



Analysis of Mutual Fund Investment Performance in the Ability to Regulate Higher Liquidity Increases in Indonesia

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ABSTRACT: One indication of inclusive liquidity or vice versa is to detect investment patterns. The research method is descriptive-quantitative. The population taken is mutual funds that are selected based on the best return in 2022 and those that are publicly published in the Financial Services Authority (OJK). Following are the results of an analysis of mutual fund investment performance in the ability to regulate a higher liquidity increase in Indonesia in 2022-2023. Fixed Income Mutual Funds: Syailendra Premium mutual funds show good performance in generating relatively stable returns. However, the Trimegah Fixed Income Plan mutual fund has a poor performance with higher volatility and lower returns. Index Funds: BNP Paribas Sri Kehati Mutual Funds show good performance with high returns and controlled volatility. The Allianz SRI KEHATI Index Fund mutual fund also performed well. However, Danareksa Index Syariah Mutual Funds showed poor performance and high risk in that period. Equity Funds: Schroder Dana Prestasi Plus mutual funds provide good returns with more controlled risk compared to stock market indices as a whole. The Sucorinvest Equity Fund mutual funds show poor performance with negative returns. Money Market Mutual Funds: Indonesian Sharia Money Market Major Mutual Funds can be a minimal choice. Likewise with the Sucorinvest Sharia Money Market Fund mutual funds. So in general terms, Index Funds and Money Market Mutual Funds show better performance than Fixed Income Mutual Funds and Mutual Funds in general.

Keywords: Mutual Funds, Probability Sampling, Non-Probability Sampling, Liquidity Management



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INTRODUCTION

The high needs of life and the rate of inflation in Indonesia from year to year are the background for the importance of conducting investment activities ([Batayneh et al., 2021](#); [Eldomiaty et al., 2020](#); [Paul et al., 2021](#)). Investment is an activity of placing a number of funds in investment instruments with the hope of obtaining added value in the future ([Arthur et al., 2016](#); [Khoerulloh & Janwari, 2021](#); [Shaik et al., 2022](#); [Suprpto et al., 2022](#)). An attractive investment instrument is

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mutual funds where one can invest with very low capital, while at the same time being able to diversify, has a small risk, but has competitive returns.

Mutual fund investment has a steady flow of investment increases as seen in 2017 with a total of 1,777 and continued to increase in 2020 with a total of 2,219 and from 2021 to 2022 there has been a decline in the equity mutual fund sector ([Agustina & Tamba, 2023](#); [Pangestuti et al., 2017](#); [Praningtyas & Soetomo, 2020](#)). The good and bad performance of mutual funds is not measured by how much the return is generated or by how small the risk of price fluctuations is, but by the difference between the performance of the mutual fund and its reference index (e.g. [Durán-Santomil et al., 2019](#); [Elton & Gruber, 2020](#); [Farid & Wahba, 2022](#); [MacGregor et al., 2021](#); [Paramita et al., 2018](#); [Samarbakhsh & Shah, 2021](#)). The performance of mutual funds in the previous period can be adopted as a reference in selecting mutual funds that have good future prospects.

Based on the existing phenomenon, the investment performance of mutual funds in the ability to regulate a higher increase in liquidity time can be influenced by various factors, including: The Mutual Fund Performance Measurement Index fluctuates in the mutual fund market. The measurement index is like the Treynor, Jansen, and Sharpe index, where the measurement is based on alpha ([Audita et al., 2023](#)). Alpha is a market model of risk-free investment and is proxied to the interest rate of the mutual fund's own risk ([Aprillia et al., 2018](#); [Banegas et al., 2013](#); [Burlacu et al., 2023](#); [Hombert & Lyonnet, 2022](#); [Kantos & diBartolomeo, 2020](#); [Mohanty et al., 2021](#); [Traut, 2023](#)).

