

How bad did the Fama French Factors perform in the past decade?

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22 Jul 2021

Abstract

Value was beaten by Growth. The Small Cap premium vanished in a decade where big tech won. But how bad has it actually been? And what's the picture outside of the US?

1 Data source

https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

The factors are abbreviated as follows: *Mkt-RF*: Market excess return, *SMB*: Small-Minus-Big (Size), *HML*: High-Minus-Low (Book-to-Market Value), *RMW*: Robust-Minus-Weak (Profitability), *CMA*: Conservative-Minus-Aggressive (Investment), *WML*: Winners-Minus-Losers (Momentum)

2 Performance over time

The performance of the FF factors was poor over the past decade 2010 - 2019. We observed similarly poor performances in the 1990s. In both of these decades we had strong stock market returns.

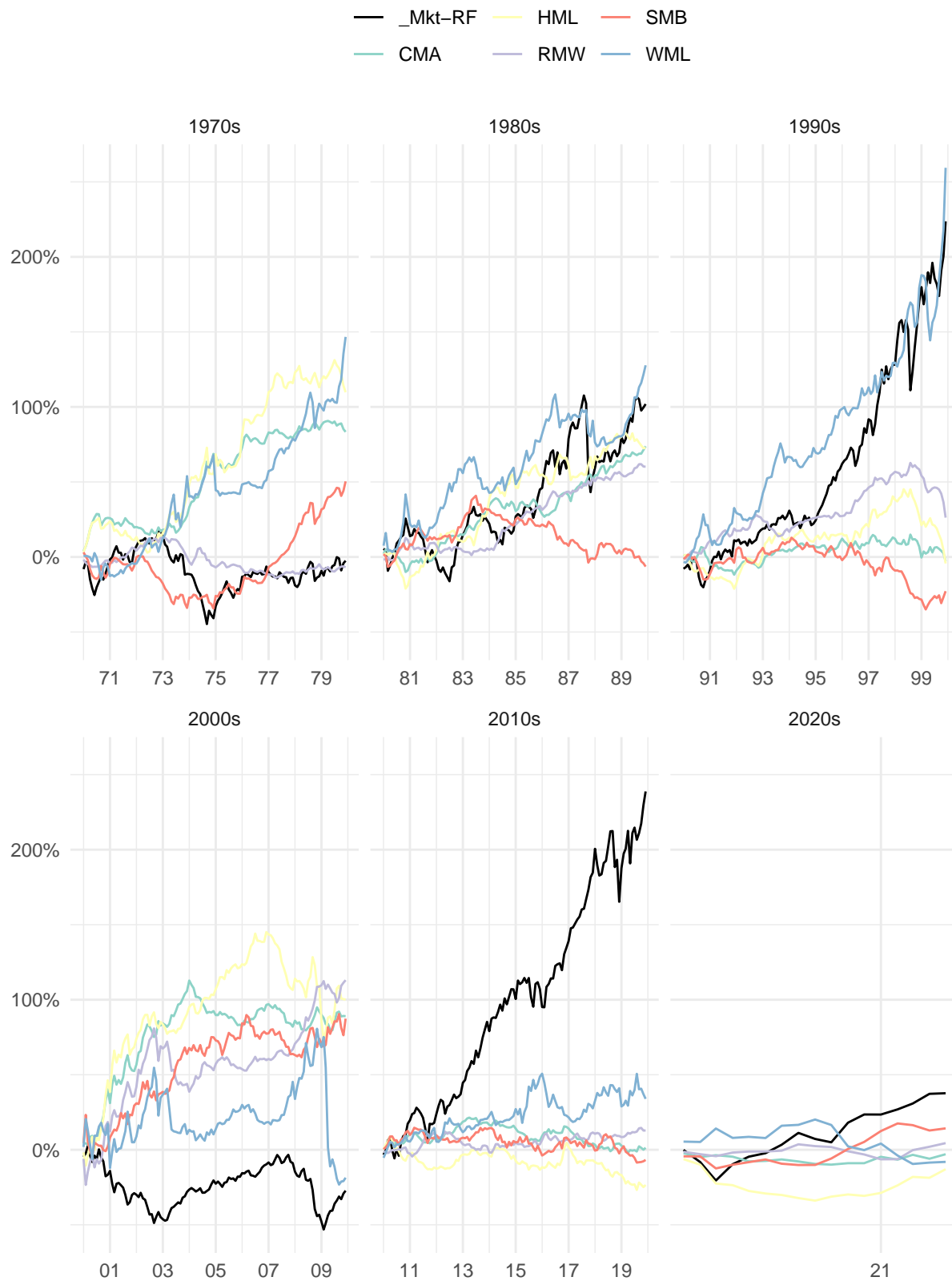
The pattern is especially observable in the Standard FF factors which include US stock (NYSE, AMEX, and NASDAQ).

