

**AN EVALUATION ON FINANCIAL PERFORMANCE OF UNIT TRUST  
MANAGEMENT COMPANIES BETWEEN 1992 - 1994**

**A thesis submitted to the Graduate School of Universiti Utara  
Malaysia in partial fulfilment of the requirements for the  
degree of Master of Science (Management)**

**BY**

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**March, 1997**

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## ABSTRAK

Penyelidikan ini membuat penilaian ke atas prestasi kewangan syarikat-syarikat **pengurusan amanah saham**. Sesungguhnya kajian ini dibuat berlandaskan kepada pendekatan analisa nisbah kewangan sama seperti yang digunakan oleh Lee dan Cooperman (1989), tetapi beberapa penyesuaian ke atas formula tersebut terpaksa dibuat bagi memadankan :

- i) Format laporan penyata kewangan syarikat-syarikat pengurusan amanah saham.
- ii) Kelainan pemiagaan yang relevan kepada industri berkenaan.

Hasil kajian daripada analisa siri masa dan analisa industri bagi jangka masa antara tahun 1992-1994, menunjukkan bahawa syarikat-syarikat pengurusan amanah saham ini mempunyai jurang prestasi kewangan yang jauh berbeza di antara satu sama lain. Julat penyimpangan yang besar ini berbanding dengan purata industri, boleh disimpulkan bahawa kebanyakan daripada syarikat-syarikat pengurusan amanah saham ini masih belum diuruskan dengan baik dari segi kecairan, aktiviti, hutang dan keuntungan. Tambahan pula, tidak wujud signifikan konsistensi di dalam koefisien korelasi di antara saiz dana pemegang-pemegang saham dengan prestasi dari segi pulangan pelaburan dan pulangan ke atas ekuiti seperti yang ditunjukkan di dalam linear regresi dan analisa Korelasi Koefisien Pearson bagi jangka masa yang berkenaan. Akan tetapi, pada keseluruhannya masih terdapat ruang untuk meningkatkan lagi pengurusan amanah saham bagi mencapai pulangan yang lebih baik kepada pemegang-pemegang unit amanah saham mereka.

## ABSTRACT

This paper evaluates the financial performance of unit trust **management** companies. Although this study adopts financial ratio analysis similar to **Lee** and Cooperman (**1989**), some formulae were adjusted to suit; i) the reporting format of the companies' financial reports and ii) the nature of the business relevant to the industry. The research findings show that there is a vast diversity in financial performance among unit trust management companies both on the basis of **cross-sectional** and time-series analyses during the period between 1992-1994. These large deviations from the industry average, could mean that most of the companies were not well managed in term of liquidity, activity, debt and profitability. In addition, there was no significant consistency in coefficient correlation between the sizes of shareholders' fund and performance in terms of ROI and ROE, as illustrated in linear regression and Pearson's coefficient correlation analysis during the period under reviewed. However, there is still much room for improvement in the management of unit trust funds to achieve better returns for their unitholders.

## ACKNOWLEDGEMENTS

All my praises and gratitude to God, the Merciful, for His kindness and with His grace, have had helped me tremendously in the successful completion of this thesis.

Now, the only thing that left for me is to carry out the most pleasant task of expressing my appreciation to all those who have helped me in making this thesis a reality. It will not be possible to thank them all by individual names as there are too many to enumerate. However, their contributions will always be appreciated, even if unrecorded.

First and foremost, a debt of gratitude is due to both my supervisors, Associate Prof. Dr. Bala Shanmugam and Puan Nor Hayati **Ahmad**, who have guided and assisted immensely in focusing my thoughts and ideas as well as providing constructive comments and significant approaches towards the completion of this research. I am deeply honoured to have them both as my supervisors.

I would also like to extend my thanks to the Dean of Graduate School, Associate Prof. Dr. Ibrahim **Abdul-Hamid** and the staff for their guidance and co-operation through out my Masters programme.

My appreciation also goes to the management and staff members of **Gedong** Estate especially Mr. Cheah, En. Rahman, Mr. Teoh, Mr. **Jaya** and Mr. **Othman** who have provided every support and co-operation to me in times of **difficulty**. Personnels of Sime Darby Plantations, Miss Julie Tan (Personnel Executive), Mr. Joseph Samuel (Personnel Executive), En. Ibrahim Majid (former Manager, North Hummock Estate), En. Mohd **Rozally** (Area Security Supervisor) • deserve special thanks for their committed assistance and accommodating efforts pertaining to this programme.

Thanks are also due to a group of colleagues - En. Fitri, En. **Hasnan**, Mr. Siew, Mr. Loo, Mr. Michael and Mr. Ung, who have helped in more ways than one. Their significant contributions and experienced advise are highly appreciated.

Last but not least, the secretarial help and software applications provided by my sister, Alice is also deeply appreciated. Finally, my heartfelt gratitude to my wife, Cheng Wah and daughter Amilia for their unfailing faith and understanding and their many lonely evenings by themselves during this pursuit. I trust their indulgence and tolerance have not been stretched beyond the limits. My special gratitude is also due to my parent and family for their continue support and encouragement through out the masters programme. To them I will be forever grateful.

