

The Influence of Macroeconomic Variables on the Performance of Sharia-Registered Stock Mutual Funds

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Sharia stock mutual funds are increasingly important investment instruments, but their performance remains sensitive to macroeconomic conditions. This study aims to test and analyze how macroeconomic variables, namely the BI rate, inflation, and the exchange rate, influence the performance of Sharia stock mutual funds registered with the Financial Services Authority from 2016 to 2023. The sampling technique used purposive sampling, with 13 mutual funds as research samples. This quantitative panel-data study applied panel data regression, and the Random Effect Model was selected as the best model. The results show that the BI rate has a negative and significant effect on net asset value (NAV) ($b = -2.352$; $p = 0.0005$), while inflation has a positive and significant effect on NAV ($b = 1.147$; $p = 0.0054$). Meanwhile, the exchange rate has no significant effect on NAV ($b = 0.769$; $p = 0.8113$). These findings suggest that investors should consider interest-rate and inflation movements when making investment decisions in Sharia stock mutual funds, while future research may include internal fund characteristics, broader economic indicators, and taxation variables.

Keywords: BI Rate; Exchange Rate; Inflation; Sharia Stock Mutual Funds; Net Asset Value

JEL Classification: G11; G23; E31; E43; F31

INTRODUCTION

The era of economic globalization is growing rapidly, as reflected in the increasing number of companies going public across various business fields. This makes companies in the capital market experience increasingly tight competition in trying to penetrate domestic and international markets in order to achieve the targets that have been set by management. This results in many obstacles faced by management, one of which is the problem of funding. One alternative method used by most companies to obtain funds or additional funds is through the capital market by selling company shares.

The Indonesian Capital Market, as one of the investment vehicles for the community, creates and develops investment products that can be used as an alternative for investors in investing funds. One of the products issued is mutual funds. According to [Abdul and Sarvani \(2014\)](#), mutual funds are one of the investment alternatives that apply an asset allocation strategy through the formation of a portfolio by spreading the investment funds owned into several different types of assets. Mutual funds are composed of two concepts, namely mutual, which means to maintain or maintain funds means (collection) of money.

Thus, in terms of language, mutual funds can be concluded as money that is maintained or collected ([Anggraini, 2025](#)). Mutual funds are divided into two types, namely conventional and Shariah funds. According to fatwa No.20/DSNMUI/IV/2001, sharia mutual funds are mutual funds that operate according to the provisions and principles of Islamic sharia, both in the form of contracts between investors as owners of assets with investment managers as representatives of asset owners, or between investment managers and investment users (owners of invested assets) ([Majelis Ulama Indonesia \[MUI\], 2001](#)). Sharia mutual funds will not invest their funds in corporate bonds whose management or products are contrary to Islamic law, for example, alcoholic beverage factories, pig farming industries, financial services that involve operational usury systems, and businesses that contain immorality ([Ambarwati et al., 2025](#)).

Sharia mutual funds are essentially related to mutual funds in general. In the UK, mutual funds are called unit trusts, meaning units (shares), while in the US, they are called mutual funds, meaning shared funds. In Japan, they are called investment funds, meaning the management of investment funds in trust. Etymologically, the term mutual fund comes from the word *reksa*, meaning to maintain or guard, and the word *dana*, meaning a collection. Therefore, in simple terms, a mutual fund is a pool of funds that is maintained. Based on the above definition, a mutual fund can be interpreted as a vehicle for people to invest their funds, with investment managers managing them to be placed in a securities portfolio ([Setiawan & Gultom, 2025](#)).

Sharia mutual funds are an alternative for Muslims due to the ambivalence of investment behavior. Muslims want to invest their funds in mutual funds but do not want to violate Sharia principles ([Selvia et al., 2024](#)). Sharia mutual funds operate in accordance with Sharia principles, providing a solution for Muslims. Apart from that, it also serves as an alternative investment instrument in the development of the capital market in Indonesia. Net asset value (NAV) is the fair market value of securities and other assets of a mutual fund minus liabilities. NAV is one benchmark for monitoring the performance of a mutual fund. NAV/participation unit is the fair value of a mutual fund's portfolio after deducting operating expenses and then divided by the number of shares/participation units outstanding (owned by investors) at that time ([Iman, 2013](#)). The NAV is calculated daily by the Custodian Bank after receiving data from the investment manager, and its value

