

APPENDIX 1: LETTER WRITE TO UNIT TRUST COMPANIES

To all values organisation,

RE : BUSIENSS USE OF THE INTERNET IN THE UNIT TRUST INDUSTRY

Today's business environment is undergoing rapid changes due to the globalization of the business, technology innovations, social and political changes. The Internet is slowly gaining momentum and it offers certain advantage that cannot be matched by conventional methods. Unit trust investing on the network provide an overview of investment and various resources on the web. The web site could be an effective marketing tool, many organization in Malaysia have begun to recognize the opportunities opened up by Internet. They see Internet as a means to among others improve customer service, reduce costs and optimize resources.

As a student pursuing in the Master of Business Administration (MBA) at the Faculty of Business and Accountancy, University of Malaya for the year 1999/2000 academic session. I am currently required to write a thesis title **"Business use of the Internet in the unit trust industry"**. The objectives of the this paper are :

1. To examine the relationship between organizational characteristics (such as organization annual sales turnover and organisation size) to the current usage of Internet.
2. To assess the degree to which Internet are being used or will be used by the unit trusts companies.
3. To look into the perception of unit trust companies on the usage of Internet.
4. To look into the perception of each unit trust company in using the internet as a new business channel in Klang Valley, in relation to the perception on the opportunities and barriers in internet using.
5. To examine whether the Malaysian unit trust companies are ready to take Internet challenge and market their products on the net in future.

In this respect, I seek your cooperation in filling up the attached questionnaire and I am looking forward to receive your response before 10th December 1999. Please be assured that all information will be treated in strict confidence for academic purpose only. Your prompt support is greatly appreciated. I would be grateful if your company could provide the necessary assistance and cooperation to enable me to collect the data required for the thesis purpose. For any inquiries, please do not hesitate to contact myself - Wendy Tee Leap Sing with Tel no: (03-9310324) or e-mail to (Wendytls @ yahoo.com) for further information. Thank you very much

Yours Sincerely,

Tee Leap Sing

APPENDIX 2 : QUESTIONNAIRE

UNIVERSITY OF MALAYA FACULTY OF BUSINESS AND ACCOUNTANCY MASTER OF BUSINESS ADMINISTRATION

THESIS PROJECT

QUESTIONNAIRE

BUSINESS USE OF THE INTERNET IN THE UNIT TRUST INDUSTRY

FOR YOUR ATTENTION

1. The study is directed to unit trust companies in Kuala Lumpur
2. It has five sections to be filled by either the Chief Executive Officer/
General Manager/ The IT Manager/ The Marketing Manager/ Executives
3. Please answer all questions in this form unless otherwise indicated
4. If exact figures are not available, kindly support your best estimates
5. Please read the instruction notes in each section before completing the form
6. Please return the completed questionnaire in self-addressed envelope by
10th December 1999

**CONFIDENTIALITY: YOUR COMPLETED RETURN WILL BE TREATED AS
CONFIDENTIAL**

The purpose of this survey is to obtain information about your perception towards the use of Internet application in unit trust companies. It will require 10 to 15 minutes of your time. Your honest response is highly appreciated. We thank you in advance for your kind cooperation.

QUESTIONNAIRE

BUSINESS USE OF THE INTERNET IN THE UNIT TRUST INDUSTRY

Instruction: Please answer all the questions. Your answers are strictly confidential. Please tick once per question unless otherwise indicated.

SECTION A : PROFILE OF THE ORGANISATION

1. How long have your organization been established?

- | | |
|---|---|
| <input type="checkbox"/> Below 5 years | <input type="checkbox"/> 21 to 30 years |
| <input type="checkbox"/> 5 to 10 years | <input type="checkbox"/> More than 30 years |
| <input type="checkbox"/> 11 to 20 years | |

2. How many employees are there in your organization at present?

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> Below 50 | <input type="checkbox"/> 151 to 200 |
| <input type="checkbox"/> 51 to 100 | <input type="checkbox"/> More than 200 |
| <input type="checkbox"/> 101 to 150 | |

3. Ownership of the organization :

- | | |
|---|--|
| <input type="checkbox"/> Fully local (0 % foreign ownership) | <input type="checkbox"/> Majority foreign (51 – 99%) |
| <input type="checkbox"/> Majority local (1 – 49 % foreign) | <input type="checkbox"/> Fully foreign (100% foreign ownership) |
| <input type="checkbox"/> Equal ownership (50% local & 50% foreign) | |

