

Original Article

The Effect of JCI and Exchange Rate on Sharia Mutual Funds' Net Asset Value (NAV) with Inflation as a Moderator.

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Abstract: *The annual growth in the net asset value (NAV) of Sharia mutual funds serves as the context for this study. With inflation acting as a moderating factor, this study sought to ascertain the impact of the JCI and currency rates on the NAV of Islamic mutual funds. Quantitative research employing secondary data is the method employed. Sharia mutual funds registered with OJK for the years 2018 through 2022 make up the population used in this analysis. Then, a purposive sampling technique was used to collect a sample of 9 Islamic mutual fund companies. The IBM SPSS Statistics 23 programme was then used to process the data that had been collected. Multiple regression analysis and moderated regression analysis (MRA) were employed in the data analysis to evaluate the hypothesis. According to the study's findings, the exchange rate hurt Islamic mutual funds' NAV whereas the JCI had a beneficial impact on it. The link between the JCI and the NAV of Islamic mutual funds cannot be tempered by inflation. The link between the exchange rate and the NAV of Islamic mutual funds can, however, be strengthened by inflation.*

Keywords: *Composite stock price index, Exchange rates, Inflation, Islamic mutual funds, Net asset value.*

I. INTRODUCTION

Investment in Islamic financial instruments in several countries, especially Indonesia, has increased. This is due to the strong influence of Islamic religious teachings (sharia-compliant). The growth in Sharia investment was also driven by an increase in demand for Muslim investors, mainly due to the increasing capital value of the world's Muslim population [1][2]. Islamically compliant financial goods are thus necessary for Muslim investors. One of the securities investments available on the Indonesian capital market are Islamic mutual funds. Due to the fact that transactions involving Sharia mutual funds are compliant with Islamic law's requirements and principles [3][4], both in the form of contracts between investors acting as property owners (Shahib al-mal) and investment managers acting as Shahib al-mal's representatives in investing use, these funds are in high demand by investors [5].

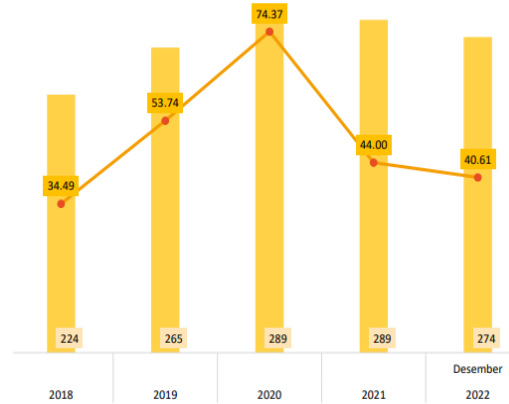
Sharia mutual funds are often handled in accordance with the mudharabah principle, in which investors serve as fund owners (shahibul maal) and investment managers and custodian banks operate as managers (mudharib). Mutual funds that follow sharia law base their investing decisions on halal-certified investment instruments. It is said to be halal if the party issuing the investment instrument does not engage in any business that is against Islamic principles, such as the business activity in the example above, does not engage in usury, or lends money, while in terms of regulations, treatment, and distribution of results is similar to conventional mutual funds, according to Qomariah et al. (2016) [6].

The growth in net asset value (NAV) in 2020 of 38.40 percent, which is higher than conventional mutual funds, shows that the growth of Islamic mutual funds is comparatively strong. Despite the fact that the number of Sharia mutual funds did not considerably rise. There were 265 mutual funds recorded in 2019, and in 2020 there was an increase of 20 products to 289. As a result, the net asset value (NAV) in December 2019 was recorded at IDR 53.74 trillion, increasing to IDR 74.37 trillion in December 2020.

Islamic mutual funds have effectively increased in the Indonesian capital market with an increase in the number of products and net asset value (NAV) supplied from 2018 to 2020, according to a graph from the financial services authority (OJK). However, the Hajj Financial Management Agency (BPKH) will reduce its investment in Islamic mutual funds in 2021 and 2022, which would result in a drop in the NAV of Islamic mutual funds. That is why BPKH has such an important role that it must maintain that it remains one of the investors that can move the Indonesian Islamic capital market.



