ABSTRACT

Fluctuations in the Composite Stock Price Index (JCI) during the Covid-19 pandemic indicate that the market is unstable and investors are trying to shift their investment to safer and less risk types of investments. Fluctuations in stock prices certainly have the opportunity to get a return.

This study aims to determine the results of the smart beta portfolio of high volatility, moderate volatility, and low volatility from the 50 Biggest Market Capitalization stock group and evaluated using Sharpe's performance valuation and then compared between high volatility, moderate volatility, and low volatility portfolios which produces the best smart beta portfolio.

The method used is a quantitative method and the type of secondary data. The sample used is stocks that are included in the 50 Biggest Market Capitalization. The sample selection using purposive sampling method obtained a total of 36 stocks.

This research was conducted by dividing the 50stocks Biggest Market Capitalization into three groups, namely high, moderate, and low by sorting the beta of each stock from highest to lowest, then looking for returns and risks from each group and evaluating Sharpe's performance to find out which portfolio the best of the 50 group share shares Biggest Market Capitalization.

The result of the study found that portofolio of the high volatility group obtained positive Sharpe performance evaluation result which proved that the returns obtained were able to cover the risks borne. The moderate volatility portofolio shows that the resulting terurn is negative even though it has a low level of risk. The portofolio of the low volatility group is in the form of lowest risk level among other groups but produces the largest negative return among other groups. The portofolio of the high volatility group is the best group in this study.

Kata Kunci: Beta, Portofolio, *Return*, Sharpe