

Table A.2: Monthly risk profile of Top 35 pairs: [Fama and French \(2016\)](#)'s five factors plus Momentum and Long-Term Reversal.

Strategy	Intercept	Rm-Rf	SMB	HML	RMW	CMA	Mom	LRev	$R^2$	$R^2_{adj}$
<b>Section 1: Return on Committed Capital</b>										
Distance	0.0026 (3.93)***	0.0060 (5.55)***	-0.0009 (-0.54)	-0.0010 (-0.50)	0.0014 (0.41)	0.0060 (1.96)**	-0.0066 (-5.38)***	-0.0053 (-1.99)**	0.034	0.033
Mixed Copula	0.0007 (3.96)***	0.0009 (3.81)***	-0.0003 (-0.69)	-0.0000 (-0.04)	-0.0004 (-0.69)	0.0007 (0.98)	-0.0007 (-2.17)**	-0.0007 (-1.14)	0.009	0.008
<b>Section 2: Return on Fully Invested Capital</b>										
Distance	0.0049 (4.07)***	0.0111 (5.36)***	-0.0033 (-0.90)	-0.0000 (-0.31)	0.0014 (0.49)	0.0140 (2.56)**	-0.0127 (-5.47)***	-0.0114 (-2.04)**	0.037	0.036
Mixed Copula	0.0106 (4.63)***	0.0146 (3.48)***	-0.0085 (-1.50)	0.0130 (1.40)	-0.0070 (-0.79)	0.0100 (0.87)	-0.0049 (-1.36)	-0.0251 (-2.41)**	0.017	0.016

*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.