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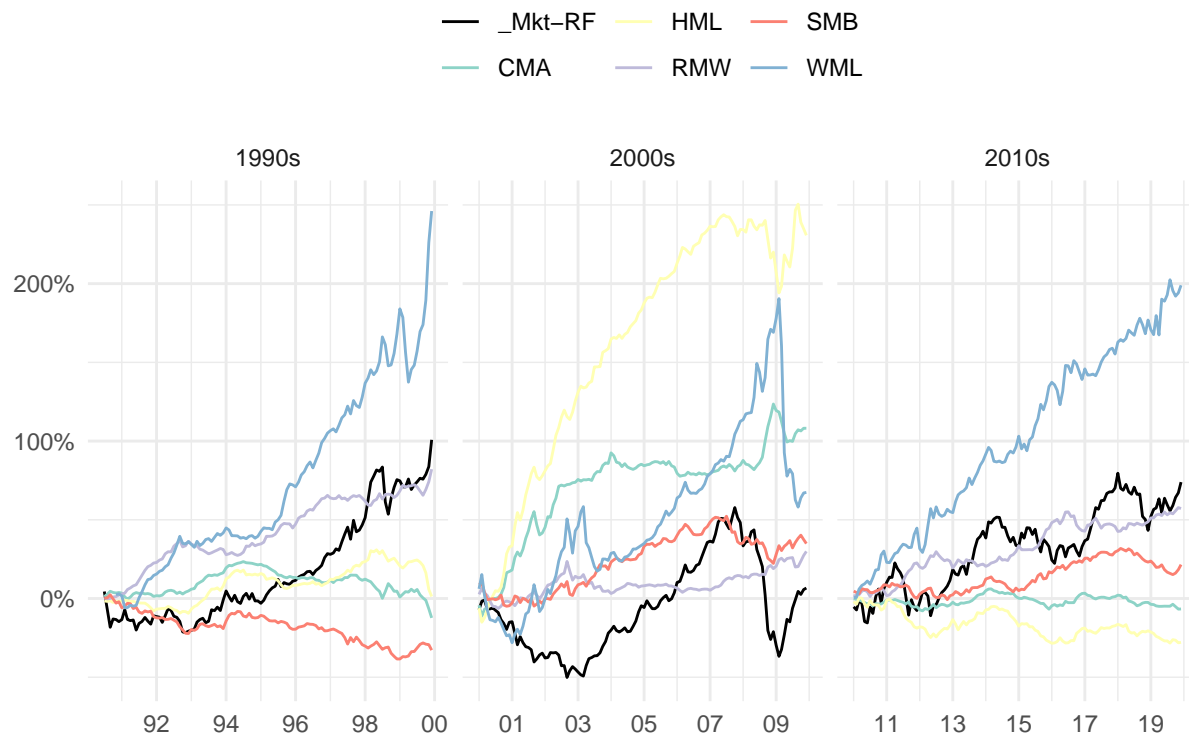
2.1 Standard Fama French Factors

Fama French Factors (Standard)



