P-ISSN : 2685-4309
E-ISSN : 2597-9434
Profit : Jurnal Kajian Ekonomi dan Perbankan Syariah
Vol. 9 No. 2 (2025) : 423-438
Available online at https://ejournal.unuja.ac.id/index.php/profit/index

ANALYSIS OF THE EFFECT OF SHARIA BANK INDONESIA CERTIFICATES, MONEY SUPPLY, INFLATION, AND RUPIAH EXCHANGE RATE ON SHARIA MUTUAL FUNDS IN INDONESIA

Nurul Hikmah[1], Sri Astuty[2], Basri Bado[3]
[1,2,3] Universitas Negeri Makassar, Indonesia
Email : nurulhikmah.m13@gmail.com[1], sri.astuty@unm.ac.id[2], basri.bado@unm.ac.id[3]

DOI : https://doi.org/10.33650/profit.v9i1.12041

Received: July 2025	Revised: October 2025	Accepted: November 2025

Abstract :
In the rapidly growing Islamic capital market of Indonesia, the world's largest Muslim population and a burgeoning hub for Sharia-compliant investments, understanding the macroeconomic drivers of Islamic mutual funds is crucial for fostering financial inclusion and stability amid global uncertainties like fluctuating commodity prices and geopolitical tensions.This study aims to comprehensively analyze the influence of the Bank Indonesia Sharia Certificates (SBIS), Money Supply (JUB), Inflation, and Rupiah Exchange Rate on the performance of Islamic Mutual Funds in Indonesia. The research is motivated by the dynamic development of the Islamic capital market and the need to understand macroeconomic determinants that shape the growth of Sharia-compliant investment instruments. Employing the Vector Error Correction Model (VECM) as the analytical method allows this study to capture both short-term adjustments and long-term equilibrium relationships among variables, which is crucial when examining financial time series data that exhibit cointegration. Using secondary data from official publications of Bank Indonesia, the Financial Services Authority (OJK), and the Central Statistics Agency (BPS), the study analyzes 96 monthly observations spanning from January 2017 to December 2024. The empirical results reveal that, in the long run, Money Supply and Rupiah Exchange Rate have a significant positive impact on Islamic Mutual Funds, while SBIS has a significant negative effect, and inflation shows no significant influence. Conversely, in the short run, inflation exerts a significant negative effect, while SBIS, Money Supply, and Rupiah Exchange Rate remain insignificant. These findings imply that liquidity expansion and currency appreciation tend to encourage the growth of Islamic Mutual Funds in the long term, whereas tighter monetary instruments such as SBIS may reduce fund attractiveness. The results provide useful insights for policymakers, investors, and fund managers in optimizing monetary policy responses and investment strategies within Indonesia's Islamic capital market framework.
Keywords : *SBIS, JUB, Inflation, Rupiah Exchange Rate, Islamic Mutual Funds*

INTRODUCTION

Currently, Islamic capital markets play a vital role in driving economic growth, particularly in Muslim-majority countries like Indonesia, by promoting Sharia principles, ethical, interest-free financing, and investment opportunities. This is because Islamic capital markets involve specialized financial institutions such as sukuk issuers and takaful operators, and increasing investor engagement is crucial for promoting financial inclusion and stability (Harrington et al., 2024). The Islamic capital market has two primary functions: serving as a Sharia-compliant means of business financing through instruments like suqs and Islamic bonds, and acting as a channel for the general public to invest in ethical financial products such as Sharia stocks, Islamic mutual funds, and other halal assets.

One of the primary drivers of economic growth is investment, which functions as a crucial means of promoting economic stability and expansion (Sargysan, 2022). Investment trusts are professionally managed investment products that pool investor funds to purchase securities. The rapid growth of investment trusts since 2004 demonstrates their importance as a savings and investment vehicle for both individual and institutional investors. Sharia investment trusts, a type of investment trust, provide investment opportunities for investors seeking financial products compliant with Islamic principles (Alp, 2009). Unlike conventional investment trusts, Sharia investment trusts operate based on Sharia law, which prohibits interest (riba), excessive uncertainty (gharar), and speculation (maysir). The management of Sharia investment trusts must comply with contracts (Akad) such as Wakalah (agency agreement) or Mudarabah (joint venture agreement) between the investor (Shahibul Mal) and the investment manager (Mudarib). Regarding asset composition, investments are limited to Shariah-compliant securities such as stocks listed on the Jakarta Islamic Index (JII) or the Indonesia Shariah Stock Index (ISSI), Islamic bonds (sukuk), and Islamic financial instruments. Companies engaged in non-halal activities such as gambling, alcohol, or conventional banking are avoided. Furthermore, the operation of Sharia mutual funds is supervised by the Sharia Supervisory Board (Dewan Pengawas Syariah/DPS) to ensure continuous compliance with Islamic principles.

