



UNIVERSITI TEKNOLOGI MARA

COMPARATIVE ANALYSIS OF UNIT TRUST  
PERFORMANCE IN PUBLIC MUTUAL BERHAD

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## ABSTRACT

Unit Trust in Malaysia has experienced a considerable growth over the last decade in term of number of funds offered and the volume of capital managed by unit trust companies. One of the most trusted companies in managing unit trust in Malaysia is Public Mutual Berhad.

Therefore, the aim of this research is to investigate the unit trust performance by Public Mutual Berhad for the period of five years from year 2005 to year 2009. A sample of 18 unit trust funds from 3 different categories which are 14 Equity Funds, 2 Balance Funds and 4 Bond Funds are being used in this research. The research is done by measuring the performance of unit trust fund, based on the Nett Asset Value (NAV) of the funds and comparing with the market return benchmark that is the Kuala Lumpur Composite Index (KLCI).

This research examines the performance of the unit trust fund using different performance measures which are using total mean return, Sharpe's Index, Treynor's Index, Jensen's Alpha Index and Cumulative Abnormal Return (CAR). The funds are ranked based on the performance measured and compared with the market return.

The result shows that on average the performance of Equity Fund in Public Mutual outperformed the market return. However, Balance Fund and Bond Fund fall below the market return. The findings also show that the entire unit trust NAV trends follow the economic cycle including Equity Fund, Balance Fund and Bond Fund. Although the Bond Fund were able to maintain a positive growth in various market cycle, based on the t-test on CAR there were no significant difference of all unit trust fund of Public Mutual Berhad and market return.

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