

Internet Appendix

Non-Standard Errors in Portfolio Sorts

I Sorting Variables

In Table I.1, we present summary statistics for our sorting variables.

Table I.1: Summary statistics for sorting variables

This table provides summary statistics for 40 sorting variables used in the paper. The number of observations (Obs.) is in 1,000s. All variables are winsorized at the 1%-level on either tail for illustrative purposes in this table.

Group	SV	Mean	SD	Minimum	Median	Maximum	Obs.
Int.	ADM	0.06	0.12	0.00	0.02	0.83	90.99
Int.	EPRD	18.91	125.95	0.01	0.51	1152.61	165.55
Int.	OL	1.15	1.28	0.02	0.88	8.52	349.34
Int.	RDM	0.07	0.11	0.00	0.03	0.71	113.35
Int.	RER	-0.00	0.17	-0.36	-0.01	0.51	116.84
Inv.	AG	0.27	0.98	-0.75	0.06	7.33	399.46
Inv.	CSI	0.10	0.46	-0.79	0.00	2.19	1828.21
Inv.	DNCA	0.10	0.39	-0.52	0.02	2.80	338.26
Inv.	DNCO	0.09	0.39	-0.62	0.02	2.75	336.73
Inv.	DPIA	0.09	0.27	-0.62	0.04	1.70	353.81
Inv.	DWC	0.01	0.23	-1.27	0.00	1.03	336.59
Inv.	IG	0.71	2.73	-1.00	0.06	20.02	344.70
Inv.	IVA	73.61	323.02	-486.37	1.75	2411.97	353.81
Inv.	IVC	0.01	0.06	-0.21	0.00	0.26	389.75
Inv.	IVG	0.23	0.95	-1.00	0.06	6.61	282.20
Inv.	NOA	0.58	0.68	-3.45	0.65	3.14	378.31
Inv.	OA	-0.12	0.49	-3.97	-0.05	0.73	369.38
Inv.	POA	-1.41	4.95	-35.00	-0.57	10.01	389.48
Inv.	PTA	0.63	4.40	-14.92	0.30	28.19	389.32
Mom.	E.11	-0.04	0.32	-0.92	-0.02	0.70	2116.38
Mom.	E.6	-0.06	0.48	-1.52	-0.03	1.10	2210.68
Mom.	MOM	0.12	0.55	-0.82	0.05	2.58	2805.76
Mom.	MOM.6	0.06	0.39	-0.72	0.02	1.67	2937.92
Pro.	ATO	1.94	5.71	-25.77	1.43	31.65	396.37
Pro.	CBOP	-0.01	0.67	-5.06	0.11	0.76	246.01
Pro.	CTO	1.10	1.13	0.00	0.82	6.22	398.17
Pro.	GPA	0.27	0.34	-1.02	0.22	1.45	433.03
Pro.	O	-3.40	10.84	-68.06	-2.93	50.98	334.66
Siz.	SIZE	4.67	2.26	0.18	4.49	10.44	3106.39
Tra.	DTV	10.61	37.31	0.00	0.23	270.98	2721.81
Tra.	ISCC	0.22	1.06	-3.37	0.19	3.66	3101.43
Tra.	ISCFE	0.18	0.93	-2.84	0.16	3.10	3101.43
Tra.	IVOLC	0.03	0.02	0.00	0.02	0.14	3071.94
Tra.	IVOLFE	0.03	0.02	0.00	0.02	0.13	3071.94
Val.	BM	0.84	0.73	0.04	0.65	4.24	227.22
Val.	CFP	0.15	0.14	0.00	0.11	0.82	176.33
Val.	DM	0.97	1.84	0.00	0.36	12.51	207.42
Val.	EP	0.09	0.07	0.00	0.07	0.39	167.64
Val.	NPY	-0.03	0.17	-1.05	0.00	0.23	197.18
Val.	OCP	0.18	0.23	0.00	0.11	1.52	157.65
Val.	SP	2.40	3.83	0.00	1.08	24.54	235.20

II t -statistics and standard errors across sorting variables

Below, we show graphs similar to Figure 4 (for premiums), Figure 5 (for CAPM alphas), and Figure 6. We show boxplots for t -statistics and standard errors for all three models.

II.1 Distribution of t -statistics

In Figures A.1-II.3 we show boxplots for t -statistics for unadjusted, CAPM-adjusted, and Fama and French (1992)-adjusted premiums.

II.2 Distribution of standard errors

In Figures II.4-II.6 we show boxplots for standard errors for unadjusted, CAPM-adjusted, and Fama and French (1992)-adjusted premiums.

Figure II.1: Variation in t -statistics across sorting variables.

This figure shows the estimated t -statistics in boxplots for all sorting variables across all decision nodes. The vertical axis shows the associated sorting variable, while the color scheme connects each sorting variable to the respective category. A t -value of 1.96 is indicated by the vertical dashed line.

