



# Comparative Analysis of Islamic Mutual Fund Performance in Saudi Arabia, Malaysia, and Indonesia in 2018–2020

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**Abstract.** Islamic mutual funds are one of the most popular types of investment instruments in the Islamic capital market today. Islamic mutual funds have a market share of 5% or equivalent to USD 178 billion with a total of 1.698 institutions. Saudi Arabia is in the first position with a total Islamic mutual fund assets of USD 53 billion. Malaysia is in the third position with a total Islamic mutual fund assets of USD 38 billion. Meanwhile, Indonesia is in the sixth position with total Islamic mutual fund assets of USD 3 billion. The purpose of this study was to compare performance of Islamic mutual funds in Saudi Arabia, Malaysia, and Indonesia in 2018–2020. The method used in this research was comparative descriptive method with quantitative approach. This study used the purposive sampling technique with a total sample of 69 Islamic mutual fund products, including 15 money market Islamic mutual fund products, 15 fixed income Islamic mutual fund products, 21 Islamic stock mutual fund products, and 18 mixed Islamic mutual fund products. In addition, the performance of Islamic mutual funds was measured using the Sharpe ratio model. The results of the study showed that the Islamic money market and fixed income mutual funds in Indonesia were superior to those of Malaysia and Saudi Arabia. Those of meanwhile, share and mixed Islamic mutual funds in Saudi Arabia were superior to Indonesia and Malaysia. Thus the performance of the Islamic mutual funds may serve one of the considerations aspects to consider by investors in select the type of Islamic mutual funds taking into consideration the economic conditions of a country. In addition, investors can choose Islamic mutual fund products managed by investment managers based on the levels of return and risk the product have.

**Keywords:** Islamic Capital Market · Performance of Islamic Mutual Funds · Sharpe Ratio

## 1 Introduction

Islamic mutual fund investment instruments are one of the most popular types of investment instruments in the Islamic capital market today. Mutual funds are containers used to collect funds from the investor community to be further invested in securities portfolios by investment managers (Sudirman 2015). Rehman and Baloch (2016), stated that

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mutual funds are an investment opportunity for investors who lack the information, skills, or knowledge to invest in the capital market. Sharia mutual funds are investment models whose management and investment policies refer to Islamic sharia. Sharia mutual funds do not invest their funds from companies whose management or products are contrary to Islamic sharia. Merdad and Hassan (2011), stated that both Muslim and non-Muslim investors can safely consider Islamic mutual funds as an alternative investment portfolio.

Based on a report released in the Islamic Finance Development Report 2021. Sharia mutual fund assets grew by 22% to USD 178 billion in 2020. The growth of the sharia mutual fund industry sector was supported by the launch of 95 sharia mutual funds based in Malaysia, Indonesia, Pakistan and Arabia. Saudi. Then it is known that the largest total assets of Islamic mutual funds are produced by Saudi Arabia with total assets of USD 53 billion with a growth of 33.2%, then Iran with USD 46 billion and Malaysia occupying the third position with total assets of USD 38 billion, with a growth of 8.9%. Meanwhile, Indonesia occupies the 6th position with total assets of USD 3 billion (IFDI 2021). This figure shows that Islamic mutual fund assets in Indonesia are still very small and far behind other countries such as Malaysia and Saudi Arabia, even though it is known that Indonesia is one of the countries with the largest Muslim majority population, but has not been able to occupy the list of the top five countries with financial assets. Largest sharia in the world.

Based on data from the Financial Services Authority 2020, it shows that the contribution of mutual funds during the 2016–2020 period has increased every year, which ranges from 4.40%–10.38%. This value shows that the contribution of Islamic mutual funds in Indonesia is still very small and is indeed much more dominated by conventional mutual funds. The small contribution of Islamic mutual funds in Indonesia, apart from the emergence of conventional mutual funds which was indeed earlier, was also triggered by the fact that Islamic investment products in Indonesia are still very few in number compared to conventional ones.

