

ABSTRACT

State-owned companies are recognized as having strength in their industry so they are considered a promising investment option. However, in reality, not all shares of state-owned companies always show good performance. So there is a need for prior analysis in the decision to invest in BUMN shares. Utilizing smart beta in forming a portfolio that utilizes the beta characteristics of a stock is believed to provide better returns.

The aim of this research is to determine the best beta group in forming an optimal investment portfolio for BUMN shares. And to find out the best investment strategy between active strategies and passive strategies. So recommendations for investment strategies will be produced to maximize the BUMN share portfolio.

The method used in this research is quantitative. The sample used consists of 24 BUMN shares listed on the Indonesia Stock Exchange. Shares will be grouped based on their beta coefficient and then the best group will be selected and then a portfolio will be formed. The portfolio that has been formed will be treated with active investment strategies and passive strategies to determine the best strategy to increase portfolio returns. All portfolio performance tests use the Sharpe index to produce an optimal portfolio.

The research results showed that in the period February 2021-October 2023, BUMN shares showed poor performance, seen from the level of return generated. The high beta stock group has performance that outperforms the low beta stock group, this can be seen from the size of the Sharpe index produced. And the best investment strategy to maximize returns on a BUMN stock portfolio is an active strategy because it produces a better Sharpe index than a passive strategy.

The research succeeded in finding the best portfolio composition and treatment for BUMN shares. These findings can be used as knowledge and reference for investors who are interested in investing their shares in the Indonesian capital market. Future researchers can use this research as a reference and reference source in their research..

Keywords: Active Strategy, High Beta, Low Beta, Passive Strategy, Portfolio