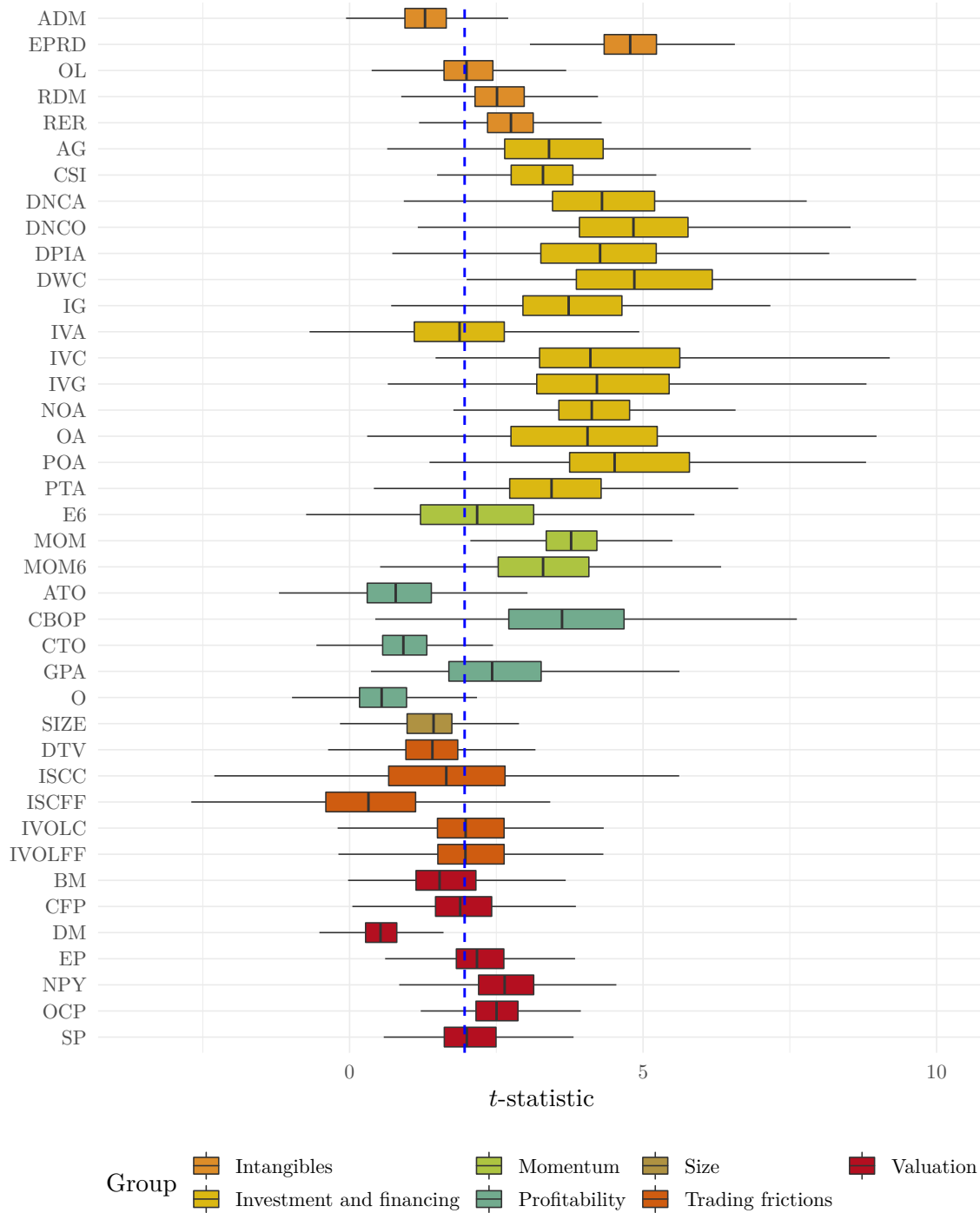


Figure II.2: Variation in CAPM-adjusted t -statistics across sorting variables.

This figure shows the estimated t -statistics for CAPM-adjusted returns in boxplots for all sorting variables across all decision nodes. The vertical axis shows the associated sorting variable, while the color scheme connects each sorting variable to the respective category. A t -value of 1.96 is indicated by the vertical dashed line.

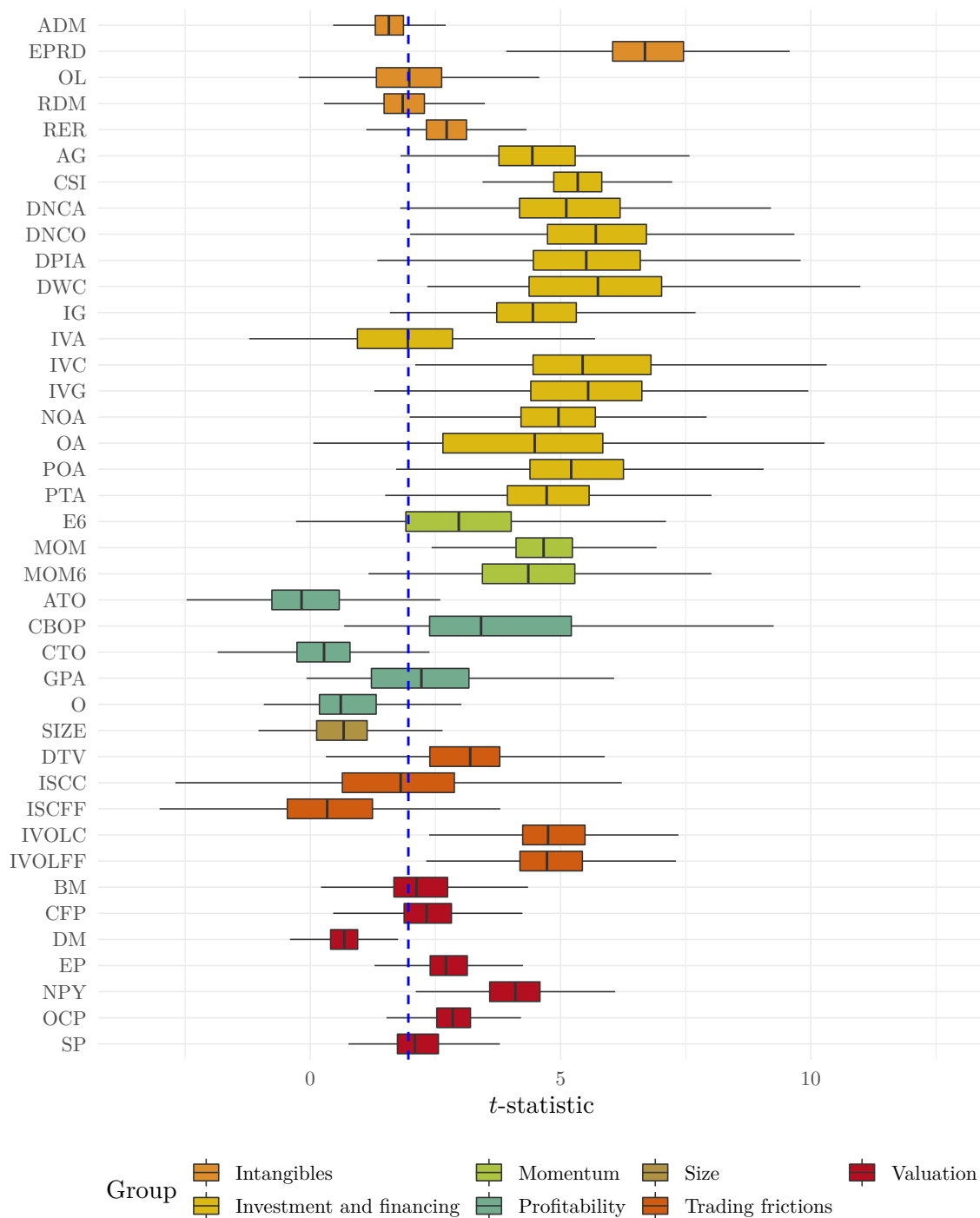


Figure II.3: Variation in FF3-adjusted t -statistics across sorting variables.

This figure shows the estimated t -statistics for Fama and French (1992)-adjusted returns in boxplots for all sorting variables across all decision nodes. The vertical axis shows the associated sorting variable, while the color scheme connects each sorting variable to the respective category. A t -value of 1.96 is indicated by the vertical dashed line.