Figure 1: Development of Islamic mutual funds



Source: Financial Services Authority, 2022

Islamic mutual funds' net asset value (NAV) has experienced a good increase until 2020 to IDR 74,367.44. At the beginning of 2020, there was a covid 19 pandemic which resulted in a sluggish economy in Indonesia; this did not hinder the growth in the number of Sharia mutual funds. In the early period of 2020, when a pandemic disrupted national economic growth, Sharia mutual funds experienced growth in net asset value (NAV) for the 2019-2020 period, with the number of mutual funds experiencing an increase of 20 products. However, in 2020-2022, the NAV of Islamic mutual funds decreased greatly from the NAV of Rp. 74,367.44 billion to Rp.40,605.11 billion. The following is data on mutual funds' net asset value (NAV) growth in Indonesia from 2018 to 2022[7][8][9].

Table 1: Comparison of NAV of Sharia Mutual Funds and Conventional Mutual Funds I

Year	Nav Comparison (In Idr Billion)	
	Sharia Mutual Funds	Conventional Mutual Funds
2018	34,491.17	470,899.13
2019	53,735.58	488,460.78
2020	74,367.44	499,174.70
2021	44004.18	534,434.11
2022	40605.11	464,257.31

Source: Financial Services Authority, 2022

The different contributing elements that affect how Islamic mutual funds evolve from year to year cannot be isolated. Macroeconomic factors like the Jakarta Composite Index (IHSG), exchange rates, and inflation rates can have an impact on the rise and decrease of the net asset value (NAV) of Islamic mutual funds [10]. In investing in these macroeconomic variables, attention is needed in decision-making, one of which is in Islamic mutual fund instruments. Even though it is considered a relatively low-risk instrument, Islamic mutual fund investors cannot avoid the significant influence of this macroeconomic risk on their participation units.

Regarding earlier studies on the NAV of Islamic mutual funds, there are a number of parallels and variances in the elements that affect this figure [11]. According to Hani Nurrahmawati's research, the Composite Stock Price Index (IHSG) variable's regression coefficient shows that the JCI has a positive and significant impact on the net asset value (NAV) of Islamic mutual funds [10]. According to Putri Dela Andriana's research (2021), the Composite Stock Price Index (IHSG) has a considerable impact on the NAV of Islamic mutual funds [12]. The results of the t-test in this study, however, support Wirman's (2020) findings that the exchange rate (exchange rate) has no appreciable impact on the net asset value of Islamic mutual funds [13]. The findings of Khoirunnisa Azzahra and Baiq Fitri Arianti, who claim that the rupiah exchange rate partially influences the net asset value of Islamic mutual funds [14], are in direct opposition to those of this study. According to Firman Setiawan and Qudziyah's research from 2021, data analysis shows that inflation has no impact on the net asset value (NAV) of Islamic mutual funds. However, research by Yuliana Eva Hartati et al. (2021) indicates that inflation actually has a favourable impact on the net asset value (NAV) of Islamic mutual funds [15].

With this background explanation, the author focuses on conducting research with the title *"The Influence of the JCI and Exchange Rate on Net Asset Value (NAV) of Islamic Mutual Funds with Inflation as a Moderating Variable (Case Study of Companies Registered at OJK in 2018-2022)"*.

II. LITERATURE REVIEW

A) *Portfolio Theory*

Harry Markowitz published the first article on portfolio theory in his journal titled portfolio selection in 1952 [16]. In this method, he suggests how an investor can form a portfolio that generates the highest profit based on the risk level. Puspitasari and Pramesti explain that investors can diversify or spread investments to reduce risk while still getting the expected return [17]. This diversification aims to minimize risks that cannot be eliminated. However, the benefits and risks themselves have a close reciprocal relationship. For example, Keynes stated that the higher the risk, the higher the return is also high (high risk, high return).

Because Islamic mutual funds are a type of investment that includes return and risk components, portfolio theory is used as a key source of information in this study [18]. In order to create the best possible portfolio, the investment manager who also serves as the mutual fund manager combines the value of the portfolio's net assets. The ideal portfolio in question is one that can increase future returns anticipated by investors while lowering current risks.