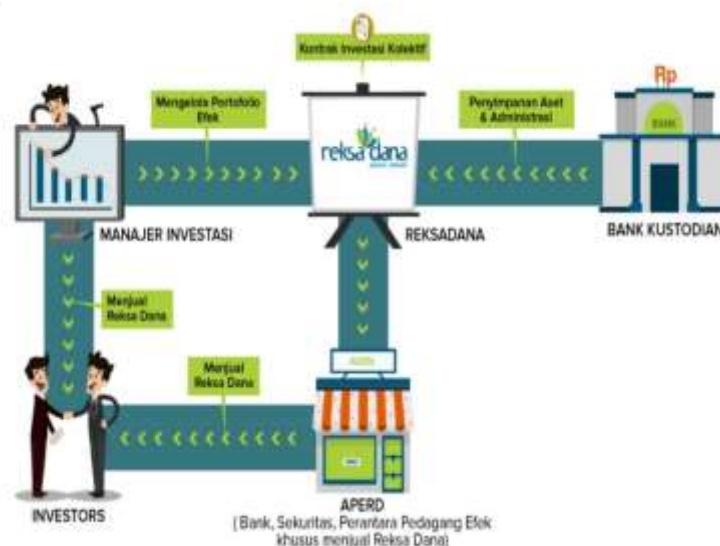


Figure. 1: Mutual Fund Flow

(Source: Otoritas Jasa Keuangan, 2023)

Mutual funds are a collection of financial obtained by the public or investors to be managed by investment managers and invested in various types of securities investment portfolios or other financial products ([Kwon et al., 2020](#); [Saleem et al., 2021](#)). [Anggraini et al. \(2020\)](#) and [Azis et al. \(2021; 2022\)](#) states that if grouped by portfolio, there are 4 types of mutual funds, i.e: (1) Fixed income mutual funds, with an investment of at least 80% of managed funds (assets) in the form

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of debt securities; (2) Equity mutual funds, with an investment of at least 80% of the funds under management are invested in equity securities; (3) Money market mutual funds, with investments invested in debt securities with maturities of less than one year; (4) Mixed mutual funds, with an asset allocation target ratio of stock securities and fixed income that cannot be categorized into the other three mutual funds. According to Jasmine & Basariya (2018) the benefits that investors get when investing in mutual funds including: (1) If investors do not have large enough funds, they can still invest in mutual funds; (2) Mutual funds make it easier for investors to invest in the capital market; (3) Developments in Net Asset Value (NAV) are announced every working day in several national newspapers; (4) Mutual funds can be disbursed at any time if investors need it (see Figure 1).

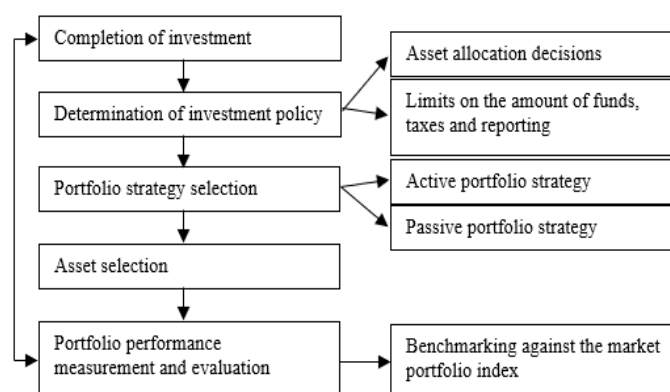


Figure. 2: Mutual Fund Flow

(Source: Modified from Logitama et al., 2021; Virlics, 2013)

[Schoenmaker & Schramade \(2019\)](#) illustrated the investment is essentially the placement of a number of funds at this time with the hope of obtaining profits in the future. Investment activities are generally divided into two forms, i.e. real assets and financial assets ([Malik, 2017](#)). From [Tandelilin & Usman \(2023\)](#), the basis for investment decisions consists of the expected return rate, risk level, and the relationship between return and risk. The investment decision making process is a crucial part (e.g. [Abdul kareem et al., 2023](#); [Kasozi, 2013](#); [Virlics, 2013](#)). The investment decision process consists of five decision stages that run continuously until the best investment decision is reached. More details can be seen in the Figure 2.