Based on statistical data which shows that the asset value of Islamic mutual funds in Indonesia is still far behind that of several other countries, this is because the contribution of Islamic mutual funds in Indonesia is still very minimal. However, in terms of the empirical performance of Islamic mutual funds in Indonesia when compared to other countries, it is still unknown how far the performance of Islamic mutual funds in Indonesia is. So, in this study, we will compare the performance of Islamic mutual funds in Indonesia with countries that have larger Islamic mutual fund assets than Indonesia, namely Saudi Arabia and Malaysia. Although Indonesia has a larger Muslim population than Saudi Arabia and Malaysia, both countries are currently successful in the field of Islamic finance,

Evaluating the performance of Islamic mutual funds in Indonesia, Malaysia and Saudi Arabia is one of the important things to do. Considering that the investment instrument for Islamic mutual funds is Islamic financial products that can be used by anyone so that it allows many investors to be involved in Islamic mutual fund investment instruments. Performance analysis is intended so that investment actors and their operators can find out what are the obstacles and shortcomings of sharia-based investment instruments in Indonesia. Because basically in investing, the important thing for investors as owners of capital is to know the extent of the performance generated in the investments made

and for potential investors, this research can be one of the considerations to determine the condition of the performance of Islamic mutual funds in Saudi Arabia, Malaysia, and Indonesia which consistently produces good performance so that it is feasible to be an investment choice. According to Hartono (2017) The purpose of evaluating portfolio performance is to find out and analyze whether the portfolio that has been formed can increase the possibility of achieving investment goals, so that it can be seen which portfolio performance has better performance when viewed from the level of return and risk respectively. The Sharpe method is an internationally tested standard for measuring the performance of mutual funds developed by William F. Sharpe in 1966. In general, the Sharpe method of performance measurement model can be applied to all types of mutual funds so that users of this method can describe the ability of investment managers to manage mutual funds from each unit of risk taken. In addition, it is mentioned in the [www.bareksa.com](http://www.bareksa.com) site quoted by Waridah and Mediawati (2016), stated that the Sharpe method is one of the most widely used methods in Indonesia. In the 2013 best mutual fund award event, the use of the Sharpe method is one of the criteria in determining the best mutual fund.

Thus, based on the background of the problems that have been raised, the authors are interested in conducting further research on “Comparative Analysis of the Performance of Sharia Mutual Funds in Saudi Arabia, Malaysia, and Indonesia for the Period of 2018–2020”. Moreover, there has been no previous research that has compared the performance of Islamic mutual funds in the three countries. The performance measurement parameter used is the Sharpe ratio.

## 2 Literature Review

### Islamic Mutual Funds

The definition of mutual funds according to the Capital Market Law no. 8 of 1995 Article 1 paragraph 27 concerning the capital market, states that mutual funds are a forum used to collect funds from the investor community to be further invested in securities portfolios by investment managers. The securities portfolio of a mutual fund can consist of various types of securities such as stocks, bonds, money market or a mix (Siamat 2015).

According to the Fatwa of the National Sharia Council (DSN) Number 20/DSN-MUI/IX/2000, sharia mutual funds are mutual funds that operate according to the provisions and principles of Islamic sharia, both in the form of contracts between investors as property owners (Sahib al-mal/rabb al-mal) with investment managers as representatives of sahib al-mal, as well as between investment managers as representatives of investment users. In other words, sharia mutual funds can be formulated as mutual funds whose management methods and investment policies refer to Islamic law. Sharia mutual funds do not invest in stocks or bonds of 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 (Firmansyah 2020).

### **Types of Islamic Mutual Funds**

According to Hasbi (2010) There are four types of Islamic mutual funds when viewed from their investment portfolio, which are as follows:

1. Money Market Islamic Mutual Funds

This type of mutual fund only invests in sharia debt securities with a maturity of less than one year whose purpose is to maintain liquidity and maintain capital.

2. Fixed Income Islamic Mutual Funds.

This mutual fund invests at least 80% of the managed funds (assets) in the form of sharia debt securities. This type of mutual fund carries a relatively greater risk than money market mutual funds.