B) *Sharia Mutual Funds*

Mutual funds come from two words: mutual, which means guard, and funds, which means money provided for a need, or it can also be a fee [19]. Meanwhile, sharia, which comes from Arabic, is a religious law that determines the rules of human life, its relationship with God, its relationship with others, and the natural environment based on the Al-Qur'an and Hadith [20][21][22].

According to Article 1 of Law Number 8 of 1995 Concerning Capital Markets, paragraph 27, the definition of a mutual fund is a vehicle used to raise money from the general public who own capital, which is subsequently invested by the investment manager in a portfolio of securities [19]. This concept has three components, the first of which is the presence of capital from the financial sector. The fund is managed by an investment manager, and second, it is invested in a portfolio of securities. As a result, the money in mutual funds is money that has investors, and the investment manager is the person in charge of managing the money.

Islamic mutual funds are defined as mutual funds that operate in accordance with the rules and guidelines of Islamic law in the Fatwa DSN National Sharia Council MUI No.20/DSN-MUI/IX/2000. These contracts can be made between investors and asset owners (shahib al-hartabenda / rabb al-mal), as well as between investment managers and representatives of shahib al-mal and investment users. One benchmark for assessing the performance of a mutual fund portfolio is net asset value (NAV). The following formula can be used to calculate the net asset value of Islamic mutual funds.

$$NAV_t = \frac{MVAt - LIAt}{NSOt}$$

Where:

NAV_t = Net Asset Value in period t

MVAt = Total Market Value of Assets in period t

LIAB_t = Total Mutual Fund Liabilities in period t

NSOt = Number of outstanding participation units in period t

NAV depends on the performance of the assets that make up the Mutual Fund portfolio, so it is also natural that NAV will experience increases and decreases. Changes in market prices of Mutual fund assets are one of the factors that affect the increase or decrease in NAV from time to time.

C) *Composite Stock Price Index*

The Composite Stock Price Index (IHSG) provides a broad overview of Indonesia's capital market activity. Investors can access historical data from JCI about how stock prices changed over a specific time period. The JCI movement uses the closing price on the Indonesia Stock Exchange as a baseline each day. The JCI also displays the performance of all issuers' shares listed on the Indonesia Stock Exchange (IDX) [23]. Investors can access historical data from the JCI regarding changes in stock prices over a specific time period. The price changes of all common and preferred shares listed on the IDX are included in this index. [24].

Wijaya (2015) states that the Composite Stock Price Index is calculated to ascertain the typical trajectory of all listed shares on the stock exchange. The following formula is used to determine the composite stock price index:

$$JCI = \frac{\text{Market Value} = \text{Number of Listed Shares} \times \text{Last Price} \times 100\%}{\text{Base Value} = \text{Number of Listed Shares} \times \text{Initial Price}}$$

Where:

JCI = Composite Stock Price Index day 1

Market Value = Weighted average market value (Number of listed shares multiplied by the market price per share) of common shares and preferred shares on day t

Base Value = Same as market value but starting from August 10, 1982

D) Exchange Rate (Exchange Rate)

The price of a country's currency in relation to another country's currency is known as the exchange rate (foreign exchange rate). The supply and demand sides of the two currencies play a role in determining the balancing point because this exchange rate involves two different currencies. In other terms, the amount of money from one currency that may be exchanged for one unit of another country's currency is known as the exchange rate.[25]. The price level of currency exchange is described by the exchange rate, also known as the exchange rate. It is employed in a variety of transactions, including as cross-border financial transactions or short-term money transfers between nations. Hermawan and Wiagustinin (2016) claim that the middle currency exchange rate in BI, which is derived from the following sources, can be used to determine the exchange rate (exchange rate).

$$\text{Middle Rate} = (\text{Buying Rate} + \text{Selling Rate}) / 2$$

The rupiah exchange rate to the US dollar is the BI median rate. This is so because every corporate policy uses the currency exchange rate set by Bank Indonesia as a benchmark or yardstick. The currency rate used in this study is expressed in thousands. The data used is the exchange rate from January 2018 to December 2022 from the website www.bi.go.id.