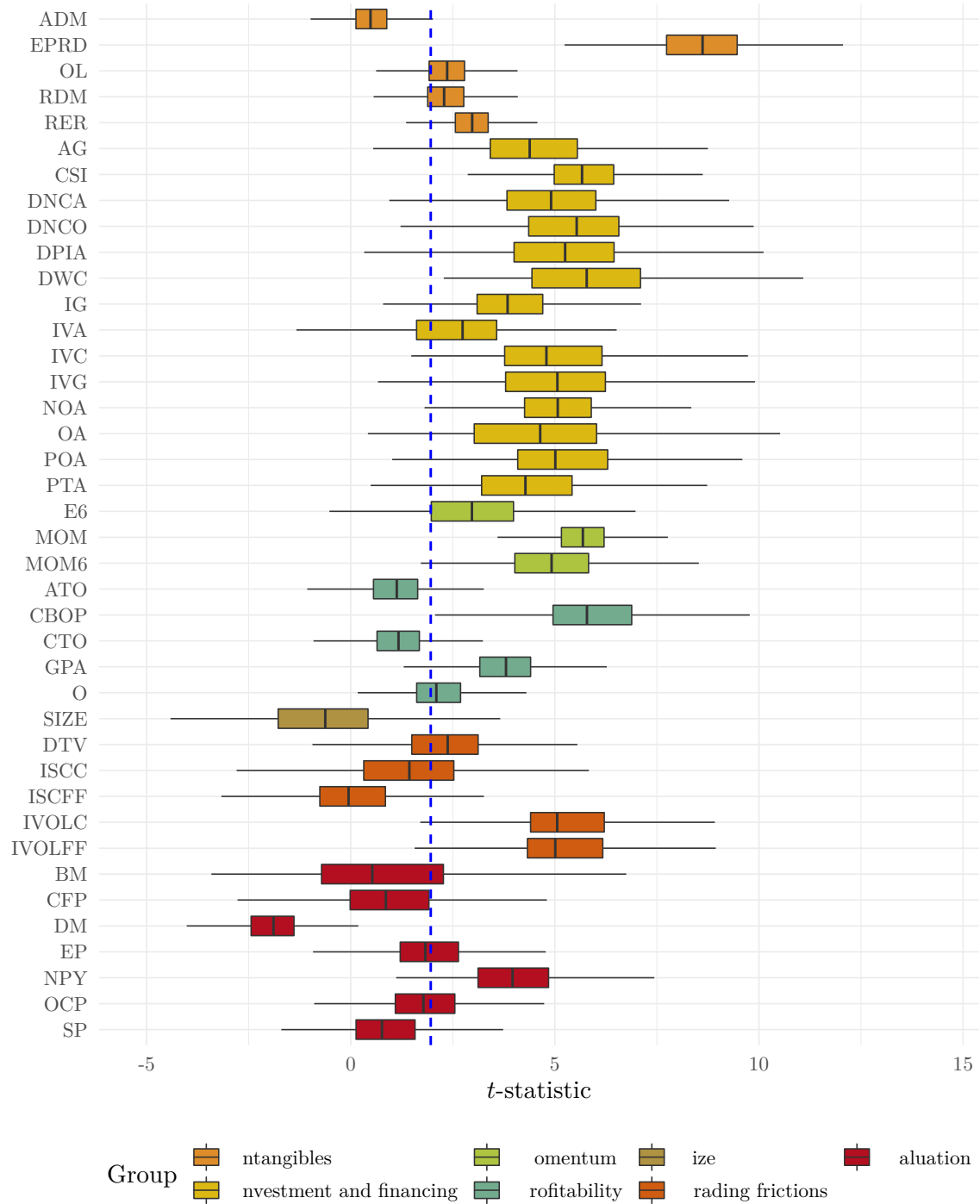


Figure II.4: Variation in standard errors across sorting variables.

This figure shows the estimated standard errors in boxplots for all sorting variables across all decision nodes. The vertical axis shows the associated sorting variable, while the color scheme connects each sorting variable to the respective category.

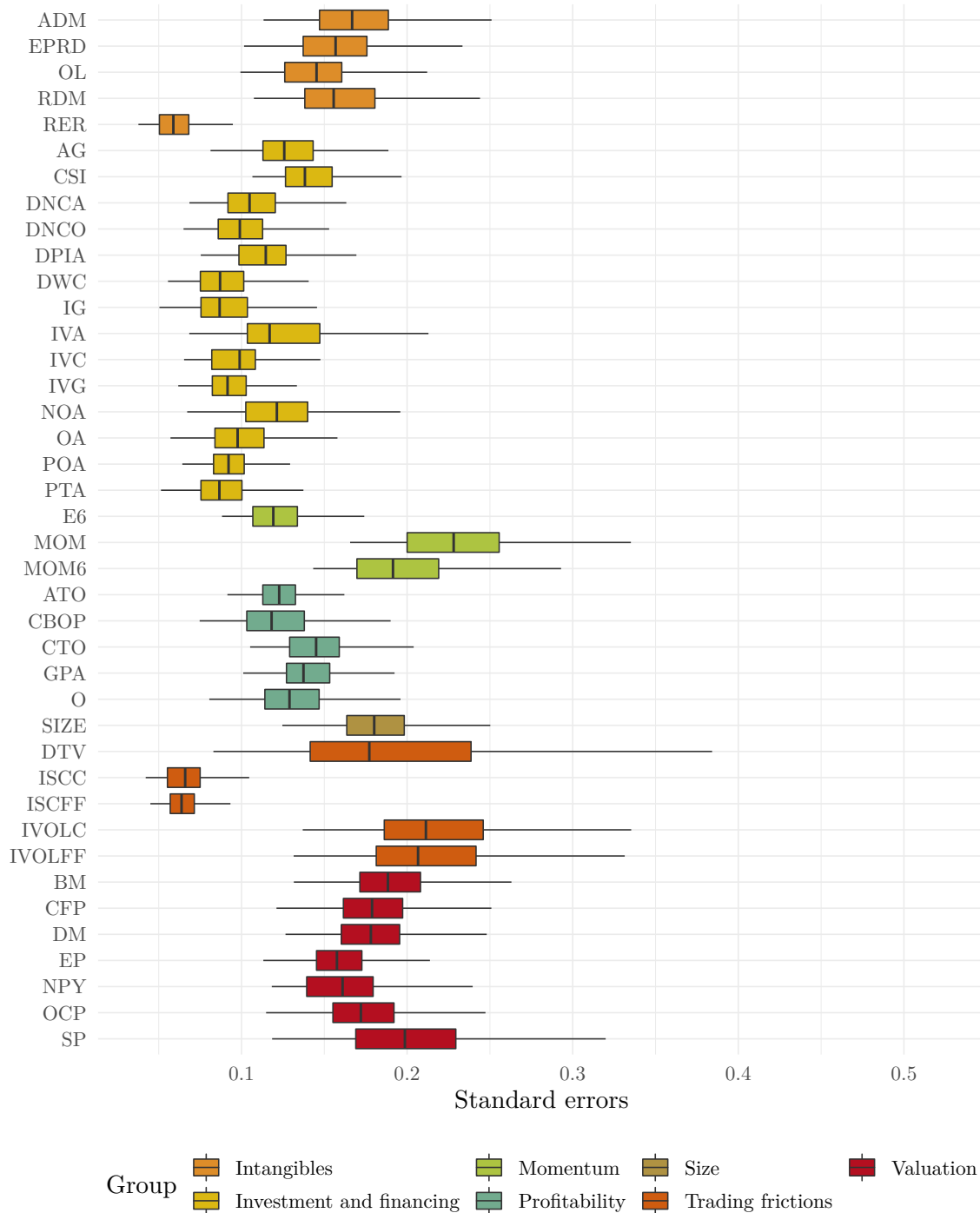


Figure II.5: Variation in CAPM-adjusted standard errors across sorting variables.

This figure shows the estimated standard errors for CAPM-adjusted returns in boxplots for all sorting variables across all decision nodes. The vertical axis shows the associated sorting variable, while the color scheme connects each sorting variable to the respective category.