One metric for measuring the performance of sharia investment funds is Net Asset Value (NAV). Calculated by subtracting liabilities from total assets, NAV represents the value per unit of the fund and serves as a key indicator of overall health and returns for investors. NAV dynamically reflects the real value of Islamic investment funds, fluctuating daily in response to changes in the market prices of Sharia-compliant securities, such as halal stocks, sukuk, and other ethical assets. NAV captures changes in portfolio value in real time as economic conditions shift. However, these fluctuations in NAV are not an isolated phenomenon. Empirical research highlights significant challenges, including pronounced fluctuations in the value of Islamic mutual funds triggered by macroeconomic variables (such as the yield on Indonesian Islamic Bank Certificates (SBIS), money supply (JUB), inflation rate, and rupiah exchange rate). As these factors can cause volatility, erode investor confidence, and potentially hinder long-term stability in Indonesia's Islamic capital market, rigorous econometric analysis is essential to identify potential relationships and inform risk management strategies (Silvia et al., 2016). The following is a graph of the development or growth of Islamic Mutual Funds from 2017-2024:

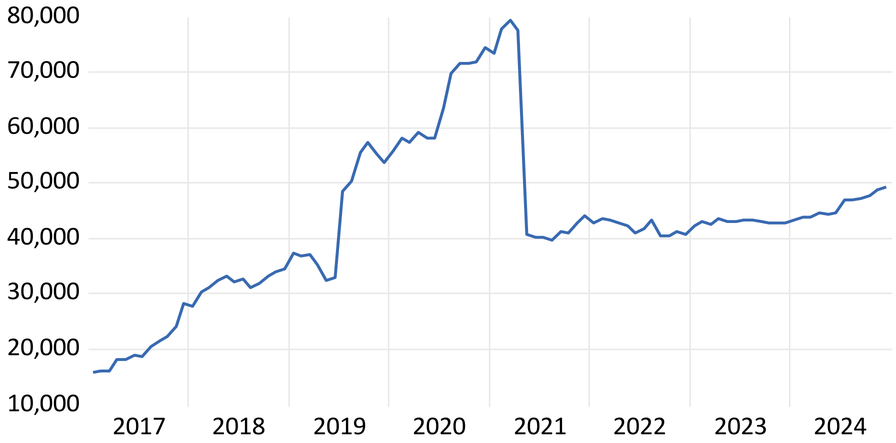

Figure 1 : Growth of Islamic Mutual Funds from 2017-2024

Based on Figure 1, it can be seen the development of Islamic Mutual Funds where the highest NAV was in 2020 amounting to IDR 74.37 trillion. Years 2021-2023 experienced fluctuations in the range of IDR40-44 trillion. However, in 2024 it increased from IDR42.78 trillion (TW I) to IDR49.31 trillion as of December 2024. NAV experienced a significant decline from 2020, but showed a gradual upward trend throughout 2024. With the increase in NAV in 2024, it shows that investor confidence is recovering or the performance of Sharia mutual funds is increasing. The decline in Sharia mutual fund assets under management in 2021 was mainly due to a massive withdrawal by the Hajj Financial Management Agency (BPKH), which liquidated all of its investments in Sharia-compliant protected mutual funds and Sharia money markets. This withdrawal caused the managed funds of Sharia-compliant protected mutual funds to plummet by 96% from April to May 2021, resulting in a drastic decline in the overall managed funds of Sharia mutual funds by approximately 45.3% year-to-date to IDR 40.67 trillion compared to December 2020. The decline was also influenced by several factors, one of which was the volatility of the stock and bond markets, which are the underlying investments of mutual funds, causing institutional and retail investors to hold back (wait and see).

However, in 2024, NAV showed a gradual increase from IDR 42.78 trillion in the first quarter to IDR 49.31 trillion as of December 2024 (OJK, 2025). This improvement may be associated with the stabilization of the national economy and supportive monetary conditions following the recovery phase, such as Bank Indonesia's relatively accommodative policy stance and stable exchange rate movements. In addition, the growing public awareness and preference toward Sharia-compliant investments may have contributed to the positive trend in Islamic Mutual Funds' performance.

The development of Islamic mutual funds is inseparable from various underlying macroeconomic factors. Changes in these factors can influence the performance of Islamic mutual funds both positively and negatively. One of the key indicators used to analyze the performance of Islamic mutual funds is the Net Asset Value (NAV). In this study, four main variables are considered to have an influence on the NAV of Islamic mutual funds, namely the Sharia Bank Indonesia Certificates (SBIS), Inflation, Exchange Rate, and Money Supply (JUB). The selection of these variables is based on both theoretical and empirical grounds. According to Islamic monetary theory, monetary instruments such as SBIS represent a policy tool used by Bank Indonesia to regulate liquidity within the Islamic financial system, which can directly affect the flow of funds into Sharia-compliant investments. Inflation and exchange rates are fundamental macroeconomic indicators that influence investors' purchasing power and portfolio preferences, thus affecting the value of assets managed by Islamic mutual funds. Meanwhile, money supply (JUB) reflects the level of liquidity in the economy, which can increase investment activity when liquidity expands. Empirically, previous studies such as those by Alp (2009), Yulianti & Kasri (2020), and Sargysan (2022) have demonstrated that monetary policy instruments, price stability, and exchange rate movements play an important role in shaping investor behavior and the growth of Islamic financial assets. Therefore, the inclusion of these four variables is expected to comprehensively capture the interaction between Islamic monetary conditions and the performance of Islamic mutual funds in Indonesia.

According to the results of previous research, there are various statements that prove macroeconomic indicators can affect the NAV of Islamic Mutual Funds. One of them is a study that states that SBIS has a positive influence on the NAV of Islamic Mutual Funds. Where when SBIS increases, it will increase investment growth in the capital market and the Islamic money market (Azifah et al., 2022).

Other studies say that the money supply and NAV of Islamic Mutual Funds are positively and significantly correlated. This means that JUB has an effect on the NAV of Islamic Mutual Funds. If there is economic growth, there will be a corresponding expansion in the money supply. An increase in the money supply results in a corresponding increase in the proportion of public investment. This, in turn, leads to an increase in demand for investment vehicles, which in turn leads to an increase in the net asset value (NAV) of Islamic Mutual Funds (Deswinta et al., 2023). An increase in money supply (JUB) can encourage investment in Sharia Mutual Funds through two main mechanisms, namely increased liquidity and reduced investment opportunity costs. Increased liquidity means that people have excess funds which are then allocated to investment instruments, including Sharia Mutual Funds, to obtain returns that are in accordance with sharia principles. In addition, when liquidity increases, the opportunity cost of holding cash decreases, thereby encouraging investors to place their funds in productive assets. Thus, an increase in MMR generally contributes to increased interest and investment performance in Sharia Mutual Funds in Indonesia.