4. Paid up capital :

- | | |
|--|--|
| <input type="checkbox"/> Less than 100,000 | <input type="checkbox"/> RM 1,000,000 – RM 1,499,999 |
| <input type="checkbox"/> RM 100,000 – RM 499,999 | <input type="checkbox"/> More than RM 1,500,000 |
| <input type="checkbox"/> RM 500,000 – RM 999,999 | |

5. What is your organization annual sales turnover or revenue for the past one year :

- | | |
|--|---|
| <input type="checkbox"/> Below 10 million | <input type="checkbox"/> RM 50 to 75 million |
| <input type="checkbox"/> RM 10 to 25 million | <input type="checkbox"/> RM 75 to 100 million |
| <input type="checkbox"/> RM 25 to 50 million | |

6. Does your organization use Internet?

- | | |
|------------------------------|---|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No, but intend to have within one or two years |
| <input type="checkbox"/> No | <input type="checkbox"/> Not sure |

(If you answer “Yes”, please go to question 7)

(If you answer “No” or “Not sure”, please skip question 7 and proceed to Section B)

7. How long have your organisation been using Internet?

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> Below 1 year | <input type="checkbox"/> 2 to 3 years |
| <input type="checkbox"/> 1 to 2 years | <input type="checkbox"/> More than 3 years |

SECTION B : INTERNET APPLICATION FOR UNIT TRUST COMPANIES

Please ✓ tick against the following Internet application that are relevant to your organization:

	Currently In use	Intend to use within the next two years	Do not Intend to use within the next two years
A. <u>Marketing and Advertising</u>			
Displaying company information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Displaying the product/ service offered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Providing new services-e.g search engines, home page/ own web-site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electronic catalogue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others, please specify: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. <u>Marketing Research</u>			
Research on consumer preferences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Research on competitors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Researching and evaluating new suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others, please specify: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. <u>Customer Support and Services</u>			
On line help-Frequently Asked Question (FAQ)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Handling customers feedback/queries – on line	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication-e mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Processing electronic payment or credit transaction on line	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
On line application/registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
On line help-product updates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others, please specify: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION C: PERCEPTION ON THE USAGE
OF INTERNET IN THE UNIT TRUST COMPANIES**

The statements below describe the usage of Internet in the unit trust companies. Please kindly indicate the extent of your agreement with each of the following statements by circling the appropriate number against each statement using the scale as follows:

1 = Strongly disagree 2 = Disagree 3 = Agree 4 = Strongly agree

	Strongly Disagree	Disagree	Agree	Strongly Agree
Internet is an innovative way to unit trust investment in the 21 st century	1	2	3	4
Unit trust companies get full support from the top management for the use of Internet	1	2	3	4
Internet use for business is part of the business strategy	1	2	3	4
Most unit trust companies believe Internet is an important means of marketing, advertising and promotion	1	2	3	4
The use of Internet is an effective way of doing business in unit trust companies	1	2	3	4
Most unit trust companies could provide better and faster services to the customers through the Internet	1	2	3	4
Extensive training is given to the staff in using the Internet	1	2	3	4
All the staff in unit trust companies are encouraged to use and access the Internet	1	2	3	4
Number of hits is the way used to monitor the effectiveness of the web site	1	2	3	4
The cost of setting up and maintaining Internet in unit trust companies is always high	1	2	3	4
Unit trust companies have difficulty in promoting on the web site/ home page	1	2	3	4
Difficulty to target the right customer segment	1	2	3	4
Customers are reluctant to provide their data on line	1	2	3	4
Unit trust companies have difficulty in locating the desired information	1	2	3	4
Additional staff and time required to analyze and response to customers feedback/ inquires	1	2	3	4

**SECTION D : PERCEPTION ON THE OPPORTUNITY OF
INTERNET IN THE UNIT TRUST COMPANIES**

The following are some statements about your perception towards the opportunity of Internet. Please kindly indicate the extent of your agreement with each of the following statements by circling the appropriate number against each statement using the scale as follows:

