

Research Article

Performance Comparative Analysis of Sharia Mutual Funds and Conventional Mutual Funds

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Abstract

This study aims to compare the performance assessment of Islamic and conventional mutual funds for 2017-2021. This study uses quantitative research, which analyzed the performance of Islamic and conventional mutual funds for 2017-2021. This study relies on secondary data collected from the official website of the Financial Services Authority (OJK). The research compares the performance of Islamic stock mutual funds, mixed mutual funds (comprising both Islamic and conventional funds), and mixed conventional mutual funds using the Sharpe, Treynor, and Jensen methods. Among these methods, the Sharpe method stands out as providing a superior performance evaluation compared to Treynor and Jensen. Both Islamic and conventional stock mutual funds receive a positive assessment, deemed as "good." However, in the case of mixed sharia mutual funds and conventional mutual funds, the former is considered to have a better assessment due to its perceived safety, offering a more secure alternative compared to conventional mutual funds, which carry higher risk.

Keywords: Share Islamic mutual funds, conventional stock mutual funds, mixed sharia mutual funds, mixed conventional mutual funds

JEL Classification: G24, H54, P17

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1. Introduction

There are dozens of investment asset management companies spread across Indonesia today. The managed funds collected from the public are worth trillions. Mutual fund investment is still the prima donna because of the wide selection of investment products. Starting from products with low investment risk, such as money market mutual funds, to high-risk ones, namely stock mutual funds. This diversity allows the public to choose which mutual funds are the most suitable for their risk profile. (www.Breksa.com) now many investment management companies as mutual fund managers have sprung up in Indonesia. There are dozens of investment asset management companies spread across Indonesia today. The managed funds collected from the public are worth trillions.

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Mutual funds serve as an attractive investment option for various investors, particularly small-scale investors and those who lack the time and expertise to assess investment risks on their own. These funds are specifically designed to pool resources from individuals with available capital and an interest in investing, yet limited time and knowledge. Furthermore, mutual funds play a crucial role in encouraging local investors to participate in the Indonesian capital market. Essentially, they function as vehicles for gathering funds from investors and entrusting the investment manager to handle and invest these funds in a diversified securities portfolio.

The global world is shocked by the Covid-19 pandemic, which has happened since the beginning of 2020. The Covid-19 pandemic has significantly impacted economic conditions and financial markets (Sebo & Nafi, 2021), and mutual fund performance is no exception. The impact of the Covid-19 pandemic on stock markets in China, Europe, and America shows various effects. The impact of the Covid-19 pandemic on the performance of Mutual Funds in America shows that equity mutual funds whose active transactions perform down (Rizal et al., 2021) or are worse during the Covid-19 period.

This condition contradicts the general assumption that active transactions perform better. Another research conducted by Liu et al. (2020) showed results where there were significant differences in abnormal returns in the stock markets of Asian countries affected by Covid-19 (Manurung & Subekti, 2021). Pastor and Vorsatz (2020) expressed that further research is needed related to the performance of Equity Mutual Funds using different empirical data to obtain results that can explain the differences in the performance of Mutual Funds during the Covid-19 period with different regulations. For the Indonesian context, research conducted by Nurmasari (2020) regarding the impact of Covid-19 on financial markets is still limited to the impact of the Covid-19 pandemic on company performance (Hertati et al., 2020).

During the pandemic, the national economy went into recession, but the growth in mutual funds and Net Asset Value (NAV) continued to increase. In the early 2020 period, a pandemic caused national economic growth to be disrupted; in fact, Islamic mutual funds experienced a Net Asset Value (NAV) growth for the 2019-2021 period of 23.77, and the number of mutual funds increased by 26. Rapini et al. (2021) increase yearly, making investment managers continue to do or create products that attract investors. However, almost everyone wants investments to provide large returns with minimal risk. The combination of large profits with small risks is almost impossible. Usually, the bigger the profit, the higher the risk.

2. Literature Review and Hypothesis

2.1 Mutual Fund

Mutual funds are a form of business or forum to collect funds from the investor community to be invested in investment instruments according to their respective allocations by a party referred to as an investment manager (Bilgies et al., 2023). According to Capital Market Law No. 8 of 1995, article 1, paragraph 27, "Mutual funds are a forum used to collect funds from the investor community to be further invested in securities portfolios by investment managers" (www.idx.co.id).

