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WITH HONOURS (FINANCE)

THE DETERMINANT OF UNIT TRUST INVESTMENT DECISION

UNIVERSITY TECHNOLOGY MARA
DECLARATION OF ORIGINAL WORK

MICHELLE ROZIANA GEORGE (IC Number: 870208425788)

MICHELLE ROZIANA GEORGE

2011216564

BACHELOR IN BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TECHNOLOGY MARA

SABAH

Signature: _____ Date: 8 January 2013

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

"In the name of Allah SWT, the Merciful and Beneficent"

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1.1 Background of Study

As an a developing country and newly industrialized market, economic investment in Malaysia has become popular no matter in any types of investment. From 1987 to 2005, gross domestic product (GDP) in Malaysia is growing to 8.5% on average, and it has made it one of the best performing economies in the region. When implementing **Abstract** free-market reforms, government has reduced their role in Malaysia's economy.

This study is conducted to assess the financial behavior of investor while investing in fund schemes, which fund qualities or companies services they prefer most while investing in funds, what type of behavior that they concern while doing a decision in unit trust investment. Objectives of the study is to identify whether performance, behavior and fund manager is the factor that influencing investor to choose unit trust scheme.

Keywords: *unit trust, performance of fund, behavior and perception, fund manager*

A Unit Trust is a one of the investment that have a characteristic of manageable risk and which are then invested in a portfolio of securities or other assets managed by investment professionals.

Investor in Unit Trust Scheme or Mutual Fund is not purchasing the lot directly in portfolio. Securities or stocks are managed by the Unit Trust Management Company. The manager is following the guidelines that have been set by the authorized investment rules and regulation by a group of professional fund managers. Investor is the owner of the portfolio that has divided into a unit of share or a lot, and this investor is called a unit holder. Unit holder is the