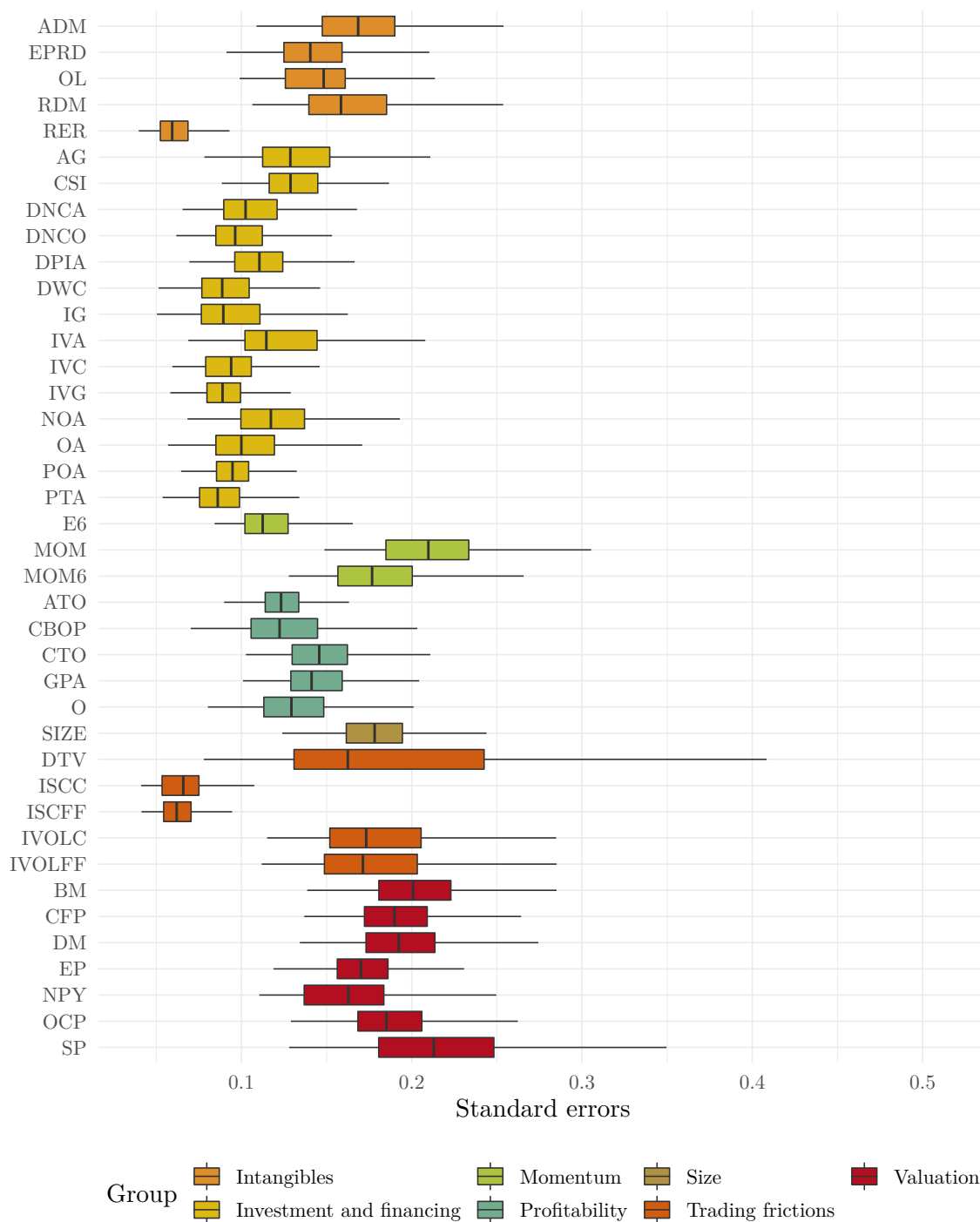
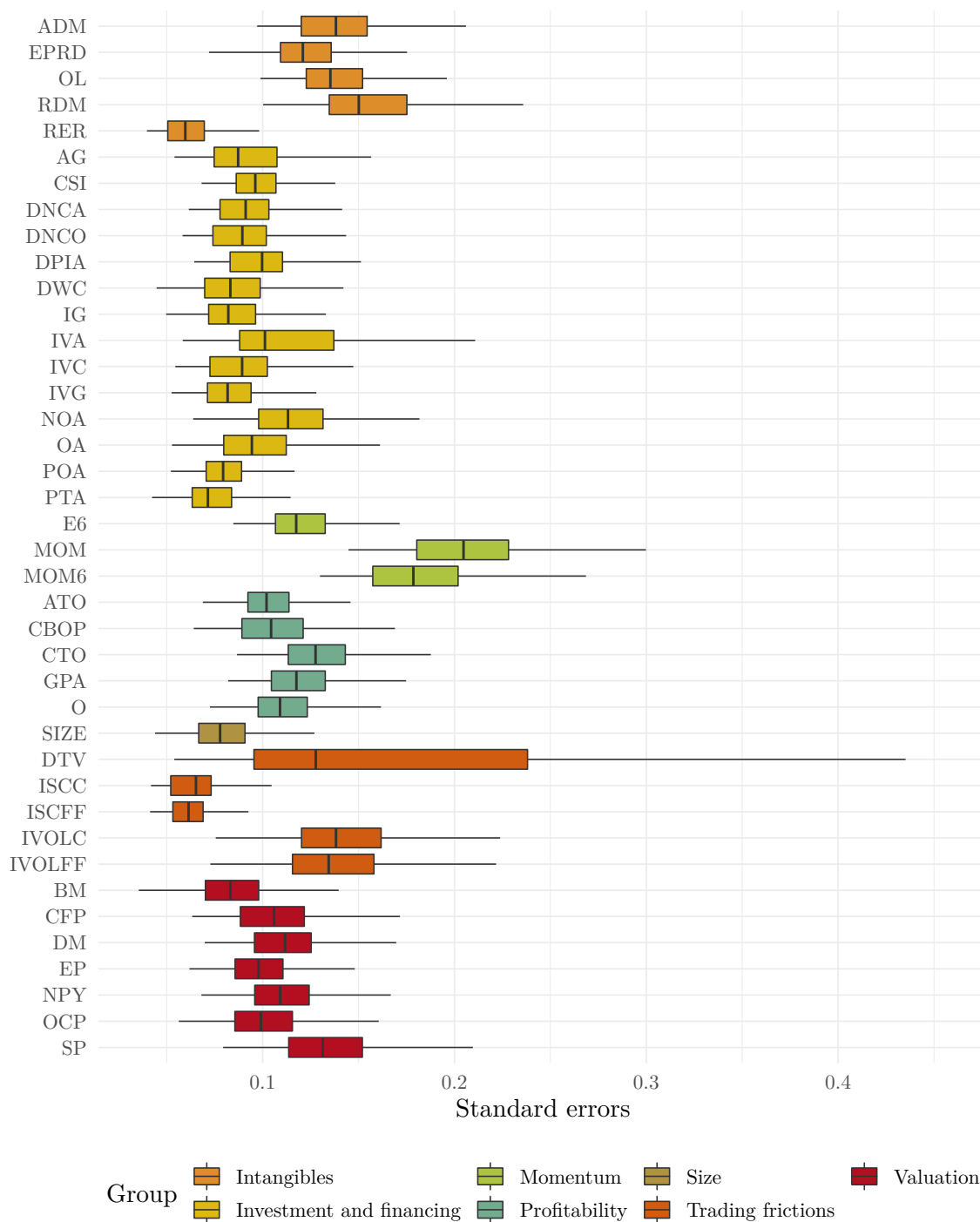


Figure II.6: Variation in FF3-adjusted standard errors across sorting variables.

This figure shows the estimated standard errors for Fama and French (1992)-adjusted returns in boxplots for all sorting variables across all decision nodes. The vertical axis shows the associated sorting variable, while the color scheme connects each sorting variable to the respective category.



III Non-standard errors for CAPM- and FF3-adjusted returns

In this section, we present non-standard error summary statistics for returns adjusted for CAPM (see Table III.1) and for the Fama and French (1992)-model (see Table III.2), respectively.

Table III.1: Non-standard errors in CAPM-adjusted premiums across sorting variables.