2.2 Sharia Mutual Funds

As per the Fatwa of the National Sharia Council (DSN) Number 20/DSNMUI/IX/2000, Sharia mutual funds are investment vehicles that strictly adhere to Islamic principles and regulations. These funds function based on contracts between investors, who are considered as property owners (Sahib al-mal/ rabb al-mal), and investment managers, who act as representatives of the investors. Additionally, contracts are established between investment managers, who act on behalf of the investment users. Sharia mutual funds will not invest their funds in bonds from companies whose management or products are contrary to Islamic law, for example, liquor factories, pig farming industries, financial services that involve usury in their operations, and businesses that contain immorality (Bilgies et al., 2023).

2.3 Mutual Fund Performance Assessment

Performance measurement is the process by which the organization determines the outcome parameters to be achieved by the programs, investments, and acquisitions it undertakes. The performance measurement process often requires the use of statistical evidence to determine the level of progress of an organization in achieving its goals. Performance measurement is a way of monitoring and tracking the progress of strategic goals (Handayani et al., 2019). measurement results can be an early indicator to the end of a final indicator result. Performance measurement is carried out on various activities in the value chain contained within the company and above the organization. According to Juwita et al. (2021), performance measurement is a periodic and systematic evaluation of a workforce's work performance/position, including its development potential. From the definition above, performance measurement is an action taken to measure the results achieved by someone or groups following the duties, authorities, and available resources.

2.4 Mutual Fund Performance Assessment Method

Rudiyanto (2016) states that performance evaluation is one of the important things that must be considered when choosing a mutual fund as an investment destination. By evaluating the performance of mutual funds, investors can measure risk and calculate the potential profit that may be obtained from the investment (Handayani et al., 2019). In this study, to measure the performance of mutual funds, researchers used four methods, namely:

2.4.1 Sharpe method

The Sharpe method is a performance evaluation metric employed for mutual funds. It assesses the risk premium, which represents the variance between the average return of a mutual fund and the average return of a risk-free investment, based on Bank Indonesia Certificates' interest rate for conventional mutual funds and Bank Indonesia Sharia Certificates' interest rate for Islamic mutual funds. The measurement formulates a ratio of the risk premium to the standard deviation, which

represents the fluctuation risk of the mutual fund due to changes in profit from one sub-period to another during the entire period. The standard deviation encompasses systematic (market) and unsystematic risks (Santosa & Laksana, 2011). The Sharpe ratio indicates the amount of additional investment returns (risk premium) obtained per unit of risk taken. A higher Sharpe ratio signifies better mutual fund performance, as it indicates a greater risk premium for each level of risk assumed (Jones, 2014; Warella et al., 2021).

2.4.2 Treynor method

Similar to the Sharpe method, the Treynor method also utilizes the concept of risk premium. However, in the Treynor method, the calculation involves the use of the beta divisor, which represents the volatility risk in relation to the market risk. Beta in the CAPM concept is systematic risk (also a market risk or market risk). Beta was obtained by linear regression method as described. Performance measurement with Sharpe and Treynor models is complementary because it provides different information. A portfolio of undiversified mutual funds would rank highly for Treynor but lower for the Sharpe measurement. A well-diversified mutual fund portfolio will rank the same for both types of measurement. The difference in ratings on the two measurements above shows the difference between the good and the bad for the diversification of the portfolio relative to similar portfolios. Therefore, the two measurements should be carried out together (Yudanto, 2016).

2.4.3 Jensen method

Like the Treynor method, According to Warella et al. (2021), Jensen uses the beta factor in measuring the investment performance of a portfolio based on the development of the Capital Asset Pricing Model (CAPM). Jensen presented the results of his research on 115 mutual funds in 1945-1964. The measurement using the Jensen method assesses the investment manager's performance based on how much the investment manager performs the market performance according to the risk it has. This advantage is described by Jensen as the intersection of the linear regression line on the y-axis (on the graph [RD Performance – RF Performance] VS [RM Performance – RF Performance]). It is called the Jensen intercept (Jensen intercept) with Alpha notation. The higher the alpha positive value, the better.

3. Data and Method

3.1. Types of research

For this research, quantitative methods were employed, focusing on the analysis of conventional mutual funds and actively managed Sharia mutual funds from 2017 to 2021 using descriptive statistical techniques. The variables considered include Risk-Adjusted Return, Sharpe ratio, Jensen ratio, and Treynor ratio. This study is designed as a comparative research, aiming to compare the performance outcomes of stock mutual funds and mixed mutual funds in both Sharia and conventional categories.

3.2. Population and Sample

The population refers to the entire set of elements whose characteristics are to be estimated in quantitative research. It represents a broad area encompassing objects or subjects with specific qualities and attributes selected by the researcher for study and subsequent conclusions. On the other hand, the sample is a subset of the population. In this study, the population comprises all Sharia mutual funds and conventional mutual funds officially registered with the OJK from January to December 2021.