## TABLE OF CONTENT

|                       | <b>Page</b> |
|-----------------------|-------------|
| Permission To Use     | i           |
| Abstrak (In Bahasa)   | ii          |
| Abstract (In English) | iii         |
| Acknowledgements      | iv          |
| Content               | vi          |
| List Of Tables        | ix          |
| List Of Charts        | x           |
| List Of Appendices    | xi          |

### **CHAPTER 1: INTRODUCTION**

|     |  |          |
|-----|--|----------|
| 1.1 | Chapter Overview                               | 1        |
| 1.2 | Introduction To The Unit Trust Industry        | 1        |
| 1.3 | Context Of The Research Problem                | <b>7</b> |
| 1.4 | Research Objectives                            | 10       |
| 1.5 | Justification For The Research                 | 11       |
| 1.6 | Research Scope, Assumptions and<br>Limitations | 13       |
| 1.7 | Layout Of The Remaining Chapters               | 15       |



## **CHAPTER 2 : LITERATURE REVIEW ON UNIT TRUST PORTFOLIOS**

|     |   |           |
|-----|---|-----------|
| 2.1 | Chapter Overview                                      | <b>16</b> |
| 2.2 | Literature Reviews on Funds' Objectives               | 16        |
| 2.3 | Literature Reviews on Performance of<br>Funds         | 20        |
| 2.4 | Literature Reviews on Market Timing of<br>Unit Trusts | 29        |

## **CHAPTER 3 : RESEARCH METHODOLOGY**

|     |                   |    |
|-----|-------------------|----|
| 3.1 | Chapter Overview  | 34 |
| 3.2 | Data Source       | 34 |
| 3.3 | Sample Design     | 34 |
| 3.4 | Analysis Method   | 35 |
| 3.5 | Statistical Tools | 39 |

## **CHAPTER 4 : ANALYSIS OF RESULTS**

|     |                                     |    |
|-----|-------------------------------------|----|
| 4.1 | Chapter Overview                    | 40 |
| 4.2 | Liquidity                           | 40 |
| 4.3 | Activity                            | 43 |
| 4.4 | Debt Ratio                          | 48 |
| 4.5 | <b>Profitability</b>                | 48 |
| 4.6 | Shareholders' Funds and Performance |    |
|     | Analysis                            | 59 |

## **CHAPTER 5 : CONCLUSION**

|     |                                      |    |
|-----|--------------------------------------|----|
| 5.1 | Chapter Overview                     | 68 |
| 5.2 | <b>Summary</b> Of Findings           | 68 |
| 5.3 | Recommendations For Further Research | 70 |

## LIST OF TABLES

| <b>TABLE</b> | <b>TITLE</b>   | <b>PAGE</b> |
|--------------|--|-------------|
| 1.           | Profile of Unit Trusts In Malaysia                           | 2           |
| 2.           | Unit Trust Funds   | 6           |
| 3.           | Characteristics of Malaysian Investors<br>( <b>N</b> = 192)  | 9           |
| 4.           | Definition of Performance Ratios                             | 28          |
| 5.           | Current Ratio  | 41          |
| 6.           | Fixed Asset Turnover   | 44          |
| 7.           | Total Asset Turnover   | 46          |
| 8.           | Debt Ratio   | 49          |
| 9.           | Operating Profit Margin                                      | 51          |
| 10.          | Net Profit Margin  | 53          |
| 11.          | Return On Investment ( <b>ROI</b> )                          | <b>55</b>   |
| 12.          | Return On Equity (ROE)                                       | 57          |
| 13.          | Shareholders' Fund/Return On<br>Investment (ROI)             | 60          |
| 14.          | Shareholders' <b>Fund/Return</b> On Equity<br>( <b>ROE</b> ) | 64          |
| 15.          | Pearson's Coefficient Correlation                            | 69          |

## LIST OF CHARTS

| CHART | TITLE  | PAGE |
|-------|--|------|
| 1.    | Current Ratio  | 42   |
| 2.    | Fixed Asset Turnover   | 45   |
| 3.    | Total Asset Turnover   | 47   |
| 4.    | Debt Ratio   | 50   |
| 5.    | Operating Profit Margin  | 52   |
| 6.    | Net Profit Margin  | 54   |
| 7.    | Return On Investment (ROI)                                     | 56   |
| 8.    | Return On Equity (ROE)   | 58   |
| 9.    | Shareholders' Fund/Return On<br>Investment <b>(ROI)</b> - 1994 | 61   |
| 10.   | Shareholders' Fund/Return On<br>Investment <b>(ROI)</b> - 1993 | 62   |
| 11.   | Shareholders' <b>Fund/Return</b> On<br>Investment (ROI) - 1992 | 63   |
| 12.   | Shareholders' Fund/Return On Equity<br>(ROE) - 1994            | 65   |
| 13.   | Shareholders' Fund/Return On Equity<br>(ROE) - 1993            | 66   |
| 14.   | Shareholders' Fund/Return On Equity<br>(ROE) - 1992            | 67   |

## LIST OF APPENDICES

| <b>APPENDIX</b> | <b>TITLE</b>        | <b>PAGE</b> |
|-----------------|---------------------|-------------|
| 1.              | Company Data ■ 1994 | 72          |
| 2.              | Company Data ■ 1993 | 73          |
| 3.              | Company Data ■ 1992 | 74          |

# CHAPTER 1

## INTRODUCTION

### 1.1 Chapter Overview

This chapter consists five major areas namely; i) introduction to unit trust industry, ii) context of the research problem, iii) research objectives, iv) justification for the research, v) research scope, assumptions and limitations and the layout of the remaining chapters.

### 1.2 Introduction To The Unit Trust Industry

The unit trust industry in Malaysia can be considered relatively young. The first unit trust, Malaysia Investment Fund was launched in Dec. 2, 1966 by Asia Unit Trusts **Berhad**. However, the industry can be expected to take off in the years ahead in light of recent positive developments within the industry. Such developments include the new Guidelines on Unit Trust Funds issued by the Securities Commission, the setting up of the Federation of Malaysian Unit Trust Managers, the launching of several state unit trusts and the emphasis on unit trusts that are based on Islamic principles. The Islamic based unit trusts are set up to provide wider avenues for Muslim investors to invest in the capital market. **Unit**

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