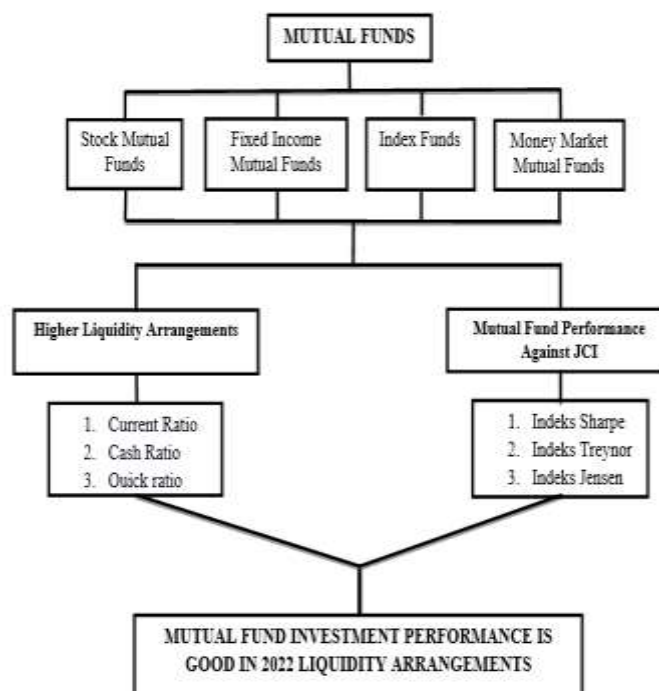


Figure. 3: Theoretical Framework

(Source: Created by Authors)

The portfolio is a way for investors to place a number of funds in places that are far from risk and maximize profits (Ali et al., 2022; Enad & Gerinda, 2022; Muhammad & Triharyono, 2019; Qamruzzaman, 2014; Nurfadillah et al., 2023). Portfolio theory is to select a portfolio from many portfolios and assets to maximize the expected return at a certain level of risk that investors are willing to bear. One way to maximize expected returns is to diversify investments. Portfolio investment diversification is a form of investment diversity by placing data on more than one place of business or more than one security. Based on the statement above, investment instruments that are portfolio and diversified are mutual funds. The framework for thinking in this study summarized in Figure 3.

METHOD

The research design used is descriptive. Atmowardoyo (2018), Nassaji (2015) and Siedlecki (2020) explains that the descriptive research aims to describe facts in a systematic and characteristic manner regarding a particular population or field. The population taken as the object of research is several mutual funds selected based on the best returns in 2022 and those that have been publicly published and are active in the Financial Services Authority (OJK). Pace (2021) states that the sampling technique is divided into two, i.e.: probability sampling and non-probability sampling. Sampling in this study was carried out using a non-probability sampling technique using a purposive sampling method. Types and sources of research data use secondary data obtained from Pasardana (2023), the Otoritas Jasa Keuangan (2023), and PT Kustodian Sentral Efek Indonesia (2023) which are then reprocessed into needs and ease of analysis.

Data analysis is the stage after data collection which includes three stages in it namely: preparation, tabulation, and application of data referring to the research approach ([Arikunto, 2013](#)). There are several data analysis techniques used, namely by:

1. Liquidity, is the ability of an investment to be sold or liquidated quickly without experiencing significant losses. The ratio used in this liquidity analysis is the current ratio. The current ratio measures a mutual fund's ability to meet its short-term financial obligations. The higher the current ratio, the better the liquidity of the mutual fund. The formula for calculating the current ratio is as follows:

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}} \quad (1)$$

2. Sharpe method, is a approach used to evaluate the investment performance of mutual funds by taking into account the risks taken. The formula for calculating the sharpe ratio is as follows:

$$\text{Sharpe's Ratio} = \frac{\text{Average Portfolio Return} - \text{Average Risk - Free Instrument Return}}{\text{Portfolio Return Standard Deviation}} \quad (2)$$

3. Treynor's method, is a parameter used to evaluate the investment performance of mutual funds by taking into account the risks taken. The formula for calculating treynor's ratio is as follows:

$$\text{Treynor's Ratio} = \frac{\text{Average portfolio return} - \text{Average risk - free instrument return}}{\text{Beta}} \quad (3)$$

4. Jensen method, is a procedure used to evaluating the investment performance of mutual funds by taking into account the risks taken. The formula for calculating Jensen's alpha is as follows:

$$\text{Alpha Jensen} = \text{Average Portfolio Return} - [\text{Average Risk - Free Instrument Return} + \text{Beta} \times (\text{Average Market Return} - \text{Average Risk - Free Instrument Return})] \quad (4)$$

5. Beta, is a measure that describes the sensitivity of a mutual fund to market movements as a whole.
6. Return and Standard Deviation, is a performance measure that describes the return or profit obtained from the investment. The standard deviation is a measure that describes the level of volatility or investment risk.

