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Credit Inflation and IDR Exchange Rate Effects on Equity Mutual Fund NAV: The Mediating Role of IDX Composite

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Abstract

Purpose: This study examines the effects of inflation and the IDR/USD exchange rate on the Net Asset Value (NAV) of Indonesian equity mutual funds (2015–2019), with the IDX Composite as a mediating variable, providing insights for investors, policymakers, and fund managers.
Methodology: A quantitative associative design using panel data from 61 equity mutual funds registered with OJK was employed. Data were sourced from OJK, Bank Indonesia, and IDX. Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS tested direct effects (inflation and exchange rate on IDX Composite and NAV) and indirect effects (IDX Composite as mediator), with bootstrapping applied for path significance.
Results: Inflation negatively affects IDX Composite ($\beta = -0.786$, $p = 0.010$) and NAV ($\beta = -0.672$, $p = 0.032$), while the IDR exchange rate positively affects IDX Composite ($\beta = 0.498$, $p < 0.001$) and NAV ($\beta = 0.787$, $p = 0.042$). IDX Composite positively influences NAV ($\beta = 0.510$, $p = 0.024$) and mediates the relationships of inflation→NAV ($\beta = -0.40$, $p = 0.047$) and exchange rate→NAV ($\beta = 0.58$, $p = 0.028$). R^2 values are 0.780 (IDX Composite) and 0.688 (NAV).
Conclusions: Both inflation and the IDR exchange rate affect equity fund NAV directly and indirectly via the IDX Composite, confirming full mediation. The IDR exchange rate is the strongest positive driver of NAV, while inflation suppresses market index and fund valuations.
Limitations: Study covers only 2015–2019 and Indonesian equity funds; annual data may obscure intra-year volatility; unobserved fund-specific factors are uncontrolled.
Contributions: Provides empirical PLS-SEM evidence of macroeconomic transmission from inflation and exchange rate through the market index to equity fund NAV, informing investment strategy and monetary policy.

Keywords: *Inflation, IDR Exchange Rate, IDX Composite, Net Asset Value, Equity Mutual Fund*

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1. Introduction

Mutual funds constitute one of the most accessible financial investment instruments in Indonesia, enabling retail investors to achieve portfolio diversification through professionally managed, collective investment schemes (Manda & Polisetty, 2021). Among the various types of mutual funds—money market, fixed income, mixed, and equity—equity mutual funds (*reksa dana saham*) offer the greatest potential for long-term capital appreciation and, correspondingly, the highest risk exposure (Asmara & Abubakar, 2019; Sunariyah, 2011). The performance of equity mutual funds is reflected in the Net Asset Value (NAV) per

unit, which represents the current market value of the fund's portfolio net of liabilities and management fees, divided by the number of outstanding participation units (Haddad et al., 2021; Puspitasari et al., 2021). NAV serves as the primary performance benchmark for mutual fund investors and is reported daily by custodian banks (Baum, 2021; Kurniasih & Johannes, 2015).

The NAV of equity mutual funds is not determined by fund management quality alone; it is also significantly shaped by macroeconomic conditions that influence the broader capital market environment in which equity portfolios are valued (Komariah et al., 2020; Lettau & Madhavan, 2018; Sulaiman et al., 2019). Two macroeconomic variables are of particular theoretical and empirical importance in the Indonesian context: inflation and the IDR-to-US dollar (USD) exchange rate (Yılmaz & Orbak, 2023). Inflation, the sustained general increase in price levels, reduces the real purchasing power of investment returns, increases the discount rates applied to corporate earnings, and tends to depress both equity prices and fund valuations (Hamzah et al., 2023; Hermawan & Wiagustini, 2016; Tandelilin, 2010). The rupiah exchange rate, which represents the IDR's value relative to foreign currencies, particularly the USD, affects the production costs and competitiveness of Indonesian listed companies, the attractiveness of Indonesian assets to foreign investors, and the macroeconomic stability that underpins market confidence (Citraningtiyas, 2016; Gaol et al., 2025; Sukirno, 2011).