can be found in the mutual fund's daily newsletter. The NAV of Sharia stock mutual funds in this study uses the total NAV. The NAV formula is as follows (Ramadhini et al., 2025):

$$\text{NAV} = \text{Asset Value} - \text{Total Liabilities}$$

The BI rate is the policy interest rate that reflects the monetary policy stance set by Bank Indonesia and announced to the public (Bank Indonesia [BI], 2024). The interest rate is one of the indicators of monetary policy, and as an intermediate target, it sets the ideal interest rate to encourage investment activity. For example, the central bank targets an interest rate of 10% per year, which is ideal for encouraging investment activity, which in turn can drive economic growth at the desired level. If interest rates rise beyond the set figure, the central bank will implement monetary expansion to lower interest rates to the desired level. Conversely, if interest rates decline, the central bank will implement monetary contraction (Dira, 2022).

The BI interest rate, a monetary policy measure previously known as the BI Rate, has been applied to the one-month SBI interest rate since the implementation of the Inflation Targeting Framework (ITF) in June 2005, and then switched to the overnight Interbank Money Market (PUAB) interest rate in June 2008. Furthermore, starting from August 19, 2016, the monetary policy interest rate was called the BI-7-day (reverse) Repo Rate and was applied to the PUAB interest rate for 7 days (BI, 2024).

Based on the preceding discussion, previous studies have shown different findings regarding the influence of macroeconomic variables on the NAV of Sharia mutual funds. Some studies found that interest rates, inflation, and exchange rates significantly affect mutual fund performance, while others reported different or insignificant results. This inconsistency indicates the need for further empirical testing, particularly in the context of Sharia stock mutual funds registered with the Financial Services Authority. Therefore, this study examines the influence of the BI rate, inflation, and exchange rate on the NAV of Sharia stock mutual funds during the 2016–2023 period. The study is expected to contribute to Islamic finance literature by providing updated panel-data evidence and to offer practical insights for investors and investment managers in considering macroeconomic conditions when evaluating Sharia mutual fund performance.

LITERATURE REVIEW

Net Asset Value (NAV)

NAV is one measure of investment performance in Sharia mutual funds. NAV is the fair market value of a security and other assets of a mutual fund minus liabilities. NAV is one of the benchmarks in monitoring the results of a mutual fund. NAV/participation unit is the fair price of a mutual fund portfolio after deducting operational costs, then divided by the number of shares/participation units that have been circulated (owned by investors) at that time (Puspitasari et al., 2023). The amount of NAV can fluctuate every day, depending on changes in the value of securities in the mutual fund portfolio.

BI Rate

The BI rate is a policy interest rate that reflects the attitude or stance of monetary policy set by Bank Indonesia and announced to the public (BI, 2024). The Bank Indonesia Interest Rate is a monetary policy that has been called the BI Rate, applied to the 1-month SBI interest rate since the implementation of the ITF in June 2005, then, since June 2008, switched to the PUAB overnight interest rate or a term of one working day to one year, but the majority of overnight PUABs have a term of less than three months. Furthermore, starting from August 19, 2016, the monetary policy interest rate is called

the BI-7-day (reverse) Repo Rate and is applied to the 7-day PUAB interest rate. The increase in loan interest rates has a very negative impact on each issuer, because it will increase the credit interest burden and reduce net profit. A decrease in net profit means a decrease in earnings per share and will ultimately result in a decrease in stock prices in the market. On the other hand, an increase in deposit interest rates will encourage investors to sell shares and then save in deposits.

[Rahmayanti \(2021\)](#) said that when viewed from the issuer's side, the relationship or relationship between the BI rate and the NAV of Sharia mutual funds, if the BI rate increases, it reduces loan capital, this causes the company's performance to decline, so that the stock value on the market falls, as a result, the shares divided will also fall. Because the company's performance is weakening, the NAV in the capital market is also bad. This study is also based on the differences in research that occur in each independent variable. According to research conducted by [Sepita et al. \(2024\)](#), it shows that the BI rate has a significant negative effect on NAV. This research is inversely proportional to research conducted by [Subekti \(2022\)](#) which states that the BI rate has a significant positive effect on NAV. The study is in contrast to the study conducted ([Titi, et al., 2021](#)), which showed that the exchange rate has a negative and insignificant effect on the NAV.

