

ABSTRACT

Investment is an asset required of a certain amount of funds in the present to get future profits and stocks are one of the most attractive financial investments for investors. Investment aims to get maximum profit with minimum risk. To reduce the risk in investing, an investor needs to invest in various company stocks or diversify in the form of a stock portfolio. Selective diversification will provide optimal benefits. The optimal portfolio is a portfolio with the best combination of *expected return* and risk or has a maximum *expected return* value with minimal risk. Methods that can be used in portfolio formation include the *Capital Asset Pricing Model* (CAPM) and the *Single Index Model* (SIM). CAPM is a method that connects the *expected return* to the risk of an asset under balanced market conditions. SIM is a method that is easier and simpler to apply in determining which stocks are able to produce optimal *returns* with minimum risk, and are able to determine what proportion of funds are needed. This study uses closing price data, IDX30 Index for the period October 2019-October 2024 as well as JCI data and Bank Indonesia interest rates. The results showed that the stock portfolio was formed by two stocks with a proportion of ARTO 88.9% and PTBA 11.08% and the risk covered by investors was 5,1% with a portfolio *return* of 3,4%.

Keywords: Portfolio, IDX30, *Capital Asset Pricing Model*, *Single Index Model*, *Portfolio Return*