3. Equity Islamic Mutual Funds

Equity mutual funds are mutual funds that invest at least 80% of managed funds (assets) in the form of equity securities.

4. Mixed Islamic Mutual Funds

This mutual fund is the most flexible mutual fund because it can invest its funds in stocks and money market securities in an unspecified portion.

### **Portfolio Theory**

Portfolio theory is an investment approach initiated by Makowitz in 1927, an economist who graduated from the University of Chicago who won the Nobel Prize in economics in 1990. Portfolio theory is concerned with investors' estimates of risk and return expectations, which are statistically measured to make up their investment portfolio. This theory formulates the existence of elements of return and risk in an investment. According to Sunariyah (2011) There are two investment risks, namely unsystematic risk and systematic risk. Systematic risk is the risk associated with a particular investment that can generally be avoided or minimized by diversification. Meanwhile, systematic risk is market risk in general and applies to all relevant capital markets.

### **Portfolio Performance Evaluation**

According to Hartono (2017) The purpose of evaluating portfolio performance is to find out and analyze whether the portfolio that has been formed can increase the possibility of achieving investment goals, so that it can be seen which portfolio performance has better performance when viewed from the level of return and risk respectively. Then further revisions can be made to the securities that make up the portfolio if it is felt that the portfolio is not in accordance with the investor's risk preferences (Hartono 2017).

### **Sharpe Ratio**

*Sharpe* the ratio or reward-to-variability ratio developed by William Sharpe is one method for measuring the performance of a risk-adjusted portfolio. This method bases its calculation on the concept of the capital market line as a benchmark, namely by dividing the portfolio risk premium by the portfolio risk expressed by the standard deviation (total

risk). Thus, the Sharpe ratio will be used to measure the risk premium for each risk unit in the portfolio. The calculation formula used is as follows (Lubis 2016):

$$S_p = \frac{(\bar{R}_p - \bar{R}_f)}{SD_p} \quad (1)$$

Information:

$S_p$  = Sharpe ratio

$\bar{R}_p$  = Average Return Portfolio In Measurement Period

$\bar{R}_f$  = Average Return Risk Free In The Measurement Period

$SD_p$  = Standard Deviation of Portfolio Rate of Return

### 3 Research Methods

The research method used in this study is a comparative descriptive with a quantitative approach. The approach used in this research is a quantitative approach. This study used purposive sampling technique with a total sample of 69 Islamic mutual fund products, including 15 money market Islamic mutual fund products, 15 fixed income sharia mutual fund products, 21 Islamic stock mutual fund products, and 18 mixed Islamic mutual fund products.

## 4 Result and Analysis

### Descriptive Analysis

#### Development of Islamic Mutual Funds in Saudi Arabia, Malaysia, and Indonesia

##### 1. Development of Islamic Mutual Funds in Saudi Arabia

Saudi Arabia is a country that ranks first among Muslim countries regarding the enforcement of Islamic rules. However, the stock market in Saudi Arabia is still based on conventional principles (Merdad et al., 2010). Therefore, it is difficult for Muslim investors, who represent the majority of the population in Saudi Arabia, to participate in these investment instruments. Then financial institutions realized that there were opportunities in Saudi Arabia in creating sharia-based investment instruments. The National Commercial Bank in Saudi Arabia launched its first Islamic mutual fund in 1995, then named Global Trade Equity, with a market capitalization of US\$ 150 million (Soemitra, 2015). Currently, Saudi Arabia is the first country with the largest total assets of Islamic mutual funds in the world.

Islamic mutual fund assets in Saudi Arabia have increased every year. However, mutual fund assets tend to experience a slow increase in 2016–2018, namely in 2016 total assets of SAR 103 billion only increased by 8.73% in 2018 with total assets being SAR 112 billion and around 76% or SAR 89 billion and of the total asset value managed is in accordance with sharia principles. While the remaining 24% or around SAR 28.8 billion of assets managed on a conventional basis. Then mutual fund assets experienced

a significant increase in 2019 by 42.9% with total assets of SAR 160 billion. The increase again occurred in 2020, which was 30.6% with total assets to SAR 209 billion.

