

DETERMINANTS OF LOWER BUMIPUTERA PARTICIPATION IN THE VARIABLE-PRICE UNIT TRUST INVESTMENTS

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Abstract: The purpose of this research is primarily to examine the reasons and recommend possible solutions to improve Bumiputera participation in variable-price type of unit trust investment products by selecting a fund management company, Permodalan Nasional Berhad (PNB) as a case study. Survey questionnaires to randomly selected respondents were conducted. This study revealed that the main reasons holding back Bumiputera investors from participating in variable-price unit trusts were due to higher risks posed by investing in variable-price unit trusts, limited funds and less product promotion. Thus, some recommendations are provided to address these issues. Among the recommendations include embarking on aggressive marketing and promotion, setting up a shariah committee, developing shariah compliant products and, introducing service awards given in the form of variable-price unit trusts, special dividends and bonuses for loyal investors and implementation of tax incentives.

Keywords: Unit trust; mutual funds; ASB; investment; fund management

INTRODUCTION

This Unit trust can be described as an investment vehicle created by asset management companies specializing in pooling savings for both retail and institutional investors (Abdullah et al., 2007). This type of investment vehicle is increasingly popular because it has conservative risks as compared to other types of investment. For example, investments in shares or the stock market requires an investor to monitor stock price movements, analyse company fundamental information, conduct technical analysis to understand price behaviour of shares and other efforts that are time-consuming and costly. However, a key investment risk in the stock market is that the price can drop abruptly which happened during the financial crisis. Therefore, unit trust is preferable because the asset manager can diversify the investment risks by spreading the stock into different portfolios thereby reducing the level of risk. Failure in an investment will be absorbed by other forms of investments. For example, loss of investment in the stock market can be hedged with revenue from other low risk investments like bonds, property and fixed deposits.

Unit trust plays an important role in Malaysia in encouraging individuals to have a habit of saving and investing. Permodalan Nasional Berhad (PNBA) is the largest and well-known asset manager with a total investment management worth more than RM225 billion in more than 200 companies. This company has 35 years of experience investing in various equities and property portfolios locally and internationally with approximately 11.6 million account holders. PNB has branches all over the world such as London and Tokyo. Currently, PNB via its unit trust arm, Amanah Saham Nasional Berhad (ASNB) offers various unit trust products comprising: Skim Amanah

Saham Nasional (ASN), Amanah Saham Nasional2 (ASN 2), Amanah Saham Nasional3 (ASN 3), Amanah Saham Gemilang - Pendidikan (ASG-Pendidikan), Amanah Saham Gemilang - Kesihatan (ASG- Kesihatan), Amanah Saham Gemilang- Persaraan (ASG Persaraan), Amanah Saham Wawasan 2020 (ASW 2020), Amanah Saham Malaysia (ASM), Skim Amanah Saham Bumiputra (ASB), Amanah Saham Didik (ASD) and Amanah Saham Satu Malaysia (AS1M).

This company began its operations by offering only fixed price unit trust, which means the price of a unit trust is fixed at the time of purchase until it is sold. However, in 1991, PNB started offering a unit trust based on variable-price to truly reflect the performance of the unit trust that depends on its investment portfolio. This unit trust called Amanah Saham Nasional (ASN) was launched in 1981 with a fixed price before it was converted into variable-price in 1991. The price of ASN is subject to market performance of shares invested and it is listed in the Bursa Malaysia, the Malaysian stock exchange. Thus, this new pricing mechanism requires investors to closely monitor the movements of share prices of the unit trust and also the stock market. Its unit holders have come to appreciate this new price arrangement because the capital appreciation of the unit trust via price increase generated more profit for them when their shares were sold at a price which was higher than the price they acquired. Therefore, the unit holders could obtain two types of income namely a yearly dividend and capital gains.

However, not every investor prefers this kind of investment. Although the price goes up, there is a risk that it could also fall. Another unit trust called Amanah Saham Bumiputera (ASB) was launched in 1991 with a fixed price mechanism. This enabled its unit holders to experience similar features of ASN before it converted into a market based price transaction in 1990. Although the risk in ASB is low, the unit holder has only one type of income which is derived from an annual dividend declared by PNB.