RESULT AND DISCUSSION

After analyzing and calculating the research data, the following research results are obtained in Table 1. Based on the research results processed, it can be explained regarding the investment performance of mutual funds in the ability to regulate higher liquidity increases in Indonesia in 2022-2023 with the best mutual fund performance category in each mutual fund. Fixed Income Mutual Funds found that result mutual funds Syailendra Pendapatan Tetap Premium has better performance compared to other samples. Syailendra Fixed Income Premium received the best

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category in Fixed Income mutual funds in 2023 based on the results of this mutual fund research, by offering an annualized return of 7.06%, a standard deviation of 0.48% which shows relatively low volatility in the performance of this mutual fund, and has a positive sharpe ratio of 1.5777804 indicates that the rate of return earned by this mutual fund exceeds the level of free risk taking. This mutual fund has a good performance in generating a relatively stable return. Based on this Syailendra Pendapatan Tetap Premium has several reasons why it can be considered the best in 2023, namely with an annualized return rate of 7.06%, this mutual fund has been able to generate consistent and profitable returns in the time period studied.

Index mutual funds found results that mutual funds BNP Paribas Sri Kehati get the best category in Index mutual funds in 2023. The results of this mutual fund study offer an annualized return of 11.45%, a standard deviation of 12.62% which indicates a moderate level of volatility in the performance of this mutual fund, and Beta close to 1 which indicates a strong correlation with the movement of the market as a whole. This mutual fund has good performance with high returns and moderate volatility. Based on this BNP Paribas Sri Kehati can be considered as the best in 2023 for several reasons, namely with an annualized return rate of 11.45%, this mutual fund has provided investors with a high rate of return. Equity mutual funds found results that mutual funds Schroder Dana Prestasi Plus has better performance compared to other samples. Schroder Dana Prestasi Plus offers an annualized return of 8.52% which shows this mutual fund has provided a good rate of return to investors, a standard deviation of 11.04% which shows this mutual fund has a fairly controlled volatility level, and has a low Beta. This mutual fund provides a good rate of return with a more controlled risk compared to the stock market index as a whole. Money Market Mutual Funds found results that mutual funds Majoris Pasar Uang Syariah Indonesia has better performance compared to other samples. Majoris Pasar Uang Syariah Indonesia offers an annualized return of 4.50% which shows this mutual fund has provided a stable rate of return to investors, a standard deviation of 0.20% which indicates low volatility. This mutual fund can be a good choice for investors who are looking for investment instruments with minimal risk. Majoris Pasar Uang Syariah Indonesia can be considered as one of the best mutual funds in 2023, by focusing on Islamic money market instruments it can have safer investment characteristics and comply with sharia principles. Equity mutual funds found results that mutual funds Shroder Dana Prestasi Plus has a sharpe ratio of 0.201, this mutual fund provides a relatively good rate of return compared to the risks taken, a treynor ratio of 0.025 shows a fairly good performance in generating profits relative to systematic risk. While the jensen alpha is 0.126 which indicates that this mutual fund generates a positive excess return compared to the expected rate of return from the risk measurement model.