Inflation

Inflation reflects a macroeconomic condition in which the general price level increases over time and changes the purchasing power of money ([Baariu & Peter, 2021](#)). In the investment context, inflation can influence investor expectations, corporate costs, market sentiment, and the valuation of financial assets, including the portfolio assets underlying Sharia mutual funds ([Hasan & Hasan, 2024](#); [Komariah et al., 2020](#)). A stable and moderate inflation rate may indicate healthy economic activity because it can reflect rising demand, business expansion, and stronger market transactions. However, excessive inflation may create uncertainty, reduce real investment returns, increase operating costs, and weaken investor confidence.

For equity-based mutual funds, inflation may affect company earnings, stock prices, and investor demand for capital-market instruments. In the Sharia investment context, inflation is also relevant because Sharia stock mutual funds rely on the performance of underlying Sharia-compliant companies whose profitability and market value may respond to changes in production costs and consumer purchasing power. Therefore, changes in inflation may affect the performance of Sharia-compliant equity portfolios and ultimately be reflected in the NAV of Sharia stock mutual funds.

Exchange Rate

The exchange rate is the value of a country's currency measured in terms of the value of one unit of currency against the currency of another country ([Sukirno, 2021](#)). The amount of a certain currency needed to obtain one unit of foreign currency is called the foreign exchange rate. If a country's economic conditions change, it is usually followed by a substantial change in the exchange rate ([Sukirno, 2021](#)). Exchange rate risk is a risk that arises due to the influence of changes in the exchange rate of the domestic currency with the exchange rate of another country's currency (foreign). Companies that use foreign currency in carrying out their operational and investment activities will face exchange rate risk. Changes in the exchange rate that are not anticipated by the company will affect the value of the company.

[Verma and Bansal \(2021\)](#) said that if the rupiah depreciates or decreases in value, the price of export goods will fall, which will affect the balance of payments and reduce

foreign exchange reserves, which will reduce investor confidence. This causes investment to decline and has a negative effect on the NAV of Sharia mutual funds because the reduction in investment funds means that the value of assets will decrease. In addition, the difficulty in anticipating the movement of rupiah fluctuations makes investors hesitate. This can cause the indices on the stock exchange, which continue to fluctuate, to tend to decline sharply, which will cause total investment to decline, resulting in the NAV of the issuer company also decreasing. Recent Indonesian evidence also shows that macroeconomic variables, including exchange rates and inflation, can influence portfolio investment flows, confirming the relevance of macroeconomic stability for investment-related financial decisions (Nareswari et al., 2024). Based on a review of previous studies, it shows different results regarding the company's external variables on the NAV of Sharia stock mutual funds, which can indicate a research gap in this study, so it will be re-examined regarding how external variables, namely interest rates, inflation, and exchange rates, affect the NAV of Sharia stock mutual funds.

Hypotheses Development

BI Rate on the NAV of Sharia Equity Mutual Funds

The interest rate (BI rate) is the cost of borrowing or the price paid for borrowed funds (Azis et al., 2022). Classical economists argue that interest rates determine the amount of savings and investment in the economy. Any change in interest rates will also lead to changes in savings and the demand for funds for investment. An increase in the interest rate on loans has a significant negative impact on any issuer, as it increases credit interest expenses and reduces net profit. A decrease in net profit means a decrease in earnings per share and ultimately results in a decline in stock prices in the market. On the other hand, rising interest rates will encourage investors to shift investments to the money market by selling their shares, resulting in lower stock prices and a corresponding decrease in NAV. Several studies by Ansari & Zaman (2021), Ardhani (2020), and Azis et al. (2022) concluded that interest rates have a significant negative effect on the NAV of Indonesian sharia mutual funds.

H1: The BI rate has a significant negative effect on the NAV of sharia mutual funds registered with the financial services authority.

Inflation on the NAV of Sharia Equity Mutual Funds

Inflation is a condition characterized by a continuous increase in general prices, affecting individuals, companies, and governments (Baariu & Peter, 2021). Inflation is a macroeconomic factor that influences the development of the NAV of Sharia Equity Mutual Funds. A generally stable price level provides domestic economic certainty and can encourage the production sector to stimulate the economy. Inflationary pressures can be caused by both domestic and foreign factors. Domestic pressures can result from disruptions in both demand and supply. These demand-side disruptions can occur if monetary authorities implement a loose monetary policy (easy money policy) that increases the money supply. Therefore, rising inflation will cause prices to continuously rise (in this case, stock investment instruments). Because the majority of equity mutual fund unit owners are institutional investors and upper-middle-class investors, this increase in inflation will increase the NAV of Sharia equity mutual funds. Several studies, including Baariu & Peter (2021), Diana (2023), and Febianingsih & Nurcahyono (2024), found that inflation has a significant positive effect on the NAV of Sharia equity mutual funds.