As compared to ASN, ASB is only open to Bumiputeras, the indigenous or native people in Malaysia (Siddique & Suryadinata, 1981) while ASN is open to anyone. One of the reasons why ASB was launched was to preserve the equity and investment of the Bumiputeras. Malaysia is a unique country with various races and communities. Its economic participation and performance is also ethnically defined (Jesudason, 1989). The Bumiputeras make up the country's largest ethnic group followed by the Chinese. The Chinese known for their business and entrepreneurship contribute a large part of the Malaysian economy. They have strong business networks and make up the majority in the accounting professional bodies in Malaysia (Che Ahmad et al., 2006).

Although the opportunity to generate more income in variable-price unit trust has widened, Bumiputera participation in this kind of unit trust is quite disappointing. According to Amanah Saham Nasional Management Report 2011, Bumiputera participation in variable-price unit trust is about 1,202,352 for Skim Amanah Saham Nasional (ASN), as compared to 7,351,510 unit holders for Skim Amanah Saham Bumiputera (ASB). This shows a huge gap between fixed price and variable price participation from Bumiputera shareholders.

TABLE 1
VARIANCE ON UNIT HOLDERS

Year	No. Of Unit Holders ASB	No. Of Unit Holders ASN	No. Of Unit Holders ASN2
2007	6,354,043	1,211,199	12,020
2008	6,569,904	1,201,480	11,060
2009	6,793,632	1,191,502	10,962
2010	7,044,577	1,180,481	9,234
2011	7,351,510	1,202,352	8,832

Table 1 shows a huge gap between fixed price unit holders and variable-price unit holders from 2007 to 2011. Therefore, there is a huge question mark on why there is low Bumiputera participation in all variable-price unit trust products and the contributory factors related to this problem. The information gathered can assist PNB in formulating better investment strategies and decision-making in order to encourage higher Bumiputera participation in variable-price unit trust products. Thus, this paper attempts to identify and discuss factors which caused lower Bumiputera subscription in variable-price unit trust products by taking PNB as a study case.

There are a few contributions based on this study. This study could assist the management to determine the main reasons for lower Bumiputera participation in buying variable-price unit trust. The information could assist relevant investment management organizations, unit trust management companies and government agencies in analyzing so as to set up more effective investment strategies to overcome the problem. For example, PNB and ASN could adopt a strategy suitable with the fund's objective to encourage existing as well as potential Bumiputera investors to invest in variable-price unit trusts.

In addition, this study could provide more information and educate investors on strategies employed by PNB and ASB in managing unit trust funds. This also creates awareness on the inherent risks of investing in unit trust which include market risk, stock specific risk, fluctuation price risk and credit or default risk.

Finally, this paper could contribute to the body of literature on investor participation in unit trust products particularly on issues related to ethnic-based investments which is relatively limited in its literature. Prior empirical research focused more on factors that contributed to the performance of unit trust and investor participation and less on ethnic factors.

LITERATURE REVIEW

Unit Trust Offered by PNB

The fund managers of PNB play an important role in choosing companies to invest and to ensure that ASNB products will provide competitive returns to keep the confidence of its investors. The fund objectives and strategies are described as follows:

Variable-Price Products

Skim Amanah Saham Nasional (ASN)

Generate a reasonable level of distribution income and capital appreciation for its unit holders through a diversified portfolio of investments. The fund will invest up to 90% of its Net Asset Value in equities, while maintaining at least 10% in other capital market instruments, inclusive of liquid assets.

Skim Amanah Saham Nasional 2 (ASN 2)

Provide unit holders with a reasonable dividend yield as well as capital appreciation at an accepted level of risk through investments made in accordance with the Deed, Guidelines and securities law in a diversified portfolio of securities, principally in Malaysian equity securities. The Fund will invest up to 90% of its Net Asset Value in equities, while maintaining at least 10% in other capital market instruments inclusive of liquid assets.