Table 1: Summary of Research Data Analysis

Company Name	Liquidity	Beta	Sharpe Ratio	Treynor Ratio	Jensen Ratio	Annualized Return	Standard Deviation
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Fixed Fund							
Syailendra Pendapatan Tetap Premium	4.995.514.475	0.00852326	1.5777804	0.8915622	0.00705365	7.06%	0.48%
Trimegah Fixed Income Plan	815.508.182	0.003	-1.941	-13.907	-0.039	2.37%	2.02%
Sucorinvest Sharia Sukuk Fund	11.740.027.787	-0.004	-2.694	1.742	-0.007	5.54%	0.28%
Sucorinvest Stable Fund	389.880.667.262	-0.006	-2.429	1.395	-0.008	5.44%	0.35%
TRIM Dana Tetap 2	2.484.965.194					5.28%	0.98%
Index Funds							
BNP Paribas Sri Kehati	547.475.083	0.975	0.408	0.053	0.030	11.45%	12.62%
Allianz SRI KEHATI Index Fund	1.476.440.449	0.983	0.286	0.037	0.015	9.94%	12.73%
BNP Paribas IDX Growth30	78.155.308	0.986	0.105	0.014	0.012	7.71%	13.48%
Danareksa Indeks Syariah	885.632.726	0.955	-0.916	-0.120	-0.041	-5.20%	12.55%
Syailendra MSCI Indonesia Value Index Fund Kelas A	1.238.206.845.160	0.962	0.413	0.057	0.169	11.76%	13.23%
Avrist Indeks LQ45	912.653.845	0.988	-0.810	-0.105	0.033	-4.12%	12.86%
Stock Mutual Funds							
Schroder Dana Prestasi Plus	40.666.422.298	0.877	0.201	0.025	0.126		
Sucorinvest Equity Fund	65.968.818.789	0.865	-0.890	-0.123	-0.004	-4.36%	11.97%

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Avrist Ada Saham Blue Safir	1.426.378.803	0.988	-0.493	-0.059	0.059	0.49%	11.80%
BNP Paribas Ekuitas	544.802.807	0.867	-0.013	-0.002	0.102	6.16%	10.27%
Eastspring Investments Alpha Navigator Kelas A	13.213.000.000	0.922	-0.364	-0.044	0.069	2.21%	11.20%
Mandiri Investa Cerdas Bangsa	12.945.415.060	0.937	-0.259	-0.031	0.085	3.38%	11.26%
Sequis Equity Maxima	25.033.822.183	0.963	-0.588	-0.068	0.049	-0.28%	11.20%
Bahana Primavera Plus	321.421.251	0.951	-1.420	-0.195	-0.073	-12.28%	13.08%
Batavia Dana Saham Syariah	891.311.345	0.832	-0.711	-0.098	0.037	-1.89%	11.51%
TRIM Kapital	1.001.208.912	0.916	0.093	0.012	0.120	7.40%	11.84%
Money Market Mutual Funds							
Majoris Pasar Uang Syariah Indonesia	123.984.802.546	0.000	-9.124	0.000	0.000	4.50%	0.20%
Sucorinvest Sharia Money Market Fund	26.087.284.891	0.000	-18.787	0.000	0.000	3.70%	0.14%
Syailendra Dana Kas	26.087.284.891	0.000	-10.744	0.000	0.000	4.29%	0.19%
TRIM Kas 2	186.618.762.246	0.000	-12.911	0.000	0.000	4.07%	0.17%

(Source: output from SPSS)

Mutual Funds Sucorinvest Equity Fund has a sharpe ratio of -0.890 which indicates that this mutual fund generates a low rate of return compared to the risk taken. A negative Treynor ratio (-0.123) indicates poor performance in generating profits relative to systematic. A negative Jensen alpha (-0.004) indicates that this mutual fund generates an excess of negative returns compared to the expected rate of return from the risk measurement model. Then, Mutual Funds Avrist Ada Saham Blue Safir has a sharpe ratio value of -0.493 indicating that this mutual fund generates a low

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rate of return compared to the risk taken. A negative Treynor ratio (-0.059) indicates poor performance in generating profits relative to systematic risk. Jensen alpha of 0.059 indicates that this mutual fund generates positive excess returns compared to the expected rate of return from the risk measurement model.

