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Te Effect BI Rate, Inflation, and Return on Net Asset Value (NAV) Sharia Mutual Funds in (OJK) Period 2017-2022

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Abstract. Development of islamic mutual funds shows an upward trend to 2020 total coverage of 74,37% followed by a decline the following year after the covid 19 pandemic the increasing number of dissolved islamic mutual funds is causing a decrease in the number of mutual funds in 2021-2022. According to the provisions of POJK article 68 letter A concerning mutual funds in the form of KIK. If the net asset value (NAV) managed is less that IDR 10 billion for 120 consecutive trading days mutual funds must be dissolved. This is to the ability of management by fund manager and macroeconomic factors of a country will affect investor choice in invest capital. As a result, the objective of this research is to determine the impact of the BI rate, inflation, and return on the NAV of islamic mutual funds. This type of reseach is a quantitative method with multiple linear regression. The type of data in this secondary data the form month period 2017-2022. Based on the findings of the analysis, BI rate, inflation and return a significant effect on NAV simultaneously. Just variable inflation had a significant effect on NAV, whereas of BI rate and return has insignificant impact on the NAV sharia mutual funds. That influential variables need to be consired by investors in making decisions on approp investment instruments in sharia mutual funds.

Keywords : Bi Rate; Inflation; NAV Sharia Mutual Funds; Return

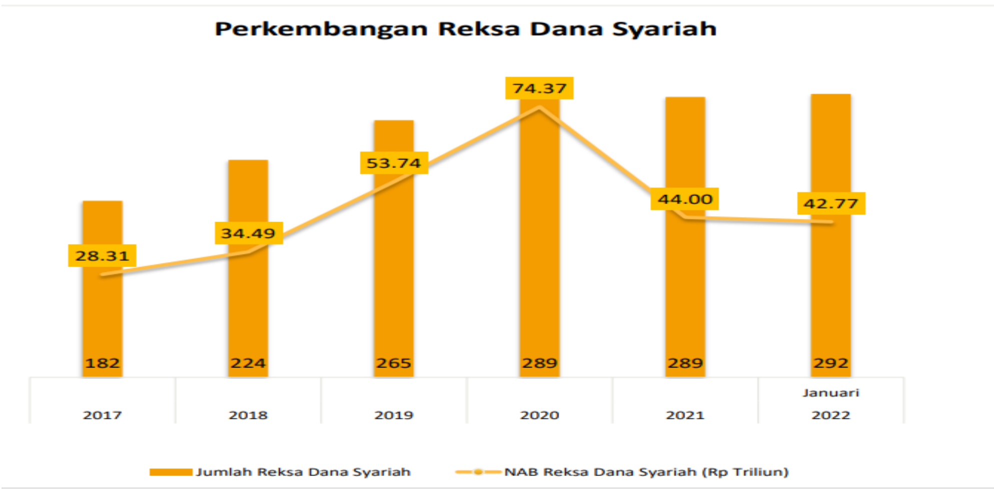
1. Introduction

Islamic finance is experiencing rapid development and is vey close to all economic activities, the economic level of the community is generally still relatively low as seen from how people aern income for their daily needs. In order for public strengthening strategies in the sharia economic growth (Basyirah et al., 2023). One of the strategies is to strengthen literacy in Islamic financial products, the impact is also felt in the investment sector (Ridwan et al., 2023). On of which want to invest with limited capital and time in managing them, because Islamic mutual funds are a forum for investors who want to enturust their funds, then managed by invesdment managers into a portfolio of securities according to Islamic law (Shonia Az Zahra et al., 2023).

There are eleven Islamic mutual fund product based on portfolios, namely money market mutual funds, stock mutual funds,fxed income mutual funds and so on(As Shadiqqy, 2020). Islamic mutual fund products have been widely promoted in the digital era, as evidenced by the large number of advertisements and market places that offer these products (Soemitra, 2021), this will facilitate acces and a wide range, just monitor their progress through mobile phones (Syafrizal & Fitrianingsih, 2022). However, the digital convenience turns out that the growth of Islamic mutual funds still tends to be slow, this situation will make new investors hesitant, reluctant to invest or old investors will leave the product (sell securities). In the face of this, whether the problem is related to internal management by fund managers or macroeconomic policies that effect the actions of individual fund managers or outside investors (Isa & Mahardika, 2022). So there needs be government assistance related to good strategis in macroeconomic policy (Humaira, 2021).

Macroeconomics in its analysis will show the economic growth of a country whether it is growing or shrinking (Hasanah et al., 2013), at this level there are many influencing factors including the BI rate and inflation (Arohman et al., 2023). If inflatiom is still high as a result in the short term there is a increase in the BI rate, resulting in a decrease in investment in investors (Hakim, 2020). On the other hand if investors who invest their capital will consider their decisions if they see this sentiment (Angraini & Yasyak, 2023). So for fund manager need to set strategis in managing which cannot be separated from this external factors by looking at the development of BI rate and inflation for a country, especially in Indonesia (Ridwan et al., 2023).