Amanah Saham Nasional 3 (ASN 3)

Generate capital growth over the medium to long-term period by investing in a balanced portfolio of investments and through re-investments if any. The fund will invest up to 75% of its Net Asset Value in equities while maintaining at least 25% in other capital market instruments, inclusive of liquid assets.

Amanah Saham Gemilang-Pendidikan (ASG Pendidikan)

Provide investment opportunities which generate reasonable long-term growth and returns to meet part or all of the periodic liquidity requirements of its unit holders and to enable education of its unit holders and/or their children and/or charges. The fund will invest between 20% to 70% of its Net Asset Value in fixed income securities and cash equivalent and the remainder in equities and other capital market instruments.

Amanah Saham Gemilang-Kesihatan (ASG Kesihatan)

Provide investment opportunities which generate reasonable long-term growth and returns to fulfill part or all of the immediate liquidity requirements to enable unit holders and/or their children and/or charges to continuously meet their ongoing medical requirements in the long-term. The fund will invest up to 90% of its Net Asset Value in equities, while maintaining at least 10% in other capital market instruments, inclusive of liquid assets.

Amanah Saham Gemilang – (ASG-Persaraan)

Provide investment opportunities which generate reasonable long-term growth and returns, and a reliable income stream to enable unit holders and/or their children and/or charges to meet part or all of their retirement needs. The fund will invest between 20% and 80% of its Net Asset Value in fixed income securities and cash equivalent, and the remainder in equities and other capital market instruments.

Fixed Price Products

Skim Amanah Saham Bumiputera (ASB)

Generate long-term, consistent and competitive returns to the unit holders whilst ensuring the preservation of capital at minimal risk tolerance level. The fund seeks to achieve its objective by investing up to 95% of its Value of the Fund in equities, while maintaining at least 5% in other capital market instruments, inclusive of liquid assets. The investment strategy will also be designed to preserve the capital of the Fund in the long-term while at the same time

seek potential income from its investments.

Amanah Saham Wawasan 2020 (ASW 2020)

Provide a reasonable level of regular distribution income to unit holders from investments in a selected portfolio of authorized investments. The fund seeks to achieve its objective by investing up to 95% of its Value of the Fund in equities, while maintaining at least 5% in other capital market instruments, inclusive of liquid assets. The investment strategy will also be designed to preserve the capital of the Fund in the long-term while at the same time seek potential income from its investments.

Amanah Saham Malaysia (ASM)

Provide Unit holders with a long-term investment opportunity that generates regular and competitive returns through a diversified portfolio of investments. The Fund seeks to achieve its objective by investing up to 95% of its Value of the Fund in equities, while maintaining at least 5% in other capital market instruments, inclusive of liquid assets. The investment strategy will also be designed to preserve the capital of the Fund in the long-term while at the same time to seek potential income from its investments.

Amanah Saham Didik (ASD)

Provide investment opportunities that generate reasonable long-term growth and returns. The Fund seeks to achieve its objective by investing up to 95% of its Value of the Fund in equities, while maintaining at least 5% in other capital market instruments, inclusive of liquid assets. The investment strategy will also be designed to preserve the capital of the Fund in the long-term while at the same time seek potential income from its investments.

Saham 1Malaysia (AS1M)

Provide regular and consistent income stream whilst preserving the investment capital of unit holders over the long term from a diversified portfolio of investments. The Fund seeks to achieve its objective by investing up to 90% of its Value of the Fund in equities, while maintaining at least 10% in other capital market instruments, inclusive of liquid assets. The investment strategy will also be designed to preserve the capital of the Fund in the long-term while at the same time seek potential income from its investments.

RESEARCH METHODOLOGY

This study used primary data resources gathered from the survey conducted. Secondary data was also collected which comprised company records, websites, and management reports.

