

## **ABSTRACT**

*A stock exchange is a financial system where governments and companies can raise long-term funds by selling shares to investors. For example, the Indonesia Stock Exchange (IDX) supports the economy by providing access to capital for investment and economic growth. It also provides opportunities for individuals to increase wealth through investment in publicly traded stocks and bonds. Through the capital market, companies can raise funds by selling stocks and bonds on the IDX. Investments in the capital market, including undervalued stocks, help with risk management and increase potential returns.*

*This research uses a causal or quantitative approach to identify and measure the value of a particular variable (ROA, ROE, and EPS). This study uses quantitative secondary data types, which are obtained from publications directly from related website sources without intervening in existing data. The sample consists of data on companies that have negative profits and are listed on BUMN and IDX during the 2019-2023 period. This sampling technique uses a census of financial performance portfolio data, with data collected from the 2019-2023 period.*

*The case study shows variations in the share prices of state-owned companies on the IDX, some experiencing a decline in price and financial performance from 2019 to 2023. Performance assessment using ROA, ROE, and EPS, followed by Sharpe, Jansen, and Treynor tests, is important in assessing efficiency and profitability that influence investment decisions. This research highlights the use of these ratios to design optimal portfolios and support investment decisions. The results of this research on optimal portfolio formation in state-owned companies on the IDX for the 2019-2023 period show that Return on Assets (ROA), Return on Equity (ROE), and Earnings per Share (EPS) have a significant impact. Portfolios with high ROE recorded the highest return of -49.2%. EPS also affected portfolio performance, with the highest return being -88.0%. However, the portfolio with high ROE performed the best with a Sharpe ratio of 1280%, indicating better efficiency in generating returns per unit of risk. Although all portfolios showed negative returns due to market conditions, the ROE and EPS portfolios proved to be more effective than ROA in managing risk. These findings emphasize the importance of using a combination of financial indicators and risk mitigation strategies in the management of stock portfolios.*

**Keywords: IDX, BUMN, ROA, ROE, Sharpe, Treynor, Jansen Alpha.**