

ABSTRACT

Rational person is defined as a person who would choose more than choose less. If investors are rational, then the investor will choose the optimal portfolio. The aims of this research is to know which LQ 45 index stocks that can be used as the foundation of optimum portfolio, then to calculate how much the proportion of funds and to find out the amount of the expected return and risk of their portfolios that is formed. The sample in this study using stocks that always enter LQ 45 index and didn't do stock split for five consecutive years during the month of February 2010 – January 2015.

Single index model chosen in this research as a method to determine the optimal portfolio. The results shown based on 17 samples that used for the reaseach, there are five shares of companies that meet the criterias of optimal portfolio, which are, UNVR (Unilever Indonesia Tbk.) with the proportion of funds by 34% of total investment, JSMR (Jasa Marga (Persero) Tbk.) with the proportion of funds by 35% of total investment, GGRM (Gudang Garam Tbk.) with the proportion of funds by 9% of total investment, BBNI (Bank Negara Indonesia (Persero) Tbk.) with the proportion of funds by 11% of total investment, and BBCA (Bank Central Asia Tbk.) with the proportion of funds by 11% of total investment. Portfolio optimal based on Single Index Model gives 5.92855% of portfolio expected return and 1.41614% of portfolio risk.

Keywords: *LQ 45 Index, Single Index Model, Optimal Portfolio*