All 50 sets of questionnaires were randomly distributed among the investors at the main counter of ASNB in one of its branches in Malaysia. Respondents were given ample time to answer all the questions. The respondents comprised males and females, from various academic backgrounds with different occupations. Each respondent was required to answer five parts in the questionnaire. They include:

- a. Personal background – sex, age, employment, income, and academic qualifications.
- b. Feedback on service – knowledge about PNB, PNB products and programs to educate investors on investment.
- c. Barriers to investment.
- d. Other factors which contribute to lower Bumiputera participation in the ownership of variable-price unit trust investment.
- e. Conclusion – overall opinion on respondent's knowledge investing in unit trust organized by Permodalan Nasional Berhad.

The current study applied the convenience sampling method for the questionnaire survey. The reasons for this method was mainly because of a lack of available resources, short period of time to conduct data collection, financial constraints and willingness of respondents to participate in the survey. Information was collected from members of the population who are conveniently available. According to Sekaran (2003), it is perhaps the best way of getting some basic information quickly and efficiently. A total of 50 questionnaires were distributed.

FINDINGS AND DISCUSSION

Profile of Respondents

TABLE 2
PROFILE OF RESPONDENTS

Demographic		N	Percent
Gender	Male	18	36
	Female	32	46
Age	20 and below	1	2
	20-30	19	38
	30-40	19	38
	40-50	10	20
	50 and above	1	2
Occupation	Student	9	18
	Civil servant	12	24
	Private sector employee	24	48
	Self-employed person	3	6
	Housewife	2	4
Monthly Income	Below RMI ,000	9	18
	RM1,000- 3,000	17	34
	RM4,000- 6,000	19	38
	RM7,000- 10,000	4	8
	Above RM1 0,000	1	2
Level of Education	SPM/STPM/Certificate	5	10
	Diploma	10	20
	Degree	29	58
	Master's/PhD	3	6
	Professional qualifications	3	6

The demographic characteristics such as gender, age, occupation, monthly income and level of education were included in this section in an effort to provide a descriptive profile of the respondents in the survey. Table 2 summarizes the profile of the respondents.

The data showed that 64% of the respondents were female. Most of the respondents were in the 20 – 40 years age group (38%), followed by 10 respondents from the 40 – 50 years age group (20%). Interestingly, both age groups of 20 years and below and 50 – 60 years made up 2 % each of the total sample. There were no respondents for the age group of 61years and above.

Table 2 also shows that the majority of the respondents come from the private sector (48%), civil servants (24%), students (18%), self-employed persons (6%) and housewives (4%). As for level of education of respondents, the majority of them (58%) had completed their degree. A total of 20% were diploma holders, 10% SPM/STPM school leavers or certificate holders and 6% had a master's/PhD and professional qualifications.

Based on a total of 50 respondents, 19 (38%) earned an income of between RM4,000 to RM6,000 per month. While 34% earned between RM1,000 to RM3,000 per month. A total of 16% belonged to a group which earned less than RM1,000 per month. Another 8% of the respondents had a monthly income of between RM7,000 to RM10,000 while the remaining 2% earned above RM10,000.00 per month.

TABLE 3
FEEDBACK ON KNOWLDGE ABOUT PNB

Q1	What do you know about PNB? (You can select more than one answer)	Yes (%)	No (%)	Not Sure (%)
	An investment institution.	46 (92%)	4(8%)	-
	A fund management company.	31 (62%)	19 (38%)	-
	A subsidiary of Yayasan Pelaburan Bumiputera.	10 (20%)	40 (80%)	-
	Owens strategic stakes in major sectors, both domestic and foreign.	19 (38%)	31 (62%)	-
	Owens stakes in more than 200 companies in Malaysia.	13 (26%)	37 (74%)	-

The data showed that 92% of respondents were aware of PNB as an investment institution and 62% had knowledge of PNB's role as a fund management company. However, only 38% of the respondents were aware that PNB owned strategic stakes in major sectors - domestic as well as foreign. 26% of the respondents knew that PNB owned stakes

in more than 200 companies in Malaysia and 20% agreed that PNB is a subsidiary of Yayasan Pelaburan Bumiputera. It can be concluded that all the respondents knew about the services provided by PNB.

