

## **ABSTRACT**

This thesis wants to discover the effectiveness of passive trading strategies, particularly buy-and-hold, dollar-cost-averaging and seasonal switching in Indonesian Stock Exchange and compare them through measuring the overall performance per given risk. The evaluation criteria of a strategy can deliver better results are described as Sharpe ratio and mean returns. The study uses monthly returns data for stocks listed on the IDX30 Index during the period from October 2009 to September 2019. The statistical results are that all three different strategies yield no difference statistically. The comparison test concludes that Seasonal Switching (SS) strategy as a winning strategy. The effects are even stronger if we consider total returns with reinvested dividends. Buy-and-hold strategy outperforms other strategies on the absolute returns, and dollar-cost-averaging approach offers the lowest risk. However, when we look at the performance-risk ratio, based on price return on the 20-stock portfolio, three 7-stock portfolios and 20 individual stocks, seasonal switching strategy indicates highest Sharpe Ratio followed by buy-and-hold strategy and dollar-cost-averaging strategy.

**Keywords:** Passive investing, buy-and-hold, dollar-cost-averaging, seasonal investing, behavioural finance, capital market

## ABSTRAK

Tesis ini ingin mengeksplorasi efektivitas strategi investasi pasif, yaitu *buy-and-hold*, *dollar-cost-averaging* dan investasi musiman di Bursa Efek Indonesia dan membandingkannya dengan mengukur kinerja per risiko yang diberikan. Kriteria evaluasi strategi dapat memberikan hasil yang lebih baik didefinisikan sebagai rasio Sharpe dan pengembalian rata-rata. Studi ini dilakukan pada data hasil bulanan untuk saham yang terdaftar di indeks Index selama periode waktu antara Oktober 2009 dan September 2019. Hasil statistik menunjukkan bahwa ketiga strategi yang berbeda tidak memberikan perbedaan secara statistik. Uji perbandingan menyimpulkan bahwa strategi investasi musiman sebagai strategi yang unggul. Hasilnya bahkan lebih kuat jika kami mempertimbangkan pengembalian total dengan dividen yang diinvestasikan kembali. Strategi *buy-and-hold* mengungguli strategi lain pada hasil investasi absolut, dan *dollar-cost-averaging* memberikan risiko terendah. Namun, ketika kita melihat rasio pengembalian investasi per risiko, berdasarkan pengembalian harga pada portofolio 20-saham, tiga portofolio 7-saham dan 20 saham individu, strategi investasi musiman menunjukkan rasio *Sharpe* tertinggi diikuti oleh strategi *buy-and-hold* dan *dollar-cost-averaging*.

Kata kunci: Investasi pasif, *buy-and-hold*, *dollar-cost-averaging*, investasi musiman, perilaku pasar, pasar modal