Previous research states that Inflation has a long-term negative impact on the Indonesian Sharia Equity Mutual Fund Index. That is, if inflation increases, the Indonesian Sharia Equity Mutual Fund Index will decrease. This is because inflation can have a negative or positive impact on the economy, depending on the level of inflation (Mulyadi et al., 2023).

In this study, a re-examination will be conducted using more recent and expanded data, namely from January 2017 to December 2024. This extended period allows the analysis to capture post-pandemic economic dynamics and recent inflation fluctuations that may differ from previous research findings. Using the Vector Error Correction Model (VECM) method, this study not only re-examines the long-term relationship between variables but also analyzes short-term responses to changes.

The purpose of this study is to conduct a deeper analysis of economic factors such as Sharia Bank Indonesia Certificates (SBIS), Money Supply (JUB), Inflation, and Rupiah Exchange Rate that may influence the growth of Islamic mutual funds in Indonesia during the period from January 2017 to December 2024. The scientific contribution (novelty) of this research lies in its extended observation period, which captures post-pandemic economic dynamics up to 2024, and its use of the Vector Error Correction Model (VECM) to examine both short-term adjustments and long-term equilibrium relationships between macroeconomic variables and Islamic mutual fund performance. This methodological approach allows a more comprehensive understanding of the dynamic interactions that previous studies—limited by shorter time spans or simpler models—have not fully captured.

Theoretically, this study contributes to the development of Islamic monetary and investment literature by providing empirical evidence on how monetary policy instruments and macroeconomic indicators affect Sharia-compliant investment vehicles in Indonesia. Practically, the findings are expected to provide insights for policymakers, regulators, and Sharia capital market participants in formulating strategies and making investment decisions that align with economic conditions and Islamic financial principles.

RESEARCH METHOD

This type of research is quantitative research which starts from collecting data that is directly related to the object of research, processing data until finally a clear picture of the subject matter under study is obtained. The data taken is monthly data. While the type of data used in this study is a combination of cross section data with time series data. The population in this study is the Net Asset Value of Sharia Mutual Funds registered with the OJK during the period January 2017 - December 2024 (8 years period) with a total of 96 data. The sampling method used in this study is saturated sampling or also called a census, where sample data collection uses all elements of the population.

The data collection method in this study is to use secondary data. Secondary data is data obtained in the form of finished data, already collected and processed by other parties, usually already in the form of publications. The secondary data used by the author is data that is directly related to the research carried out and sourced from the Financial Services Authority (OJK), Bank Indonesia, and the Central Statistics Agency (BPS). Sharia mutual fund NAB data and SBIS data are taken from monthly data for the period January 2017 to December 2024 in billions of rupiah. Money supply data is obtained from monthly data for the period January 2017 to December 2024 obtained from money supply statistics reports (in trillions of rupiah) on the Trading Economics website. Inflation data was taken from monthly data for the period January 2017 to December 2024 obtained from monthly inflation statistics reports on the Bank Indonesia website (in percent). Meanwhile, rupiah exchange rate data was obtained from monthly data for the period January 2017 to December 2024 taken from the middle transaction rate calculator on the Bank Indonesia website in billions of rupiah.

FINDINGS AND DISCUSSION

Findings

All of the variable data in this study were transformed into log-log / double log form. This model is the result of the transformation of a linear model into a linear model by making the model in logarithmic form. The dependent variable is the Net Asset Value (NAV) of the Sharia Mutual Fund in the form of billions of rupiah. Then the independent variables are Sharia Bank Indonesia Certificates (SBIS) in the form of billions of rupiah, Total Money Supply (JUB) in the form of billions of rupiah, Inflation in the form of percentages, Rupiah Exchange Rate in the form of billions of rupiah.

Table : 1 Descriptive Statistical Analysis

	LNSBIS_X1	LNJUB_X2	LNINF_X3	LNKURS_X4	LNNAB_Y
Mean	2.340479	1.921172	1.018899	9.585589	3.702044
Median	2.431550	1.919900	1.098600	9.575400	3.755650
Maximum	4.867500	2.258600	1.783400	9.700700	4.375000
Minimum	0.315000	1.597400	0.277600	9.495400	2.769100
Observations	96	96	96	96	96

Source: Eviews 12 Processed Data, 2025

Based on table 4.1 above, it can be seen that the mean value of the Net Asset Value of Sharia Mutual Funds in 2017-2024 was 3.702044 or Rp 3.702044 billion. The maximum NAV of Islamic mutual funds is IDR 4,375000 billion, while the minimum NAV is IDR 2,769100 billion. Sharia Bank Indonesia Certificate (SBIS) variable seen from the mean of 2.340479, the maximum value of SBIS is 4.867500, while the minimum value of SBIS is 0.315000. The variable Money Supply (JUB) is seen from the mean of 1.921172, the maximum value of JUB is 2.258600, while the minimum value of JUB is 1.597400. Inflation rate variable seen from the mean value of 1.018899 or 1.01%. The maximum value of the inflation rate is 1.783400 or 1.78%, while the minimum value of the inflation rate is 0.277600 or 0.27%. The exchange rate variable can be seen from the mean value of 9.585589, the maximum value of the exchange rate is 9.700700, while the minimum value of the exchange rate is 9.495400.