Table 1. Population of Sharia Mutual Funds and Conventional Mutual Funds

Information	Amount	Percent (%)
Sharia Mutual Funds	286	13%
Conventional Mutual Funds	1.894	87%
Total	2.180	100%

Source: www.ojk.co.id

In this study, the sample selection was carried out using purposive sampling, which involves

deliberately selecting data sources based on specific considerations. The research sample was chosen through purposive sampling method.

Table 2. Operational Variables

No	Variable	Indicator	Scale
1	Mutual fund return per unit	$NAB = \frac{Total\ NAB}{Total\ unit\ penyertaan\ yang\ diterbitkan}$	Ratio
2	Assessing Mutual Fund Return	$RRD = \frac{NAB_t - NAB_{t-1}}{NAB_{t-1}}$	Ratio
3	Mutual Fund Risk Assessment	$Rfr = \frac{\sum BI\ rate}{\sum n}$	Ratio
4	Mutual Fund Performance Assessment Method	Sharpe method $Sp = \frac{r_p - r_f}{\sigma_p}$	Ratio
		Treynor method $Tp = \frac{(r_p - r_f)}{\beta_p}$	Ratio
		Jensen method $\alpha = \bar{R}_p - \bar{R}_f + \beta_p(\bar{R}_p - \bar{R}_f)$	Ratio

4. Results

4.1 Description of Research Object

The subject of this study includes Islamic Mutual Funds and Conventional Mutual Funds registered in Indonesia, specifically with the Financial Services Authority (OJK). The data collection spans from January 2017 to December 2021. In the Mutual Fund Statistics, a total of 286 mutual funds belong to the Sharia category, while there are 1,894 mutual funds in the conventional category. The sample for this research was selected using purposive sampling, following specific criteria:

- Sharia Mutual Funds and Conventional Mutual Funds that have been registered with OJK during the period January 2017-December 2021
- Sharia Mutual Funds and Conventional Mutual Funds that will be studied consist of equity and mixed mutual funds.
- Sharia and conventional mutual funds are still active and managed by investment managers.
- The samples taken are products from Sharia mutual fund companies and conventional mutual funds that are still active from January 2017 to December 2021 and have a Net Asset Value (NAV) published in print media.

Table 2

4.2 Calculation of data to assess the performance of Islamic mutual funds and conventional mutual funds

4.2.1 Calculation of Performance of Equity Conventional Mutual Funds and Share Sharia Mutual Funds

Sharpe method

The Sharpe method is utilized to evaluate the performance of both Islamic mutual funds and conventional stock mutual funds, regardless of the overall market conditions. It focuses solely on the deviations between the portfolios of Islamic stock mutual funds and conventional mutual funds. The Sharpe method involves two key aspects in its calculation: Excess return and standard deviation. Excess return is derived from the difference between the average net of mutual funds and the risk-free rate, represented by the average interest rate. To illustrate the application of the Sharpe method, it will be demonstrated using the conventional stock mutual fund, Archintas Saham Dynamic, and the Sharia equity mutual fund, Batavia Dana Syariah.

Table 3. The results of calculating the performance of equity mutual funds using the Sharpe method in 2017-2021

Company name	2017	2018	2019	2020	2021
TRIM Syariah Shares	0.01969	0.03149	0.03369	0.08183	0.02634
Batavia Sharia Stock Fund	0.21417	-0.14913	0.11267	-0.04736	-0.11727
Mandiri Investa Attract Syariah	0.06493	-0.16816	0.08292	-0.06754	-0.40049
Manulife Sharia Sector Amanah	0.83361	-0.14646	0.14175	-0.29895	-0.06850
Panin Islamic stock funds	-0.02056	-0.201880	-0.05736	0.04199	0.26626
BNP Paribas Pesona Syariah	0.23758	-0.11006	0.09317	0.02143	-0.08055
MNC Dana Syariah Equity	0.27539	-0.14023	-0.29151	-0.04842	-0.33585
BNI-AM Musahamah Sharia Stock Fund	0.08950	-0.27751	0.30147	-0.07853	-0.03978
Maybank Sharia Equity Fund	-0.08061	0.15129	-1.04541	-0.06623	0.00437
Pacific Shares Sharia II	0.20777	0.30937	0.29462	-0.76476	0.29289

Source: Processed Data (2022)