1 = Strongly disagree 2 = Disagree 3 = Agree 4 = Strongly agree

	Strongly Disagree	Disagree	Agree	Strongly Agree
Internet is a way for unit trust companies to enter the new market segment	1	2	3	4
Internet can enhance corporate image	1	2	3	4
Internet can increase the sales/ return of the unit trust companies	1	2	3	4
Internet develop new business opportunity for unit trusts companies	1	2	3	4
Internet is putting unit trust company's position on the competitive advantage against competitor.	1	2	3	4
Internet has increased the accessibility of unit trust marketing	1	2	3	4
Customer can get first hand information on the fund performance and services from the Internet	1	2	3	4
Internet is a means for reducing the cost for customer support and communication	1	2	3	4
Internet allows unit trust companies to reduce cost for marketing and marketing research	1	2	3	4
Internet enables unit trust companies to understand consumers needs and wants better	1	2	3	4
Internet increase responses from customers, create their loyalty and retention	1	2	3	4
Internet allows unit trust company to collect new information on market trends and changes in the unit trust industry	1	2	3	4
Internet creates the added value to the customer	1	2	3	4
The use of Internet improves communication among employees and branches	1	2	3	4
Unit trust companies enter paperless working environment by using the Internet	1	2	3	4

SECTION E : PERCEPTION ON THE BARRIERS OF INTERNET IN THE UNIT TRUST COMPANIES

The following are some statements about your perception towards the barriers of Internet. Please kindly indicate the extent of your agreement with each of the following statements by circling the appropriate number against each statement using the scale as follows:

1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Strongly Agree

	Strongly Disagree	Disagree	Agree	Strongly Agree
Unit trust company is concerned with the security problems of marketing on the net	1	2	3	4
Internet marketing is putting unit trust company on the open competition with other competitors	1	2	3	4
Internet marketing is in conflict with unit trust company's existing distribution channel	1	2	3	4
Internet requires high skill and knowledge for employees to access	1	2	3	4
Internet requires high financial investment	1	2	3	4
It was difficult to justify the cost with desired benefits	1	2	3	4
Most unit trust companies are short of people with IT skills	1	2	3	4
Most customers still believe in traditional way of marketing	1	2	3	4
It is too complicated for consumer to search for a unit trust company's web site	1	2	3	4
Internet is less effective than traditional marketing channel	1	2	3	4
Need additional staff to manage the Internet application	1	2	3	4
Insufficient security for on line credit payments transaction	1	2	3	4
Insufficient security to prevent hacking and viruses	1	2	3	4
Lack of knowledge about the potential application of Internet	1	2	3	4
Lack of standard regulations from government on Internet issues	1	2	3	4

Company Name: _____ Contact Person: _____

Company Address: _____ Designation: _____

_____ Tel No : _____

_____ Fax No: _____

Company E-mail: _____ Company Web Site: _____

Thank you for your cooperation

APPENDIX 3

UNIT TRUST FUNDS IN MALAYSIA- CURRENT MARKET STATISTICS AS AT 31 AUGUST 1999

No of Management Company	33
No of approved fund	104
Total approved fund size	68.401 billion unit
Units in circulation	48.166 billion units
No of accounts	8,811,815
Total Net Asset Value (NAV) of funds	RM 39.775 billion
KLSE market capitalisation	RM 514.420 billion
% of NAV to KLSE Market Capitalization	7.73 %
Government sponsored funds:	
No of Approved Funds	
Units in Circulation	29
NAV	34.167 billion units RM 30.173 billion
Private Funds:	
No of Approved Funds	75
Units in Circulation	13.999 billion units
NAV	RM 9.602 billion

APPENDIX 4

LIST OF UNIT TRUST COMPANIES IN MALAYSIA

ASSOCIATE MEMBERS

1. Citibank Berhad
2. Hong Kong Bank Malaysia Berhad
3. Kenanga Unit Trust Berhad
4. Standard Chartered Bank Malaysia Berhad

ORDINARY MEMBERS

1. Abrar Unit Trust Management Berhad
2. Amanah Property Trust Managers Berhad
3. Amanah Saham Kedah Berhad
4. Amanah Saham MIC-TPG BERHAD
5. Amanah Saham National Berhad
6. Apex Unit Trusts Berhad
7. Arab-Malaysian Property Trust Management Berhad
8. Arab-Malaysian Unit Trusts Berhad
9. Asia Unit Trusts Berhad
10. ASM Mara Unit Trust Management Berhad
11. BBMB Unit Trust Management Berhad
12. BHLB Pacific Trust Management Berhad
13. BIBM Unit Trust Management Berhad
14. Commerce BT-Unit Trust Management Berhad
15. Hijrah Unit Trust Berhad
16. HLB Unit Trust Management Berhad
17. Kuala Lumpur Mutual Fund Berhad
18. Mayban Management Berhad
19. MBF Unit Trust Management Berhad
20. Multi purpose Unit Trust Management Bhd
21. OSK-UOB Unit Trust Management Berhad
22. PAB Unit Trust Management Berhad
23. Pacific Mutual Fund Berhad
24. Pelaburan Hartanah Nasional Berhad
25. Permodalan BSN Bhd
26. Phileo Allied Unit Trust Management Bhd
27. PTB Unit Trust Bhd
28. RHB Unit Trust Management Berhad
29. SBB Unit Trust Management Bhd
30. TA Unit Trust Management Berhad
31. Tabung Amanah Saham Selangor Berhad