TABLE
FEEDBACK ON DIVIDEND AND INCOME DISTRIBUTION

Q2	What is your opinion regarding unit trust funds managed by the PNB Group	Good (%)	Average (%)	Not Sure (%)	Not Satisfactory (%)
	i) Dividends / Income Distribution	20 (40%)	24 (48%)	3 (6%)	3 (6%)

Nearly half of the respondents (48%) agreed that the dividends or income distribution by the unit trust managed by the PNB group were average, while another 40% of the respondents agreed that the dividends/income distribution made through the unit trust managed by the PNB group were good. While the remaining 6% each of the respondents were either not sure about the returns given by the PNB group managed unit trust or found that the dividends/income distribution was unsatisfactory.

TABLE 5
FEEDBACK ON PNB ORGANIZED PROGRAMS

Q3	Do you know that PNB organizes programs to increase public awareness and understanding on investments and financial planning?	Yes (%)	No (%)	Not Sure (%)
	Minggu Saham Amanah Malaysia.	41 (82%)	6 (12%)	3(6%)
	360 Days Investment Seminar.	9 (18%)	19 (38%)	22 (44%)
	PNB Investment Quiz Contest.	12 (24%)	22 (44%)	16 (32%)
	PNB Debate Contest.	6 (12%)	28 (56%)	16 (32%)
	ASNB Service Counter.	28 (56%)	13 (26%)	9(18%)

PNB have organized many programs to increase awareness among investors in Malaysia about unit trust in general and in particular, the types of unit trust offered by PNB. The majority of the respondents (82%) agreed that they knew about Minggu Saham Amanah Malaysia organized by Permodalan Nasional Berhad to enhance public awareness and understanding on investment and financial planning. More than half of the respondents (56%) agreed that they were aware about the ASNB service counter. At the same time the remaining respondents were not aware of PNB organized programs i.e. PNB investment quiz contest, the 360 days investment seminar and KPBPNB debate contest.

TABLE 6
FEEDBACK ON PNB PRODUCTS

Q4	How did you learn about PNB's products?	Yes	No
	Newspapers	38 (76%)	12 (24%)
	Electronic media (radio, television)	31 (62%)	19 (38%)
	Pamphlets, banners, buntings	17 (34%)	33 (66%)
	Websites – ASNB/PNB	15 (30%)	35 (70%)
	Friends or family members	16 (32%)	34 (68%)

Apparently potential investors responded to promotional strategies in different ways. In creating awareness of its investment products, 76% agreed that they read about in the newspapers while 62% responded that they were informed through electronic media such radio and television. A total of 34 % of the respondents said that they found out about PNB products via pamphlets, banners and buntings. 32 % were informed via friends and family members and the remaining 30% responded that ASNB/PNB website proved to be effective in disseminating PNB's products.

TABLE 7
BARRIERS TO INVESTMENT

No.	Item in Questionnaire	Yes	No
1	Not enough capital to invest.	78 %	22%
2	Limited information regarding investment institutions.	74%	26%
3	More confident of savings in the bank.	76%	34%
4	Worried about losses when market falls.	88%	12%
5	Non-shariah compliant products.	54%	46%
6	Not sure whether investment has been approved by Bank Negara Malaysia.	48%	52%
7	Lack of promotion in the mass media.	58%	42%

Based on the feedback, it can be concluded that 88% of the respondents concurred regarding the risks and returns when they invest in variable-price unit trust. They were anxious about losing when the market fell. 78% of the respondents agreed that not having enough cash to invest was also a contributory factor to lower Bumiputera participation in variable-price unit trust. They were more confident with saving money in the bank rather than investing in variable-price unit trust. 74% of the respondents agreed that limited information regarding investment was among the barriers to investment. Another 54% of respondents said that they were reluctant to invest in PNB's products as they were non-shariah compliant. The rest of the respondents were not sure whether the investments had the approval of Bank Negara Malaysia, which also proved to be a barrier to investment for Bumiputera investors.