In 2017, eight Sharia mutual funds exhibited positive performance, while two showed negative performance. In 2018, three Sharia mutual funds displayed positive performance, including Maybank Dana Ekuitas Syariah, Pacific Saham Syariah II, and TRIM Shares Syariah, while the remaining seven Islamic mutual funds performed poorly. In 2019, eight equity mutual funds showed good performance, while the remaining two Islamic mutual funds experienced poor performance. In 2020, three mutual funds displayed positive performance, namely TRIM Shares Syariah, Panin Islamic stock funds, and BNP Paribas Pesona Syariah, while seven others showed negative performance. Lastly, in 2021, four Sharia mutual funds demonstrated positive performance, including Pacific Shares Syariah II, Maybank Dana Ekuitas Syariah, Panin Islamic stock funds, and TRIM Syariah Shares.

Treynor method

In evaluating the performance of Islamic equity mutual funds using the Treynor method, another average return is used as the expected return, and beta (5) is used as a risk measure. Beta shows the size of the change in the return of a mutual fund to the market return (rm). Treynor's method uses an illustration of the dynamics of Archintas fund and Batavia Dana Syariah. Furthermore, for each share Islamic mutual fund and conventional stock mutual fund, it is calculated in the same way.

Table 4. The results of the performance of conventional equity mutual funds in 2017-2021

Mutual fund name	2017	2018	2019	2020	2021
Dynamic stock Archintas	0.00801	-0.00758	0.00065	0.01453	0.00265
Asanusa enhanced strategy fund	-0.02106	-0.02408	0.00655	-0.02117	-0.01852
Ashmore Nusantara equity fund	0.01475	-0.00320	-0.00259	0.00287	-0.00206
Prime funds	0.01378	-0.00950	-0.00229	-0.00632	-0.00674

Batavia stock fund	0.12552	0.00485	0.00098	-0.00525	0.00053
BNI-am share fundinspiring equity fund	0.01116	- 0.01008	0.00242	- 0.00561	- 0.00215
Maxi Shares	0.01340	-0.00684	0.00156	-0.00634	-0.00586
Danareksa Mawar	0.01094	-0.01054	-0.00283	0.00365	-0.00099
Lautandhana Prima Stock	0.01479	-0.00970	-0.00253	-0.00661	0.00107
Mandiri Investa Attractive	0.00858	- 0.00051	- 0.00277	- 0.00560	- 0.00716

Source: Processed Data (2022)

Table 5. Performance results of equity mutual funds for 2017-2021

Company name	2017	2018	2019	2020	2021
TRIM SyariahShares	0.00529	-0.00210	0.00762	0.02788	-0.00123
Batavia ShariaStock Fund	0.00481	-0.00577	0.00391	-0.01185	-0.00736
Mandiri InvestaAttract Syariah	0.00142	-0.00647	0.00256	-0.04309	-0.02539
Manulife Sharia Sector Amanah	0.01748	-0.00583	0.02848	0.07156	-0.00295
Panin Islamic stock funds	-0.00065	-0.00823	-0.00195	0.01184	0.01229
BNP Paribas Pesona Syariah	0.00578	-0.00436	0.00302	0.00790	-0.00376
MNC Dana Syariah Equity	-0.05336	-0.00624	-0.01733	-0.01885	-0.01638
BNI-AM Musahamah Sharia Stock Fund	0.00200	-0.01047	0.01546	-0.02281	-0.00236
Maybank Sharia Equity Fund	-0.00680	-0.01723	-0.30146	-0.02324	-0.02602
Pacific Shares Sharia II	0.01869	-0.05188	-0.09463	-0.73576	0.02762

Source: Processed Data (2022)

The table above illustrates the performance of Islamic and conventional stock mutual funds over the years 2017 to 2021. In 2017, seven Islamic mutual funds displayed good performance, while three others performed negatively. Conversely, among conventional mutual funds, nine showed positive performance, and only one had negative performance. In 2018, only one conventional mutual fund showed positive performance, while the rest performed poorly. In the same year, no Islamic mutual funds showed positive performance. In 2019, five conventional mutual funds had positive performance, and the rest were negative, while six Islamic mutual funds showed positive performance, and four had negative ratings. In 2020, three conventional mutual funds performed positively, and seven performed negatively, while four Islamic mutual funds displayed positive performance, and six had negative ratings. Finally, in 2021, three conventional mutual funds and two Islamic mutual funds showed positive performance, while the remaining funds in both categories exhibited negative performance.

Jensen Method

The measurement of this method is to assess the performance of the Investment Manager and whether it can provide performance above market performance according to the risk it has. Below is the procedure for performing the analysis using the Jensen method.