APPENDIX 5: FUNDS MANAGED BY UNIT TRUST COMPANIES

Funds managed by Abrar Unit Trust Management Berhad	Launch Date	Approved Fund Size (million units)
Abrar Investment (Islamic/ Syariah)	12/3/1996	250
Funds managed by Amanah Property Trust Managers Berhad		
First Malaysia Property Trust (Property Fund)	10/10/1989	1,000
Funds managed by Amanah Saham MIC-TPG BERHAD		
Amanah Saham Dana Pertama (Growth Fund)	25/11/1977	200
Amanah Saham Dana Kedua(Growth Fund)	31/12/1980	200
Amanah Saham Dana Ketiga(Growth Fund)	14/04/1982	6
Funds managed by Amanah Saham National Berhad		
ASB (Federal Fund)	01/01/1990	Unlimited
ASN (Federal Fund)	01/01/1991	2,500
ASW 2020(Federal Fund)	01/01/1993	3,000
ASN2(Federal Fund)	09/06/1999	2,500
Funds managed by Apex Unit Trusts Berhad		
Apex Malaysia Growth (Growth Fund)	06/08/1997	100
Funds managed by Arab-Malaysian Property Trust Management Berhad		
Arab Malaysian First Property Trust	17/08/1989	135
Funds managed by Arab-Malaysian Unit Trusts Berhad		
Arab- Malaysian Cash Management (Money Market)	28/11/1986	500
Arab- Malaysian First (Growth & Income)	10/01/1989	500

Tabung Ittikal Arab- Malaysian (Islamic/Syariah)	01/01/1993	150
Arab-Malaysian Cumulative Growth (Growth)	24/07/1996	200
Funds managed by Asia Unit Trusts Berhad		
Malaysia Progress (Small Company Growth)	01/06/ 1970	300
Tabung Amanah Bakti (Islamic/Syariah)	14/05/1971	150
Malaysia Berjaya (Growth & Income)	05/05/1976	50
Malaysia Equity (Small Capital Growth)	20/01/1982	50
Malaysia Commerce (General Bonds)	24/01/1984	50
Malaysian Investment (Growth & Income)	18/07/1996	300
Funds managed by ASM Mara Unit Trust Management Berhad		
ASM Second Mara B Investment (Growth & Income)	19/02/1969	20
ASM TKMBY Ketiga (Growth & Income)	01/11/1969	20
ASM TKMBY Keempat (Growth & Income)	02/02/1970	20
ASM TKMBY Kelima(Growth & Income)	03/09/1971	20
ASM TKMBY Keenam(Growth & Income)	05/05/1972	20
ASM TKMBY Ketujuh (Growth & Income)	28/12/1972	20
ASM TKMBY Ketujuh (Growth & Income)	28/12/1972	20
ASM TKMBY Kelapan (Growth & Income)	17/07/1995	20
ASM TKMBY Kesepuluh (Growth & Income)	24/10/1978	20
ASM TKMBY Kesebelas(Growth & Income)	29/10/1979	20
ASM First Public(Growth & Income)	20/04/1992	350
ASM Premier(Growth & Income)	12/06/1995	350
Amanah Saham Pekerja-pekerja TNB(Growth & Income)	28/08/1995	50
Dana Al-Aiman (Islamic/ Syariah)	19/05/1997	150
ASM TP Balanced (Balanced)	06/12/1997	100
Funds managed by BBMB Unit Trust Management Berhad		
BBMB Unit Trusts (Growth & Income)	19/08/1989	300
BBMB Prime (Growth & Income)	14/05/1991	300
Dana Putra BBMB (Islamic/ Syariah)	15/06/1995	300
Funds managed by BHLB Pacific Trust Management Berhad		
BHLB Pacific Double Growth (Growth & Income)	15/05/1991	550

