



**THE PERFORMANCE OF MALAYSIAN EQUITY FUNDS
FOR THE PERIOD JANUARY 2001-DECEMBER 2005**

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TABLE OF CONTENTS		PAGE
ACKNOWLEDGEMENT		iv
LIST OF TABLES		vi
LIST OF ABBREVIATIONS		vii
ABSTRACT		ix
CHAPTERS		
1. INTRODUCTION		
1.0	Background of study	1
1.1	Problem statement	3
1.2	Objective of the study	5
1.3	Types of unit trusts	6
1.3.1	Equity unit trust	6
1.3.2	Property unit trust	8
1.4	Significant of the study	8
1.5	Scope of the study	8
1.6	Limitations	9
2. LITERATURE REVIEW		
2.0	Introduction	11
2.1	Literature Review	11
3. RESEARCH METHODOLOGY		
3.0	Introduction	18
3.1	Population	18
3.2	Sample	18
3.3	Data Collection	19
3.3.1	Internet	19
3.3.2	Journal	20
3.3.3	Magazines and books	20
3.3.4	Database	20
3.3.5	Bloomberg	20
3.4	Variables	21
3.5	Procedures on analysis of data	21
3.6	Research methodology	21
3.6.1	Jensen's Ex-post Alpha Index (1968)	22
3.6.2	Coefficient of determination (R^2)	23
3.6.3	Treynor and Mazuy Index (1966)	24
3.7	Hypothesis	25

ABSTRACT

This research paper aims to empirically examine the performance of Malaysian equity funds based on the specific types of funds, namely growth funds and balance funds. Using a sample of 19 unit trust funds for the period from January 2001 until December 2005, the study analyzes the funds risk-adjusted performance, selectivity and market timing abilities of fund managers and the level of diversification achieved by these funds. It is also to show that all types of funds are out-perform the market or under-perform the market. To investigate the fund risk-adjusted performance of unit trust fund can be measure by Jensen's model (1968). The fund manager market timing skills and selectivity performance are measures using Treynor and Mazuy (1966) model because enables investigation of the behavior of systematic risk decisions by fund managers. The degree of diversification of all types of funds is significantly high.