A critical feature of the macroeconomic→NAV transmission mechanism is that both inflation and exchange rate movements affect equity mutual fund valuations not only directly but also primarily through their prior effect on the equity market itself, as captured by the IDX Composite (IHSG), the broadest measure of Indonesian stock market performance (Ben-David et al., 2022; Roussanov et al., 2021). When inflation rises, equity market valuations tend to decline, reducing the market value of equity mutual fund portfolios and, thus, their NAV. When the rupiah depreciates or appreciates, the IDX Composite responds to the changed competitiveness and earnings expectations of listed companies, and this market response propagates through the fund NAV (Septiana, 2017; Sholeh et al., 2015). Thus, the IDX Composite functions as a theoretically expected mediating variable in the macroeconomic→NAV pathway, an intermediate mechanism that has been recognized in the qualitative literature but has not been rigorously quantified in an integrated PLS-SEM model for the Indonesian equity mutual fund context.

Prior Indonesian empirical studies have examined pairwise relationships: inflation→NAV (Adrian & Rachmawati, 2019; Hermawan & Wiagustini, 2016), exchange rate→NAV (Citraningtiyas, 2016; Setiaji, 2018), or IDX Composite→NAV (Sholeh et al., 2015)—but without simultaneously testing the fully mediated pathway. This fragmented approach leaves key questions unanswered: Does the IDX Composite's role as a mediator significantly change the estimated total effects? Does inflation or the exchange rate exert a residual direct effect on NAV beyond the market index channel? This study addresses these gaps by testing a comprehensive seven-hypothesis PLS-SEM model with four research objectives: (1) to examine the direct effects of inflation on the IDX Composite and NAV; (2) to examine the direct effects of the exchange rate on the IDX Composite and NAV; (3) to examine the direct effect of the IDX Composite on NAV; and (4) to test the mediating role of the IDX Composite in the inflation→NAV and exchange rate→NAV pathways.

The study covers the 2015–2019 observation period, capturing five years of macroeconomic variation, including the normalization of post-2015 commodity price declines, the 2018 emerging market currency pressure episodes, and the sustained IDX Composite growth trajectory. Data from 61 equity mutual fund products registered with the OJK provide a comprehensive and representative panel for the Indonesian equity mutual fund universe during this period.

2. Literature Review

2.1 Theoretical Framework

This study is based on three theoretical frameworks. First, Modern Portfolio Theory (Markowitz, 1952) establishes that portfolio value—and by extension, NAV—is determined by the return and risk characteristics of individual assets, which in equity mutual funds are dominated by Indonesian publicly listed equities, whose prices are captured by the IDX Composite. Macroeconomic variables influence NAV primarily by shifting the expected returns and risk premiums of underlying equities. Second, Fisher's inflation-investment framework (Fisher, 1930) predicts that high inflation increases nominal interest rates, raises equity discount rates, and depresses stock valuations, generating a negative inflation→equity market→NAV transmission. Third, the purchasing power parity and exchange rate transmission theory (Dornbusch, 1976) predicts that exchange rate movements affect exporters' and importers' profitability differentially, alter the attractiveness of Indonesian equities to foreign investors, and thereby influence both the IDX Composite and fund valuations.

2.2 Net Asset Value of Equity Mutual Funds

NAV per unit (NAV/UP) is calculated as the total market value of the fund's portfolio minus liabilities, divided by outstanding participation units, and is reported daily through custodian banks, as required by OJK regulations (Mirza et al., 2020; Mustafa et al., 2023; Sunariyah, 2011). Equity mutual funds maintain at least 80% of their portfolios in equity instruments, making their NAV particularly sensitive to stock market movements and the macroeconomic conditions that drive them (Evinovita et al., 2015; Fagbore et al., 2020; Graham et al., 2020). The study period 2015–2019 shows consistent NAV growth: from IDR 259,095 billion in 2015 to IDR 528,914 billion in 2019—a 104% increase—while total outstanding participation units grew from 167.1 billion to 399.8 billion.

2.3 Inflation and Its Effects

Inflation measures the sustained increase in the general price level of goods and services (**Sukirno2010**; Parker et al., 2023). In the investment context, inflation erodes real returns, raises nominal interest rates used to discount future cash flows, and increases the cost of capital faced by businesses, mechanisms that collectively tend to reduce equity valuations (Tandelilin, 2010). The study period exhibited declining inflation, from 6.38% in 2015 to 3.03% in 2019, with moderate fluctuations in the intermediate years. Hermawan and Wiagustini (2016) find that inflation negatively and significantly affects equity mutual fund performance in Indonesia. Adrian and Rachmawati (2019) confirm a significant negative effect of inflation on Islamic mutual fund NAV. Nandari (2017) reports an opposing positive but insignificant effect on Islamic mutual fund NAV, indicating that the direction and significance of inflation's effect may vary with the fund type and observation period.

H_1: Inflation has a significant negative effect on the IDX Composite.

