

**UNIVERSITI TEKNOLOGI
MARA**

**FACTOR INFLUENCING
INVESTOR INVEST IN UNIT TRUST:
A STUDY ON RHB ASSET
MANAGEMENT KOTA BHARU,
KELANTAN**

**NUR NAJWA FARYHAH BINTI MOHD
SUHAIMI**

Thesis submitted in fulfillment
of the requirements for the degree of
Bachelor Degree in Muamalat

Academy Contemporary Islamic Studies

July 2024

ABSTRACT

The variety of investment instruments opens many opportunities for the community to invest. The unit trust investment platform is one of the platforms that offers various investment asset classes such as equities, bonds, real estate and money markets that can be considered low-risk investments. With inflation in Malaysia, unit trust investment opens up opportunities for people to invest money with a rate of return that may exceed the rate of inflation because it is different from a regular savings account. As a result of inflation, the value of money may decline. The value of money now, will not be the same as the value of money in the future. This means, society needs to be aware of the time value of money. This study aims to examine several factors that influence investors to invest in RHB Asset Management Kota Bharu, Kelantan unit trust. Among them is to determine the investor's intention to invest in unit trusts under RHBAM, then to identify what are the advantages of investing in RHBAM unit trusts so that it can influence investors to invest for years, and the next objective is to analyse the factors considered before investing. The research methodology used in this study is qualitative by using approaches from primary and secondary sources. The face-to-face interview approach aims to obtain information about the respondents' experience of investing in unit trusts. The total number of respondents involved in this study is a total of four people who are from among the staff of the RHBAM office in Kota Bharu, Kelantan. Furthermore, secondary sources are also used by referencing several journals and online articles as sources for supporting documents to produce the best research. The findings at the end of this study summarize the investor's intentions that influence the behaviour of investors investing in unit trusts, as well as some advantages that can make investors consistent over the years in the unit trust industry. The findings will also have a major impact that may help the company improve fund performance through increasing the number of investors in RHB Asset Management as well as encouraging individuals about the benefits of investing in unit trusts.

ACKNOWLEDGEMENT

Firstly, I wish to thank God for giving me the opportunity to embark on my Bachelor Degree and for completing this long and challenging journey successfully. My gratitude and thanks go to my supervisor Dr Ahmad Murshidi Bin Mustapha.

My appreciation goes to my office colleague who provided the facilities and assistance during interview session. Special thanks to my colleagues and friends for helping me with this project.

Finally, this thesis is dedicated to the loving memory of my mother and very dear late father for the vision and determination to educate me. This piece of victory is dedicated to both of you. Alhamdulillah.

TABLE OF CONTENTS

	Page
CONFIRMATION BY PANEL OF EXAMINERS	II
AUTHOR'S DECLARATION	II
ABSTRACT	III
ACKNOWLEDGEMENT	IV
TABLE OF CONTENTS	V
LIST OF TABLES	VIII
LIST OF FIGURES	IX
LIST OF ABBREVIATIONS	X
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Research Background	2
1.3 Problem Statement	3
1.4 Research Objectives	4
1.5 Research Questions	6
1.6 Scope of The Study	6
1.7 Significance of the Study	6
CHAPTER TWO LITERATURE REVIEW	8
2.1 Introduction of Unit Trust	8
2.2 Introduction of RHB Asset Management (RHBAM)	9
2.3 About RHB Islamic International Asset Management Berhad (RHBIIAM)	11
2.4 Unit Trust Fund under RHB Asset Management	12

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Investment generally brought a definition as the allocation of financial resources which as an alternative to create wealth into greater asset value. There are many investment platforms introduced by various financial institutions in Malaysia. The basic principle of investing is to save a certain amount of money to gain profit either in the short term or in the long term. Among the investment platforms that are mostly used among Malaysians are Tabung Haji, Amanah Saham Berhad, Bursa Saham, Unit Trust and investing in gold. Each investment platform has its own objectives depending on the investor's intentions. Furthermore, each investment also gives a different return every year depending on the investment performance over the year (Leković, 2018).

The diversity of investment platforms is intended to reduce the risk of loss at a time. Investors are not encouraged to put a certain amount of money in one place only, it is even necessary to diversify to ensure the stability of the invested money. To ensure the stability of the money invested in a diversified portfolio, investing in Unit Trusts is the best platform for investors because the funds invested in Unit Trusts are well managed by professional and experienced fund managers. This will help reduce investment risk and investors will enjoy the dividends at the end of the investment maturity period (Ripain, 2018).

As an investor, investing money is necessary to further develop wealth and protect the currency from depreciation. There are many factors to consider before an investor makes an investment decision. A wise investor will do research in advance about investment objectives, investment risks, economic conditions, and fund prices in the market to ensure that the investment is profitable. Majority of the individuals choose to make investments not only to get a return from the investment, but also to protect the value of the currency over time because it is closely related to economic recession and market conditions that are constantly fluctuating (Yeoh, 2023).