Table 6. The results of the performance of conventional equity mutual funds using the Jensen method in 2017-2021

Mutual FundName	2017	2018	2019	2020	2021
Dynamic stock Architas	- 0.01040	- 0.00574	- 0.00126	0.01068	- 0.01356
Ashmore Nusantara equity fund	- 0.00071	- 0.00149	- 0.00496	0.00416	- 0.01272
Asanusa enhanced strategy fund	- 0.01352	- 0.00430	0.00905	-0.02043	0.01868
Independent, attractive investment	- 0.00789	0.00091	- 0.00507	0.00032	- 0.01330
BNI AM inspiring stock fund	- 0.00478	- 0.00879	0.00071	0.00041	- 0.00954
Prime funds	- 0.00173	- 0.00696	- 0.00454	0.00010	- 0.01317
Batavia stock fund	0.00816	0.00736	- 0.00070	0.00045	- 0.00868
BNI Paribasmaxi shares	- 0.00194	- 0.00421	- 0.00027	0.00009	- 0.01139
Lautandhana prime stock	-0.00066	-0.00786	-0.00502	-0.000002	-0.00894
Danareksa rose	-0.00534	-0.00799	-0.00515	0.00522	-0.01375

Source: Processed Data (2022)

Table 7. Performance results of equity mutual funds using the Jensen method in 2017-2021

Company name	2017	2018	2019	2020	2021
TRIM Syariah Shares	-0.00614	0.00725	0.00583	-0.00046	-0.00896
Batavia Sharia Stock Fund	-0.01090	-0.00365	0.00207	-0.00162	-0.01096
Mandiri Investa Attract Syariah	-0.01224	-0.00424	0.00094	-0.00597	-0.02008
Manulife Sharia Sector Amanah	0.00160	-0.00241	0.00319	-0.03654	-0.01009
Panin Islamic stock funds	-0.01062	-0.00554	-0.00448	0.00588	-0.00114
BNP Paribas Pesona Syariah	-0.00824	-0.00347	0.00127	0.00358	-0.01121
MNC Dana Syariah Equity	0.01119	-0.00361	-0.00011	-0.00275	-0.02079
BNI-AM Musahamah Sharia Stock Fund	-0.01363	-0.00811	0.01241	-0.00458	-0.01119
Maybank ShariaEquity Fund	-0.02523	0.08634	-0.06169	-0.00634	0.00012
Pacific Shares Sharia II	0.19507	-0.03568	0.01241	0.00749	0.00192

Source: Processed Data (2022)

Table 6 and 7 presents the performance assessment of mutual funds using the Jensen index, along with calculations using the Sharpe and Treynor indexes. In 2017, Sharia equity mutual funds exhibited positive performance in three funds, such as Pacific Saham Syariah II, MNC Dana Syariah Ekuitas, and Manulife Sector Syariah, while the majority showed negative performance. On the other hand, among conventional equity mutual funds, only Batavia Dana Saham displayed positive performance, and the rest showed negative results. In 2018, the performance of equity mutual funds changed, with two Sharia funds and two conventional funds showing positive performance. In 2019, Islamic mutual funds generally outperformed conventional ones, with seven positive performers compared to only one positive conventional fund. In 2020, Islamic mutual funds experienced a decline, with only three positive performers, while conventional funds showed improvement, with eight positive performers. In 2021, two Sharia funds performed well, while conventional funds had fewer positive performers compared to the previous year.

5. Discussion

Discussion on the Performance Measurement Results of Equity Sharia Mutual Funds and Conventional Equity Mutual Funds

Performance of Sharia Mutual Funds and Stock Conventional Mutual Funds

Sharpe method

Table 8. shows the results of the performance of equity mutual funds in 2017-2021 using the Sharper method

Year	Positive performance	Negative performance
2017	Eight positive mutual funds	Two negative mutual funds
2018	Three positive mutual funds	Seven negative mutual funds
2019	Seven positive mutual funds	Three negative mutual funds
2020	Three positive mutual funds	Seven negative mutual funds
2021	Four positive mutual funds	Six negative mutual funds

Source: Processed Data (2022)

Table 9. shows the results of the performance of conventional stock mutual funds in 2017-2021 using the Sharper method

Year	Positive performance	Negative performance
2017	Ten positive mutual funds	No negative mutual funds
2018	One positive mutual fund	Nine negative mutual funds
2019	Five positive mutual funds	Five negative mutual funds
2020	Three positive mutual funds	Seven negative mutual funds
2021	Three positive mutual funds	7 negative mutual funds

Source: Processed Data (2022)

The performance of Islamic stock mutual funds and conventional mutual funds using the Sharpe method yields varying values across different years, as evident in Table 8 and Table 9. In 2017, eight Sharia mutual funds demonstrated positive performance, while in 2018, only three mixed Sharia mutual funds showed positive performance. In 2019, seven Sharia mutual funds had positive performance, and in 2020, only three Sharia mutual funds showed positive performance. In 2021, four Sharia mutual funds exhibited good performance. The positive performance results for both Islamic and conventional stock mutual funds indicate that their returns surpass those of risk-free investments, as indicated by standard deviation. Notably, in 2017, both Islamic and conventional stock mutual funds performed exceptionally well.