Table : 2 Data Stationarity Analysis

LEVEL					
Variable	ADF	Critical Value			Description
		1%	5%	10%	
NAB	-2,60	-3,50	-2,89	-2,58	Non-Stationary
SBIS	-6,34	-3,50	-2,89	-2,58	Stasioner
JUB	-0,24	-3,50	-2,89	-2,58	Non-Stationary
INFLASI	-1,02	-3,50	-2,89	-2,58	Non-Stationary
KURS	-1,42	-3,50	-2,89	-2,58	Non-Stationary
FIRST DIFFERENCE					
Variabel	ADF	Critical Value			Description
		1%	5%	10%	
NAB	-8,77	-3,50	-2,89	-2,58	Stationary
SBIS	-4,30	-3,51	-2,89	-2,58	Stationary
JUB	-13,3	-3,50	-2,89	-2,58	Stationary
INFLASI	-8,38	-3,50	-2,89	-2,58	Stationary
KURS	-9,37	-3,50	-2,89	-2,58	Stationary

Source: Eviews 12 Processed Data, 2025

Based on the data in the table above, at the First Difference level it can be seen that the absolute value of t-ADF < the absolute value of its Critical Value at the 5% level. This indicates that the data does not contain a unit root (stationary data) at the first difference level. Thus, the data used in this study is in the form of First Difference data.

Table : 3 Optimal Lag Test Results

Lag	LogL	LR	FPE	AIC	SC	HQ
0	537.5967	NA	3.31e-12	-12.24360	-12.10188*	-12.18654*
1	569.2463	58.93360	2.85e-12*	-12.39647*	-11.54615	-12.05407
2	593.5599	42.47904*	2.91e-12	-12.38069	-10.82178	-11.75296
3	611.3342	29.01088	3.48e-12	-12.21458	-9.947078	-11.30153
4	622.7067	17.25480	4.90e-12	-11.90130	-8.925207	-10.70292
5	635.7203	18.24892	6.75e-12	-11.62575	-7.941063	-10.14204
6	661.3949	33.05247	7.13e-12	-11.64126	-7.247978	-9.872223
7	680.3431	22.21514	9.06e-12	-11.50214	-6.400262	-9.447772
8	711.7855	33.24934	8.99e-12	-11.65024	-5.839767	-9.310542

Source: Eviews 12 Processed Data, 2025

Based on the table above, the optimal lag length test results have the smallest AIC value compared to SC and HQ, the smallest AIC value is at lag 1. Therefore, the lag used in the model as the optimal lag is lag 1.

Table : 4 VAR Model Stability Test Results

Root	Modulus
-0.342793 - 0.209815i	0.401907
-0.342793 + 0.209815i	0.401907
0.160221 - 0.116814i	0.198284
0.160221 + 0.116814i	0.198284
0.084268	0.084268

Source: Eviews 12 Processed Data, 2025

Based on the table above, the modulus value for this research model ranges from 0.084268 to 0.401907. So it can be concluded that the VAR system used in this study is stable, this is because all modulus values < 1.

Table : 5 Cointegrity Test Results

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.555699	239.0675	69.81889	0.0000
At most 1 *	0.513776	163.6210	47.85613	0.0000
At most 2 *	0.363177	96.55994	29.79707	0.0000
At most 3 *	0.284576	54.59248	15.49471	0.0000
At most 4 *	0.222861	23.44869	3.841465	0.0000

Source: Eviews 12 Processed Data, 2025

Based on the table above, this study is cointegrated at the 5% real level. This can be seen in the Trace Statistic value greater than the Critical Value. In addition, based on the cointegration test, there is a cointegration sign (*) at most. Therefore, the equation is said to be cointegrated and must be solved using the Vector Error Correction Model (VECM) method.

Estimation of Vector Error Correction Model (VECM)

Table : 6 Long-term VECM Estimation Results

Variabel	Koefisien	t statistik
D(LOGNABRDS(-1))	1.000 000	
D(LOGSBIS(-1))	-0.464497	**-5.45769**
D(LOGJUB(-1))	15.17781	**3.52442**
D(LOGINFLASI(-1))	-0.411296	-1.14504
D(LOGNILAITUKAR(-1))	11.32668	**5.49672**
C	0.141402	

Source: Eviews 12 Processed Data, 2025

Based on the table above, it can be seen that the Sharia Bank Indonesia Certificate has a significant negative effect on the NAV of Islamic Mutual Funds, because the statistical t value is -5.45769 > t table value - 1.98638. If the value of the Sharia Bank Indonesia Certificate 1 year ago increases by 1%, the value of the Islamic mutual fund NAV decreases in this month by -0.464497 or 0.46%. The amount of money in circulation has a significant positive effect on the NAV of Islamic mutual funds, because the statistical t value is 3.52442 > t table value 1.98638. If the value of Money Supply 1 year ago increases by 1%, the value of Islamic mutual fund NAV increases in this month by 15.17781 or 15.17%. Inflation does not have a significant effect on the NAV of Islamic Mutual Funds, this is because the statistical t value is -1.14504 < t table value - 1.98638. So that the inflation variable does not have a significant influence on the NAV of Islamic Mutual Funds. The Rupiah Exchange Rate (Kurs) has a significant positive effect on the NAV of Islamic Mutual Funds, because the statistical t value is 5.49672 > t table value 1.98638. If the Rupiah Exchange Rate 1 year ago increases by 1%, the value of Islamic mutual fund NAV increases in this month by 11.32668 or 11.32%.