H2: Inflation has a significant positive effect on the NAV of Sharia Mutual Funds registered with the Financial Services Authority.

Exchange Rates and the NAV of Sharia Equity Mutual Funds

The exchange rate is the price of one country's currency in relation to another country's currency (Fernanda et al., 2024). If the rupiah depreciates or decreases in value, the price of imported goods will increase, and the price of exported goods will decrease, thus impacting the balance of payments and reducing foreign exchange reserves, which will undermine investor confidence. This will result in decreased investment and negatively impact the NAV of Sharia Mutual Funds due to reduced investment funds, which in turn will decrease asset value (Hasan and Hasan, 2024). Several studies by Diana (2023), Fernanda et al. (2024), and Hensawang (2022) concluded that the exchange rate has a significant positive effect on the NAV of Sharia equity mutual funds.

H3: The exchange rate has a significant positive effect on the NAV of Sharia Mutual Funds registered with the Financial Services Authority.

Conceptual Framework

Based on a review of previous research, the research model can be described in Figure 1 as follows:

Figure 1. Research Framework

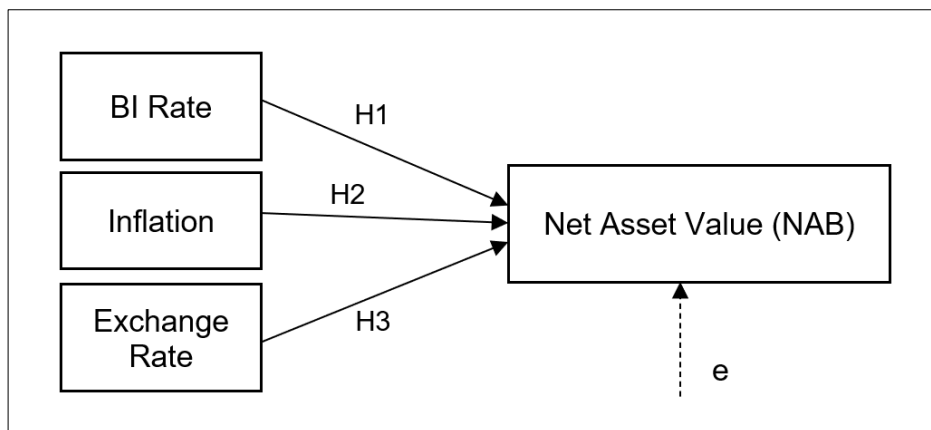


Figure 1 shows the relationship between the BI rate, inflation, exchange rate, and the NAV of Sharia stock mutual funds. The BI rate, inflation, and exchange rate are positioned as independent macroeconomic variables, while NAV is positioned as the dependent variable representing mutual fund performance. The framework also aligns the proposed relationships with H1, H2, and H3.

RESEARCH METHOD

Research Design

This study uses a quantitative explanatory design to examine the effect of macroeconomic variables on the NAV of Sharia stock mutual funds. The analysis method used multiple linear regression analysis of panel data, with the best model chosen being the random effect model.

Population and Sample

The population in this study is a Sharia stock mutual fund company registered with the Financial Services Authority in January 2016, totaling 26 companies. The research sample was taken using the purposive sampling method. Purposive sampling is sampling based on certain provisions. In purposive sampling, certain characteristics have been determined to be used as samples in order to meet the suitability of information related to the research (Selvia et al., 2024).

Table 1. Population and Sampling Criteria

No	Criteria	Number of Companies
1	Sharia stock mutual fund company registered with the Financial Services Authority in January 2016	26
2	Having NAV data, the NAV of Sharia stock mutual funds had reached 10 billion in January 2016.	19
3	Sharia stock mutual funds that were still actively operating and consistently published their NAV as of December 2021. Thirteen companies met this criterion.	13
Final total sample		13

Table 1 presents the population and sampling criteria used to determine the final research sample. The study began with 26 Sharia stock mutual funds registered with the Financial Services Authority in January 2016. After applying the criteria related to NAV availability, minimum NAV value, active operation, and consistent publication of NAV data, 13 Sharia stock mutual funds were selected as the final sample.