## **2. Development of Islamic Mutual Funds in Malaysia**

The presence of Islamic mutual funds in Malaysia occurred in the mid-1990s. Islamic mutual funds in Malaysia are known as the Islamic Unit Trust Fund. The Islamic Unit Trust Fund in Malaysia was created due to the increasing demand for the availability of Islamic investment instruments, with this making the Malaysian government then launch its first sharia mutual fund investment instrument, the Arab Malaysian Tabung Ihtikal (Malo, 2015).

Islamic mutual fund assets in Malaysia have increased every year. Mutual fund assets experienced a significant increase in 2019 which was 22.2% with total assets of RM 107.32 billion with a contribution value of Islamic mutual funds of 19.58%. Then in 2020, mutual fund assets increased by 19.76% with total assets to RM 128.53 billion with a Islamic mutual fund contribution value of 24.74%.

## **3. Development of Islamic Mutual Funds in Indonesia**

In Indonesia, Islamic mutual funds were first introduced in 1997 by PT. Danareksa Investment Management. Mutual funds are the first capital market instruments that operate according to Islamic Islamic and this is the first step in the birth of the Islamic capital market in Indonesia (Firmansyah 2020). Seeing the opportunity for Islamic mutual funds in Indonesia as an alternative in investing in banking products, the Indonesia Stock Exchange (IDX) then collaborated with PT Danareksa Investment Management to launch the Jakarta Islamic Index in 2000.

Mutual fund assets have increased significantly every year. In 2017, mutual fund assets increased by 90% with total assets to Rp28,311 billion with a total contribution value of sharia mutual funds of 6.19%. Then the mutual fund assets again experienced a significant increase in 2019 which was 55.8% compared to the previous year, namely total assets to Rp53,735 billion, with sharia mutual fund contributions of 9.91%. Furthermore, in 2020 there was an increase in assets of 38.40%, namely total assets to Rp. 73,367 with the contribution of sharia mutual funds of 10.38%.

With this, it can be concluded that Islamic mutual fund assets in Saudi Arabia, Malaysia, and Indonesia always increase every year. The growth of Islamic mutual fund assets in Indonesia has increased significantly when compared to Saudi Arabia and Malaysia, this indicates that Islamic mutual fund investment instruments in Indonesia have good prospects. However, currently the contribution of Islamic mutual funds in Indonesia is still very minimal. Indonesia is a country that has the largest Muslim population, which should be a strong market in building a sharia-based financial industry. However, the facts show that the contribution of Islamic mutual funds in Indonesia is still very small and much different from Saudi Arabia and Malaysia. This condition is caused by the low level of public understanding about investing in sharia mutual funds and the limited number of sharia investment instruments so that it does not help the growth of sharia mutual fund products in Indonesia.

## **Performance Money Market Islamic Mutual Fund**

### **1. Performance of Islamic Money Market Mutual Funds in Saudi Arabia**

Based on the measurement of the performance of Islamic money market mutual funds in Saudi Arabia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.54457$ , which was due to the fact that all mutual fund products produced negative values. Furthermore, in 2019 the performance of mutual funds increased compared to the previous year. Mutual funds produce good performance or in the outperform category, with an average performance of  $0.24075$ , which is because there are three mutual fund products that produce positive values. Then in 2020, it can be said that mutual funds have the highest performance.

### **2. Performance of Islamic Money Market Mutual Funds in Malaysia**

Based on the measurement of the performance of Islamic money market mutual funds in Malaysia in 2018–2020 using the Sharpe method, actual conditions show that the resulting performance fluctuates with a negative value. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-1.88419$ , which was due to the overall negative value of mutual fund products. Furthermore, in 2019 the performance of mutual funds decreased compared to the previous year. Mutual funds produce poor performance or are in the underperforming category, with an average performance of  $-2.47671$ , which is due to the overall negative value of mutual fund products. Then in 2020 performance has increased.