E) Inflation

Inflation, according to Bank Indonesia (BI), is the propensity for prices of goods and services to consistently rise over the course of a given time period. Price increases often occur continuously during an inflationary period when commodities and services are in short supply. Consumers must pay more money for the same amount of products and services, on the other hand [26]. On the other hand, because inflation is directly tied to the level of prices in the market, inflation that is related to the capital market originates from the monetary sector. Exchange rate risk is the danger brought on by the depreciation of one country's currency in relation to other currencies. Unanticipated changes in currency rates will have an impact on the company's worth. From the issuer's perspective, a strengthening exchange rate (a lower exchange rate for the home currency) will result in cheaper production costs, particularly for importing raw materials [27]. The consumer price index is calculated using the following formula:

$$I_n = \frac{CPI - I_{HKn-1} \times 100\%}{I_{HKn-1}}$$

Where:

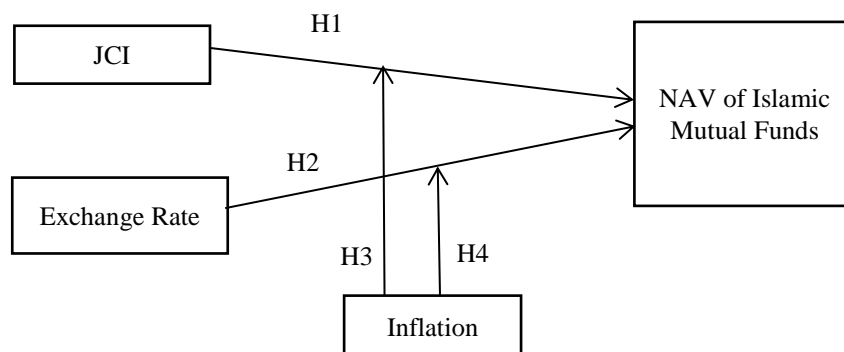
I_n = desired inflation rate

CPI = base year consumer price index

CPI-1 = consumer price index in the previous year

F) Framework

Figure 2: Thinking Framework



Information:

In Figure 2, the framework shows the relationship between each independent variable, namely the JCI (X1) and the exchange rate (X2) to the dependent variable, namely the NAV of Islamic Mutual Funds (Y), which is moderated by the Inflation variable (M).

G) Research Hypothesis

The first response to the problem's statement is the hypothesis. The research hypothesis is, given the issue:

- a. The JCI's impact on Islamic mutual funds' NAV (Net Asset Value)
- b. How exchange rates affect Islamic mutual funds' NAVs (Net Asset Values)
- c. The JCI link to the NAV (Net Asset Value) of Islamic mutual funds can be moderated by inflation.
- d. The exchange rate that affects the NAV (Net Asset Value) of Islamic mutual funds might be moderated by inflation.

III. RESULTS AND DISCUSSION

This research approach, which is categorised as explanatory research that aims to explain the researched variables, emphasises its examination of numerical data or numbers generated by statistical tools. An approach to quantitative research is used in this work. The data used is secondary data obtained in a time series from the Financial Services Authority for NAV data, the Indonesia Stock Exchange for JCI data, Bank Indonesia for exchange rate data, and the Central Bureau of Statistics for Inflation data.

This study's population consists of Sharia-compliant mutual funds actively registered at OJK between 2018 and 2022. Purposive sampling was then used to obtain a sample of 9 Islamic mutual fund companies, namely: Sucorinvest Sharia Equity Fund, MNC Sharia Funds, Sharia Attractive Mandiri Invest, Cipta Syariah Balance, BNP Paribas Pesona Syariah, the majority of the Indonesian State of Sukuk, Trimegah Cash Sharia, Manulife Syariah Sectoral Amanah Class A, and Simas Syariah.

After the model from this study satisfies the conditions, namely passing the classical assumption test [28], simple linear regression testing can be transferred. The data must be regularly distributed and free of multicollinearity and heteroscedasticity in order for the requirements to be satisfied. For this, it is required to test the traditional assumptions first before performing multiple linear regression testing. The normality, multicollinearity, heteroscedasticity, and autocorrelation tests, which are traditional assumption tests, were applied in this investigation.