Table 2. Samples of Research

No.	Companies Name
1	TRIM Syariah Saham
2	Batavia Dana Saham Syariah
3	Principal Islamic Equity Growth Syariah
4	Mandiri Investa Atraktif Syariah
5	Panin Dana Syariah Saham
6	MNC Dana Syariah Ekuitas
7	SAM Sharia Equity Fund
8	Lautandhana Saham Syariah
9	Mandiri Investa Ekuitas Syariah
10	HPAM Syariah Ekuitas
11	Simas Syariah Unggulan
12	Pratama Syariah
13	Pacific Saham Syariah

Table 2 presents the 13 Sharia stock mutual funds selected as the final research sample. These funds represent the cross-sectional units observed during the 2016–2023 research period.

Data Collection

The data used in this study are secondary data consisting of monthly NAV data and macroeconomic data for the 2016–2023 period. The classical assumption test is used to obtain a more precise parameter value of the estimator model, whether the model deviates from the classical assumption or not. According to Basuki and Prawoto (2019), in panel data regression, not all classical assumption tests in the Ordinary Least Square (OLS) method are used; only multicollinearity, heteroscedasticity, and autocorrelation are considered, and the results are in accordance with the classical assumptions.

Variable Measurement

As for the proxies used in this study for each variable can be seen in Table 3:

Table 3. Research Variable Measurement

No	Variable	Data Source	Formula
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1	Y = NAV	Published NAV data	NAV= Asset Value-Total Liabilities
2	X1 = BI Rate	Bank Indonesia	Bi rate measurement with BI 7-Day Reverse Repo Rate (BI7DRR)
3	X2 = Inflation	Badan Pusat Statistik	$INF_n = \frac{IHK_n - IHK_{n-1}}{IHK_{n-1}} \times 100\%$
4	X3 = Exchange Rate	Bank Indonesia	$middle\ rate = \frac{selling\ rate + buying\ rate}{2}$

As shown in Table 3, NAV is used as the dependent variable, while the BI rate, inflation, and exchange rate are used as independent macroeconomic variables. The variable coding is aligned with the regression equation, where X1 represents the BI rate, X2 represents inflation, and X3 represents the exchange rate.

Data Analysis

This study uses panel data regression because the data combine cross-sectional observations from 13 Sharia stock mutual funds and time-series observations from 2016 to 2023. Panel data regression is appropriate for examining how variations in macroeconomic variables are associated with changes in NAV across funds and time. Similar quantitative financial modeling has also been applied in AIBPM-related financial studies to evaluate financial performance and risk conditions across sectors (Amelia & Setiawan, 2022). The regression equation used in this study is formulated as follows:

$$Y = \alpha + \beta_1 X1_{it} + \beta_2 X2_{it} + \beta_3 X3_{it} + e$$

Model selection was conducted using the Chow test, Hausman test, and Lagrange Multiplier test to determine the most appropriate estimation model. Classical assumption testing was used to examine potential multicollinearity and heteroscedasticity problems, while hypothesis testing was based on coefficient direction and probability values at the 5% significance level.

RESULTS

Model Selection Results

Based on the results of panel data analysis to test the direct influence of independent variables (X) on dependent variables (Y) using the best random effect model. Model selection using the Chow test, Hausman test, and Lagrange Multiplier test indicated that the Random Effect Model was the best model for this study. Therefore, the subsequent panel data regression analysis was conducted using the Random Effect Model.

Classical Assumption Test Results

The classical assumption test is used to obtain more accurate parameter values for the estimator model, regardless of whether the model deviates from the classical assumptions or not. The OLS method is used; only multicollinearity and heteroscedasticity are tested. The classical assumption tests for multicollinearity and heteroscedasticity tests can be seen in the table below.

Table 4. Multicollinearity Test

Variable	X1	X2	X3
X1	1.000000	0.804769	-0.464100

X2	0.804769	1.000000	-0.573962
X3	-0.464100	-0.573962	1.000000

As shown in [Table 4](#), the correlation coefficients among the independent variables are below 0.85, indicating that the model does not suffer from multicollinearity.

