

UNIVERSITI TEKNOLOGI MARA

SIMPLE SHARPE PORTFOLIO OPTIMIZATION: AN ANALYSIS OF 10 UNIT TRUST ISSUED BY CIMB WEALTH ADVISORS BERHAD

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ABSTRACT

This research paper attempts to study Simple Sharpe Portfolio Optimization by analyzing ten (10) unit trust issued by CIMB Wealth Advisors Berhad. The initial idea was to find out the optimum asset allocation of unit trust funds in a portfolio by using the sample of unit trust. The samples of unit trust selected based on the calendar year performance (%) for ten (10) years (2004-2010). Expected return, standard deviation, covariance, beta, alpha, residual variance must be calculated in order to determine optimum asset allocation by finding the Cutoff rate. This study results indicate that there are six (6) unit trust funds achieve the objective. So that, the unit trusts can offer optimum portfolio investment and enjoy the maximum return of unit trusts in optimum portfolio.