This table shows summary statistics for all sorting variables grouped by the respective category. The table contains the mean (Mean, in %), skewness (Skew.), and kurtosis (Kurt.) of the CAPM-adjusted premiums across all decision nodes for each sorting variable. Furthermore, it contains the non-standard error (NSE, in %), the average standard error (ASE, in %), and the NSE-ASE ratio (Ratio). The last two columns show the number of positive premiums (Pos.) and t -statistics larger than 1.96 (Sig.) scaled by the number of premiums, respectively.

Group	SV	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
Int.	ADM	0.27	0.09	0.17	0.53	0.74	3.40	1.00	0.19
Int.	EPRD	0.95	0.20	0.14	1.39	0.44	2.46	1.00	1.00
Int.	OL	0.29	0.14	0.15	0.98	0.62	2.85	1.00	0.51
Int.	RDM	0.31	0.12	0.17	0.70	0.86	4.79	1.00	0.43
Int.	RER	0.17	0.05	0.06	0.80	0.97	4.35	1.00	0.90
Inv.	AG	0.62	0.19	0.14	1.41	0.83	3.63	1.00	1.00
Inv.	CSI	0.70	0.15	0.13	1.16	0.60	3.02	1.00	1.00
Inv.	DNCA	0.56	0.18	0.11	1.67	0.68	3.34	1.00	1.00
Inv.	DNCO	0.58	0.17	0.10	1.73	0.66	3.36	1.00	1.00
Inv.	DPIA	0.62	0.20	0.11	1.77	0.70	3.57	1.00	0.99
Inv.	DWC	0.53	0.17	0.09	1.86	0.54	2.95	1.00	1.00
Inv.	IG	0.42	0.11	0.10	1.18	0.74	3.58	1.00	1.00
Inv.	IVA	0.26	0.21	0.13	1.68	0.78	3.52	0.88	0.50
Inv.	IVC	0.53	0.16	0.09	1.75	0.54	2.63	1.00	1.00
Inv.	IVG	0.50	0.15	0.09	1.62	0.36	2.52	1.00	0.99
Inv.	NOA	0.59	0.17	0.12	1.45	0.51	3.18	1.00	1.00
Inv.	OA	0.43	0.18	0.11	1.67	0.58	2.93	1.00	0.89
Inv.	POA	0.51	0.14	0.10	1.41	0.38	2.64	1.00	1.00
Inv.	PTA	0.42	0.11	0.09	1.27	0.15	2.44	1.00	1.00
Mom.	E6	0.33	0.16	0.12	1.40	0.16	2.51	0.99	0.74
Mom.	MOM	0.99	0.23	0.21	1.10	0.43	2.86	1.00	1.00
Mom.	MOM6	0.79	0.28	0.18	1.56	0.44	2.84	1.00	0.96
Pro.	ATO	-0.00	0.12	0.12	0.97	0.55	2.85	0.43	0.03
Pro.	CBOP	0.46	0.19	0.13	1.50	0.93	3.92	1.00	0.86
Pro.	CTO	0.05	0.13	0.15	0.85	0.61	3.69	0.63	0.02
Pro.	GPA	0.33	0.20	0.15	1.35	0.67	2.93	1.00	0.57
Pro.	O	0.10	0.10	0.13	0.73	0.74	3.74	0.85	0.10
Siz.	SIZE	0.17	0.27	0.18	1.46	2.90	14.72	0.79	0.10
Tra.	DTV	0.55	0.22	0.19	1.16	0.64	3.57	1.00	0.86
Tra.	ISCC	0.11	0.12	0.07	1.78	-0.03	3.62	0.86	0.47
Tra.	ISCFE	0.02	0.11	0.06	1.74	-0.41	4.32	0.61	0.15
Tra.	IVOLC	0.87	0.25	0.18	1.40	0.65	3.34	1.00	0.99
Tra.	IVOLFF	0.85	0.24	0.18	1.38	0.67	3.46	1.00	0.99
Val.	BM	0.46	0.19	0.20	0.95	1.03	4.16	1.00	0.59
Val.	CFP	0.45	0.14	0.19	0.71	0.32	2.80	1.00	0.71
Val.	DM	0.13	0.08	0.19	0.43	0.29	3.22	0.95	0.00
Val.	EP	0.47	0.10	0.17	0.58	0.75	3.60	1.00	0.93
Val.	NPY	0.66	0.13	0.16	0.81	0.81	3.43	1.00	1.00
Val.	OCP	0.54	0.11	0.19	0.59	0.31	2.69	1.00	0.97
Val.	SP	0.48	0.19	0.22	0.86	1.06	3.87	1.00	0.60
Mean		0.45	0.16	0.14	1.23	0.63	3.58	0.95	0.73

Table III.2: Non-standard errors in FF3-adjusted premiums across sorting variables.

This table shows summary statistics for all sorting variables grouped by the respective category. The table contains the mean (Mean, in %), skewness (Skew.), and kurtosis (Kurt.) of the Fama and French (1992)-adjusted premiums across all decision nodes for each sorting variable. Furthermore, it contains the non-standard error (NSE, in %), the average standard error (ASE, in %), and the NSE-ASE ratio (Ratio). The last two columns show the number of positive premiums (Pos.) and t -statistics larger than 1.96 (Sig.) scaled by the number of premiums, respectively.

Group	SV	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
Int.	ADM	0.07	0.08	0.14	0.57	0.50	3.81	0.82	0.01
Int.	EPRD	1.06	0.21	0.12	1.67	0.41	2.33	1.00	1.00
Int.	OL	0.33	0.11	0.14	0.81	0.51	2.96	1.00	0.73
Int.	RDM	0.37	0.13	0.16	0.85	0.76	4.62	1.00	0.71
Int.	RER	0.19	0.06	0.06	0.99	1.05	4.48	1.00	0.95
Inv.	AG	0.42	0.19	0.09	2.00	0.90	3.97	1.00	0.96
Inv.	CSI	0.56	0.15	0.10	1.51	0.62	3.25	1.00	1.00
Inv.	DNCA	0.45	0.17	0.09	1.82	0.65	3.33	1.00	0.98
Inv.	DNCO	0.49	0.16	0.09	1.82	0.63	3.32	1.00	0.99
Inv.	DPIA	0.51	0.20	0.10	2.02	0.57	3.40	1.00	0.96
Inv.	DWC	0.50	0.16	0.09	1.88	0.47	2.84	1.00	1.00
Inv.	IG	0.33	0.10	0.09	1.14	0.83	4.20	1.00	0.95
Inv.	IVA	0.30	0.23	0.12	1.98	0.20	3.17	0.89	0.69
Inv.	IVC	0.45	0.16	0.09	1.73	0.56	2.74	1.00	1.00
Inv.	IVG	0.42	0.15	0.08	1.71	0.36	2.61	1.00	0.97
Inv.	NOA	0.59	0.19	0.12	1.61	0.46	3.25	1.00	0.99
Inv.	OA	0.43	0.16	0.10	1.58	0.53	2.89	1.00	0.93
Inv.	POA	0.42	0.12	0.08	1.49	0.37	2.69	1.00	0.99
Inv.	PTA	0.32	0.10	0.08	1.35	0.27	2.50	1.00	0.96
Mom.	E6	0.35	0.17	0.12	1.42	0.01	2.55	0.98	0.75
Mom.	MOM	1.17	0.25	0.21	1.21	0.38	2.68	1.00	1.00
Mom.	MOM6	0.90	0.29	0.18	1.60	0.39	2.73	1.00	0.99
Pro.	ATO	0.12	0.09	0.10	0.88	0.30	2.91	0.91	0.13
Pro.	CBOP	0.62	0.16	0.11	1.46	0.75	4.24	1.00	1.00
Pro.	CTO	0.16	0.11	0.13	0.87	0.35	3.17	0.93	0.15
Pro.	GPA	0.47	0.15	0.12	1.22	0.38	2.66	1.00	0.98
Pro.	O	0.24	0.09	0.11	0.80	1.01	4.73	1.00	0.57
Siz.	SIZE	0.01	0.27	0.09	3.17	3.02	15.38	0.34	0.12
Tra.	DTV	0.36	0.22	0.16	1.34	0.54	3.67	0.97	0.62
Tra.	ISCC	0.08	0.11	0.06	1.69	0.08	3.55	0.82	0.37
Tra.	ISCFE	-0.00	0.10	0.06	1.63	-0.30	4.22	0.48	0.10
Tra.	IVOLC	0.75	0.24	0.14	1.72	0.86	3.56	1.00	1.00
Tra.	IVOLFE	0.72	0.24	0.14	1.71	0.90	3.69	1.00	0.99
Val.	BM	0.08	0.19	0.08	2.25	0.96	4.05	0.60	0.28
Val.	CFP	0.10	0.15	0.11	1.37	0.18	2.91	0.75	0.24
Val.	DM	-0.21	0.09	0.11	0.83	-0.49	3.52	0.00	0.00
Val.	EP	0.19	0.11	0.10	1.10	0.51	3.53	0.97	0.45
Val.	NPY	0.44	0.13	0.11	1.19	0.75	3.43	1.00	0.98
Val.	OCP	0.18	0.10	0.10	1.02	0.19	2.81	0.97	0.44
Val.	SP	0.13	0.16	0.14	1.15	0.98	3.98	0.80	0.16
Mean		0.38	0.16	0.11	1.45	0.56	3.66	0.91	0.70