Measurement of the impact of two or more independent variables on a single dependent variable is done using multiple regression analysis. The equation used in this investigation has the following form:

$$NPF (Y) = a + b1X1 + b2X2 + b3M3 + E$$

Where:

Y = NAV of Islamic mutual funds

a = Constant

b1b2b3 = regression coefficient of each variable

X1 = JCI

X2 = Rate

M3 = Inflation

Multiple regression analysis is used to determine the closeness of the relationship between the dependent variable (NAV of Islamic Mutual Funds) and the influencing factors or independent variables (IHSG, Inflation, and Exchange Rates).

The study of multiple linear regression known as moderated regression analysis (MRA) is distinct because it takes into account the interaction (multiplication of two or more independent variables) that exists in the regression equation [29]. The JCI and exchange rate are multiplied on the net asset value (NAV) of Islamic mutual funds in this study, with inflation serving as the moderating factor. When performing a moderating regression analysis, the type of moderator variable is determined by comparing the regression equation. The following is the formula for the regression equation:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3M + \beta 4X1M + \beta 5X2M + e$$

Where:

Y = NAV of Islamic mutual funds

A = Constant

X1 = JCI

X2 = Rate

M = Inflation

X1M and X2M = Interaction between JCI and Exchange Rate with Inflation
 β 1- β 5 = Multiple regression coefficient
 e = term error

IV. DATA ANALYSIS

A) Descriptive Statistics

Table 1 will provide the characteristics of the sample utilised in this study based on the findings of descriptive statistics, including the number of samples (N), sample average (mean), maximum value, minimum value, and standard deviation for each variable.

Table 1: Analysis Statistics Descriptive Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
NAV	60	13792.00	18202.94	16795.3178	1044.44328
JCI	60	4538.93	7228.91	6175.2185	636.90599
EXCHANGE RATE	60	13380.36	15867.43	14424.9623	494.93027
INFLATION	60	1.32	5.95	2.7990	1.15700
Valid N (listwise)	60				

Source: Secondary data processed with SPSS 23

Table 1 presents the descriptive statistics for each research variable and can be read as follows: The lowest NAV value for Islamic mutual funds during the study period was 13792 billion, which is the minimum value of the NAV variable for these funds. As a result, 18202.94 billion dollars was the largest NAV among Islamic mutual funds during the study period. The NAV of Islamic mutual funds throughout the study period was \$1,695.32 billion, which is in line with the average NAV of Islamic mutual funds, which is \$1,695.32 billion. The standard deviation is 1044.44, which represents the standard deviation from the mean value.

During the study period, the lowest value for the JCI variable was 4538.93. The highest IHSG value recorded during the study period was 7228.91. During the study period, the average value of the JCI variable was 6175.22, and the standard deviation of the IHSG average value was 636.91.

The exchange rate variable has a minimum value of 13380.36 during the study period and a maximum value of 15867.43 during the study period. During this study period, the average exchange rate variable was 14424.96, and its standard deviation was 494.93. The lowest value for the inflation variable during the study period is 1.32 percent. The greatest rate of inflation during the study period was 5.95%. During this study period, the average rate of inflation was 2.99%, and its standard deviation was 1.16.

B) Classical Assumption Test Results

a. Normality Test Results

The normality test on the residuals is a commonly used test for regression's normality [30]. The normalcy test utilising the Kolmogorov-Smirnov normality test supported this investigation. Table 2 below shows the outcomes of the Kolmogorov-Smirnov One Sample Normality Test:

Table 2: Kolmogorov-Smirnov One Sample Normality Test One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		60
Normal Parameters ^{a,b}	Means	.0000000
	Std. Deviation	349.18831795
Most Extreme Differences	absolute	.109
	Positive	.069
	Negative	-.109
Test Statistics		.109
Asymp. Sig. (2-tailed)		.076 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Source: Secondary data processed with SPSS 23

The Kolmogorov-Smirnov test results for the normality test are shown in Table 2, with a value of 0.76 and a significant threshold of 0.05. The significance level over 0.05 in the Kolmogorov-Smirnov results suggests that the residual data is typically distributed. The results of this test support the distribution charts' findings of normality, which both demonstrate that the data is typically distributed.

b. Multicollinearity Test Results

Table 3 below shows the outcomes of the multicollinearity test analysis:

Table 3: Multicollinearity Test Coefficients^a

Model	Collinearity Statistics	
	tolerance	VIF
1 (Constant)		
JCI	.668	1,498
EXCHANGE RATE	.781	1,281
INFLATION	.581	1,721

a. Dependent Variable: NAB

Source: Secondary data processed with SPSS 23

The JCI tolerance is 0.668, the exchange rate tolerance is 0.852, and the inflation tolerance is 0.581, according to the findings of the multicollinearity test in Table 3. There is no association between the independent variables in this study because the independent and moderating factors both have tolerance values above 0.10. The two independent variables' VIF levels and the moderating variable's numbers below 10 demonstrate that the results are the same. Therefore, it may be said that there is no multicollinearity between the variables in the regression model.

c. Heteroscedasticity Test

The findings of this study show that the Glejser test and heteroscedasticity test results are shown in the table below:

Table 4: Heteroscedasticity Test with the Glejser Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	951171	963,952		.987	.328
JCI	-.026	048	-.071	-.540	.591
EXCHANGE RATE	-.036	062	-.076	-.578	.566

a. Dependent Variable: Abs_Res

Source: Secondary data processed with SPSS 23

Based on the examination of the data in the table, it is clear that the Exchange Rate (X2) has a significant value of 0.566 > 0.05, showing the absence of heteroscedasticity, and that each significant value of the JCI influence variable (X1) is 0.591 > 0.05, indicating the absence of heteroscedasticity.

d. Autocorrelation Test

Table 5 following shows the results of the autocorrelation test:

Summary Model^b

Model	R	R Square	Adjusted R Square	std. The error in the Estimate	Durbin-Watson
1	.942 ^a	.888	.882	358.41956	1,708

a. Predictors: (Constant), INFLATION, EXCHANGE EXCHANGE, JCI

b. Dependent Variable: NAB

Source: Secondary data processed with SPSS 23

The regression analysis findings from the Durbin Watson (DW) value of 0.708 will be compared with the 5% significant table based on Table 5. A du value of 1.6889 is achieved using a total of 60 data points (n=60) and 3 (k=3) = 3.60 variables. The dw value is thus 0.708. Because dw = 1.708 is between du = 1.6889 and 4-du = 2.3111, it may be inferred that the new value is not between du and 4-du (du < dw < 4-du) and thus there is no autocorrelation in this regression model.

C) *Statistical Test Against Hypotheses*

a. **Multiple Regression Test Results**

Table 6: Partial T-test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	std. Error	Betas		
(Constant)	12,014,582	1,496,727		8027	.000
1 JCI	1,504	.075	.917	20,054	.000
EXCHANGE RATE	-.313	.097	-.148	-3,238	.002

a. Dependent Variable: NAB

Source: Secondary data processed with SPSS 23

Based on Table 6, the estimation model can be analyzed as follows:

$$\text{NAV of Islamic Mutual Funds} = 12014.582 + 1.504\text{JCI} - 0.313\text{Exchange rate} + e$$

From the equation above, it can be deduced that: The constant value of 12014.582 denotes that the net asset value (NAV) of Islamic mutual funds will equal 12014.582 if the independent variables (JCI and exchange rate) are both zero. The net asset value (NAV) of Islamic mutual funds will rise by 1.504 for every unit of the JCI variable that is increased, according to the regression coefficient of the JCI variable (X1), which is 1.504. Islamic mutual funds' net asset value (NAV) will grow by -0.313 for every unit increase in the exchange rate variable, according to the regression coefficient of the exchange rate variable (X2), which stands at -0.313.

Following are the findings of the interpretation of the proposed research hypotheses (H1 and H2): H1 is acceptable since the variable has a t count of 20.054 > t table of 1.670649 with a significant level of 0.000, which is less than 0.05, and a positive regression coefficient of 1.504. This indicates that the JCI has a positive and considerable impact on the net asset value (NAV) of Sharia mutual funds. In order to accept H1, which asserts that the JCI has an impact on the net asset value (NAV) of Islamic mutual funds. According to the test results, an increase in the JCI will have an impact on the growth of the net asset value (NAV) of Sharia mutual funds.