Other Factors

Table 8 demonstrates the percentage of other factors causing lower Bumiputera subscription in variable-price unit trust investment.

TABLE 8
RESULT OF SURVEY ON OTHER FACTORS

No.	Item in Questionnaire	Yes
1	Lack of promotion on variable-price unit trust.	70 %
2	Higher returns from fixed priced funds (e.g. ASB).	24%
3	Higher risk for variable-price unit trust.	20%
4	Lower returns for variable-price unit trust.	6%
5	Need a longer time frame to achieve capital gains and returns.	18%
6	Other investments provide higher returns in a shorter period of time.	8%
7	More confidence investing in gold.	6%
8	Higher returns from real estate.	8%

Based on the result, it can be concluded that 70% of the respondents agreed that lack of promotion was one of the factors which contributed to lower Bumiputera subscription in variable-price unit trust investment. The lack of promotion of variable-price unit trust funds have affected investor awareness of the existence of ASN products such as ASN, ASN 2, ASN 3, ASG, ASB, ASW 2020, ASM, ASD and AS1M. Secondly, 24% of the respondents agreed that ASB is an excellent investment with greater returns. ASB is a type of investment which has low risk, high returns with a guaranteed capital and a price per unit of RM1.00.

With dividends which are tax exempted and with no sales or redemption charges, ASB is considered more attractive than other funds. On top of that, ASB's dividends are computed monthly, but are paid annually. Even with a maximum investment of only up to RM200,000 the investment returns would be higher due to compounding growth. This explains why ASB has consistently out-performed other PNB schemes (ASN, ASN 2, ASN 3, ASG, ASW 2020, ASM etc.)

The risk related to investments especially variable-price unit trust was also among the factors which contributed to lower Bumiputera participation in these types of investment. Respondents amounting to 20% of the population were aware of the higher risks and returns associated with variable-price unit trust. On the other hand, 18% agreed that investing in variable-price unit trust needed a longer time frame to achieve capital gains and returns. While 8% agreed that there were other types of investment which gave higher returns in a shorter time frame for instance, multilevel marketing, direct selling or investment in real estate. Some even gave examples of get-rich-quick schemes, forex trading just to name a few. The remaining 6% of the respondents felt more confident investing in gold. Therefore, it can be concluded that only 36% of the respondents had moderate knowledge about investment in PNB's unit trust.

CONCLUSION

In conclusion, the majority of the respondents preferred to invest in ASB rather than variable-price unit trusts. This is based on the results of the survey conducted. The respondents agreed that ASB is an excellent investment. Even though the average percentage of returns for the ASB is 7.49% yearly, lower than the variable-price products, the ASB investment provides a safer type of unit trust investment. As a comparison, an average return on the ASN investment from 2007 to 2011 was at 12.92% annually.

This study also concluded that the Bumiputera community is risk-averse. They are not risk takers, lack confidence and are not comfortable with risks associated with investing in variable-price unit trusts. They agonize over fluctuations of the stock market which could affect their investments especially when the market is bearish. The respondents were more confident in keeping their money in the bank. They also believed that investing in variable-price unit trust needed a longer time frame to achieve capital gains and returns.

The Bumiputera community also has financial restraint or possesses limited capital to invest in variable-price unit trusts. Whatever monies they have go to ASB which offers a fixed price, lower risk and high returns on investment with guaranteed capital. For those who are risk-averse and prefer the comfort of consistent returns, they place their monies in ASB. Since most of their monies go to ASB, there is limited money available for investments in other variable-price unit trusts.

This research also found that lack of aggressive promotion programs on variable-price unit trust products are among the causes of investors being unaware of the existence of variable-price unit trusts such as ASN, ASN 2, ASN 3 and ASG. Most of the promotion focused primarily on ASB and less focus on variable-price unit trusts. ASNB has appointed over 2,163 agents nationwide, including Sabah and Sarawak. Most of the agents promote ASB rather than other variable-price unit trust. It was discovered that even with the yearly events of Minggu Saham Amanah, investor interest is still focused on ASB as compared to other unit trusts especially variable unit trusts.