### **3. Performance of Islamic Money Market Mutual Funds in Indonesia**

Based on the measurement of the performance of Islamic money market mutual funds in Indonesia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.17052$ , which was due to the fact that there were two mutual fund products that produced negative values. Further more, in 2019 the performance of mutual funds increased compared to the previous year. Mutual funds produce good performance or in the outperform category, with an average performance of  $0.15491$ , which is due to the fact that there are three mutual fund products that produce positive values. Then in 2020, it can be said that mutual funds have the highest performance.

## **Performance Fixed Income Islamic Mutual Fund**

### **1. Performance of Fixed Income Islamic Mutual Funds in Saudi Arabia**

Based on the measurement of the performance of fixed income sharia mutual funds in Saudi Arabia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.60626$ , which was due to the fact that all mutual fund products produced negative values. Furthermore, in 2019 the performance of mutual funds increased compared to

the previous year. Mutual funds produce good performance or in the outperform category, with an average performance of 0.36949, which is because there are three mutual fund products that produce positive values. Then in 2020, mutual funds produce good performance or in the outperforming category.

## **2. Performance of Fixed Income Islamic Mutual Funds in Malaysia**

Based on the measurement of the performance of fixed income sharia mutual funds in Malaysia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance fluctuates with negative performance values. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.15664$ , which was due to the overall negative value of mutual fund products. Furthermore, in 2019 mutual funds still produced poor performance or were in the underperforming category, with an average performance of  $-0.02645$ , which was due to the fact that there were three mutual fund products that produced negative values. Then in 2020 the performance of mutual funds decreased. Mutual funds produce poor performance or are in the underperforming category.

## **3. Performance of Fixed Income Islamic Mutual Funds in Indonesia**

Based on the measurement of the performance of fixed income Islamic mutual funds in Indonesia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.37689$ , which was due to the fact that there were two mutual fund products that produced negative values. Furthermore, in 2019 the performance of mutual funds increased compared to the previous year, mutual funds produced good performance or were in the outperforming category, with an average performance of  $0.50916$ , which was due to the fact that there were three mutual fund products that produced positive values. Then in 2020 it can be said that mutual funds obtained the highest performance.

## **Performance of Equity Islamic Mutual Funds**

### **1. Performance of Equity Islamic Mutual Funds in Saudi Arabia**

Based on the measurement of the performance of equity mutual funds in Saudi Arabia in 2018–2020 using the Sharpe method, actual conditions show that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.00838$ , which was due to the overall negative value of mutual fund products. Furthermore, in 2019 the performance of mutual funds increased when compared to the previous year, mutual funds produced good performance or were in the outperforming category, with an average performance of  $0.17922$ , which was due to the fact that all mutual fund products produced positive values. Then in 2020, it can be said that mutual funds have the highest performance.

### **2. Performance of Equity Islamic Mutual Funds in Malaysia**

Based on the measurement of the performance of Islamic equity mutual funds in Malaysia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting



performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance value of  $-0.44006$  this is because all mutual fund products have negative values. Furthermore, in 2019, it can be said that mutual funds produced better performance when compared to the previous year, mutual funds produced good performance or were in the outperforming category, with an average performance of  $0.04968$ , which was due to the fact that there were five mutual fund products that generated value Positive. Then in 2020, it can be said that mutual funds have the highest performance.

### **3. Performance of Equity Islamic Mutual Funds in Indonesia**

Based on the performance measurement of equity mutual funds in Indonesia in 2018–2020 using the Sharpe method, actual conditions show that the resulting performance fluctuates. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.02345$ , which was due to the overall negative value of mutual fund products. Furthermore, in 2019, it can be said that mutual funds produced better performance compared to the previous year. Mutual funds produce good performance or in the outperform category, with an average performance of  $0.01721$ , which is because there are three mutual fund products that produce positive values. Then in 2020, it can be said that mutual funds have the lowest performance.