Table 5. Heteroscedasticity Test

Test Indicator	Statistic	Probability Indicator	Probability
F-statistic	1.558558	Prob. F(3,74)	0.2066
Obs*R-squared	4.635518	Prob. Chi-Square(3)	0.2005
Scaled explained SS	6.635794	Prob. Chi-Square(3)	0.0845

As shown in [Table 5](#), the probability value of Obs*R-squared is 0.2005, which is greater than 0.05. This indicates that the regression model does not indicate a heteroscedasticity problem.

Model Fit and Coefficient of Determination

From the results of the analysis with a confidence level of 95% or $\alpha = 0.05$ with a degree of freedom $df1 = (k-1)$ and $df2 = n-k$, the f table value $df1 = 3$ and $df2 = 74$ is 2.728. Based on the calculation results, the F count value is $7.378311 > F$ table 2.728 with a significance value of $0.000216 < 0.05$, it can be stated that the regression model in this study is suitable for estimating the sample of Sharia stock mutual fund companies registered with the OJK for the 2016-2023 period, or meets the goodness of fit test.

The results of the panel data regression analysis calculation obtained a determination coefficient value (R Square) of 0.230249. This value shows that 23.025% of the variation in changes in the increase and decrease in the NAV of Sharia stock mutual funds registered with the OJK for the 2016-2023 period can be explained by the BI rate, Inflation, and Exchange Rate variables, while 0.769751 or 76.975% can be explained by other variables not examined in this study.

Panel Regression and Hypothesis Testing

The results of the research data analysis with the t-test can be shown in [Table 6](#).

Table 6. Panel Data Regression Results with t-Test

No	Variable	Coefficient	t-statistic	t-table	Prob.
1	C	35.32264	1.173739	1.99254	0.2443
2	BI Rate	-2.352375	-2.533301	1.99254	0.0005
3	Inflation	1.147045	2.866427	1.99254	0.0054
4	Exchange Rate	0.768850	0.239578	1.99254	0.8113

Based on [Table 6](#), the BI rate has a negative and significant effect on NAV ($b = -2.352375$; $p = 0.0005$), so H1 is supported. Inflation has a positive and significant effect on NAV ($b = 1.147045$; $p = 0.0054$), so H2 is supported. Meanwhile, the exchange rate has no significant effect on NAV ($b = 0.768850$; $p = 0.8113$), so H3 is not supported.

DISCUSSION

Effect of BI Rate on the NAV of Sharia Stock Mutual Funds

The empirical results indicate that the BI rate has a negative and significant effect on the NAV of Sharia stock mutual funds. Therefore, H1 is supported. This finding implies that an increase in interest rates tends to reduce the NAV of Sharia stock mutual funds.

From an economic perspective, changes in interest rates influence both saving behavior and investment demand. Higher interest rates increase borrowing costs for firms, which in turn raises financial expenses and reduces net income. A decline in net income leads to lower earnings per share and subsequently decreases stock prices in the market. As Sharia stock mutual funds are largely composed of equity instruments, declining stock prices will directly reduce their NAV.

In addition, rising interest rates may encourage investors to reallocate their portfolios from the capital market to money market instruments that offer more attractive returns with relatively lower risk. This shift in investment preference leads to selling pressure in the stock market, further contributing to the decline in NAV. These findings are consistent with [Diana \(2023\)](#), who also reported a negative and significant relationship between the BI rate and the NAV of Sharia mutual funds.

Effect of Inflation on the NAV of Sharia Stock Mutual Funds

The results show that inflation has a positive and significant effect on the NAV of Sharia stock mutual funds. Therefore, H2 is supported. This suggests that an increase in inflation is associated with an increase in the NAV of Sharia mutual funds.

This relationship can be explained by the nature of inflation during the study period, which tended to be relatively mild. Moderate inflation can stimulate economic activity by encouraging production, investment, and consumption. Under such conditions, corporate performance may improve, leading to higher stock prices and, consequently, an increase in the NAV of equity-based mutual funds.

Furthermore, inflation may signal growing economic demand, which positively affects company revenues and profitability. As Sharia stock mutual funds invest in Sharia-compliant equities, improvements in firm performance are reflected in higher portfolio values. These results are in line with previous studies by [Komariah et al. \(2020\)](#) and [Majeed \(2022\)](#), which also found that inflation has a positive and significant effect on the NAV of Sharia mutual funds.

Effect of Exchange Rate on the NAV of Sharia Stock Mutual Funds

The findings reveal that the exchange rate has no significant effect on the NAV of Sharia stock mutual funds. Therefore, H3 is not supported. This indicates that fluctuations in the rupiah exchange rate against foreign currencies do not meaningfully influence the NAV of Sharia mutual funds.

