Edith Cabrera

Priyadarshini De

Kumari Divya Mishra

Amber Yao

5/24/2019

**Fama French Five Factor Model**

(1/1/18-12/31/18)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Return**  **mean** | **Std of return** | **Intercept**  **(p-value)** | **Beta**  **(p-value)** | **SMB**  **(p-value)** | **HML**  **(p-value)** | **RMW**  **(p-value)** | **CMA**  **(p-value)** | **Adj R-Sq** |
| **ADBE** | 0.0012 | 0.0224 | 0.0009  P-value: 0.2152 | 1.16667  P-Value:  <.0001 | -0.2571  P-Value:  0.0616 | -1.1851  P-Value:  <.0001 | -0.4388  P-Value:  0.0270 | -1.0515  P-Value:  <.0001 | 0.7676 |
| **AEP** | 0.0003 | 0.0108 | 0.0001  P-Value:  0.8618 | 0.1633  P-Value:  0.0198 | -0.4129  P-Value:  0.0018 | -0.3199  P-Value:  0.0497 | 0.4876  P-Value:  0.0103 | 0.7938  P-Value:  0.0014 | 0.0981 |
| **ANIP** | -0.0014 | 0.0223 | -0.0013  P-Value:  0.2834 | 0.9171  P-Value:  <.0001 | 0.9601  p-value:  0.0001 | -0.5838  P-Value:  0.0574 | -0.5470  P-Value:  0.1250 | 1.2209  P-Value: 0.0090 | 0.2376 |
| **JPM** | -0.0002 | 0.0139 | 0.0005  P-Value:  0.1742 | 1.0405  P-Value:  <.0001 | -0.2810  P-Value:  0.0002 | 1.5044  P-Value:  <.0001 | -0.3229  P-Value:  0.0029 | -1.1145  P-Value:  <.0001 | 0.8228 |
| **SBUX** | 0.0006 | 0.0148 | 0.0008  P-Value:  0.3340 | 0.7144  P-Value:  <.0001 | -0.1428  P-Value:  0.3852 | 0.1470  P-Value:  0.4707 | 0.1969  P-Value:  0.4058 | 0.1013  P-Value:  0.7429 | 0.2337 |
| **SPLK** | 0.0012 | 0.0292 | 0.0008  P-Value:  0.5176 | 0.9726  P-Value:  <.0001 | 0.6827  P-Value:  0.0078 | -1.4379  P-Value:  <.0001 | -1.1927  P-Value:  0.0013 | -1.3930  P-Value:  -2.91 | 0.5270 |

**Which stock in your portfolio has the largest stand-along risk?**

-SPLK has the highest standard deviation which is a proxy for stand-alone risk.

**Which stock in your portfolio has the largest risk exposure to the market portfolio?**

-ADBE has the highest risk exposure. It’s Beta is 1.67.

**Which stocks in your portfolio have higher expected returns if small-cap stocks outperform large-cap stocks, if other things are constant?**

-ANIP and SPLK have the highest expected returns should small-cap stocks outperform large cap stocks.

**Which stocks in your portfolio have higher expected returns if has higher expected returns if high book-to-market (i.e., value) stocks outperform low book-to-market (i.e., growth) stocks, if other things are constant?**

-JPM and SBUX have the highest expected returns if high book to market stocks outperform low book to market stocks.