H_1: Inflation has a significant negative effect on equity mutual fund NAV.

2.4 IDR Exchange Rate and Its Effects

The IDR/USD exchange rate is a critical macroeconomic variable in Indonesia's open, resource-dependent economy (Manap, 2025; Sa'adah, 2020). Exchange rate depreciation (weakening the rupiah) has dual economic effects: it increases the cost of imported inputs and USD-denominated debt for Indonesian companies (negative), while simultaneously improving export competitiveness and attracting foreign investment seeking cheaper Indonesian assets (positive) (Ekananda, 2014; Rahman, 2021; Sukirno, 2011). The net effect on the IDX Composite and equity mutual fund NAV depends on the relative dominance of export-oriented versus import-dependent companies in the index (Adam & Rumbia, 2021; Rahayu, 2023; Utama & Puryandani, 2020). During the study period, the rupiah fluctuated between IDR 13,307/USD

(2018) and IDR 14,246/USD (2016). Citraningtiyas (2016) and Ratnaningrum et al. (2023) finds a significant positive exchange rate effect on mutual fund NAV, consistent with the export competitiveness and foreign capital attraction mechanism. Setiaji (2018) reports a contrasting negative effect, reflecting the import-cost and debt burden channel.

H_3: The IDR exchange rate has a significantly positive effect on the IDX Composite.

H_4: The IDR exchange rate has a significantly positive effect on equity mutual fund NAV.

2.5 IDX Composite and Mutual Fund NAV

The IDX Composite (IHSG) is the broadest stock market index on the Indonesia Stock Exchange, tracking the price performance of all the listed companies. As equity mutual funds hold a minimum of 80% of their assets in equities, the IDX Composite represents the most direct and proximal determinant of equity fund NAV movements. The study period shows consistent IDX Composite growth, from 4,875 points in 2015 to 6,325 points in 2019. Sholeh et al. (2015) confirm that the IDX Composite has a positive and significant effect on equity mutual fund returns. Septiana (2017) finds a negative IDX Composite effect on Islamic balanced mutual fund NAV, attributable to the different asset composition and timing effects of Islamic funds.

H_5: The IDX Composite has a significant positive effect on equity mutual fund NAV.

2.6 The Mediating Role of the IDX Composite

The IDX Composite's mediating role rests on the theoretical prediction that macroeconomic variables influence equity fund NAV primarily through their prior effects on equity market valuations (Kartono et al., 2021; Rahmatullah & Ghuzini, 2023). When inflation rises, the IDX Composite tends to fall (reflecting rising discount rates and earnings compression), and this market decline propagates to equity fund portfolios. When the rupiah depreciates, the IDX Composite responds to the changed earnings outlook of export-oriented listed companies, and this response is reflected in the fund valuations. An IDX Composite mediating role is confirmed when both the path from the macroeconomic variable to the IDX Composite and the path from the IDX Composite to NAV are significant, and the indirect effect is statistically significant in bootstrapping (Pratiwi & Zuliana, 2025).

H_6: The IDX Composite significantly mediates the effect of inflation on equity mutual fund NAV.

H_7: The IDX Composite significantly mediates the effect of the IDR exchange rate on equity mutual fund NAV.

3. Methodology

3.1 Research Design and Data

This study employs a quantitative associative research design to examine the relationships among four variables using panel data. Secondary data were sourced from three official databases: OJK mutual fund statistics (reksadana.ojk.go.id) for NAV and participation unit data, Bank Indonesia (bi.go.id) for monthly inflation and IDR/USD exchange rate data, and IDX (idx.co.id) for annual IDX Composite closing data. The observation period spanned five years (2015–2019). Data were collected from April 2020 to January 2021.

3.2 Population and Sample

The population consisted of all equity mutual fund products registered and actively listed with the Financial Services Authority (OJK) during the 2015–2019 observation period. A purposive sampling method was applied based on the following criteria: (1) classified as an equity mutual fund (reksa dana

saham) by OJK; (2) actively listed and traded throughout the 2015–2019 period without interruption; and (3) registered with Bapepam-LK/OJK as a conventional equity mutual fund product. A total of 61 equity mutual fund products met all the inclusion criteria and constituted the final sample.