Net Asset Value (NAV) is one of indicators of investors assessment to determine their choice. NAV it self is the total net worth or performance of a company. Based on statistical data on the development of sharia mutual funds in 2017-2022.



(sumber : otoritas jasa keuangan)

Intially in 2017 to 2020 there was an increase in Islamic mutual funds, this increase reached IDR 74.37 trilion. Throughout 2020 there were 15 mutual fund that were dissolved and in 2022 there were 23 islamic mutual funds that were dissolved, with various factors. Some of the factors that caused the dissolution were managed funds raised less than IDR 10 billion for 120 consecutive trading days. Through this analysis, researches are interested in conducting research on the effect of BI rate, inflation and return on the NAV of sharia mutual fund registeres with OJK in 2017-2022.

2. Methods

2.1 Type of research

In this study, the type of research instrument used is literature research using a quantitative research approach method based on the philosophy of positivism (Sugiyono, 2013, 2018). The type of research used is associative research which refers to a causal relationship, namely looking for a causal relationship between the two variables. Namely those that effect (indenpenden variables) and those that are affected (dependent variables). In this study, the independent variables are BI rate, inflation and return. While the dependent variable is the NAV of Islamic mutual funds. And data analysis techniques use classical assumption tests and multiple linear regression analysis(Puteri, n.d.).

Multiple Linear Regression Formula:

$$\mathbf{Y = a + bx_1 + bx_2 + bx_3 + e}$$

Information:

Y	= NAV of sharia mutal funds
A	= constant
B	= regression coefficient
X_1	= Bi Rate
X_2	= Inflation
X_3	= return
E	= Standard Eror

2.2 Data and Data Sources

Data and data sources obtained using secondary data in the form of financial reports that have been published by related parties such as Bank Indonesia, the financial services authority and the Islamic capital market in 2017-2022.

2.3 Data Collection Methods

1. The library method, which comes from scientific journals related to the title under study starting from book references, and other literature.
2. The documentation method, which is derived in collecting and compiling data and information through the literature study method, namely searching the official website of financial services authoriry (OJK) and bank Indonesia.

2.4 Research Variables

The independent variable is stated by using the symbol X, while the dependent variable is stated as symbol Y, the following is the description :

a. BI rate (X1)

The BI rate is the benchmark interest rate of bank Indonesia, where the purpose of setting this interest rate is to regulate economic growth, which encourages consumption, production and investment activities.

b. Inflation (X2)
Inflation is a generalized and sustained increase in the prices of goods and services in a country over a given period.

c. Return (X3)
Return is the profit obtained from investment, using realized return, which is a calculation based on historical data. With the formula:

$$Ri = \frac{NABt - NABt\text{-}1}{NABt\text{-}1}$$

Informan:

Ri = Investment Rate of Return NAVt
NABt = Current period NAV
NABt-1 = Past period NAV

3. Results and Discussion

Table 1. Multikolinieritas Test Result

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5238139.163	549956.133		9.525	<,001		
	BI RATE	-946.395	1118.903	-.106	-.846	.401	.832	1.202
	INFLASI	-4091.037	1887.796	-.271	2.167	.034	.839	1.192
	IMBAL HASIL	1.315	2.967	.051	.443	.659	.986	1.014
a. Dependent Variable: NAB RDS								

From the data tested, it can be seen that the tolerance value of the three variables, namely BI rate, inflation and return with a tolerance value above 0.100 and the value (VIF) is smaller than 10. So it can be concluded that there is no multicollinearity between variables.

Table 2. Coefficient Of Determination Test Result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.484[a]	.234	.200	1767738.707
a. Predictors: (Constant), IMBAL HASIL, INFLASI, BI RATE				

From the table above, it is known that the adjusted R square value is 0.200, which means that the BI rate, inflation and return variables contribute a joint influence of 20% on the NAV sharia mutual funds.

Table 3. Normality Test Result

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
Test Statistic			.090
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		.159
	99% Confidence Interval	Lower Bound	.150
		Upper Bound	.169

a. Test distribution is normal
b. Calculated from data

From the data tested with the kolmogorov-smirnov test sample, it is known that the significance value is 0.200. so the result of 0.200 > 0.05 can be concluded that the data in this study is normally distributed, therefore it is suitable for research.

