\$120 > there period of time small cap stock general more profit as comparet to 1 Value Effect - low Bin means stock is engensive & encygensive outperfe B/M - Book to market ratio Momentum effect > stocks ferformed well last year tend to ferform better Profitibility effect -> Profitable stocks outperform un profitable stocks Risk effect -> low wisk stocks outperforms high wisk stocks aka Volablity egect factor for stock returns Beta Size Value momentum Quality Risk Quality. 9thend yt = X + B, (rem- to ) + B. SMB+ + B. HMG+ + B4 MOM+ + B5 BAB+ + FESM. Abnormal Return - Actual Return - Expected Return Sharpe Ratio: (R-pt) -> Encess of portfolios return above nek tree rate olf-ff) -> standard deviation of excess cretuen T sharpe Ration indicate Theward per unit mete Treynor Raho = (R-R+) Threeynor Ratio indicate 1 reward per Jensons K = Vit-1/4 = Ki + Bi (Rm+-r+) + Et Vitus vetuen on asseti at time t It us wisk feel rat Rn, t us altuen on the market inden at time t Xi an B; need to be estimated from regression. I dess that I indicates less Histrier than average Low fee fund yields better oresults. Main component of Investing fees. 17 to minissions 2) Bid-ask wast = diff (Price Quoted, purchase pr 2> Delay

\$120 > Chera period of time small cap stock general more profit as comparet to 1 Value Effect - low BIM means stock is engensive & encycles in expensive B/M -> Book to market ratio Momentum effect > stocks performed well last year tend to feel on better Profitibility effect -> Profitable stocks outperform unprofitable stocks Risk effect -> low wisk stocks outperforms high wisk stocks aka Volablity egect factor for stock returns Beta Size Value momentum Quality Risk Quality. Sitend Vt = X + B, (rim-xt+) + B. SMB+ + B.HM4 + B4 MOM+ + B5 BAB+ + FCSU Abnormal Return- Actual Return- Expected Return Sharpe Ratio: (R-R+) -> Encess of portfolios return abone nek tree rate olf-F) -> standard deviation of excess creturn T Sharpe Ration indicate Theward per unit mete Treynor lato = (R-R+) Theynor Ratio indicate 1 reward per Jensons K = Vit-1/4 = Ki + Bi (Rm+-r+) + Eit Vitus return on asseti at time t It us wisk feel rat Rn, t us altuen on the market inden at time t X; an B; need to be estimated for m regression. I less that indicates less Histrier than average Low fee fund yields better oresults. Main component of Investing Jees. 17 Commissions 28 Bird-ask Lost = diff (Price Quoted, puichax pr 2> Delay