3.3 Variable Operationalization

This study examined four variables. Inflation (X1) is operationalized as the annual Consumer Price Index (CPI) inflation rate published by Bank Indonesia, expressed as a percentage. The IDR Exchange Rate (X2) is operationalized as the annual average IDR/USD exchange rate, measured in IDR per USD. The IDX Composite (Z) is the mediating variable, operationalized as the annual closing level of the IDX Composite index. The Net Asset Value of Equity Mutual Funds (Y) is the dependent variable, operationalized as the total NAV of each fund (in IDR billions) reported annually to the OJK. In the PLS-SEM panel data framework, each annual observation (2015, 2016, 2017, 2018, and 2019) across the 61 fund cross-sections constitutes a measurement indicator for each construct.

3.4 PLS-SEM Analysis Procedure

PLS-SEM with SmartPLS was applied following the two-step assessment procedure recommended by Hair et al. (2021). Step 1 (Measurement Model): Outer loadings (> 0.60 threshold for panel time indicators), composite reliability (CR > 0.70), and AVE (> 0.50) were assessed. Step 2 (Structural Model): Bootstrapping with 5,000 resamples produced path coefficients, t-statistics, and p-values for hypothesis testing (significance threshold: $p < 0.05$). The R-squared values were assessed for explanatory power. Indirect effects (mediation) were assessed using the significance of the bootstrapped indirect path products.

4. Results and Discussion

4.1 Results

4.1.1 Outer Loadings (Convergent Validity)

Table 1. Outer Loadings — Measurement Model

Construct / Year	2016	2017	2018	2019	2020*
Inflation (X1)	–	0.910	0.874	0.882	0.912
Rupiah Exchange Rate (X2)	0.707	0.957	0.950	0.938	0.886
IDX Composite (Z)	0.911	0.928	0.886	0.935	0.898
Net Asset Value — NAV (Y)	0.876	0.883	0.936	0.963	0.745

*All outer loadings were > 0.60, confirming the convergent validity. *2020 data included as a panel indicator for the lag-adjusted model.*
Source: SmartPLS Output

Table 1 presents the outer loading results for all constructs across the annual indicators. All outer loadings exceeded the minimum threshold of 0.60 for reflective constructs, confirming that each annual observation was a valid indicator of its corresponding underlying construct. Inflation indicators show loadings ranging from the 2015 period level to 2019, with comparable patterns for the exchange rate, IDX Composite, and NAV constructs. The relatively lower outer loading for the 2016 Rupiah Exchange Rate indicator (0.707) reflects the relatively smaller variance contribution of that year's observation but remains above the threshold.

4.1.2 Composite Reliability and AVE

Table 2. Composite Reliability and Average Variance Extracted (AVE)

Construct	Items	Composite Reliability	AVE
Inflation (X1)	4	0.843	0.645
Rupiah Exchange Rate (X2)	5	0.940	0.800
IDX Composite (Z)	5	0.940	0.840
Net Asset Value — NAV (Y)	5	0.916	0.786

All CR > 0.70*; All AVE* > 0.50.
Source: SmartPLS Output

Table 2 presents the construct reliability and convergent validity statistics for the study variables. All constructs exceeded the composite reliability (CR > 0.70) and AVE (> 0.50) thresholds, confirming adequate internal consistency and convergent validity. The IDX Composite and Rupiah Exchange Rate achieve the highest CR (0.940 each), while inflation has the lowest CR (0.843) and AVE (0.645)—still within acceptable ranges.

4.1.3 R-Squared Values

Table 3. R-Squared Values (Endogenous Constructs)

Endogenous Construct	R-Squared	Interpretation
IDX Composite (Z)	0.780	Strong
Net Asset Value — NAV (Y)	0.688	Moderate–Strong

Source: SmartPLS Output

Table 3 presents the R-squared values of the two endogenous constructs in the model. Inflation and the rupiah exchange rate jointly explain 78.0% of the IDX Composite variance, indicating a strong model explanatory power. The full model (inflation, the rupiah exchange rate, and the IDX Composite) explains 68.8% of the equity mutual fund NAV variance, which indicates a moderate-to-strong level of explanatory power, confirming that macroeconomic variables are the primary drivers of fund performance in Indonesia's equity mutual fund market.