Table 3. Heteroskedasitas Test Result

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	27.859	.614		45.362	<,001
	BI RATE	7.872E-5	.001	.008	.063	.950
	INFLASI	-.001	.002	-.067	-.508	.613
	IMBAL HASIL	8.817E-7	.000	.032	.266	.791
a. Dependent Variable: LN_RES						

From the data, it can be concluded that the three variables namely BI rate, inflation and return do not occur heterokedasitas.

Table 4. Uji Multiple Analysis Test Result

a. Uji hipotesis (uji T)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	5238139.163	549956.133		9.525	<,001
	BI RATE	-946.395	1118.903	-.106	-.846	.401
	INFLASI	-4091.037	1887.796	-.271	2.167	.034
	IMBAL HASIL	1.315	2.967	.051	.443	.659

a. Dependent Variable: NAB RDS

Based on the table above, the regression model is as follows:
Y = 5238139.163 – 946.395 - 4091.037 + 1.315

Based on the table above the result of calculations using SPSS V.23 software, it can be concluded that :

1. The effect of BI rate on the NAV is sharia mutual funds
   In the table above, based on the calculation it can be concluded that t count < t table (-0.0846 < 1.99495) or H0 is accepted, the significance value is 0.401 > 0.05 then the BI rate has no effect (negative) on the NAV of Islamic mutual funds.
2. The effect of inflation on the NAV of Islamic mutual funds
   Based on the calculation it can be concluded that t count > t table (2.167 > 1.99495) or H0 is rejected with a significance value of 0.034 < 0.05, so inflation has a significant positive effect on tha Net asset value (NAV) of sharia mutual funds.
3. The effect of return on the NAV of sharia mutual funds
   Based on the calculation on the return variable, it can be seen that the t count is less than the t table (0.443 < 1.99495) or H0 accepted and the significance value is rejected and the significance value is 0.659 > 0.50 so the yield has a negative and insignificant effect on the NAV of sharia mutual funds.

b. Simultaneous Test (F test)

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3041951229552 5.844	3	1013983743184 1.947	2.791	.047[b]
	Residual	2470090898154 42.530	68	3632486614932 .979		
	Total	2774286021109 68.380	71			

a. Dependent Variable: NAB RDS
b. Predictors: (Constant), IMBAL HASIL, INFLASI, BI RATE

Based on the table above, the result of data processing calculations on the F test obtained a significant value of 0.047 then $0.047 < 0.05$. then the three variables namely BI rate, inflation and return have a simultaneous effect or equally

(DISCUSSION)

1. The effect of BI rate (X1) on NAV sharia mutual funds (Y)
   The BI Rate variable produces a significance value of $0.401 > 0.05$, so it can be said that the BI rate has a negative effect on the NAV sharia mutual funds registered with the OJK in 2017-2022. With this BI rate, it can be concluded that if the BI rate (benchmark interest rate) increases, the possibility of sharia mutual fund NAV will decrease. Judging from the significant value that the BI rate is not the main factors that causes it to affect NAV. And also in the BI rate in Indonesia is relatively stable in recent years despitw fluctuating ups and downs. The positive impact in this case is that investors do not need to hesitate to invest in Islamic mutual funds if the benchmark interest rate (BI Rate) rises, just consider which type of mutual fund instrument is good to choose. Then choose the type of Islamic mutual fund in which there is a deposit, it will experience a profit.
2. The Effect Of Inflation (X2) On The NAV Sharia Mutual Funds (Y)
   Inflation variables have a significant effect on the NAV sharia mutual funds with a significant value of $0.034 < 0.05$ on the NAV sharia mutual funds registered with the Indonesian financial services authority. It can be concluded that increasing inflation will affect the NAV sharia mutual fund, where the price of goods and services in the market increases, there will be a decrease in the NAV of Islamic mutual funds, where in running the company's operations will increase and the costs provided to investors will increase. The high level of costs incurred by investment managers will reduce the return generated by investors,
3. The effect of return (X3) on the NAV sharia mutual funds (Y)

The return variable (interest rate) has a significant effect on the NAV sharia mutual funds, where the significant value of 0.685 > 0.05 then it has insignificant effect. This is in line that past performance does not guarantee future return, it's just that this can be a consideration for investors that choosing s good Islamic to buy. The solution lies in the performance benchmarks between investment managers. That consideration if the management of the investment manager is more often a loss than a profit investment manager.

4. Conclusions

Based on the partial regression test, the conclusions are as follows:

1. BI rate has a partial negative and insignificant effect on the NAV sharia mutual funds with a significant value of 0.401 > 0.05. this result in H0 being rejected
2. Inflation has a positive effect on the NAV of Islamic mutual funds seen from the significant value of 0.034 < 0.05, so inflation has a positive effect. These result say H1 is accepted.
3. Yield has a negative effect on the NAV sharia mutual funds. Where the significant value is 0.658 > 9.95 then it is said that H0 is rejected.

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