



**THE PORTFOLIO INVESTMENT:
PERFORMANCE OF LISTED PROPERTY TRUSTS
IN MALAYSIA FROM YEAR 2002-2007**

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ABSTRACT

This paper investigates the performance of listed property trusts in Malaysia from year 2002 to 2007 periods. The objectives of this study are to investigate the degree of systematic risks, measured by coefficient of variation and beta, of listed property trusts throughout the long-term period to determine whether the listed property trusts give higher returns than the Kuala Lumpur Composite Index (KLCI) respectively. The analysis is made by using KLCI, stock index, the return of stock, and T-Bills data. All data are measured by using coefficient of variation (CV), Sharpe Index (SI), Treynor Index (TI) and Jensen Alpha. Result indicate that average of systematic risks of the listed property trusts were low compare with the market portfolio. Most of the listed property trusts significantly underperformed the Kuala Lumpur Composite Index. The listed property trusts did not give consistent performance over time. Investors perceive LPTs to offer low, stable returns but historical price returns and reveal LPTs as highly volatile investment. In fact, the average risk of LPTs is higher compared to the CI.