This research also shows that most Bumiputera investors are not sophisticated investors. They still invest in traditional or conventional ways of putting their money in financial institutions rather than diversify their investments. Their reluctance to participate in higher investment options maybe due to lack of knowledge in financial planning.

There are some implications of the study. Unit trust companies need to embark more aggressively on marketing and promotion strategies for their products. Thus this applies to PNB for their variable-price unit trust through the newspaper, websites and other forms of electronic media. This could include detailed explanations about risks and returns, including advantages and disadvantages of investing in variable-price unit trusts. PNB could widen their promotional scope to include schools, government agencies and universities and to encompass all age categories so as to ensure awareness of variable-price unit trusts reaches a large cross section of society. In addition, PNB can also highlight to investors about the profitability of variable-price products in relation to dividends and capital appreciation via various media channels. Currently only investors who invest in variable-price unit trust will receive reports that highlight the achievements of variable-price unit trusts.

Apart from this, PNB could establish a shariah compliant products committee. This is because recently question pertaining to shariah compliant products were called to attention with regards to which counter depositors monies are being invested. The Selangor Fatwa Council has issued a ruling prohibiting (*haram*) ASN and ASB while the National Fatwa Council has ruled it as permissible (*harus*). This has created uncertainty among investors. In order to avoid confusion and to protect Muslim depositors from receiving dividends from non-shariah compliant counters, it is proposed that PNB create shariah compliant products for Muslim investors. This is because the effect could be detrimental should Muslim investors decide to withdraw their investments from ASN and ASB completely.

In addition, companies and organizations could introduce service awards given in the form of variable-price unit trusts. It is a normal company practice to grant a service award to an employee in accordance with his/her length of service. It is proposed that recipients of the award to receive variable-price type of unit trusts like ASN or ASN2. The underlying reason is to promote and encourage Bumiputera participation in variable-price unit trust products. Similarly for sports, athletes are promised a "reward" if they clinched gold or become champions. It is proposed that the rewards given to the athletes be 50% in cash and 50% in the form of variable-price unit trusts so as to encourage them and their spectators or followers to invest in variable-price unit trusts.

Besides this, it is proposed that aside from normal yearly dividends and bonuses, PNB could consider rewarding its loyal investors with long term investments of more than five years in variable-price funds with special dividends and bonuses. This could attract more investors to invest in variable-price unit trust products.

Finally, tax incentives can also be given to investors who invest in variable-price unit trust. Tax incentive is a deduction, exclusion or exemption from a tax liability offered as an enticement to engage in a specified activity such as investment in capital goods for a certain period of time. It is recommended that PNB gives tax incentives to investors who hold variable-price unit trust for a certain period of years at a certain amount as a tax deduction. Within this incentive, the investors could reduce their tax liabilities and this would encourage more Bumiputera to participate in variable-price unit trust products. simply type your text into it.

LIMITATIONS AND RECOMMENDATION FOR FUTURE RESEARCH

Although this study fulfilled its aims, there were some limitations. The first was the data itself. Since, it is the responsibility of every employee to safeguard confidential information to protect Company interest therefore this study used only available published data such as the actual number of investor participation in variable-price unit trust for ASN and ASN 2 only. The study was allowed to be conducted as long as confidentiality of data was safeguarded. The study also involved a small number of respondents, from different backgrounds and interests. There was also some difficulty in terms of securing cooperation from the respondents involved.

In future, large samples could be employed to ensure that the results and analysis are more robust and accurate. This can be done by using various survey methods such as distributing questionnaires via email, social network sites, Survey Monkey and the ordinary postal system. Causal analysis involving cause and effect like factors of investment in unit trust and amount of investment can be conducted so that a more reliable analysis via inferential statistics can be conducted. On a final note, respondents of the present study comprised only of PNB investors. Therefore, participants for future research could come from other unit trust management companies.

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