Table 10. The results of the assessment of the performance of the best share Islamic mutual funds in 2017-2021 using the Sharper method

Year	Share Islamic mutual funds.	Performance scores on the Sharpe method
2017	Manulife sharia trust	0.83361
2018	Pacific Islamic Stock II	0.30937
2019	BNI AM Islamic funds muusahamah	0.30147
2020	TRIM sharia	0.08183
2021	Pacific Islamic Stock II	0.29289

Source: Processed Data (2022)

Table 11. The results of the assessment of the best stock conventional mutual funds in 2017-2022 using the Sharper method

Year	Share Islamic mutual funds	Performance value on sharpe method
2017	Batavia stock fund	1.02624
2018	Batavia stock fund	0.11354
2019	Asanusa enhanced strategy fund	0.16845
2020	Dynamic stock Architas	0.07642
2021	Dynamic stock Architas	0.07280

Source: Processed Data (2022)

From the performance of stock sharia mutual funds that managed to have the best performance, namely 2017 the Manulife Syariah Amanah Mutual Fund (0.83361), 2018 the Pacific Sharia II Mutual Fund (0.30937), 2019 BNI AM Islamic Fund Musahamah (0.30147), in 2020 TRIM sharia (0.08183) and 2021 pacific sharia sharesII (0.29289). Whereas in 2017 and 2018, the best mutual funds were the Batavia stock funds with performance values (1.02624) and (0.11354); in 2019, the Asanusa enhanced strategy funds (0.16845); in 2020 and 2021, the dynamic stock Architas mutual funds with performance value (0.07642) and (0.07280).

Treynor method

Table 12. shows the results of the performance of equity mutual funds in 2017-2021 using the Treynor method

Year	Positive performance	Negative performance
2017	Seven positive mutual funds	Three negative mutual funds
2018	There are no positive mutual funds	Ten negative mutual funds
2019	Six positive mutual funds	Four negative mutual funds
2020	Four positive mutual funds	Six negative mutual funds
2021	Two positive mutual funds	Eight negative mutual funds

Source: Processed Data (2022)

Table 13. shows the results of the performance of conventional equity mutual funds in 2017 –2021 using the Treynor method

Year	Positive performance	Negative performance
2017	Nine positive mutual funds	One negative mutual fund
2018	One positive mutual fund	Nine negative mutual funds
2019	Five positive mutual funds	Five negative mutual funds
2020	Three positive mutual funds	Seven negative mutual funds
2021	Three positive mutual funds	Seven negative mutual funds

Source: Processed Data (2022)

The performance of Islamic stock mutual funds and conventional mutual funds using the Treynor method displays varying values across different years, as evident in Table 22 and Table 23. In 2017, seven Sharia mutual funds demonstrated positive performance, while in 2018, no Sharia mutual fund exhibited positive performance. In 2019, six Sharia mutual funds had positive performance, and in 2020, only four Sharia mutual funds showed positive performance, followed by two in 2021. In contrast, among conventional stock mutual funds, nine mutual funds displayed positive performance in 2017, but only one in 2018. In 2019, five conventional mutual funds demonstrated positive performance, and in 2020, three mutual funds exhibited positive results, remaining the same in 2021. Both Islamic and conventional stock mutual funds with positive performance results are suitable investment choices, as their returns exceed those of risk-free investments.

