

**COMPARATIVE ANALYSIS OF FIXED INCOME
UNIT TRUST FUNDS VERSUS EQUITY UNIT TRUST
FUNDS IN MALAYSIA**

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**MASTER OF SCIENCE (FINANCE)
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**COMPARATIVE ANALYSIS OF FIXED INCOME UNIT TRUST FUNDS
VERSUS EQUITY UNIT TRUST FUNDS
IN MALAYSIA**

By

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Kolej Perniagaan
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ABSTRAK

Tesis ini mengkaji hubungan antara unit amanah dana pendapatan tetap dan unit amanah ekuiti bagi tempoh Januari 2006 hingga Oktober 2012. Kajian ini dijalankan untuk menyiasat samada prestasi kedua-dua unit amanah ini dapat mencapai prestasi yang lebih tinggi berbanding penanda aras pasaran. Perbandingan prestasi ini dibuat ke atas beberapa kategori sampel ekuiti iaitu ekuiti keseluruhan, ekuiti pertumbuhan dan ekuiti nilai. Indeks Komposit Kuala Lumpur (KLCI) dijadikan sebagai penanda aras pasaran bagi dana ekuiti dan dana pendapatan tetap dengan penanda aras pasaran tambahan iaitu Maybank deposit tetap 12-bulan. Sebanyak tiga puluh satu dana pendapatan tetap dan lima puluh tujuh sampel keseluruhan ekuiti dibahagikan kepada subsample iaitu tiga puluh tujuh dana ekuiti pertumbuhan dan dua puluh dana ekuiti nilai dikaji dengan menggunakan tiga prestasi pengukur iaitu indeks Treynor, Sharpe dan Jensen.

Keputusan menunjukkan bahawa keuntungan purata dana ekuiti adalah lebih tinggi berbanding dana pendapatan tetap dan penanda aras pasaran KLCI. Walau bagaimanapun, apabila perbandingan dibuat di antara dana ekuiti dan dana pendapatan tetap dengan menggunakan Wilcoxon Signed Rank test, indeks Sharpe dan Treynor memberikan keputusan yang signifikan. Ini menunjukkan bahawa prestasi dana pendapatan tetap lebih tinggi daripada dana ekuiti. Sebaliknya, keputusan ujian yang sama untuk indeks Jensen memberikan keputusan yang bertentangan. Apabila sampel tesis dikategorikan kepada jenis ekuiti yang berbeza, terdapat keputusan ujian yang bertentangan. Indeks Sharpe dan Jensen memberikan keputusan tidak signifikan untuk sampel dana ekuiti pertumbuhan. Ini bermakna tiada perubahan signifikan di antara dana pendapatan tetap dan dana ekuiti jika dibandingkan dengan keputusan indeks Treynor yang memberikan keputusan yang signifikan. Bagi sampel dana ekuiti nilai, indeks Sharpe, Treynor dan Jensen memberikan keputusan signifikan. Ini bermakna terdapat perubahan signifikan di antara dana pendapatan tetap dan dana ekuiti.

Katakunci : Unit Amanah, Dana Pendapatan Tetap, Dana Ekuiti

ABSTRACT

This study examines the relationship between fixed income unit trust funds and equity unit trust funds for the period of January 2006 to October 2012. The performance of both types of funds are then compared to the market benchmark to determine whether they outperformed the market benchmark. The performance comparisons are made over several categories of equity sample namely overall equity, growth equity and value equity. The Kuala Lumpur Composite Index (KLCI) is used as the market benchmark for equity funds and fixed income funds with additional market benchmark of Maybank 12-month fixed deposit. A total of 31 fixed income funds and 57 overall equity funds which are made up of 37 growth equity and 20 value equity are evaluated by using three performance measures namely Treynor index, Sharpe index and Jensen index.

The results indicate that the mean returns of equity funds are higher than the fixed income funds and market benchmark of KLCI. Nevertheless, when equity funds are compared against fixed income funds using Wilcoxon Signed Rank Test, Sharpe and Treynor ratios produce significant results. This means that the performance of fixed income funds varies from the performance of equity funds. However the Jensen index produces insignificant result. When the sample categorised into different equity types of funds, the finding shows a conflicting result. The Sharpe and Jensen ratios indicate insignificant results for growth equity funds sample. This means that the performance of fixed income funds is not different from that of equity funds in comparison to Treynor that shows a significant result. As for the value equity, Sharpe, Treynor and Jensen produce results that are significant. This means that the performance of fixed income funds varies from that of equity funds.

Keywords: Unit Trust, Fixed Income Fund, Equity Fund

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Corporate bond markets in emerging Asia have continued to enjoy promising growth over the years and are predicted to grow in the future. By 2011, Asian countries hold the largest market share which consists 70% of total corporate bond issuance in the emerging market. The development of corporate bond market has been dominated by Asia Pacific countries namely Japan, China, and Korea that form the largest markets in terms of the value of corporate bond outstanding. As a percentage of Gross Domestic Product (GDP), Malaysia's bond market is now the second largest in Asia accounted for approximately 37% (Bank for International Settlements, 2011). Malaysia's bond market has seen a strong growth of 10.8% per annum over the period from 2000 until 2010 (Securities Commission and Bursa Malaysia).

Improvement in bond market outlook will continue to drive the Malaysian debt market as well as to encourage the circulation of fixed income unit trust funds. Further growth of such funds will help strengthen the capital market, where the government is pursuing retail investors to take part on investment in bond and sukuk by offering a stamp duty exemption. This will lead to the fund managers to reallocate their investment strategy towards fixed income unit trust funds to benefit from a downside protection and to take advantage of the expansion of the debt securities market.

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