### **Performance of Mixed Islamic Mutual Funds**

#### **1. Performance of Mixed Islamic Mutual Funds in Saudi Arabia**

Based on the performance measurement of mixed equity mutual funds in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.05275$ , which was due to the fact that all mutual fund products produced negative values. Furthermore, in 2019 the performance of mutual funds increased compared to the previous year, mutual funds produced good values or were in the outperforming category, with an average performance of  $0.29396$ , which was due to the fact that there were five mutual fund products that produced positive values. Then in 2020, it can be said that mutual funds have the highest performance.

#### **2. Performance of Mixed Islamic Mutual Funds in Malaysia**

Based on the performance measurement of mixed Islamic mutual funds in Malaysia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.48446$ , which was due to the overall negative value of mutual fund products. Furthermore, in 2019 the performance of mutual funds increased compared to the previous year. Mutual funds produce good performance or in the outperform category, with an average performance

**Table 1.** Comparison of the Performance of Islamic Money Market Mutual Funds in Saudi Arabia, Malaysia and Indonesia

	Sharpe
Saudi Arabia	0.00469
Malaysia	-1.98036
Indonesia	0.13644

Source: processed by the author, 2022

of 0.08888, which is due to the fact that there are four mutual fund products that produce positive values. Then in 2020, it can be said that mutual funds have the highest performance.

### 3. Performance of Mixed Islamic Mutual Funds in Indonesia

Based on the performance measurement of mixed Islamic mutual funds in Indonesia in 2018–2020 using the Sharpe method, actual conditions indicate that the resulting performance tends to increase. In 2018 mutual funds produced poor performance or were in the underperforming category, with an average performance of  $-0.24577$ , which was due to the overall negative value of mutual fund products. Furthermore, in 2019 the performance of mutual funds increased compared to the previous year. Mutual funds produce good performance or in the outperform category, with an average performance of  $0.04900$ , which is due to the fact that there are three mutual fund products that produce positive values. Then in 2020, it can be said that mutual funds have the highest performance.

#### Islamic Mutual Fund Performance Comparison

Based on the Table 1, the results of the study show that the average performance of Islamic money market mutual funds in Saudi Arabia, Malaysia and Indonesia during the 2018–2020 period. Indonesia has the highest performance score of  $0.13644$ , Saudi Arabia of  $0.00469$ , and Malaysia of  $-1.98036$ . As stated Tandelin (2010), that “If Sharpe shows a positive value (outperform), and the greater the value, the better the performance of the mutual fund”. So in this study it is stated that Islamic money market mutual funds in Indonesia provide superior performance when compared to Saudi Arabia and Malaysia.

**Table 2.** Comparison of the Performance Fixed Income Islamic Mutual Funds in Saudi Arabia, Malaysia and Indonesia

	Sharpe
Saudi Arabia	0.05421
Malaysia	-0.08062
Indonesia	0.17768

Source: processed by the author, 2022

Based on the Table 2, the results of the study show that the average performance of fixed income Islamic mutual funds in Saudi Arabia, Malaysia and Indonesia during the 2018–2020 period. Indonesia has the highest performance score of 0.17786, Saudi Arabia of 0.05241, and Malaysia of  $-0.08062$ . So in this study it is stated that fixed income Islamic mutual funds in Indonesia provide superior performance when compared to Saudi Arabia and Malaysia.

Based on the Table 3, the results of the study show the average performance of Islamic equity mutual funds during the 2018–2020 period. Saudi Arabia has the highest performance score of 0.12634, Malaysia of  $-0.09974$ , and Indonesia of  $-0.03285$ . So, in this study, it is stated that Islamic equity mutual funds in Saudi Arabia provide superior performance when compared to Malaysia and Indonesia.

Based on the Table 4, the results of the study show the average performance of mixed Islamic mutual funds during the 2018–2020 period. Saudi Arabia obtained the highest performance score of 0.14701, Malaysia of  $-0.08315$ , and Indonesia of  $-0.03522$ . So in this study it is stated that mixed sharia mutual funds in Saudi Arabia provide superior performance when compared to Malaysia and Indonesia.