Table 14. shows the results of the assessment of the performance of the best stock Islamic mutual funds in 2017 – 2021 using the Treynor method

Year	Share Islamic mutual funds	Performance value on Treynor method
2017	Manulife sharia sector trustful	0.01748
2018	TRIM Syariah	-0.00210
2019	Manulife sharia sector trustful	0.02848
2020	Manulife sharia sector trustful	0.07156
2021	Pacific Islamic Stock II	0.02762

Source: Processed Data (2022)

Table 15. shows the results of the assessment of the performance of the best stock conventional mutual funds in 2017 – 2021 using the Treynor method

Year	Share Islamic mutual funds	Performance value on Treynor method
2017	Batavia stock fund	0.12552
2018	Batavia stock fund	0.00485
2019	Asanusa enhanced strategy fund	0.00655
2020	Dynamic stock Architas	0.01453
2021	Dynamic stock Architas	0.00265

Source: Processed Data (2022)

From the performance of share sharia mutual funds that managed to have the best performance, namely 2017 the Manulife Syariah Amanah Mutual Fund (0.01748), 2018 the TRIM Syariah Mutual Fund (-0.00210) in 2019 and 2020, the Manulife Syariah Amanah Mutual Fund had the best performance, with performance values (0.02848) and (0.07156), and in 2021 Pacific Sharia II shares (0.02762). Meanwhile, in 2017 and 2018, the best mutual funds were the Batavia stock funds with a performance value of (0.12562) and (0.00485); in 2019, the Asanusa enhanced Strategy fund (0.00655); in 2020 and 2021, the dynamic stock archives mutual funds with performance value (0.01453) and (0.00265).

Jensen method**Table 16. shows the results of the performance of equity mutual funds in 2017-2021 using the Jensen method**

Year	Positive performance	Negative performance
2017	Four positive mutual funds	Six negative mutual funds
2018	Two positive mutual funds	Eight negative mutual funds
2019	Seven positive mutual funds	Three negative mutual funds
2020	Three positive mutual funds	Seven negative mutual funds
2021	Two positive mutual funds	Eight negative mutual funds

Source: Processed Data (2022)

Table 17. shows the results of the performance of conventional stock mutual funds in 2017-2021 using the Jensen method

Year	Positive performance	Negative performance
2017	One positive mutual fund	Nine negative mutual funds
2018	Two positive mutual funds	Eight negative mutual funds
2019	Two positive mutual funds	Eight negative mutual funds
2020	8 positive mutual funds	Two negative mutual funds
2021	One positive mutual fund	Nine negative mutual funds

Source: Processed Data (2022)

Based on the provided table, the performance of Islamic mutual funds and conventional mutual funds using the Jensen method shows distinct values each year. In 2017, four Sharia mutual funds displayed positive performance, while in 2018, only two Sharia mutual funds exhibited positive performance. In 2019, seven Sharia mutual funds showed positive performance, followed by three in 2020, and two in 2021. In contrast, among conventional stock mutual funds, only one mutual fund displayed positive performance in 2017, followed by two in 2018, and two in 2019. In 2020, eight conventional mutual funds had positive performance, and in 2021, there was only one mutual fund with positive performance. The positive performance of both Islamic and conventional stock mutual funds indicates that the actual returns surpass the desired returns, signifying a favorable condition with relatively high returns for the level of systematic risk.

Sharper method**Table 18. shows the results of the performance of mixed Sharia mutual funds in 2017-2021 using the Sharper method**

Year	Positive performance	Negative performance
2017	Three positive mutual funds	One negative mutual fund
2018	One positive mutual fund	Three negative mutual funds
2019	Four positive mutual funds	No negative mutual funds
2020	Four positive mutual funds	No negative mutual funds
2021	There are no positive mutual funds	Four negative mutual funds

Source: Processed Data (2022)

Table 19. shows the results of the performance of mixed conventional mutual funds in 2017-2021 using the Sharper method

Year	Positive performance	Negative performance
2017	Three positive mutual funds	One negative mutual fund
2018	One positive mutual fund	Three negative mutual funds
2019	Three positive mutual funds	One negative mutual fund
2020	One positive mutual fund	Three negative mutual funds
2021	Three positive mutual funds	One negative mutual fund

Source: Processed Data (2022)

The performance of mixed Islamic and conventional mutual funds using the Sharpe method displays different values each year, as indicated in Tables 32 and 33. In 2017, three mixed Sharia mutual funds showed positive performance, followed by one in 2018, four in 2019, and four in 2020. However, in 2021, no mixed Sharia mutual funds displayed positive performance. In comparison, among mixed conventional mutual funds, three out of four samples exhibited positive performance in 2017, one in 2018, three in 2019, one in 2020, and three in 2021. Both Islamic and mixed conventional mutual funds with positive performance results signify that their returns exceed those of risk-free investments, as indicated by standard deviation.

