



**UNIVERSITI TEKNOLOGI MARA**

**DETERMINANT THE DIVIDEND  
PERFORMANCE OF AMANAH  
SAHAM BUMIPUTERA (ASB)**

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## ABSTRACT

This study empirically investigates to find the significant relationship of the interest rate, inflation rate, and GDP growth rate with the dividend return by using annual time series data started from 1990 to 2020. Amanah Saham Bumiputra (ASB) is one of the most favourable choices when it comes to the unit trust investment. As far as the concern, ASB is one of the unit trust investments that paid with the highest dividend towards its holders. However, how many of Malaysians are aware with the factors that had taken to be considered for the dividend being paid. Thus, this study is emphasizing in the factors that affect dividend performance of ASB. The data collected is provided by the ASNB and processed by the E-Views software. The result indicated that gross domestic product, inflation rate, and interest rate are having a positive relationship towards the performance of ASB.

*Keywords: Determinants of performance, Amanah Saham Berhad, unit trust company, time series data, gross domestic product, inflation rate, and interest rate.*

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

In the corporate finance literature, dividend decisions have been extensively examined. Profitable businesses generate revenue. This revenue might be used to invest in running assets, acquire securities, pay down debt, or be given to shareholders. The dividend is the income that is delivered to shareholders. The proportion of a company's income that should be distributed to shareholders, whether the distribution should be in cash dividends, or the cash should be passed on to shareholders by buying back some shares, and how stable the distribution should be are all issues that arise if a company decides to distribute its income to shareholders. The issue of dividend policy has sparked a lot of debate. For decades, researchers and practitioners have pondered about why companies pay dividends and why investors pay attention to dividends.

In the actual world of business and investment, there are several market flaws. As a result, numerous researchers question the dividend irrelevance theory, proposing several key relevant dividend theories that explain dividend behaviour in the context of capital market flaws. This research is carried out to examine the dividend of Amanah Saham Bumiputera (ASB) and determine the factors on the dividend pay-out of ASB. The studies focus on the factors that determine or affect the dividend performance of Amanah Saham Bumiputera (ASB).

This section would focus on the research's context, the problems that were studied, the nature of the study, the limitations of the study, and the terminology of words used in the study. The study's aim will be to examine into the ASB's dividend exposure. In fact, this study will employ the data evaluation system, which will include all important information from this research, such as the annual report, DataStream, and E-views.

### **1.2 Background of The Study**

This Unit Trust, ASB is a type of investment vehicle developed by asset management firms that specialise in pooling money from both retail and institutional investors (Abdullah et al., 2007). Since it has lower risks than other sorts of investments, this type of investment vehicle is becoming more popular. How many of us, on the other hand, are aware of the factors that must be considered for the dividend to be paid? Since ASB is under government,