Table : 7 Short-term VECM Estimation Results

Variabel	Koefisien	t statistik
CointEq1	-0.061537	-1.69666
D(LOGNABRDS(-1))	-0.481455	-4.93928
D(LOGSBIS(-1))	-0.006636	-0.53336
D(LOGJUB(-1))	0.652424	0.98734
D(LOGINFLASI(-1))	-0.166288	**-2.10677**
D(LOGNILAITUKAR(-1))	0.505534	1.01435
C	-0.000276	-0.02554

Source: Eviews 12 Processed Data, 2025

Based on the data in the table above, it shows that in the short term inflation has a significant negative effect on the NAV of Islamic Mutual Funds. While SBIS, Money Supply, and Rupiah Exchange Rate do not have a significant short-term influence on the NAV of Islamic Mutual Funds. In Islamic economic principles, inflation can reduce the real value of money, discourage investment, and distort fair value, which contradicts the objective of maqasid al-shariah that emphasizes stability and justice in economic activities. Therefore, the negative relationship between inflation and the NAV of Islamic Mutual Funds aligns with the Islamic perspective that excessive inflation undermines economic welfare and reduces the real return of Sharia-compliant investments.

Impulse Response Function (IRF) Analysis

The impulse response picture will show the response of a variable due to the shock of other variables up to several periods after the shock. If the impulse response picture shows a movement that is getting closer to the equilibrium point (convergence) or returns to the previous equilibrium, it means that the response of a variable due to a shock will disappear over time so that the shock does not leave a permanent influence on the variable. The following are the results of the Impulse Response Function (IRF) analysis:

Table : 8 Impulse Response Function Analysis Results

Response of D(NAB):

Period	D(NAB)	D(SBIS)	D(JUB)	D(INF)	D(KURS)
1	0.104099	0.000000	0.000000	0.000000	0.000000
2	0.052339	0.015043	-0.006454	-0.016563	-0.003719
3	0.068899	0.009714	-0.009269	0.000651	-0.009461
4	0.067348	0.008340	-0.006007	-0.011376	-0.006279
5	0.065061	0.009436	-0.006603	-0.005212	-0.005091
6	0.067763	0.008993	-0.006007	-0.007611	-0.006247
7	0.065597	0.009707	-0.007296	-0.006915	-0.006154
8	0.066891	0.009087	-0.006219	-0.006962	-0.006163
9	0.066298	0.009275	-0.006806	-0.007119	-0.006005
10	0.066539	0.009336	-0.006471	-0.006964	-0.006079
11	0.066436	0.009235	-0.006678	-0.007053	-0.006104
12	0.066479	0.009331	-0.006591	-0.007014	-0.006076

Source: Eviews 12 Processed Data, 2025

Based on the data in the table above, it can be seen the response of Sharia Mutual Fund NAV to SBIS shock, money supply, inflation and rupiah exchange rate (exchange rate). In the first period, there was a shock to the NAV of Islamic mutual funds which had a positive effect on the NAV of the mutual fund itself of 0.104099, while the SBIS shock, money supply, inflation and exchange rates had no effect on the NAV of Islamic Mutual Funds. Then in the 2nd period to the 12th period shows the existence of SBIS shock, money supply, inflation, and exchange rates that affect the NAV of Islamic mutual funds. Shock money supply, inflation, and exchange rates (exchange rates) cause a negative response to the NAV of Islamic mutual funds. While the Sharia Bank Indonesia Certificate causes a positive response to the NAV of Islamic mutual funds.

Forecasting Error of Variance Decomposition (FEVD) Analysis

Variance decomposition decomposes the variation of one endogenous variable into the shock components of other endogenous variables in the VAR system. This variance decomposition explains the proportion of movement of a series due to the shock of the variable itself compared to the shock of other variables. The results of the FEVD analysis can be seen in the following table:

Table : 9 Results of FEVD Analysis based on NAV of Islamic Mutual Funds

Variance Decomposition of D(NAB):

Period	S.E.	D(NAB)	D(SBIS)	D(JUB)	D(INF)	D(KURS)
1	0.104099	100.0000	0.000000	0.000000	0.000000	0.000000
2	0.118878	96.06489	1.601236	0.294728	1.941276	0.097873
3	0.138381	95.68489	1.674447	0.666179	1.434862	0.539623
4	0.154789	95.40562	1.628564	0.683035	1.686966	0.595818
5	0.168458	95.46653	1.688762	0.730328	1.520002	0.594376
6	0.182165	95.47845	1.687891	0.733301	1.474450	0.625908
7	0.194217	95.40414	1.734688	0.786235	1.423914	0.651028
8	0.205918	95.42180	1.737863	0.790630	1.381006	0.668702
9	0.216834	95.40515	1.750283	0.811540	1.353255	0.679775
10	0.227286	95.40283	1.761734	0.819672	1.325543	0.690221
11	0.237254	95.39572	1.768301	0.831456	1.304879	0.699642
12	0.246831	95.39052	1.776652	0.839482	1.286343	0.707001

Source: Eviews 12 Processed Data, 2025

Discussion

The Effect of Sharia Bank Indonesia Certificates (SBIS) on the NAV of Islamic Mutual Funds

The SBIS variable in the long term has a statistical t value of -5.45769> t table value -1.98638. So it can be concluded that the SBIS variable in the long term affects the NAV of Islamic Mutual Funds. This is in line with the research of Nur Azifah, Stevani Adinda Nurul Huda, and Siti Aisyah (2022) who concluded that SBIS has an influence on the NAV of Islamic Mutual Funds (Azifah et al., 2022). An increase in SBIS will increase investment growth in Islamic capital and money markets. The increase in SBIS gives investors confidence to invest in Sharia so that in the end it will have a positive impact on the growth of Islamic mutual funds. However, in recent years SBIS has shown a decline so that it can have a negative impact as well. Where it shows that there are Islamic banks that prefer to expand in financing because it provides better results. The increase in SBIS caused a significant decrease in the NAV of Islamic mutual funds. This is because investors prefer risk-free SBIS instruments over capital market instruments that have higher risks, including Islamic mutual funds. Thus, SBIS becomes an investment alternative that can attract funds from the Islamic capital market when the SBIS profit sharing rate increases.