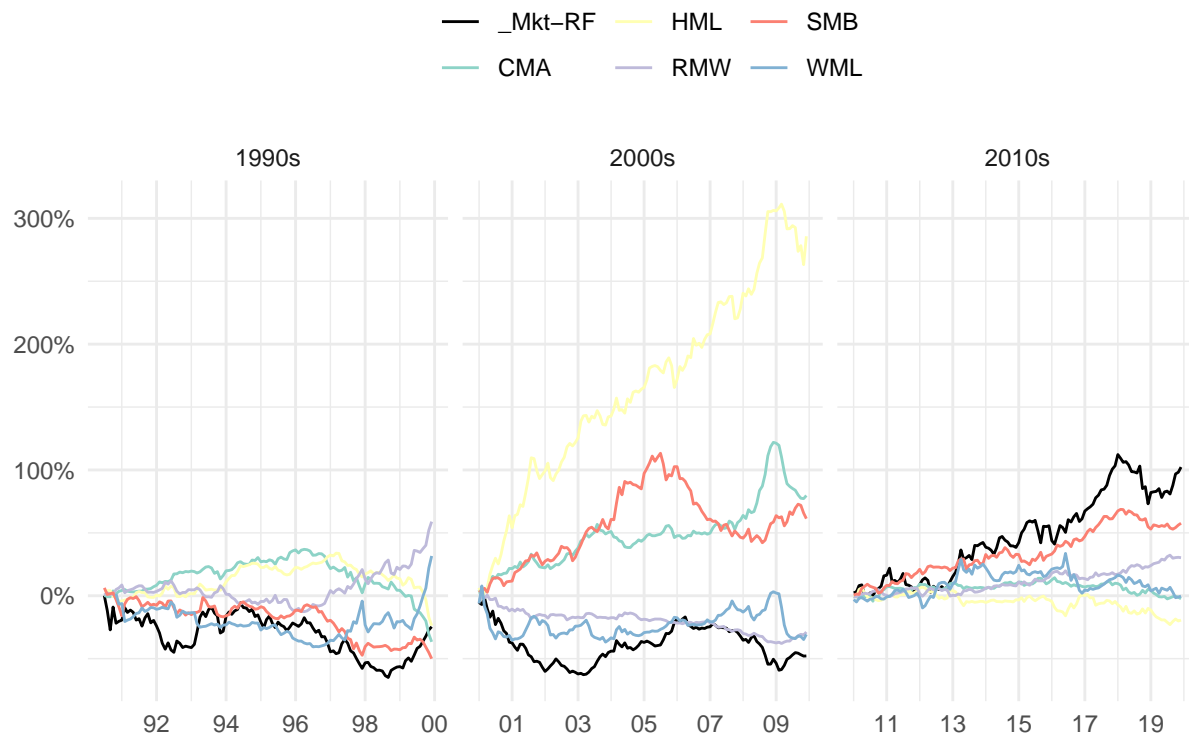
2.2 Europe Fama French Factors

Fama French Factors (Europe)