One possible explanation is that Sharia stock mutual funds in Indonesia generally have limited exposure to foreign-denominated assets. As a result, exchange rate volatility does not substantially affect the valuation of their underlying portfolios. The domestic orientation of these investments reduces sensitivity to external currency movements.

Additionally, the insignificant relationship suggests that other macroeconomic or firm-specific factors may play a more dominant role in determining NAV. This finding is inconsistent with [Komariah et al. \(2020\)](#), who identified a significant relationship, but is consistent with [Majeed \(2022\)](#) and [Nafisah & Supriyono \(2020\)](#), who concluded that exchange rates do not significantly affect the NAV of Sharia mutual funds.

Implications of the Findings

The findings provide practical implications for investors, investment managers, and policymakers. For investors, the significant effects of the BI rate and inflation indicate that macroeconomic conditions should be considered when evaluating Sharia stock

mutual fund performance. Investors should not rely only on historical NAV movement but also assess broader economic signals that may influence portfolio value. For investment managers, the results suggest the importance of adjusting portfolio strategies when interest rates and inflation change. Since the exchange rate does not show a significant effect in this study, investment managers may place greater emphasis on domestic monetary indicators while still monitoring currency movements as part of broader risk management.

CONCLUSION

This study aims to examine the effect of macroeconomic variables, namely the BI rate, inflation, and exchange rate, on the NAV of Sharia stock mutual funds registered with the Financial Services Authority. The findings indicate that the BI rate has a negative and significant effect on NAV, implying that an increase in interest rates tends to reduce the value of Sharia stock mutual funds. In contrast, inflation shows a positive and significant effect, suggesting that rising inflation is associated with an increase in NAV. Meanwhile, the exchange rate does not have a significant effect on NAV, indicating that fluctuations in the rupiah exchange rate do not meaningfully influence the performance of Sharia stock mutual funds within the observed period.

The results of this study imply that investors should pay close attention to macroeconomic conditions, particularly interest rates and inflation, when making investment decisions in Sharia stock mutual funds. These variables have proven to be key determinants of fund performance and can influence expected returns. However, the insignificant role of the exchange rate suggests that it may not be a primary consideration in this context. This study is limited in its inability to establish a significant relationship between exchange rates and NAV; therefore, future research is recommended to incorporate additional variables, longer observation periods, or alternative analytical approaches to provide a more comprehensive understanding of the factors affecting Sharia mutual fund performance.

LIMITATION

The limitation of this study lies not only in its inability to demonstrate a significant influence of the exchange rate on the performance of Sharia stock mutual funds, where fluctuations in the exchange rate do not appear to affect the NAV, but also in several other research boundaries.

First, the sample limitation should be considered when interpreting the findings. This study only examines 13 Sharia stock mutual funds that met the sampling criteria during the 2016–2023 period. Although the sample is suitable for panel data analysis, it may not fully represent all Sharia mutual funds registered with the Financial Services Authority, especially funds with different asset sizes, portfolio compositions, investment strategies, or risk profiles. Therefore, the findings should be understood within the context of the selected sample.

Second, this study only focuses on three macroeconomic variables, namely the BI rate, inflation, and exchange rate. In practice, Sharia stock mutual fund performance may also be influenced by other external and internal factors, such as money supply, stock market index movements, fund age, fund size, management fees, portfolio allocation, and investment manager performance. The exclusion of these variables may limit the explanatory power of the model and leave room for further empirical development.

Third, the observation period from 2016 to 2023 provides useful evidence, but it may not fully capture longer economic cycles or structural changes in the Islamic capital market. Future studies may extend the observation period or compare pre-crisis, crisis, and post-crisis periods to obtain a more comprehensive understanding of how macroeconomic conditions affect Sharia mutual fund performance.

Finally, this study uses panel data regression to examine statistical relationships among the selected variables. Future research may apply alternative models, such as vector autoregression, ARDL, or dynamic panel models, to capture short-term and long-term relationships more deeply. Future studies may also compare Sharia and conventional mutual funds to provide broader insights into investment performance under different macroeconomic conditions.

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DECLARATION OF CONFLICTING INTERESTS

The authors confirm that they have no connections with or roles in any organization or entity with a financial or non-financial interest in the subject matter or materials discussed in this paper.

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