The significant long-term negative impact of the yield on Bank Indonesia Sharia Certificates (SBIS) on the performance of sharia mutual funds, as shown by the results of the Vector Error Correction Model (VECM) analysis, can be explained through the basic principle of Islamic finance, al-ghunum bi al-ghunm, which states that every profit must be accompanied by commensurate risk, thus prohibiting profits without risk, such as riba (interest). Within this riba-free framework, SBIS acts as a low-risk asset-based investment instrument that provides stable returns through profit-sharing or ijarah (lease) mechanisms, making it an attractive option for investors who avoid gharar (excessive uncertainty) and wish to maintain hifz al-mal (preservation of wealth). When SBIS returns increase due to tighter monetary policy or increased demand for liquidity instruments, investors tend to shift their funds from sharia mutual funds, which carry market risk and uncertainty in profit-loss sharing (mudarabah and musharakah), to the safer SBIS, thereby reducing the Net Asset Value (NAV) of sharia mutual funds in the long term. This phenomenon shows that SBIS not only functions as an alternative investment benchmark, but also as a manifestation of the application of maqasid al-shariah (Islamic legal objectives) in maintaining a balance between risk and return, and provides an important lesson for investment managers and regulators such as the OJK to develop Islamic financial products that are able to balance risk levels and strengthen the stability of the Islamic capital market in Indonesia.

The Effect of Money Supply on the NAV of Islamic Mutual Funds

The Long-term Money Supply variable has a statistical t value of 3.52442> t table value 1.98638. So it can be concluded that the JUB variable in the long term has a significant positive effect on the NAV of Islamic Mutual

Funds. This is in line with research conducted by Ulfatus Sholehah and Penny Rahmah Fadhilillah (2023) which concluded that money supply affects the NAV of Islamic Mutual Funds in Indonesia (Sholeha & Fadhlillah, 2023). Liquidity and overall purchasing power of the economy usually increase when the money supply increases. Individuals are more likely to invest, including in Islamic mutual funds, when they have more money. The total managed funds and net asset value (NAV) of Islamic mutual funds tend to increase as the demand for this type of investment increases. This is due to the influx of new capital, which increases the value of the underlying assets and may cause the price of Islamic stocks held in the fund to rise. A larger money supply can also increase business financing opportunities, which can improve business performance and revenue. Both of these factors contribute to the rise in share prices and mutual fund returns.

In Islam, money must continue to circulate in halal economic activities so that it benefits society at large, rather than being stored without any productive purpose. An increase in the amount of money in circulation reflects increased liquidity and the ability of the community to invest, including in sharia financial instruments such as sharia mutual funds. This phenomenon is in line with the objectives of sharia (maqāṣid al-sharīʿah) in preserving and developing wealth (ḥifẓ al-māl) through ethical and productive economic activities. Thus, the growth in the amount of money circulating in halal sectors indicates a healthy and fair economic cycle, supporting long-term stability and prosperity in accordance with Islamic financial principles.

The Effect of Inflation on the NAV of Islamic Mutual Funds

Inflation variable in the long term has a statistical t value of -1.14504 < t table value -1.98638. So that the inflation variable does not have a significant influence in the long term on the NAV of Islamic Mutual Funds but has an effect in the short term only. This is in line with the research of Hanung Deswita Syaharani and Rachmat Pramuky (2023) which concluded that inflation has no effect on the NAV of Islamic Mutual Funds in Indonesia (Deswinta et al., 2023). Inflation is very bad for the economy of a region because it can cause interference with the function of money such as the savings function, reduce the spirit of saving, increase the tendency to spend, and direct investment in non-productive things, namely the accumulation of wealth such as land, buildings, precious metals, foreign currency at the expense of productive investment such as agriculture, industry, trade, transportation and others.

In the short term, rising inflation often prompts investors to move their capital from cash deposits, which have declined in value due to inflationary erosion, to investment instruments with potentially higher returns, such as Islamic mutual funds. This response is in line with the concept of wealth circulation (dawrān al-māl), which emphasizes the need to maximize the role of wealth so that it remains productive and provides optimal benefits. In addition, within the framework of maqāṣid al-sharīʿah, Islam encourages its followers to protect and develop assets (ḥifẓ al-māl) through halal economic activities and value-adding activities. Thus, in the context of Islamic finance, the positive reaction of sharia mutual funds to short-term inflation can be seen as a logical and sharia-compliant adaptation to maintain the value of wealth, while ensuring that wealth continues to contribute actively to a fair and efficient economy.

The Effect of Rupiah Exchange Rate on Islamic Mutual Funds

The Rupiah Exchange Rate variable in the long term has a statistical t value of 5.49672> t table value 1.98638. So it can be concluded that the rupiah exchange rate variable in the long term has a significant positive effect on the NAV of Islamic Mutual Funds. This is in line with research conducted by Dinda Wulandari and Roza Linda (2024) which concluded that the exchange rate has an influence on the NAV of Islamic Mutual Funds in Indonesia. If the rupiah exchange rate weakens (rupiah depreciation against foreign currencies such as the US dollar), then the assets of Islamic mutual funds that have a portion of investment in foreign currency-denominated instruments (eg foreign stocks, global sukuk, or offshore assets) will experience an increase in value in rupiah. This is because the value of assets in foreign currencies, when converted to rupiah, becomes higher. As a result, the NAV of Islamic mutual funds that have exposure to offshore assets tends to increase when the rupiah exchange rate weakens significantly.