4.1.4 Direct Effects — Hypothesis Testing Results

Table 4. Structural Model — Direct Effects (Bootstrapping)

Hyp.	Path	$\beta(O)$	p-value	Sig.? / Decision
H1	Inflation (X1) $\rightarrow$ IDX Composite (Z)	-0.786	0.010	Yes (-), Supported
H2	Inflation (X1) $\rightarrow$ NAV (Y)	-0.672	0.032	Yes (-), Supported
H3	Exchange Rate (X2) $\rightarrow$ IDX Composite (Z)	0.498	< 0.001	Yes (+), Supported
H4	Exchange Rate (X2) $\rightarrow$ NAV (Y)	0.787	0.042	Yes (+), Supported
H5	IDX Composite (Z) $\rightarrow$ NAV (Y)	0.510	0.024	Yes (+), Supported

β = *original sample path coefficient; Sig. = statistically significant at* $\alpha = 5\%$.
Source: SmartPLS Bootstrapping Output

Table 4 presents the direct effect hypothesis test results of the PLS-SEM bootstrapping procedure. All direct paths in the structural model are statistically significant at the 5% level. Inflation (X1) exerts a significant negative effect on both the IDX Composite (Z) ($\beta = -0.786$, $p = 0.010$) and NAV (Y)

($\beta = -0.672$, $p = 0.032$), indicating that rising inflation reduces both the stock market index and equity mutual fund valuations. Conversely, the IDR/USD exchange rate (X2) has a significant positive effect on the IDX Composite ($\beta = 0.498$, $p < 0.001$) and NAV ($\beta = 0.787$, $p = 0.042$), suggesting that rupiah appreciation positively impacts market and fund performance. The IDX Composite also significantly influences NAV ($\beta = 0.510$, $p = 0.024$), confirming its role as a key determinant of fund performance. These results support hypotheses H1 through H5, providing empirical evidence for both macroeconomic and market effects on Indonesian equity mutual fund NAV.

4.1.5 Indirect Effects — Mediation Hypotheses (H6 and H7)

Table 5. Structural Model — Indirect Effects via IDX Composite (Mediation)

Hyp.	Indirect Path	$\beta(O)$	p-value / Decision
H6	Inflation → IDX Composite → NAV	-0.40	0.047, Supported
H7	Exchange Rate → IDX Composite → NAV	0.58	0.028, Supported

Source: SmartPLS Bootstrapping Output

As shown in Table **??**, the IDX Composite significantly mediates the effects of macroeconomic variables on equity mutual fund NAV. Specifically, inflation has a significant negative indirect effect on NAV through the IDX Composite ($\beta = -0.40$, $p = 0.047$), confirming that rising inflation depresses market index levels, which in turn reduces fund valuations. Conversely, the IDR/USD exchange rate exhibits a significant positive indirect effect ($\beta = 0.58$, $p = 0.028$), indicating that rupiah appreciation enhances the market index, which subsequently increases NAV. These findings support hypotheses H6 and H7, highlighting the mediating role of the IDX Composite in the macroeconomic–NAV transmission pathway.

4.2 Discussion

4.2.1 Inflation and Its Direct Effects (H1, H2 Supported)

Inflation exerts a significant negative effect on the IDX Composite (H1: $\beta = -0.786$, $p = 0.010$) and directly on equity mutual fund NAV (H2: $\beta = -0.672$, $p = 0.032$), confirming both hypotheses. The negative inflation → IDX Composite relationship is consistent with Fisher's theoretical prediction: rising inflation increases the nominal discount rates applied to equity valuations, compresses real corporate earnings, and generates risk aversion that reduces investor demand for equities (Tandelilin, 2010). The large path coefficient magnitude (-0.786) indicates that inflation is the dominant negative driver of Indonesian equity market conditions within this model, consistent with the historically sensitive relationship between inflation expectations and Bank Indonesia's monetary policy that directly affects equity market sentiment.

The negative direct inflation → NAV effect (-0.672) confirms Hermawan and Wiagustini (2016) and Adrian and Rachmawati (2019), who document negative inflation effects on Indonesian mutual fund performances. This result implies that even when controlling for the IDX Composite, inflation exerts an additional direct adverse effect on fund valuations, possibly through inflation's impact on fund management costs, real return reductions, and the repricing of individual portfolio stocks that may respond to inflation differently from the broad index. The declining Indonesian inflation trajectory from 6.38% in 2015 to 3.03% in 2019 thus provided a favorable macroeconomic environment for equity mutual fund NAV growth during the observation period.

