



اُنْبُورْسِيَّتِي تِكْنُولُوجِي مَارَا

UNIVERSITI TEKNOLOGI MARA  
CAWANGAN KELANTAN

**THE COMPARISON OF PERFORMANCE BETWEEN CONVENTIONAL  
UNIT TRUST FUND AND ISLAMIC UNIT TRUST FUND: RISK-RETURN  
TRADE OFF UNDER AMANAH MUTUAL BERHAD, CIMB ASSET  
MANAGEMENT BERHAD AND PUBLIC MUTUAL BERHAD**

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**2013**



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**“DECLARATION OF ORIGINAL WORK”**

**I, NURUL AYUMIE BINTI MOHD SHARIFF (IC Number:)**

Hereby, 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 any other degree.
2. This project paper is the result of the independent investigation of the analyst, except where otherwise stated.
3. All verbatim extracts has extinguished by quotation marks and sources of information have specifically acknowledged.

Signature:

Date: 1 JULY 2013

## **LETTER OF TRANSMITTAL**

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Bachelor of Business Administration (Hons) Finance  
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The Head of Program  
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Dear Sir/Madam,

### **SUBMISSION OF PROJECT PAPER (FIN 667)**

It is with great pleasure that I present you my thesis entitle “**The Comparison of Performance between Conventional Unit Trust Fund and Islamic Unit Trust Fund: Risk-Return Trade Off under Amanah Mutual Berhad, Cimb Asset Management Berhad and Public Mutual Berhad**” for your kind evaluation as required by the Faculty of Business Management, University Technology MARA.

Thank You.

Yours Sincerely,

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(NURUL AYUMIE BINTI MOHD SHARIFF)



## ACKNOWLEDGEMENT

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**“In the name of Allah the Almighty, the Merciful, and the Beneficent”**

Glory to Allah S.W.T, Most Gracious, the Most Merciful, and peace upon his messenger Holy Prophet Muhammad S.A.W. All the worship belongs to only Allah. I seek refuge to Allah from the wickedness within and from the evil deeds. I also praised to Allah S.W.T for giving me courage, time, strength, and knowledge to complete this project paper properly.

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Not forget to respondent who participated in this study. Thank you very much.

## ABSTRACT

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*Unit Trust is one of the investment tools which pools the savings of the public and managed by professional fund managers or organizations. This paper aims the findings of a study that examined the performance of Islamic unit trust funds in comparison with the conventional unit trust fund under three companies which are Amanah Mutual Berhad, CIMB Asset Management Berhad and Public Mutual Berhad. The objectives of the study were to compare their risks and returns profiles and compare the consistency of performance ranking. The performance of both funds was analyzed over period of 60 months commencing from 2008 to 2012 and evaluated based on the standard performance measures for funds known as Adjusted Sharpe, Treynor and Adjusted Jensen Alpha Indices. The composite index of Kuala Lumpur Stock Exchange (KLSE) represented the market benchmark for the Conventional funds while Islamic funds used Syariah index as proxy for the market. The findings revealed that on average, the conventional funds failed to outperform the performance of Islamic funds.*