**Islamic Mutual Fund Performance Assessment**

Based on the performance measurement of Islamic mutual funds that has been carried out using the Sharpe ratio method, which means that the greater the Sharpe ratio value, the better the performance. So that in this study there are Islamic mutual fund products that managed to provide the highest performance, so that they are worthy of being an investment choice by investors, namely as follows (Table 5):

**Table 3.** Comparison of the Performance Equity Islamic Mutual Funds in Saudi Arabia, Malaysia and Indonesia

	Sharpe
Saudi Arabia	0.12634
Malaysia	$-0.09974$
Indonesia	$-0.03285$

Source: processed by the author, 2022

**Table 4.** Comparison of the Performance of Mixed Islamic Mutual Funds in Saudi Arabia, Malaysia and Indonesia

	Sharpe
Saudi Arabia	0.14701
Malaysia	$-0.08315$
Indonesia	$-0.03522$

Source: processed by the author, 2022

**Mutual Fund Type****Table 5.** Islamic Mutual Fund Performance Assessment

Mutual Fund Type	Mutual Fund Name	Performance	Rank	Country
<b>Money Market Islamic Mutual Funds</b>	<b>Alawwal Saudi Riyal Murabaha</b>	<b>0.64402</b>	<b>1</b>	<b>Saudi Arabia</b>
	<b>Capital Sharia Money Market</b>	<b>0.44103</b>	<b>2</b>	<b>Indonesia</b>
	<b>Victoria Sharia Money Market</b>	<b>0.37757</b>	<b>3</b>	<b>Indonesia</b>
	Sharia Liquid Materials Class S	0.36344	4	Indonesia
	Riyad SAR Trade Fund	0.24099	5	Saudi Arabia
	Albilad SAR Murabaha Fund	0.11112	6	Saudi Arabia
	BNI-AM Sharia Current Fund	-0.11897	7	Indonesia
	HSBC Saudi Riyal Murabaha Fund	-0.24450	8	Saudi Arabia
	Trimegah Sharia Cash	-0.38087	9	Indonesia
	Libra Fund Safa Fund	-0.42953	10	Malaysia
	AlAhli Saudi Riyal Trade Fund	-0.73395	11	Saudi Arabia
	Eastspring Investment Income Fund	-1.52684	12	Malaysia
	Affin Hwang Aiiman Money Market Fund	-1.79523	13	Malaysia
	Principal Islamic Money Market Fund	-2.79787	14	Malaysia
	RHB iCash Fund	-2.08578	15	Malaysia
<b>Fixed Income Islamic Mutual Funds</b>	<b>Al Yusr Morabaha &amp; Sukuk Fund</b>	<b>0.48472</b>	<b>1</b>	<b>Saudi Arabia</b>
	<b>Danareksa Melati Sharia Main Income</b>	<b>0.20949</b>	<b>2</b>	<b>Indonesia</b>
	<b>Shinhan Sukuk Sharia</b>	<b>0.20461</b>	<b>3</b>	<b>Indonesia</b>
	Al-Khair Capital Sukuk Plus Fund	0.19917	4	Saudi Arabia
	AL-RAJHI Sukuk Fund	0.19516	5	Saudi Arabia
	Shariah Sukuk	0.18533	6	Indonesia
	SAM Sukuk Syariah	0.14626	7	Indonesia
	Eatspring Syariah Fixed Income Trust Class A	0.14362	8	Indonesia
	PB Aiman Sukuk Fund	-0.00649	9	Malaysia
	Libra Asnita Bond Fund	-0.06649	10	Malaysia
	Public Islamic Bond Fund	-0.08182	11	Malaysia
	PB Islamic Bond Fund	-0.08498	12	Malaysia
	RHB Islamic Bond Fund	-0.16289	13	Malaysia
	HSBC Sukuk Fund	-0.24427	14	Saudi Arabia
	AlAhli Diversified Saudi Riyal Fund	-0.42274	15	Saudi Arabia