4.2.2 IDR Exchange Rate and Its Direct Effects (H3, H4 Supported)

The exchange rate exerts a significant positive effect on the IDX Composite (H3: $\beta = 0.498$, $p < 0.001$) and on equity mutual fund NAV (H4: $\beta = 0.787$, $p = 0.042$), confirming both hypotheses. The positive exchange rate → IDX Composite and exchange rate → NAV relationships indicate that higher USD values

per IDR unit (weaker rupiah) are associated with higher IDX Composite values and higher fund NAV in the 2015–2019 period. This result is consistent with the export-competitiveness channel: Indonesia's equity market is dominated by commodity exporters, plantation companies, and manufacturing exporters, whose USD-denominated revenues improve when the rupiah weakens, boosting their stock prices and the IDX Composite (Ekananda, 2014; Sukirno, 2011). Citraningtiyas (2016) documents the same positive exchange rate–fund NAV relationship, and the current findings confirm its robustness in panel data across 61 funds over five years.

The exchange rate has the largest direct effect on NAV ($\beta = 0.787$), exceeding inflation's effect ($\beta = -0.672$) in terms of absolute magnitude. This finding underscores the extraordinary importance of rupiah management for Indonesian capital market stability: exchange rate volatility is the single largest macroeconomic driver of equity mutual fund NAV movements, implying that monetary policy and foreign exchange reserve management have direct consequences for the welfare of Indonesia's 23 million+ mutual fund investors (Otoritas Jasa Keuangan, 2020).

4.2.3 IDX Composite and NAV (H5 Supported)

The IDX Composite exerts a significant positive direct effect on equity mutual fund NAV (H5: $\beta = 0.510$, $p = 0.024$), confirming H5. This result is theoretically expected because equity mutual funds hold at least 80% of their assets in equities, and rising IDX Composite levels directly increase the market value of fund portfolios, thereby increasing the NAV per unit. Sholeh et al. (2015) confirm this positive IDX $\rightarrow$ return relationship for equity mutual funds. The magnitude of the IDX $\rightarrow$ NAV path (0.510) is large but smaller than the exchange rate's direct effect on NAV (0.787), suggesting that while the IDX Composite is an important NAV determinant, the exchange rate's combined direct and indirect effects make it the dominant macroeconomic driver in this study.

4.2.4 Mediation: IDX Composite as Full Mediator (H6, H7 Supported)

The IDX Composite significantly mediates both the inflation $\rightarrow$ NAV (H6: $\beta = -0.40$, $p = 0.047$) and exchange rate $\rightarrow$ NAV (H7: $\beta = 0.58$, $p = 0.028$) relationships, confirming both mediation hypotheses. Since both direct and indirect effects are statistically significant for inflation (H2 and H6) and the exchange rate (H4 and H7), the IDX Composite functions as a partial mediator for both macroeconomic variables. This partial mediation pattern implies that macroeconomic variables influence NAV through two simultaneous channels: an indirect capital market channel (inflation/exchange rate $\rightarrow$ IDX Composite $\rightarrow$ NAV) and a direct channel (inflation/exchange rate $\rightarrow$ NAV without passing through the IDX Composite). The indirect channel likely captures the systematic co-movement of individual fund portfolio equities with the broad market, while the direct channel may reflect idiosyncratic fund-level responses, such as specific sector exposures, portfolio concentration effects, or currency-denominated asset revaluations, that diverge from aggregate IDX Composite movements.

5. Conclusions

This study analyzed the effects of inflation and the IDR/USD exchange rate on Indonesian equity mutual fund NAV, with the IDX Composite as mediator, using PLS-SEM on 61 funds (2015–2019). Inflation negatively affects both the IDX Composite (H1: $\beta = -0.786$, $p = 0.010$) and NAV (H2: $\beta = -0.672$, $p = 0.032$), while the IDR exchange rate positively influences the IDX Composite (H3: $\beta = 0.498$, $p < 0.001$) and NAV (H4: $\beta = 0.787$, $p = 0.042$). The IDX Composite positively affects NAV (H5: $\beta = 0.510$, $p = 0.024$) and mediates the inflation $\rightarrow$ NAV (H6: $\beta = -0.40$, $p = 0.047$) and exchange rate $\rightarrow$ NAV (H7: $\beta = 0.58$, $p = 0.028$) paths. The model explains 78.0% of IDX Composite variance and 68.8% of NAV variance, highlighting macroeconomic variables as key drivers of fund performance.

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Author Contributions

LH contributed to conceptualization, data collection, interviews, data analysis, manuscript drafting, and final manuscript approval. MI contributed to literature review, theoretical framework development, methodology supervision, manuscript revision, and final manuscript approval. N contributed to research design, data validation, supervision, manuscript revision, and final manuscript approval.

Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this study. This research was conducted independently, and no financial or personal relationships influenced the results or interpretation of the findings.

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