Over the long term, the strengthening of the Rupiah exchange rate indicates a strong economy and solid fundamentals, which ultimately builds investor confidence in the financial world, including sharia products such as Islamic mutual funds. This is very much in line with the concepts of al-maslahah (public interest) and ḥifẓ al-māl (asset protection), where currency and economic stability create a safe and beneficial investment environment for all parties. Not only that, exchange rate stability also encourages more productive economic activity while reducing elements of uncertainty, which is prohibited in Islam through the concept of gharar (excessive uncertainty). In essence, the positive impact of the Rupiah exchange rate reflects the achievement of a sharia-based economic balance, with stability and maslahah as the main pillars to ensure the continuation of halal investment growth.

CONCLUSION

Based on the results of the discussion of this study, the researchers concluded that in the long term the Sharia Bank Indonesia Certificate (SBIS) has a negative and significant effect on the NAV of Islamic Mutual Funds in Indonesia, then the Money Supply and the Rupiah Exchange Rate (exchange rate) have a positive and significant effect on the NAV of Islamic Mutual Funds in Indonesia, while Inflation has no effect on the NAV of Islamic Mutual Funds in Indonesia. In the short term, inflation has a negative and significant influence on the NAV of Islamic Mutual Funds, while Sharia Bank Indonesia Certificates, Money Supply, and Exchange Rates (exchange rates) in the short term have no influence on the NAV of Islamic Mutual Funds in Indonesia. The results of the Impulse Response Function analysis show that the shock of money supply, inflation, and exchange rates (exchange rates) causes a negative response to the

NAV of Islamic mutual funds. While the Sharia Bank Indonesia Certificate causes a positive response to the NAV of Islamic mutual funds.

From the viewpoint of maqāṣid al-sharīʿah, these results underscore the vital links between Sharia-compliant monetary policies and the pursuit of economic steadiness, fairness, and balance. The adverse long-term effect of SBIS points to the necessity of precisely tuning Islamic monetary tools to prevent the redirection of capital from tangible sectors and beneficial halal ventures. Meanwhile, the beneficial role of expanded money supply and steady exchange rates highlights the critical need to sustain liquidity and overall economic equilibrium, fostering equitable distribution of wealth (dawrān al-māl) and supporting inclusive development. On a practical level, the outcomes stress that Sharia-based financial frameworks should harmonize their policy instruments with aims to advance financial access, encourage value-adding investments, and foster enduring economic well-being.

This research is constrained by its focus solely on macroeconomic factors influencing the Net Asset Value (NAV) of Islamic mutual funds, overlooking potential sectoral influences or behavioral elements that could shape investor choices. Subsequent studies could investigate aspects like investor psychology, perceptions of Sharia adherence, and the interplay between Bank Indonesia (BI) and the Financial Services Authority (OJK) to gain deeper insights into the workings of Islamic financial markets. It is suggested that BI refine the structure of SBIS to better facilitate investments in the real economy, avoiding its role as a rival asset. OJK is urged to bolster regulations promoting openness and a wider array of Sharia-based investment options. For investors, incorporating key economic signals and evolving monetary policies into a holistic approach is essential for pursuing ethical, Sharia-aligned, and long-term viable returns.

REFERENCES

Alp, M. (2009). Mutual Funds: An Influential Review Of Studies In Performance, Persistence, Investment Styles, Managerial Skills, Fund Characteristics And Behavioral Patterns. *Ssrn Electronic Journal*. Https://Doi.Org/10.2139/Ssrn.1483074

Azifah, N., Stevani Adinda Nurul Huda, & Siti Aisyah. (2022). Determinan Indikator Makro Ekonomi Terhadap Reksa Dana Syariah Di Indonesia Periode 2014-2021. *Jurnal Akuntansi Dan Manajemen Bisnis*, *2*(1), 56–67. Https://Doi.Org/10.56127/Jaman.V2i1.195

Deswinta, H., Pramuky, R., & . (2023). Faktor-Faktor Yang Mempengaruhi Nilai Aktiva Bersih Reksadana Syariah: Inflasi, Nilai Tukar Rupiah Dan Jumlah Uang Beredar. *Jurnal Audit Dan Perpajakan (Jap)*, *3*(1), 17–25. Https://Doi.Org/10.47709/Jap.V3i1.2457

Dziurakh, Y. (2022). Essence And Classification Of Investments As A Financial And Economic Category. *Scientific Notes Of Ostroh Academy National University, "Economics" Series*, *1*(25(53)), 87–94. Https://Doi.Org/10.25264/2311-5149-2022-25(53)-87-94

Gupta, A. (2024). Study Of Risk And Return Of Mutual Funds. *Interantional Journal Of Scientific Research In Engineering And Management*, *08*(07), 1–12. Https://Doi.Org/10.55041/Ijsrem36743

Harrington, Eka Valentina Manurung, Regita Amelia, Yemima Eleonore Nadapdap, & Putri Kemala Dewi Lubis. (2024). Peran Intermediasi Pasar Modal Dalam Meningkatkan Partisipasi Investor Di Pasar Modal Indonesia. *Jurnal Manajemen Dan Ekonomi Kreatif*, *2*(3), 18–30. Https://Doi.Org/10.59024/Jumek.V2i3.358