IV Impact of decision nodes: Figures

Here, we present figures for the decision nodes' impacts.

Figure IV.1: Impact of decision node: Breakpoint quantiles (main).

This figure shows the non-standard error produced when holding the main breakpoint quantiles constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.



Figure IV.2: Impact of decision node: Weighting scheme.

This figure shows the non-standard error produced when holding the weighting scheme constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

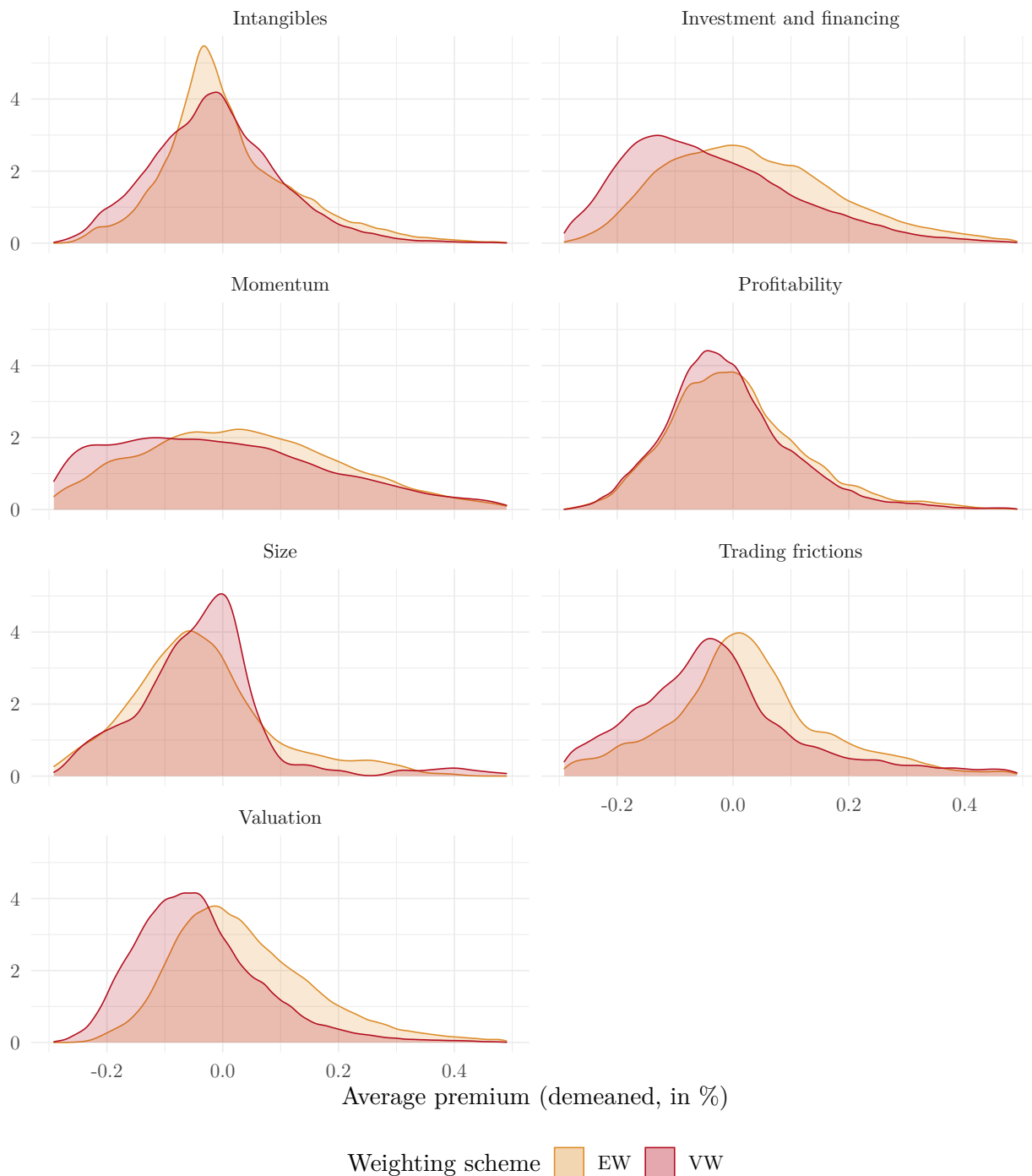


Figure IV.3: Impact of decision node: Positive earnings.

This figure shows the non-standard error produced when holding the positive earnings filter constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