*(continued)*

**Table 5.** (continued)

<b>Equity Islamic Mutual Funds</b>	<b>Al Rajhi Saudi Equity Fund</b>	<b>0.20674</b>	<b>1</b>	<b>Saudi Arabia</b>
	<b>SAIB Saudi Companies Fund</b>	<b>0.19550</b>	<b>2</b>	<b>Saudi Arabia</b>
	<b>YAQUEEN Saudi Equity Fund</b>	<b>0.17621</b>	<b>3</b>	<b>Saudi Arabia</b>
	Sucorinvest Sharia Equity Fund	0.11606	4	Indonesia
	Alkhair Capital Saudi Equity Fund	0.11533	5	Saudi Arabia
	Alinma Saudi Equity Fund	0.11490	6	Saudi Arabia
	Al Yusr Saudi Equity Fund	0.06130	7	Saudi Arabia
	Batavia Sharia Stock Fund	0.05424	8	Indonesia
	Al Ataa Saudi Equity Fund	0.01437	9	Saudi Arabia
	PB Islamic Equity Fund	0.01023	10	Malaysia
	Danareksa Syariah Shares	-0.00049	11	Indonesia
	Public Islamic Equity Fund	-0.02141	12	Malaysia
	PMB Syariah Premier Fund	-0.06276	13	Malaysia
	BNP Paribas Pesona Syariah	-0.07161	14	Indonesia
	Manulife Syariah-Equity Fund	-0.07064	15	Malaysia
	Mandiri Investa Syariah Equity	-0.08923	16	Indonesia
	Panin Dana Syariah Shares	-0.09767	17	Indonesia
	AmanahRaya Islamic Equity Fund	-0.13642	18	Malaysia
	Eastspring Investment Dana al-ilham	-0.14007	19	Malaysia
	Sharia Capital Sharia Equity	-0.14121	20	Indonesia
	MIDF Amanah Islamic Fund	-0.27708	21	Malaysia
<b>Mixed Islamic Mutual Funds</b>	<b>SNB Capital Multi-Asset Growth Fund</b>	<b>0.17699</b>	<b>1</b>	<b>Saudi Arabia</b>
	<b>HSBC Multi Assets Balanced Fund</b>	<b>0.16373</b>	<b>2</b>	<b>Saudi Arabia</b>
	<b>HSBC Multi-Asset Growth Fund</b>	<b>0.16182</b>	<b>3</b>	<b>Saudi Arabia</b>
	Al Rajhi Multi Asset Balanced Fund	0.15619	4	Saudi Arabia
	Al Rajhi Multi Asset Conservative Fund	0.14536	5	Saudi Arabia
	Al Insight Sharia Balanced	0.10177	6	Indonesia
	Alinma Multi Assets Balanced	0.07795	7	Saudi Arabia
	Balanced Sharia Panin	0.06656	8	Indonesia
	RD TRIM Sharia Balanced	0.04347	9	Indonesia
	Pheim . Prosperity Fund	0.00193	10	Malaysia
	Hong Leong Dana Maa rot	-0.01840	11	Malaysia
	Affin Hwan select Balanced Fund	-0.06102	12	Malaysia
	Libra Sharia Extra Fund	-0.07634	13	Malaysia
	CIMB Islamic Balanced	-0.10545	14	Malaysia
	Balanced Sharia Fund	-0.12755	15	Indonesia
	Pacific Balance Sharia	-0.14000	16	Indonesia
	Schroder Syariah Balanced Fund	-0.15560	17	Indonesia
	Manulife Investment AL-Umran	-0.23962	18	Malaysia

Source: processed by the author, 2022

## 5 Conclusion

Based on the development of the asset value of Islamic mutual funds, the three countries experience asset growth every year. Indonesia has a significant growth in asset value, but if you look at the contribution value of sharia mutual funds, Indonesia is the smallest compared to Saudi Arabia and Malaysia. This condition is caused by the low public understanding of investing in sharia mutual funds and sharia investment instruments which are still limited in number so that they do not help the growth of sharia mutual fund products in Indonesia. Furthermore, based on the performance of Islamic mutual funds, Islamic money market and fixed income mutual funds in Indonesia are superior to Saudi Arabia and Malaysia. Meanwhile, share and mixed sharia mutual funds in Saudi Arabia are superior to Malaysia and Indonesia.

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