Helwani, K. (2024). Konsep Nilai Tukar Uang. *Jasie-Journal Of Aswaja And Islamic Economics*, *2*(2). Https://Doi.Org/10.31942/Jse.V2i2.8612

Huda, N., Nazwirman, N., Hudori, K., & . (2018). Analisis Perbandingan Kinerja Reksa Dana Saham Syariah Dan Konvensional Periode 2012-2015. *Iqtishadia*, *10*(2), 184. Https://Doi.Org/10.21043/Iqtishadia.V10i2.2242

Harrington, Eka Valentina Manurung, Regita Amelia, Yemima Eleonore Nadapdap, & Putri Kemala Dewi Lubis. (2024). Peran Intermediasi Pasar Modal Dalam Meningkatkan Partisipasi Investor Di Pasar Modal Indonesia. *Jurnal Manajemen Dan Ekonomi Kreatif*, *2*(3), 18–30. Https://Doi.Org/10.59024/Jumek.V2i3.358

Karim, A. A. (2015). *Ekonomi Makro Islami* (Edisi Ketiga). Pt Rajagrafindo Persada.

Khakim, A. (2022). Pengaruh Investasi Dalam Perekonomian. *Jurnal Penelitian Dan Pengabdian Kepada Masyarakat Universitas Ngurah Raii*, . 2085-4544.

Kinchit P. (2018). An Empirical Study Of Consumer Behavior Towards Sbi Mutual Funds Company. *National Monthly Refereed Journal*, *7*(9), 31–35.

Kumar, R. (2014). Mutual Funds, Insurance, And Pension Funds. In *Strategies Of Banks And Other Financial Institutions* (Pp. 207–242). Elsevier. Https://Doi.Org/10.1016/B978-0-12-416997-5.00008-7

Lusiana, D. (2024). Pengaruh Inflasi, Jumlah Uang Beredar, Bi Rate, Dan Nilai Tukar Rupiah Terhadap Reksadana Syariah. *An-Nisbah: Jurnal Perbankan Syariah*, *5*(2), 272–292. Https://Doi.Org/10.51339/Nisbah.V5i2.2783

Mardiansyah, M., Octaviani Dian, M. E., & . (2016). Analisis Simultan Antara Aliran Modal, Nilai Tukar Dan Inflasi Di Indonesia Periode 2000.01 – 2012.09. *Media Ekonomi Universitas Trisakti*, 42–70.

Marjohan, M. (2023). The Effect Of Inflation And Rupiah Exchange Rate On Stock Prices With Dividends As Moderators. *Mix: Jurnal Ilmiah Manajemen*, *13*(3), 692. Https://Doi.Org/10.22441/Jurnal_Mix.2023.V13i3.011

Mulyadi, S., Wibowo, M. G., & . (2023). The Influence And Contribution Of Macroeconomics To The Indonesian Sharia Stock Index For The Period 2011-2021. *Journal Of Islamic Economic Laws*, *6*(1), 62–81. Https://Doi.Org/10.23917/Jisel.V6i1.21073

Sargysan, K. (2022). The Role And Functions Of Investments In Contemporary Economic System. *Alternative*, 80–86.

Https://Doi.Org/10.55528/18292828-2022.4-80

Sholeha, U., & Fadhlillah, P. R. (2023). The Effect Of Exchange Rate, Money Supply, Inflation, And Bi-7drr On Net Asset Value Of Sharia Mutual Funds. *Research Of Islamic Economics*, *1*(1), 26–38. Https://Doi.Org/10.58777/Rie.V1i1.73

Silvia, Ghiță-Mitrescu, Cristina, & Duhnea. (2016). The Adjusted Net Asset Valuation Method – Connecting The Dots Between Theory And Practice. *Ovidius University Annals: Economic Sciences Series*, 521–526.

Sholihah, S. M., Yoga Aditiya, N., Saphira Evani, E., & Maghfiroh, S. (2023). Konsep Uji Asumsi Klasik Pada Regresi Linier Berganda. *Jurnal Riset Akuntansi Soedirman*, *8*(2). Https://Doi.Org/10.32424/1.Jras.2023.2.2.10792

Silvia, Ghiță-Mitrescu, Cristina, & Duhnea. (2016). The Adjusted Net Asset Valuation Method – Connecting The Dots Between Theory And Practice. *Ovidius University Annals: Economic Sciences Series*, 521–526.

Sjafruddin, Dewi, R., & . (2021). Studi Empirik: Perkembangan Investasi Reksadana Syariah Di Indonesia. *Jurnal Ilmu Administrasi Bisnis*, *4*(1), 18–31.

Suryawan, T. (2024). Determinan Minat Investasi Di Pasar Modal. *Jmbi Unsrat (Jurnal Ilmiah Manajemen Bisnis Dan Inovasi Universitas Sam Ratulangi).*, *11*(1), 905–918. Https://Doi.Org/10.35794/Jmbi.V11i1.55390

Udzma, L. A. (2023). Sharia Mutual Funds: Protection Study For Investorsabstrak. *Al - Muamalat: Jurnal Hukum Dan Ekonomi Syariah*, *8*(1), 60–79. Https://Doi.Org/10.32505/Muamalat.V8i1.5423

Waruwu, A., Rengganis, M., & Matondang, K. A. (2023). The Influence Of Inflation, Foreign Investment And Receipt Of Remittances On The Rupiah Exchange Rate In 2014 – 2018. *Indonesian Journal Of Advanced Research*, *2*(7), 847–856. Https://Doi.Org/10.55927/Ijar.V2i7.4540