the NSE. In the Kenyan security market in general, the mixed asset structuring by both financial and non-financial firms listed in the Nairobi Securities Exchange significantly has led to mixed performance indices. The financial sector recorded an improvement of 16% of returns against assets while the non-financial sector recorded only 5.7% of returns against assets. The study focused on non-financial firms listed in the Nairobi Securities exchange located in Nairobi. The data required for this study was from the year 2013- 2017. This period enabled the study to get sufficient information for comparison purposes. The population of the study was from all the non-financial firms listed in the Nairobi securities exchange. According to records from the Nairobi Securities Exchange, non-financial firms are 39. The study used secondary panel data contained in the annual reports and financial statements of listed non-financial companies from the Nairobi Securities Exchange Hand Book 2012-2016. The study found that long term investments had a positive and significant influence on financial performance of the listed non-financial firms at Nairobi Securities Exchange. Firm size was also found to have a significant moderating effect on the relationship between long-term investments and financial performance of listed non-financial firms. The study recommended that the management of non-financial firms listed at the NSE should focus on investing in long-term apertures through which they reap more financing sources to enhance their performance.

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