

Table 3: Monthly risk profile of Top 5 pairs: [Fama and French \(2016\)](#)'s five factors plus Momentum and Long-Term Reversal.

Strategy	Intercept	Rm-Rf	SMB	HML	RMW	CMA	Mom	LRev	R^2	R^2_{adj}
Section 1: Return on Committed Capital										
Distance	0.0025 (1.89)*	0.0091 (4.22)***	-0.0032 (-0.71)	0.0113 (2.05)**	0.0003 (0.25)	-0.0029 (-0.18)	-0.0107 (-4.80)***	-0.0084 (-1.96)**	0.028	0.027
Mixed Copula	0.0035 (3.55)***	0.0052 (3.68)***	-0.0043 (-1.83)*	0.0039 (1.20)	-0.0035 (-0.99)	0.0027 (0.63)	-0.0054 (-2.99)***	-0.0057 (-1.57)	0.015	0.014
Section 2: Return on Fully Invested Capital										
Distance	0.0040 (1.75)*	0.0170 (4.88)***	-0.0031 (-0.45)	0.0185 (2.22)**	0.0049 (0.76)	-0.0018 (0.05)	-0.0161 (-4.30)***	-0.0150 (-1.97)**	0.025	0.024
Mixed Copula	0.0098 (4.17)***	0.0148 (3.51)***	-0.0084 -1.45	0.0152 1.6355	-0.0053 -0.60	0.0087 0.75	-0.0082 (-2.19)**	-0.0222 (-2.08)**	0.018	0.017

Note: This table shows results of regressing monthly portfolio return series onto [Fama and French \(2016\)](#)'s five factors plus momentum and long-term reversal over July 1991 and December 2015 (6173 observations). Section 1 shows the Return on Committed Capital and Section 2 on Fully Invested Capital after transaction costs. Pairs are formed based on the smallest sum of squared deviations. The t-statistics (shown in parentheses) are computed using Newey-West standard errors with six lags.

***, **, * significant at 1%, 5% and 10% levels, respectively.