

TOPIC:

"A STUDY ON STATE UNIT TRUST FUNDS"

A RESEARCH PAPER SUBMITTED TO THE

MARA INSTITUTE OF

TECHNOLOGY

IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE

ADVANCED DIPLOMA IN BUSINESS STUDIES (FINANCE)

ADVISOR : MR. LEE KENG CHOON

RESEARCHER : ARIFF BIN ZAINAL ABIDIN

ITM MATRIX : 92753716

ADVANCED DIPLOMA IN BUSINESS STUDIES (FINANCE)

TABLE OF CONTENT

| | |
|--------------------|-----|
| Table of content | I |
| Acknowledgement | IV |
| Abstract | V |
| List of Table | VI |
| List of Figure | VI |
| List of Appendices | VII |

CHAPTER 1 INTRODUCTION

| | |
|--------------------------|---|
| 1.1 Introduction | 1 |
| 1.2 Objectives of study | 3 |
| 1.3 Methodology | 4 |
| 1.4 Scope and Limitation | 5 |

CHAPTER 2 UNIT TRUST FUNDS IN MALAYSIA

| | |
|---------------------------------------|----|
| 2.1 Introduction | 6 |
| 2.2 Development of unit trust schemes | 7 |
| 2.3 An Islamic unit trust scheme | 10 |
| 2.4 Instruments to eradicate poverty | 12 |

| | |
|-------------------------|----|
| 2.5 Types of unit trust | 14 |
| 2.6 Price and charges | 16 |
| 2.7 Taxation | 18 |
| Endnotes | |

CHAPTER 3 THE STATE UNIT TRUST FUNDS

| | |
|--|----|
| 3.1 Introduction | 20 |
| 3.2 Overview of state unit trust funds | 21 |
| 3.3 Main purpose and objectives | 23 |
| 3.4 Organization Structure | 24 |
| 3.4.1 Formation procedures | 24 |
| 3.4.2 Management company | 28 |
| 3.4.3 Trustee | 31 |
| 3.4.4 Structure and Investments | 33 |
| 3.5 Benefits | 37 |
| Endnotes | |

ACKNOWLEDGEMENT

Special gratitude must be expressed to the people who were responsible for the preparation of this paper, for their comments, remarks and views that have helped and guided the flow of this project paper.

First of all, I would like to extend my utmost appreciation and thanks to my advisor **Mr. Lee Keng Choon** for his guidance and advice throughout the period in preparing this paper. His opinions and views have contributed a lot in completing this project paper.

I am also grateful and indebted to **Miss Wan Julaiha bte. Wan Sulong of ASJ, Ismail bin Zam Zam of ASAS and Pamela Anak Jenang of ASSAR** for their assistance in supplying data and information, and discussing specific problems in the field of their special competence.

Most of all, to my parents who have been there for me whenever I need them. Also to my beloved sisters who encouraged and supported me spiritually and financially, during my years of study leading to the completion of this project paper. Last but not least to my classmates who have assisted me in preparing the project paper.

ABSTRACT

This is an analytical study done to measure performances of selected state unit trust fund which are Amanah Saham Johor and Amanah Saham Sarawak. Composite index return is selected as independent variables using Simple Linear Regression Model in order to see the relationship with the state unit trust return. Amanah Saham Nasional is included in this study as a benchmark to measure the performance of the state unit trust fund.

In order to measure the performance of these trust funds, Treynor, Sharpe and Jensen models are used. These performance evaluation model will indicate the return-risk-adjusted of trust fund, relative to ASN and the market.

This project paper then will be closed with some conclusions which are related to the findings obtained from those performance evaluation models.