BHLB Pacific –Emerging Co Growth (Small Capital Growth)	10/05/1994	700
BHLB Pacific Savings (Growth)	05/08/1995	500
BHLB Pacific High Growth (Growth)	28/09/1995	400
BHLB Pacific Dana Al-Ihsan (Islam/Syariah)	07/05/1998	200
BHLB Pacific Bond (General Bonds)	28/07/1999	200
Funds managed by BIBM Unit Trust Management Berhad		
Amanah Saham Bank Islam (Islamic/ Syariah)	20/06/1994	300
Funds managed by Commerce BT-Unit Trust Management Berhad		
The Malaysian Bond (General Bond)	15/11/1995	100
Commerce BT – Future Goal (Growth)	12/03/1998	500
Commerce BT – Income Plus (Balanced Income)	12/03/1998	500
Commerce BT –Balance Return (Balanced)	12/03/1998	500
Funds managed by Hijrah Unit Trust Berhad		
Asnita - Amanah Saham Wanita (Islamic /Syariah)	05/05/1998	400
Funds managed by HLB Unit Trust Management Berhad		
HLB Growth (Growth)	08/09/1995	300
HLB Blue Chip (Growth)	26/04/1999	100
HLB Penny Stock (Growth)	26/04/1999	1000
Funds managed by Kuala Lumpur Mutual Fund Berhad		
KL Savings (Growth & Income)	29/03/1981	500
KL Growth (Growth & Income)	11/12/1984	1000
KL Index (Equity Index Tracking)	02/03/1992	500
KL Industry (Growth & Income)	18/11/1993	500
KL Aggressive Growth (Growth)	25/04/1994	500
KL Regular Saving (Growth & Income)	25/04/1994	1000
KL Balanced (Balanced Income)	07/06/1995	1000
KL Bond (General Bonds)	11/06/1996	300
KL Ittikal Fund (Islamic/ Syariah)	10/04/1997	300
KL Balanced (Balance)	05/05/1998	300

Funds managed by Mayban Management Berhad		
Mayban Unit Trust (Growth & Income)	26/03/1992	70
Mayban Balanced (Balanced)	19/09/1994	600
Mayban Income (General Bonds)	19/06/1996	100
Funds managed by MBF Unit Trust Management Berhad		
MBF Balanced (Balanced Income)	01/05/1981	750
MBF Growth (Growth & Income)	01/06/1995	300
MBF Equity Index (equity Index Tracking)	26/05/1997	300
Funds managed by Multi purpose Unit Trust Management Bhd		
Multi Purpose First (Balance Income)	16/01/1996	250
Funds managed by OSK-UOB Unit Trust Management Berhad		
OSK -UOB Equity (Growth)	08/08/1996	250
Small Cap Opportunity (Small company Growth)	20/04/1998	250
OSK- UOB Kid Save (Balanced Income)	10/05/1999	250
Funds managed by PAB Unit Trust Management Berhad		
Amanah Saham PAB (Growth & Income)	29/04/1993	300
Funds managed by Pacific Mutual Fund Berhad		
Pacific Premier (Growth & Income)	10/08/1995	500
Pacific Pearl (Small capital Growth)	06/1/1997	500
Pacific Dana Aman (Islamic/ Syariah)	16/04/1998	200
Pacific Millennium (Growth & Income)	15/04/1999	500
Pacific Recovery (Growth)	15/04/1999	500
Funds managed by Pelaburan Hartanah Nasional Berhad		
Amanah Hartanah PNB (Property)	20/03/1989	100
Funds managed by Permodalan BSN Bhd		
Amanah Saham BSN (Growth & Income)	12/01/1995	500
Funds managed by PTB Unit Trust Bhd		
PTB Amanah Saham Darul Iman (State Fund)	31/10/1994	500

Funds managed by RHB Unit Trust Management Berhad		
RHB Dynamic (Growth & Income)	15/09/1992	750
RHB Capital (Growth)	12/04/1995	500
RHB Mudharabah (Islamic/ Syariah)	09/05/1996	500
RHB Bond (General Bonds)	10/10/1997	300
RHB Malaysia Recovery (Growth)	03/05/1999	500
Funds managed by SBB Unit Trust Management Bhd		
SBB Premium Capital (Growth & Income)	01/08/1995	500
SBB Retirement Balanced (Balanced)	18/03/1997	100
SBB KLSE Composite Index (Equity Index Tracking)	23/08/1999	200
Funds managed by TA Unit Trust Management Berhad		
TA Balanced (Growth & Income)	01/07/1996	100
Funds managed by Tabung Amanah Saham Selangor Berhad		
Amanah Saham Selangor (State Fund)	06/08/1994	500