

ABSTRACT

During the Covid 19 pandemic, it had a negative impact on investors so that investors tried to find investment paths to types of investments that were smaller in terms of risk.

There are two investment tools commonly used by investors, namely stocks and crypto, of these two investment tools investors usually debate which one is better because both have price fluctuations which of course have the opportunity to get a return.

This study aims to determine the results of high volatility and low volatility smart beta portfolios of 20 energy and cryptocurrency stocks based on the highest market capitalization which will be evaluated with Sharpe's performance and then compared between high volatility and low volatility portfolios so as to produce which is the best smart beta portfolio.

The method to be used is a quantitative method with secondary data types. The sample that will be used is based on 20 energy and cryptocurrency stocks. This research was conducted by dividing 20 energy and cryptocurrency stocks into two groups, namely high and low.

By sorting the betas of both stock and crypto instruments from highest to lowest, then we will look for the return and risk of each group and then weight the volatility groups by evaluating Sharpe's performance so that we can find out which portfolio is the best of the two smart beta groups based on 10 stocks. energy and 10 cryptocurrencies with the highest market capitalization.

The results of this study show that the portfolio of the high volatility group has positive Sharpe performance evaluation results which indicate that the return to be obtained will cover the level of risk taken. In the portfolio, the low volatility group gets a low level of risk but produces a much lower return compared to the high volatility group. The portfolio of the high volatility group is the best group in this study because in this condition investors are advised to take steps with the term high risk high return.

Keywords: Beta, Portfolio, Return, Sharpe