Treynor method

Table 20. shows the results of the performance of mixed Sharia mutual funds in 2017-2021 using the Treynor method

Year	Positive performance	Negative performance
2017	Two positive mutual funds	Two negative mutual funds
2018	One positive mutual fund	Three negative mutual funds
2019	Four positive mutual funds	No negative mutual funds
2020	Three positive mutual funds	One negative mutual fund
2021	There are no positive mutual funds	Four negative mutual funds

Source: Processed Data (2022)

Table 21. The results of the performance of mixed conventional mutual funds in 2017-2021 using the Treynor method

Year	Positive performance	Negative performance
2017	Three positive mutual funds	One negative mutual fund
2018	One positive mutual fund	Three negative mutual funds
2019	Three positive mutual funds	One negative mutual fund
2020	One positive mutual fund	Three negative mutual funds
2021	Three positive mutual funds	One negative mutual fund

Source: Processed Data (2022)

Based on Tables 36 and 37, the performance of mixed Islamic and conventional mutual funds using the Treynor method varies each year. In 2017, two mixed Sharia mutual funds demonstrated positive performance, followed by one in 2018, all showing positive performance in 2019, and three in 2020. However, in 2021, no mixed Sharia mutual funds displayed positive performance. Among mixed conventional mutual funds, three exhibited positive performance in 2017, one in 2018, three in 2019, one in 2020, and three in 2021. The positive results of both mixed Islamic and conventional mutual funds indicate their returns surpass the risk-free investment return, making them favorable investment choices.

Jensen Method

Table 22. shows the results of the performance of mixed Sharia mutual funds in 2017-2021 using the Jensen method

Year	Positive performance	Negative performance
2017	One positive mutual fund	Three negative mutual funds
2018	One positive mutual fund	Three negative mutual funds
2019	Three positive mutual funds	One negative mutual fund
2020	Four positive mutual funds	No negative mutual funds
2021	There are no positive mutual funds	Four negative mutual funds

Source: Processed Data (2022)

Table 23. shows the results of the performance of mixed conventional mutual funds in 2017-2021 using the Jensen method

Year	Positive performance	Negative performance
2017	Two positive mutual funds	Two negative mutual funds
2018	One positive mutual fund	Three negative mutual funds
2019	Three positive mutual funds	One negative mutual fund
2020	One positive mutual fund	Three negative mutual funds
2021	There are no positive mutual funds	Four negative mutual funds

Source: Processed Data (2022)

Based on Tables 40 and 41, the performance of mixed Islamic and conventional mutual funds using the Jensen method varies each year. In 2017, one mixed Sharia mutual fund displayed positive performance, followed by one in 2018, three in 2019, all exhibiting positive performance in 2020, and none in 2021. Conversely, among mixed conventional mutual funds, two showed positive performance in 2017, one in 2018, three in 2019, one in 2020, and none in 2021. The positive performance of both mixed Islamic and conventional mutual funds indicates that their actual returns exceed the desired returns, signifying a favorable condition with relatively high returns for the level of systematic risk.

6. Conclusion

In the comparative evaluation of Islamic stock mutual funds, mixed mutual funds (comprising both Islamic and conventional funds), and mixed conventional mutual funds using the Sharpe, Treynor, and Jensen methods, the Sharpe method stands out as the superior assessment, producing better results compared to the Treynor and Jensen methods. Both Islamic and conventional stock mutual funds receive a positive assessment, considered to be good. However, in the case of mixed sharia mutual funds and conventional mutual funds, the assessment favors mixed sharia mutual funds as they are considered better than conventional mutual funds. The implications of the results in this study prove that the performance of Islamic mutual funds can outperform conventional mutual funds in crisis and non-crisis periods. Islamic mutual funds also prove that selecting the right stocks or portfolios, despite their selection limitations, results in better performance than conventional mutual funds, which are free to choose their stocks or portfolios.

Recommendation

Based on the research results and the conclusions described above, some suggestions can be given for academics; researchers hope to study more deeply the comparative analysis of performance appraisal of Islamic mutual funds and conventional mutual funds. Researchers realize that many things could still be improved in the study. Investors / Potential Investors It is expected to find the company's background before investing and choose the best investment between Sharia mutual funds and conventional mutual funds. For Investment Managers, it is hoped that their performance will be better in choosing and deciding which investments to buy; besides that, they are always expected to convey the results of investments managed to investors.

Limitations and avenue for future research

This research has limitations, especially in terms of Thing; the use of data only uses data on stock Islamic mutual funds, mixed Islamic mutual funds, conventional stock mutual fund data, and mixed conventional mutual fund data. Those with Net Asset Value/AUM (Asset Management Unit) on the www.ojk.co.id and www.pasardana.com from 2017 to 2021. In evaluating the performance of sharia and conventional mutual funds, all types of sharia and conventional mutual funds can be used to get the best results.

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