The regression coefficient is negative at -0.313, and the exchange rate variable has a t count of 3.238 (the crucial region is unaffected by negative values) > t table of 1.670649 with a significant level of 0.002, which is smaller than 0.05, hence H2 is approved. This indicates that the net asset value (NAV) of Sharia mutual funds is negatively and severely impacted by the currency rate. In order to make H2, which asserts that currency rates have an impact on the net asset value (NAV) of Islamic mutual funds, acceptable. The test results show that if the exchange rate rises, the net asset value (NAV) of Islamic mutual funds will fall.

b. Moderated Regression Analysis (MRA) Test Results

Table 7: MRA Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	std. Error	Betas		
1 (Constant)	23971.505	5554918		4,315	.000
JCI	1,399	.246	.853	5,680	.000
EXCHANGE RATE	-1,110	.374	-.526	-2,972	.004
JCI*INFLATION	-.024	.087	-.199	-.276	.783
EXCHANGE*INFLATION	.204	.107	3,473	1916	.001

a. Dependent Variable: NAB

Following is a summary of the findings from the interpretation of the research hypotheses (H3 and H4): The link between the JCI and the net asset value (NAV) of Sharia mutual funds is moderated by inflation.

The moderating variable M1 has a t count of 0.276 < t table of 1.670649, a significant level of 0.873 that is greater than 0.05, a negative regression coefficient of -0.024, and a significant level of 0.873 based on the findings of the Moderated Regression Analysis (MRA) test presented in the table. Then, H3, which contends that the impact of the JCI on the net asset value (NAV) of Islamic mutual funds can be moderated by inflation, is disproved. The test results show that the net asset value (NAV) relationship between the JCI and Islamic mutual funds cannot be improved or weakened by inflation.

The net asset value (NAV) of Islamic mutual funds is influenced by the exchange rate, which is moderated by inflation [31]. The moderating variable M2 has a t count of 1.916 > t table of 1.670649, with a significant level of 0.001 which is smaller than 0.05 and a positive regression coefficient of 0.204, according to the findings of the Moderated Regression Analysis (MRA) test displayed in the table. This indicates that the net asset value (NAV) of Islamic mutual funds is positively and significantly impacted by the currency rate, which is mitigated by inflation. Then H4, which asserts that inflation can reduce how much exchange rates affect the net asset value (NAV) of Islamic mutual funds, is valid. The test findings show that inflation can improve the correlation between the currency rate and net asset value (NAV) of Islamic mutual funds.

IV. CONCLUSION

The net asset value (NAV) of Islamic mutual funds is positively and significantly impacted by the composite stock price index (IHSG) variable. This is clear from the regression test findings, which show that the JCI has a positive regression coefficient of 1.504, a t count of 20.054 > t table of 1.670649, and a significance level of 0.000 0.05. As a result, Islamic mutual funds have higher net asset values (NAV) the higher the composite stock price index (IHSG) is.

The net asset value (NAV) of Sharia mutual funds is significantly and negatively impacted by the exchange rate variable. The exchange rate has a t count of 3.238 > t table of 1.670649 with a significance level of 0.002, which is less than 0.05, and a negative regression coefficient of -0.313, according to the regression test's findings. Therefore, as the exchange rate (exchange rate) increases, the net asset value (NAV) of Sharia mutual funds decreases.

The net asset value (NAV) link between JCI and Sharia mutual funds cannot be moderated by the inflation variable. This is demonstrated by the results of the Moderated Regression Analysis (MRA) test, which show that the moderating variable M1 has a negative regression coefficient of -0.024, a t count of 0.276, a t table of 1.670649, and a significance level of 0.873 that is greater than 0.05. According to the test results, inflation cannot alter the JCI's link with Islamic mutual funds' net asset values (NAV).

The currency rate linked to the net asset value (NAV) of Sharia mutual funds can be moderated by the inflation variable. This is demonstrated by the results of the Moderated Regression Analysis (MRA) test, which show that the moderating variable M2 has a positive regression coefficient of 0.204, a t count of 1.916 > t table of 1.670649, and a significance level of 0.001 that is less than 0.05. The test results suggest that inflation can strengthen the link between the currency rate and the net asset value (NAV) of Islamic mutual funds.

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