Mutual funds BNP Paribas Ekuitas has a sharpe ratio of -0.013, this mutual fund generates a low rate of return compared to the risk taken. Treynor ratio which is close to zero (-0.002) shows a relatively low performance in generating profits relative to systematic risk. Jensen alpha of 0.102 indicates that this mutual fund generates positive excess returns compared to the expected rate of return from the risk measurement model. Mutual funds Eastspring Investment Alpha Navigator Kelas A has a sharpe ratio of -0.364 indicating that this mutual fund generates a low rate of return compared to the risk taken. A negative Treynor ratio (-0.044) indicates poor performance in generating profits relative to systematic risk. Jensen alpha of 0.069 indicates that this mutual fund generates a positive excess return compared to the expected rate of return from the risk measurement model. Mutual funds Mandiri Investa Cerdas Bangsa has a sharpe ratio of -0.364 indicating that this mutual fund generates a low rate of return compared to the risk taken. A negative Treynor ratio (-0.044) indicates poor performance in generating profits relative to systematic risk. Jensen alpha of 0.069 indicates that this mutual fund generates a positive excess return compared to the expected rate of return from the risk measurement model.

Mutual funds Sequis Equity Maxima has a sharpe ratio of -0.588 which indicates that this mutual fund generates a low rate of return compared to the risk taken. A negative Treynor ratio (-0.068) indicates poor performance in generating profits relative to systematic risk. Jensen alpha of 0.049 indicates that this mutual fund generates positive excess returns compared to the expected rate of return from the risk measurement model. Mutual funds Bahana Primavera Plus has a sharpe ratio of -1.420 which indicates that this mutual fund generates a low rate of return compared to the risk taken. A negative Treynor ratio (-0.195) indicates poor performance in generating excess negative returns compared to the expected rate of return from the risk measurement model. Mutual funds Batavia Dana Saham Syariah has a sharpe ratio of -0.711 which indicates that this mutual fund generates a low rate of return compared to the risk taken. A negative Treynor ratio (-0.098) indicates poor performance in generating profits relative to systematic risk. Jensen alpha of 0.037 indicates that this mutual fund generates positive excess returns compared to the expected rate of return from the risk measurement model.

Mutual funds TRIM Kapital has a sharpe ratio of 0.093, this mutual fund provides a relatively good rate of return compared to the risk taken. Treynor ratio of 0.012 shows a fairly good performance in generating profits relative to systematic risk. Jensen alpha of 0.120 indicates that this mutual fund generates an excess of positive returns compared to the expected rate of return from the risk measurement model. Mutual funds Syailendra Pendapatan Tetap Premium having a Sharpe Ratio, this mutual fund reached 1.5777804, indicating a higher return ratio compared to the risk taken. The Treynor Ratio reaches 0.8915622, indicating the rate of return generated based on market risk. Jensen Alpha of 0.00705365 shows the ability of investment managers to generate returns that exceed market expectations. Mutual funds Trimegah Fixed Income Plan has a negative Sharpe Ratio of -1,941 indicating a lower rate of return compared to the risk taken. Treynor Ratio which is also negative at -13,907 indicates a low return based on market risk. Jensen Alpha of -0.039

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indicates that the performance of this mutual fund is lower than market expectations. Mutual funds Sucorinvest Sharia Sukuk Fund has a Sharpe Ratio of -2,694 indicating a lower rate of return compared to the risk taken. The Treynor Ratio of 1,742 indicates a higher return based on market risk. Jensen Alpha of -0.007 indicates the performance of this mutual fund is slightly lower than market expectations.

Mutual funds Sucorinvest Stable Fund has a Sharpe Ratio of -2,429 indicating a lower rate of return compared to the risk taken. The Treynor Ratio of 1,395 indicates a higher return based on market risk. Jensen Alpha of -0.008 indicates the performance of this mutual fund is slightly lower than market expectations. Mutual funds BNP Paribas Sri Kehati has a Sharpe Ratio of 0.408 indicating a relatively good rate of return compared to the risk taken. Treynor Ratio of 0.053 indicates a positive performance in generating returns based on systematic risk. Jensen Alpha of 0.030 shows the ability of this mutual fund to generate returns that exceed market expectations. Mutual funds Allianz SRI KEHATI Index Fund have a Sharpe Ratio and Treynor Ratio tend to be lower, namely 0.286 and 0.037, Jensen Alpha of 0.015 shows the ability of these mutual funds to generate returns that exceed market expectations. Mutual funds BNP Paribas IDX Growth30 having a Sharpe Ratio, Treynor Ratio, and Jensen Alpha tend to be lower, namely 0.105, 0.014, and 0.012, these mutual funds still provide positive returns and are in line with market expectations. Mutual funds Danareksa Indeks Syariah has a negative Sharpe Ratio, Treynor Ratio, and Jensen Alpha, namely -0.916, -0.120, and -0.041, indicating poor performance compared to the risks taken.

