



**A STUDY OF MALAYSIAN NATIONAL UNIT TRUST
FUNDS PERFORMANCE: CASE STUDY OF
AMANAH SAHAM NASIONAL BERHAD
(ASNB)**

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ABSTRACT

This paper seeks to focus on the return and risk of ASNB unit trust over the period since each fund started operating which is between 1990 until 2008. Four types fund of ASNB which is ASD, ASW2020, ASM and ASB unit trust have been randomly selected from ten type's fund of unit trust that managed and offered by ASNB. The market benchmark use is KLCI Second Board.

The researcher will investigate the ASNB unit trusts average return ,determine the total risk of ASNB, the relationship of ASNB unit trust return with KLCI Second Board return and the relationship of ASNB unit trusts risk with the KLCI Second Board risk.

This paper use the annual total return, average return, standard deviation, coefficient of variation formula methods and Statistical Package for Social Sciences (SPSS) version 17.0 software to achieve the research objectives.

The finding shows that the KLCI Second Board has the negative average yearly return. ASB shows the highest average yearly return followed by ASD, ASW2020 and ASM. The total risk that based on the value of standard deviation shows the highest total risk was ASD, followed by ASM, ASB and ASW2020. While Coefficient of Variation shows that ASW2020 has the better risk-return tradeoff, followed by ASB, ASM and ASD.

CHAPTER ONE: INTRODUCTION

1.1.1 Background of the Study

The unit trust in Malaysia was first established by British investors in 1959 with the introduction of the Malaysia Unit Trust Ltd. It is called unit trusts instead of mutual fund because the ownership of the fund is divided into unit of entitlement. The turning point for the industry was when the Malaysian government decided to enter into the industry by launching a government sponsored unit know as Skim Amanah Saham Nasional (ASN). The initial intention of launching the unit trust was to help improve the indigenous Malays' (Bumiputera's) social-economy status (Fauziah et al., 2002).

The Federation of Malaysia Unit Trust Manager (FMUTM) stated that the unit trust industry in Malaysia has therefore a history of more than four (4) decades. The development of this industry can be presented in chronological order as follows:

i) The Formative Years: 1959 – 1979

The first two decades in the history of the unit trust industry were characterized by slow growth in the sales of units and a lack of public interest in the new investment product. Only five unit trust management companies were established, with a total of 18 funds introduced over that period. The industry was regulated by several parties including the Registrar of Companies, The Public Trustee of Malaysia, Bank Negara Malaysia and the Ministry of Domestic Trade and Consumer Affairs. The 1970s also witnessed the emergence of state government sponsored unit