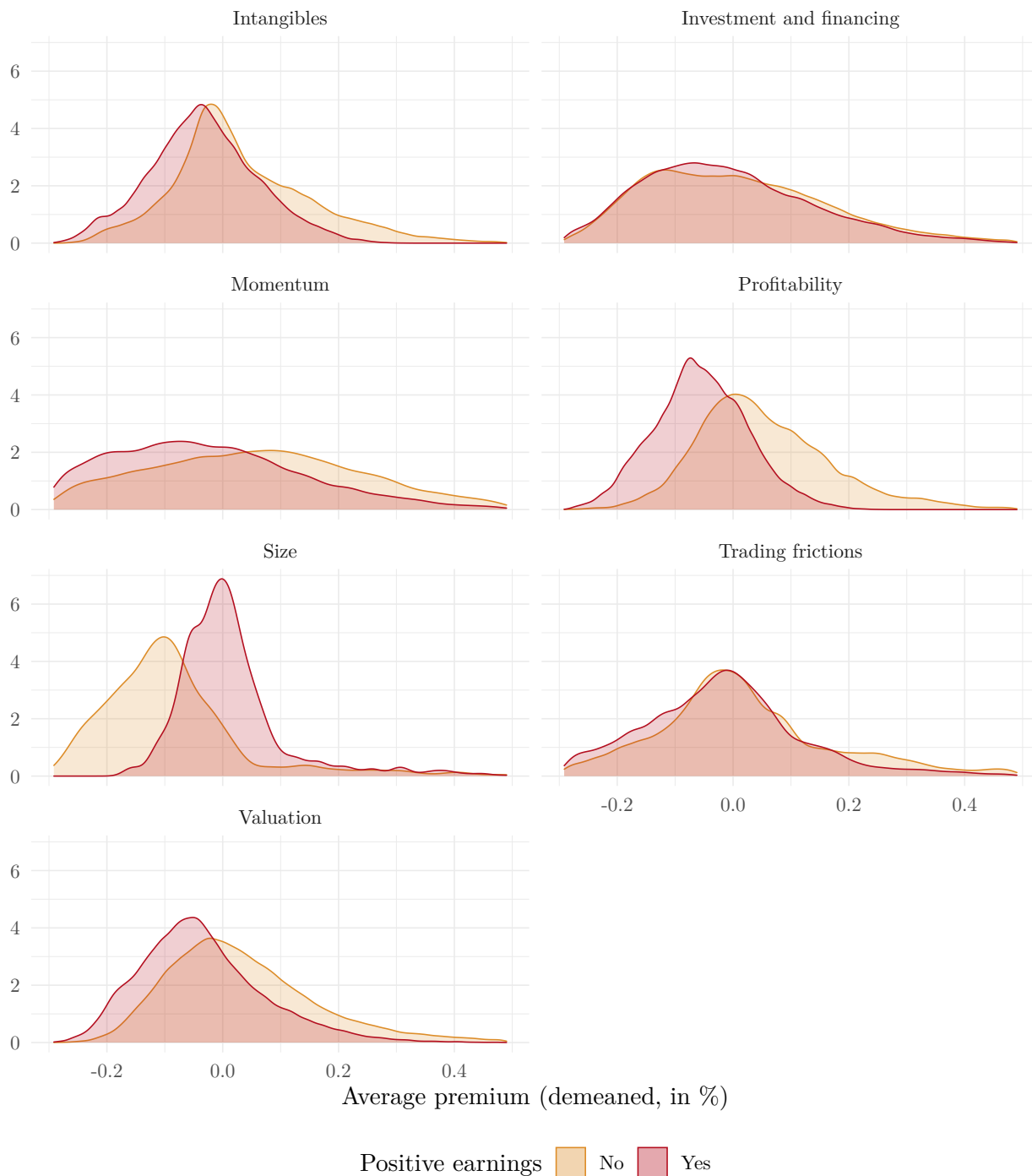


Figure IV.4: Impact of decision node: Size restriction.

This figure shows the non-standard error produced when holding the size restriction constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

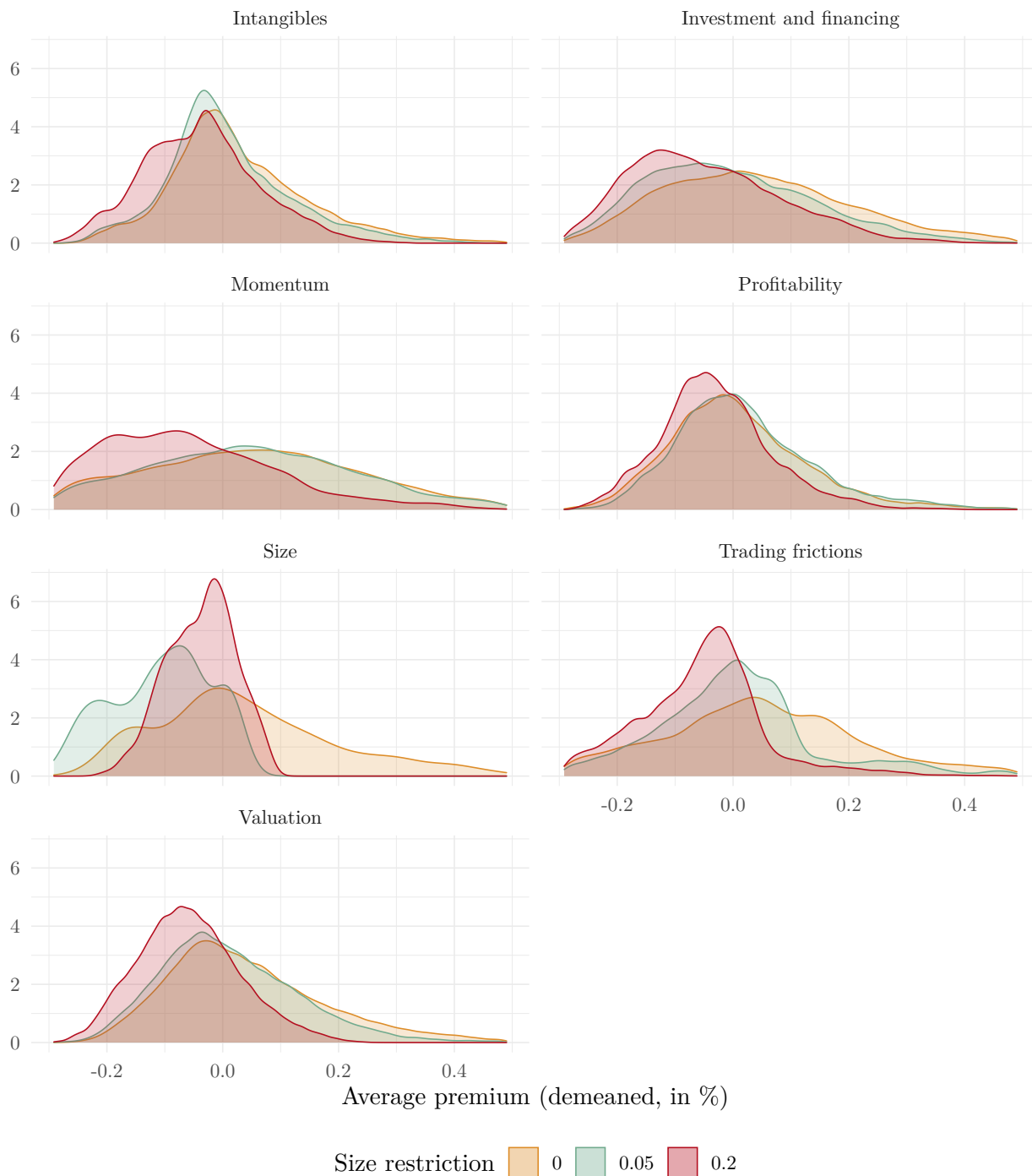


Figure IV.5: Impact of decision node: Breakpoint exchanges.

This figure shows the non-standard error produced when holding the breakpoint exchanges constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.



Figure IV.6: Impact of decision node: Financials.