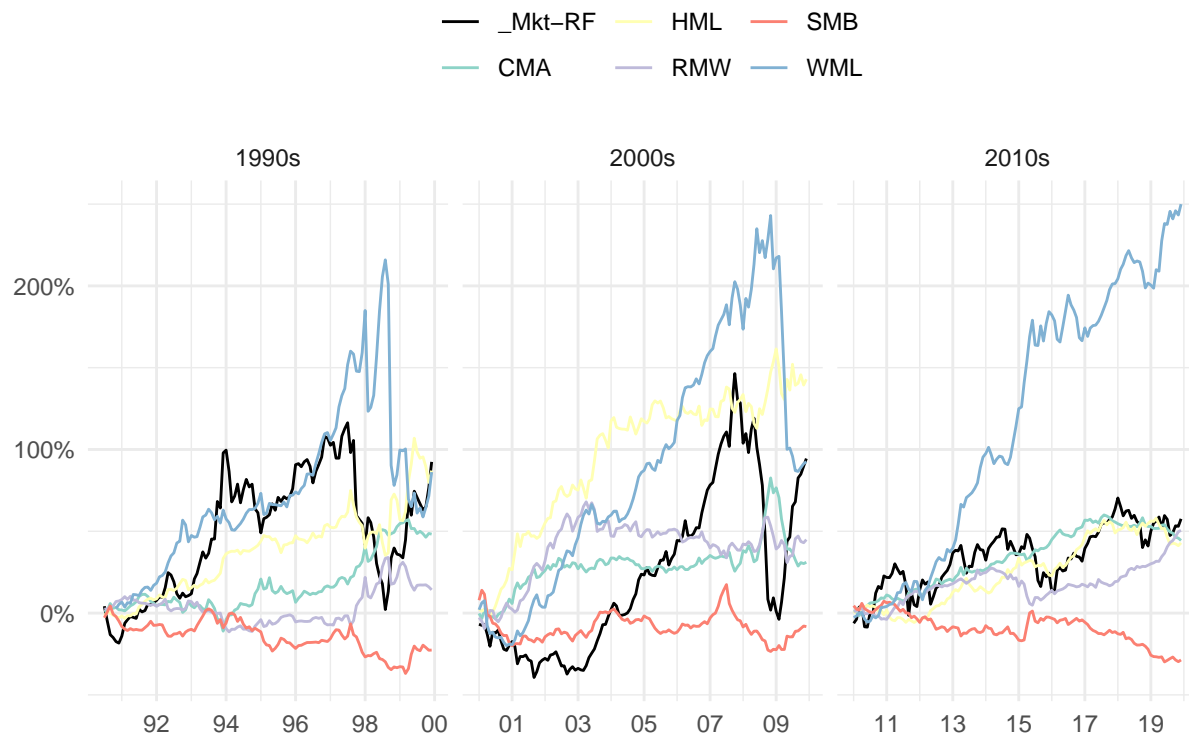
2.3 Japan Fama French Factors

Fama French Factors (Japan)



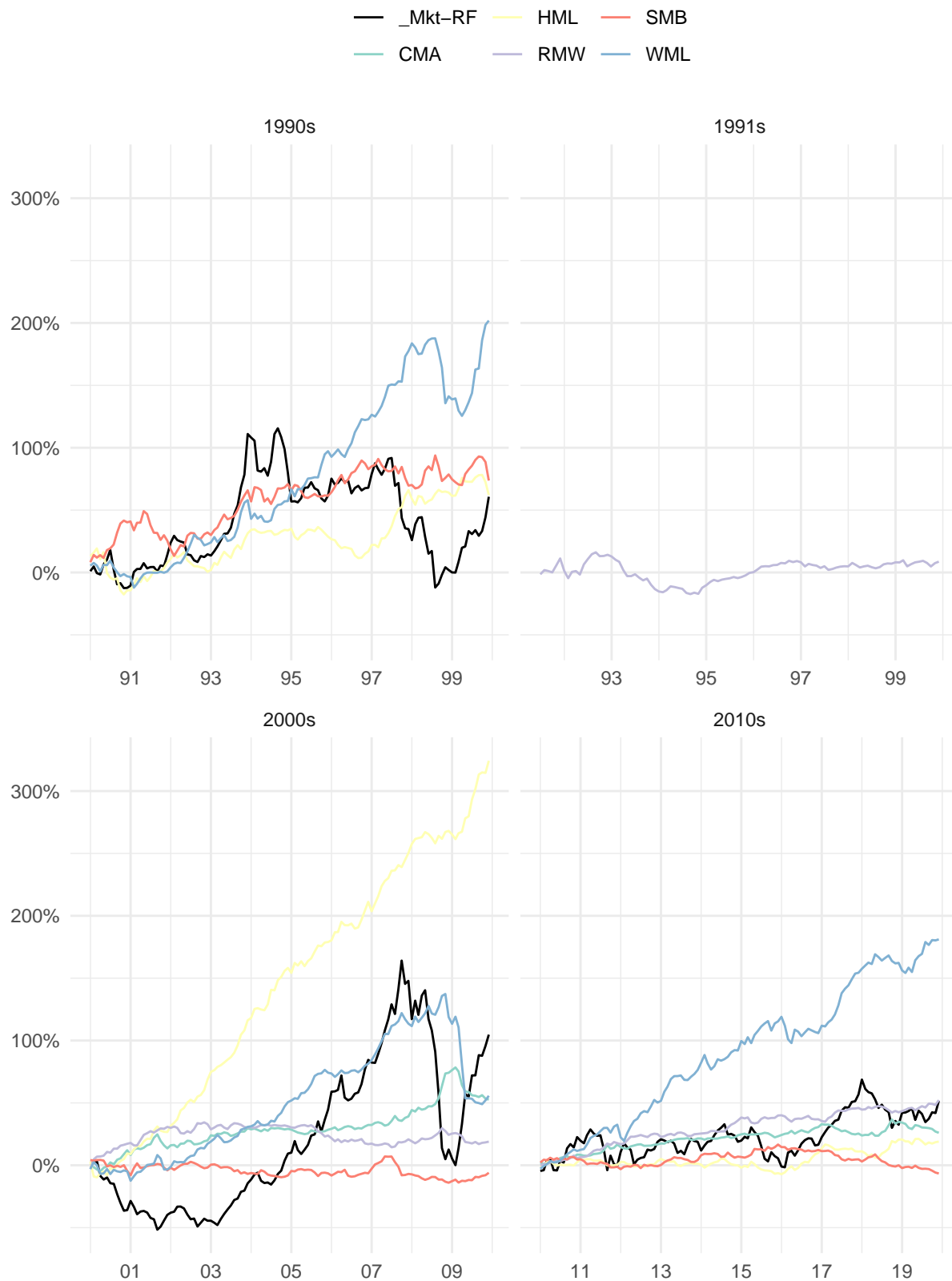
2.4 Asia Pacific ex Japan Fama French Factors

