

ABSTRACT

SRI-KEHATI stock index from the years of 2013-2018 experience a fluctuating phenomenon with an increasing tendency. As well as monthly return that experiencing volatile conditions, with the lowest range of return occurring in April 2015 at -9.931% and the highest return occurring in February 2013 at 8.956%. This shows the relationship between return and risk, where risk is a form of deviation from return.

A portfolio is a process of minimizing risk without reducing expected returns. In this study, portfolio formation will be formed based on Tobin's Q and Price to Book Value ratios which will be grouped into 3 categories, namely low, medium and high. Formation of portfolios will also be formed based on the annual active strategy, the semester active strategy and the passive strategy. After the portfolio is formed, evaluation of portfolio performance will be conducted using the Sharpe Index, Treynor Index, and Jensen Index.

The results showed that portfolios formed by the low Tobin's Q ratio were consistently able to provide the highest return (above average and market / IHSG) even though also consistently provide the highest risk, on the annual active strategy, the semester active strategy and the passive strategy. This shows the harmony between the results of research with the theory of high-risk high return. While the high Price to Book Value portfolio is consistently able to provide high return values, with risk values consistently at the lowest level compared to other portfolios. This shows the purpose of forming a stock portfolio to minimize risk at the level of high return has been achieved. The results of portfolio performance evaluations also show that portfolios formed by low Tobin's Q ratio and high Price to Book Value consistently have the highest value (above the market /IHSG), on the Sharpe Index, Treynor Index, and Jensen Index. Overall, The results also show that the best ranking performance index is the semester active strategy, followed by the annual active strategy, then the passive strategy.

Keywords: *Stock Portofolios, Tobin's Q, Price to Book Value*