

Table A.1: Monthly risk profile of Top 20 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	0.0028 (3.47)***	0.0056 (5.02)***	-0.0017 (-0.63)	0.0013 (0.38)	-0.0031 (-0.85)	0.0059 (1.82)*	-0.0070 (-4.90)***	-0.0068 (-2.37)**	0.028	0.027
Mixed Copula	0.0010 (3.53)***	0.0015 (3.52)***	-0.0006 (-0.75)	0.0002 (0.22)	-0.0005 (-0.49)	0.0007 (0.57)	-0.0013 (-2.19)**	-0.0012 (-1.10)	0.0091	0.008
Section 2: Return on Fully Invested Capital										
Distance	0.0054 (3.68)***	0.0103 (5.18)***	-0.0035 (-0.55)	0.0068 (0.90)	-0.0050 (-0.34)	0.0106 (1.78)*	-0.0142 (-4.94)***	-0.0121 (-2.08)**	0.030	0.029
Mixed Copula	0.0103 (4.50)***	0.0142 (3.39)***	-0.0088 (-1.54)	0.0136 (1.47)	-0.0062 (-0.70)	0.0086 (0.75)	-0.0049 (-1.36)	-0.0246 (-2.36)**	0.016	0.015

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.