Fama French Factors (Asia Pacific ex Japan)



2.5 Emerging Markets Fama French Factors

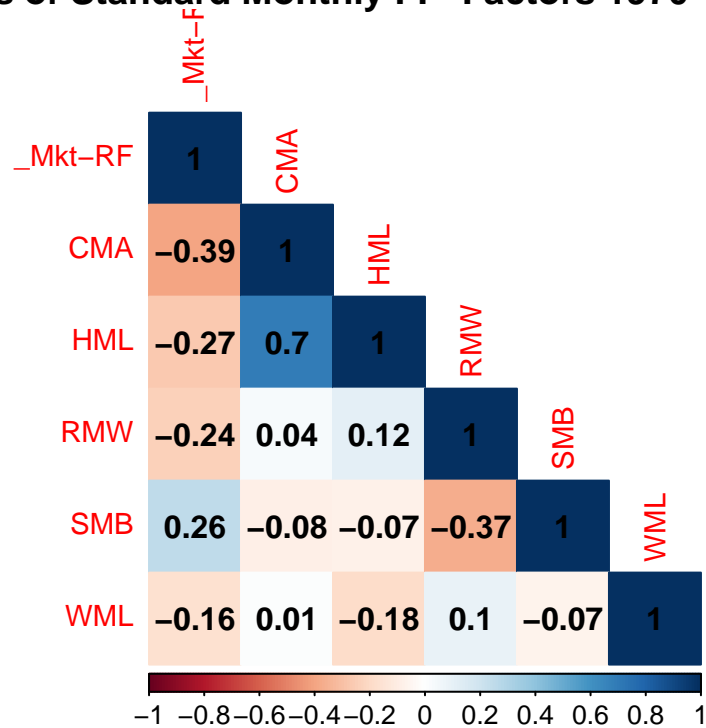
Fama French Factors (Emerging Markets)



