# ***ABSTRACT***

*Alexander / 22150435 / Analysis of the Effect of Return on Assets, Retained Earnings, and the Growth Rate of the Company on Stock Returns in Companies that are listed in the LQ 45 index for Period Year 2014-2017 / Advisor: Mr. Bonnie Mindosa S.E., M.B.A.*

*Investment is the current commitment of money or other resources with expectation of gaining profits in the future. One of investment products that investors are interested in is stocks. Stock is one of the financial instruments issued by a company to get fund, while from the investors’s side is expecting to get return.*

*This study was conducted to determine the stock returns from fundamental aspects. Fundamental aspects used in this research is through financial performance. Financial performance, variables that the writer use is return on assets, retained earnings, and growth. This study wants to test the effect from company’s financial performance on stock returns.*

*The method used was purposive sampling and selected samples used in this study included 26 companies registered in the LQ 45 index in 2014 - 2017. This study uses the simultanously significant test hypothesis, individual significant test hypothesis, coefficient of determination test and multiple linear regression test with fixed effect method model.*

*The results of the study shows that partially, return on assets and growth show significant results. However, retained earnings showed insignificant results. The result of the study simultaneously is not significant and the R² explains 30.6% of stock returns.*

*The conclusion that can be drawn from this study is that return on assets and growth are one of the things that can be considered by investors in choosing and buying shares.*

***Keywords****: Signalling Theory, Dividend Policy Theory, Pecking Order Theory, Return on Assets, Growth.*