Mutual funds Syailendra MSCI Indonesia Value Index Fund Kelas A has a Sharpe Ratio of 0.413 indicating a relatively good rate of return compared to the risk taken. Treynor Ratio of 0.057 indicates a positive performance in generating returns based on systematic risk. Jensen Alpha of 0.169 shows the ability of this mutual fund to generate returns that exceed market expectations. Mutual funds Avrist Indeks LQ45 have a Sharpe Ratio and Treynor Ratio tend to be lower, namely -0.810 and -0.105, Jensen Alpha of 0.033 shows the ability of these mutual funds to generate returns that exceed market expectations. Mutual funds Majoris Pasar Uang Syariah Indonesia having Sharpe Ratio and Treynor Ratio also shows negative numbers, namely -9.124 and 0.000, which indicates that the return rate generated is not proportional to the risk taken. Jensen Alpha also shows a number of 0.000, indicating that this fund has no advantage in generating excess returns compared to the expected return model. Mutual funds Sucorinvest Sharia Money Market Fund has a low Sharpe Ratio of -18,787 indicating that the rate of return generated is relatively low compared to the risk taken. The Treynor Ratio and Jensen Alpha also show the number 0.000, indicating that the performance of these mutual funds does not exceed the expected rate of return.

Mutual funds Syailendra Dana Kas has a low Sharpe Ratio of -10,744 indicating that the risk taken is not proportional to the rate of return generated. The Treynor Ratio and Jensen Alpha also show the number 0.000, indicating that the performance of these mutual funds does not exceed the expected rate of return. Mutual funds TRIM Kas 2 has a low Sharpe Ratio of -12,911 indicating that the risk taken is not proportional to the rate of return generated. The Treynor Ratio and Jensen Alpha also show the number 0.000, indicating that the performance of these mutual funds does not exceed the expected rate of return.

CONCLUSION

Based on the empirical findings, it can be concluded into 4 points. First, from Fixed Income Mutual Funds: (1) Mutual funds Syailendra Pendapatan Tetap Premium offers an Annualized Return of 7.06% with a low Standard Deviation (0.48%). This mutual fund has shown good performance in generating relatively stable returns; (2) However, mutual funds Trimegah Fixed Income Plan has a poor performance with an Annualized Return of 2.37% and a high Standard Deviation (2.02%). This indicates higher volatility and lower returns. Second, by Index mutual funds: (1) Mutual funds BNP Paribas Sri Kehati offers an Annualized Return of 11.45% with a moderate Standard Deviation (12.62%). This mutual fund has shown good performance with a high rate of return and controlled volatility; (2) Mutual funds Allianz SRI KEHATI Index Fund also has a good performance with an Annualized Return of 9.94% and a Standard Deviation of 12.73%; (3) However, mutual funds Danareksa Indeks Syariah has a negative return (-5.20%) with a high Standard Deviation (12.55%). This indicates poor performance and high risk in that period.

Using Equity Mutual Funds: (1) Mutual funds Schroder Dana Prestasi Plus offers an Annualized Return of 8.52% with a moderate Standard Deviation (11.04%). This mutual fund provides a good rate of return with a more controlled risk compared to the stock market index as a whole; (2) Mutual funds Sucorinvest Equity Fund shows poor performance with negative return (-4.36%) and high Standard Deviation (11.97%). Fourth, Money Market Mutual Funds: (1) Mutual funds Majoris Pasar Uang Syariah Indonesia menawarkan Annualized Return sebesar 4.50% dengan low volatility (Standard Deviation 0.20%). This mutual fund can be a good choice for investors who are looking for investment instruments with minimal risk; (2) Mutual funds Sucorinvest Sharia Money Market Fund also shows good performance with an Annualized Return of 3.70% and a low Standard Deviation (0.14%). Finally, Index Funds and Money Market Mutual Funds show better performance than Fixed Income Mutual Funds and Equity Mutual Funds in general.

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