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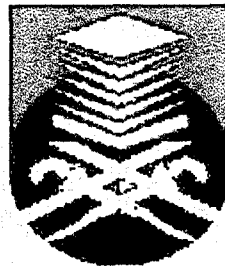
**FACULTY OF BUSINESS ADMINISTRATION  
BACHELOR BUSINESS ADMINISTRATION (HONS)  
FINANCE**

**A COMPARATIVE STUDY OF EQUITY vs.  
BALANCED AND BOND MUTUAL FUNDS  
PERFORMANCE DURING AND AFTER THE  
FINANCIAL CRISIS IN MALAYSIA:  
USING PORTFOLIO MANAGEMENT METHOD**

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## DECLARATION OF ORIGINAL WORK



**BACHELOR BUSINESS ADMINISTRATION (HONS) FINANCE**  
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I, **ANEKAEDA AHMAS LATFI, (I/C NUMBER 841107-07-5296)** hereby to declare that:

1. This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or for the other degrees.
2. This projected is the result of my independent work and investigation, except where otherwise stated.
3. All verbatim extracts have been specifically acknowledgement.

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**“In the name of Allah, The Merciful, The Beneficent”**

Glory to Allah S.W.T, the most gracious, the most merciful and peace is upon his messenger Holy Prophet Muhammad S.W.A all the worship belongs to Allah only. Without the grace and help of Allah S.W.T, it would be virtually impossible for me to have the courage, endurance and spirit to complete this project paper.

Secondly, I would like to express my greatest gratitude and thanks to my advisor, En. Ahmad Bukhari Bin Mohd Yasin for his advises, comments, brilliant suggestion, knowledge and continuous supervision in preparing this project paper. His constructive comments and ideas and also advices have been valuable in making this project paper success.

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-May ALLAH All The mighty bless all of you-

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## ABSTRACT

It is viewed that the Unit Trust funds are now becoming increasingly popular to Malaysian investors. This project paper investigates the comparative values of Equity vs. Balanced and Bond Mutual Fund Performance in Malaysia during and after the Financial Crisis in Malaysia using the portfolio management methods over the six years from January 1997 until December 2002. Therefore, the objective of this study is to compare the performance of Unit Trusts during and after the financial crisis. Specifically the study intends to know which unit trust under Equity, Balanced and Bond Mutual Fund outperform the other. In this study, the researcher uses monthly returns on the mutual funds that have been constructed for the six years comprising of the twenty five funds. The researcher uses Portfolio Management method as a model in determining the returns and the ranking of the mutual funds. The performance of the selected unit trust is ranked according to the Sharpe Index, Treynor Index and Jensen-Alpha Index. The researcher's result shows that all funds reveal significantly below-market performance over the entire sample period. Equity mutual fund performance during the financial crisis indicates that AM First Property had performed better according to the Sharpe Index whereas under Treynor Index ASM 11 is in the first ranking. However, after the financial crisis MAAKL Value has performed better for both Index. In Balanced mutual funds, MAAKL Balanced is in the first ranking for both Sharpe and Treynor Index and also for both situations. The first ranking in Bond mutual fund during financial crisis is MAYBAN Income Trust that stated under Sharpe Index and the first ranking under Treynor Index is PUBLIC Bond. Once against after the financial crisis the PUBLIC Bond is in the first ranking. According to the Jensen-Alpha Index, the first ranking under Equity fund during and after the financial crisis is ASM 11 and MAAKL Value. In Balanced fund MAAKL Balanced is in the first rank and the same situation goes to Bond fund where PUBLIC Bond is in the first place.