3 Correlations

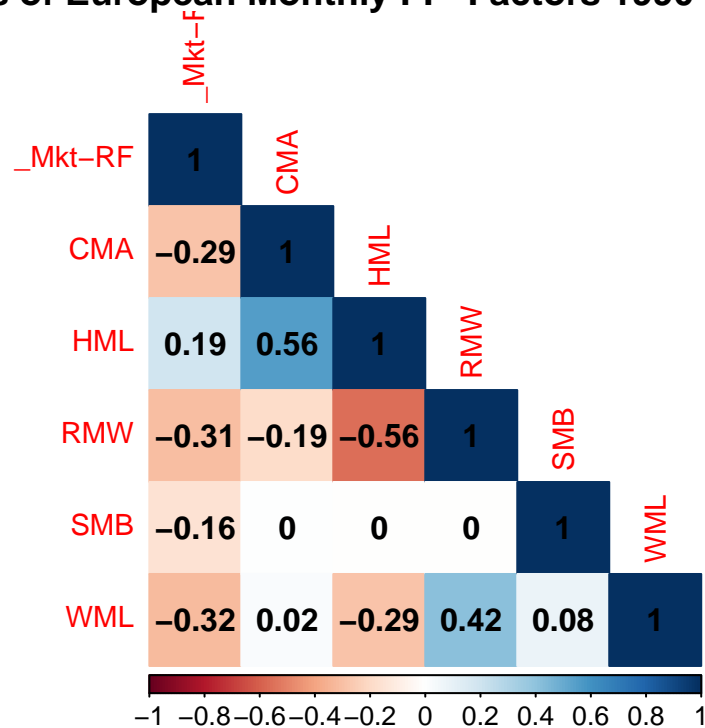
3.1 Standard Fama French Factors

Correlations of Standard Monthly FF-Factors 1970 – 2021



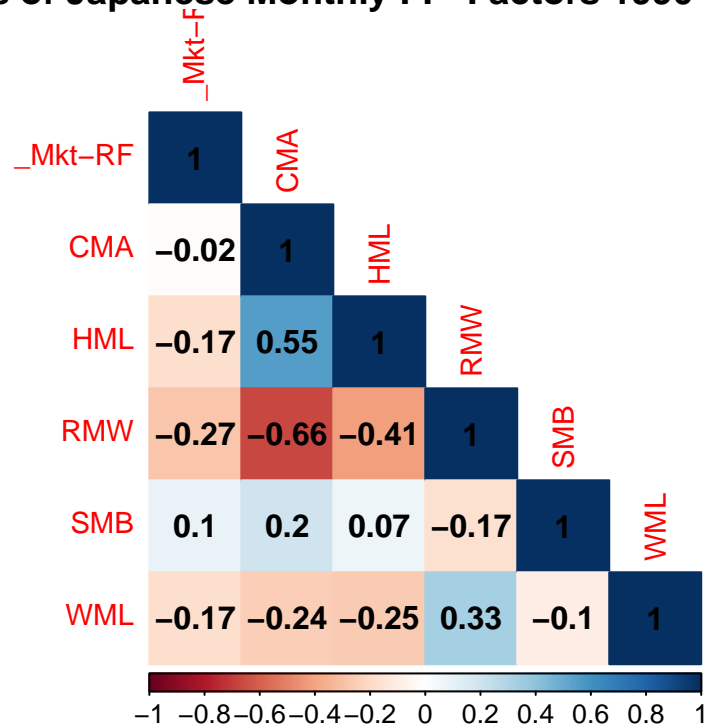
3.2 Europe Fama French Factors

Correlations of European Monthly FF-Factors 1990 – 2021



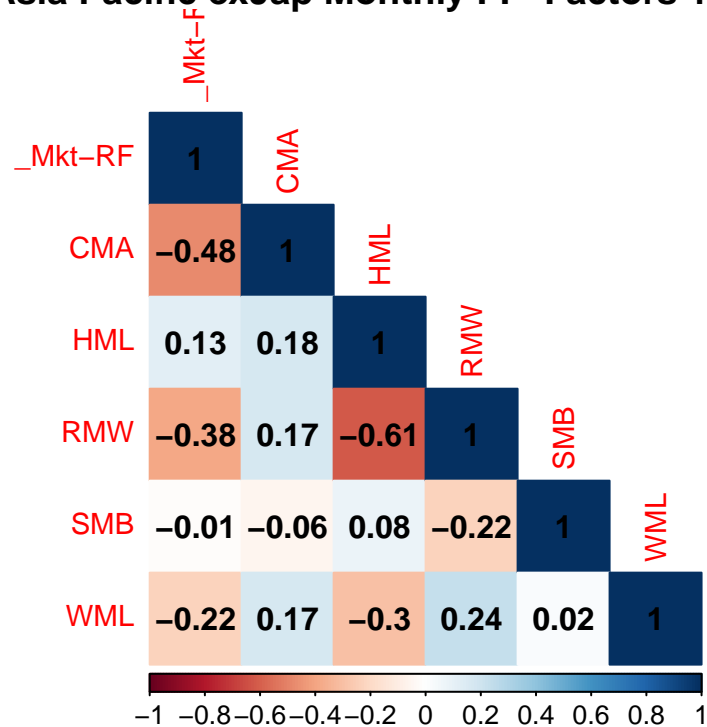
3.3 Japan Fama French Factors

Correlations of Japanese Monthly FF-Factors 1990 – 2021



3.4 Asia Pacific ex Japan Fama French Factors

Correlations of Asia Pacific exJap Monthly FF-Factors 1990 – 2021



3.5 Emerging Markets Fama French Factors

Correlations of Asia Pacific exJap Monthly FF-Factors 1990 – 2021