This figure shows the non-standard error produced when holding the decision to include financials constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

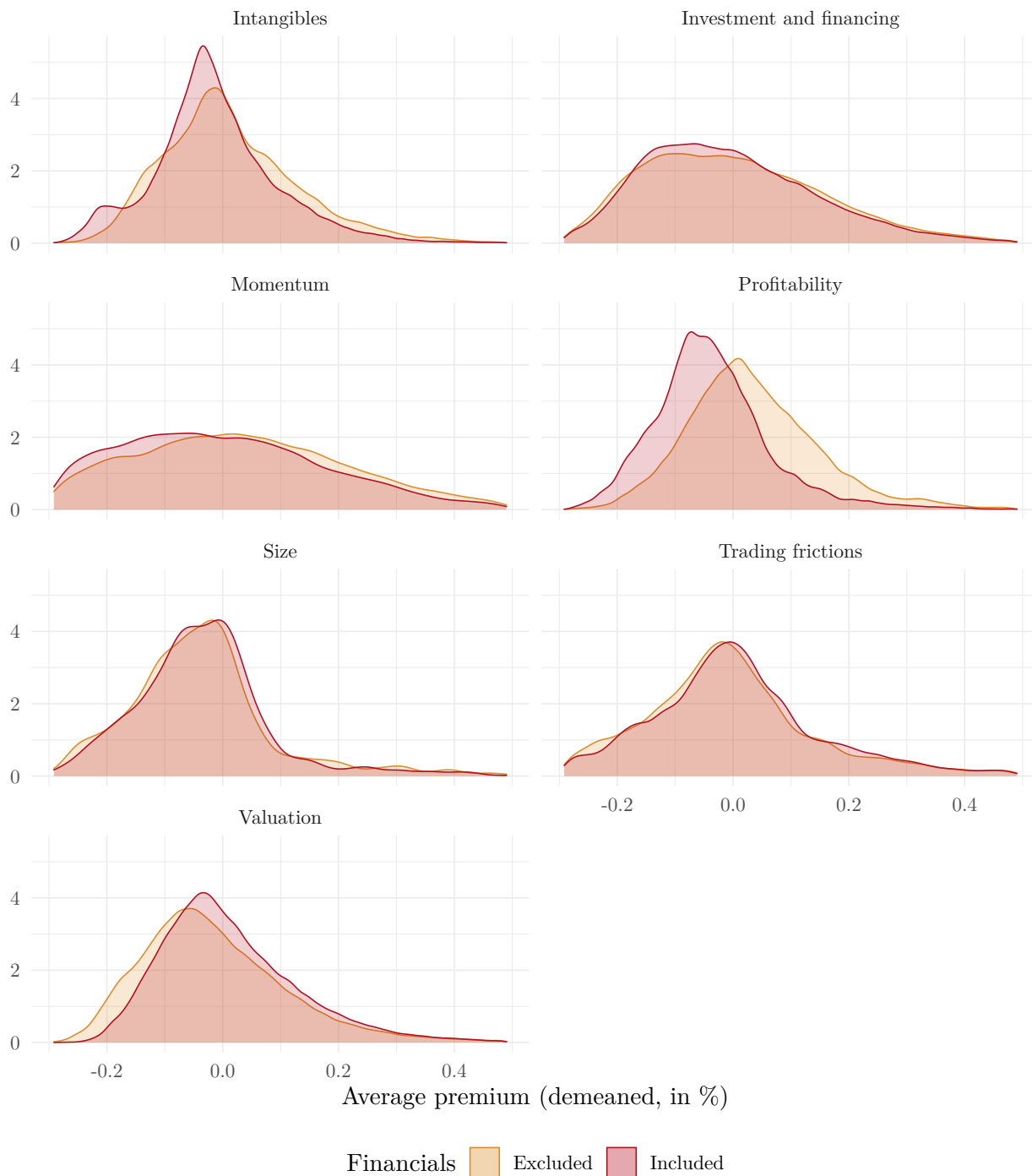


Figure IV.7: Impact of decision node: Breakpoint quantiles (secondary).

This figure shows the non-standard error produced when holding the secondary breakpoint quantiles constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

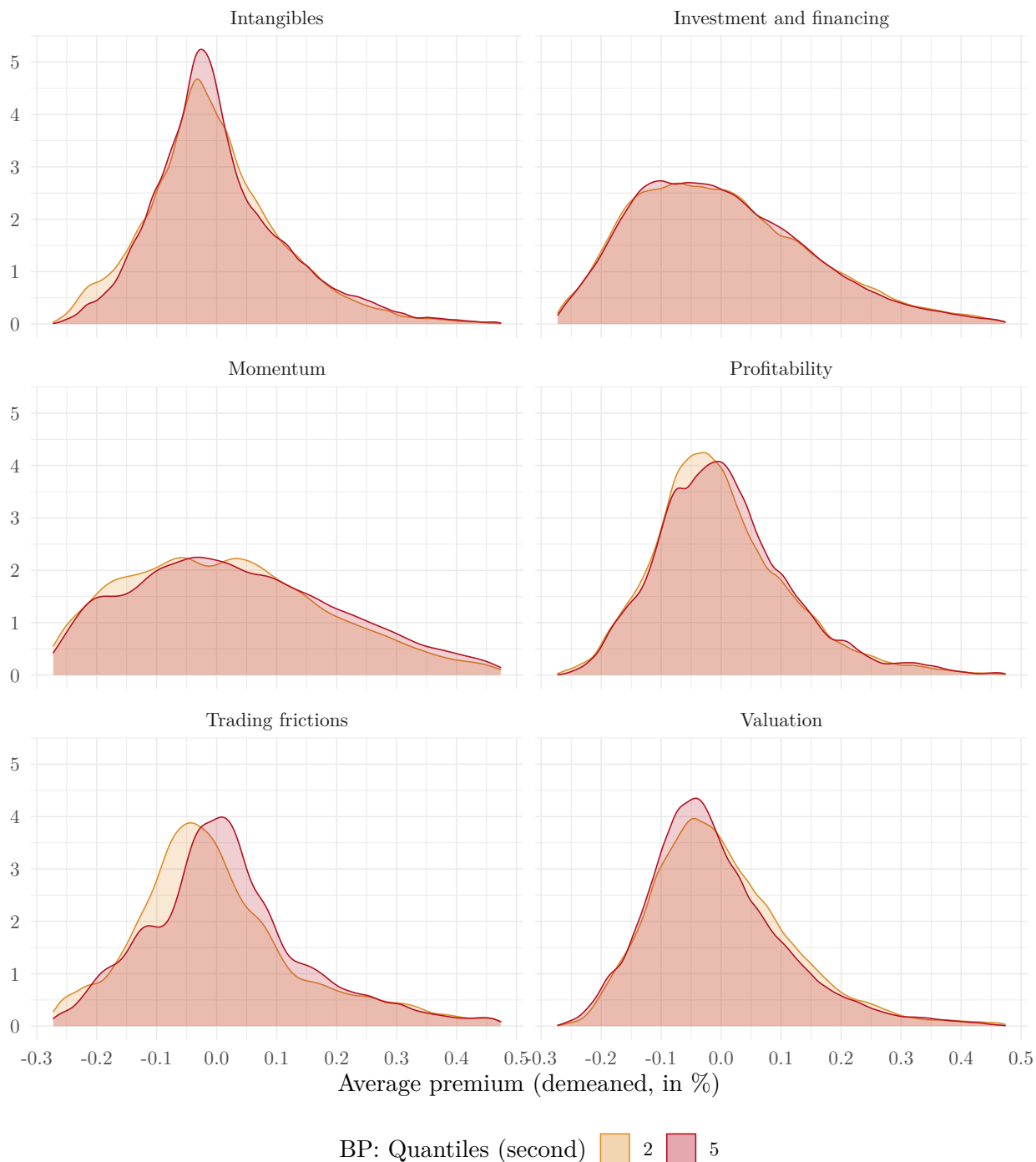


Figure IV.8: Impact of decision node: Rebalancing.

This figure shows the non-standard error produced when holding the rebalancing frequency constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

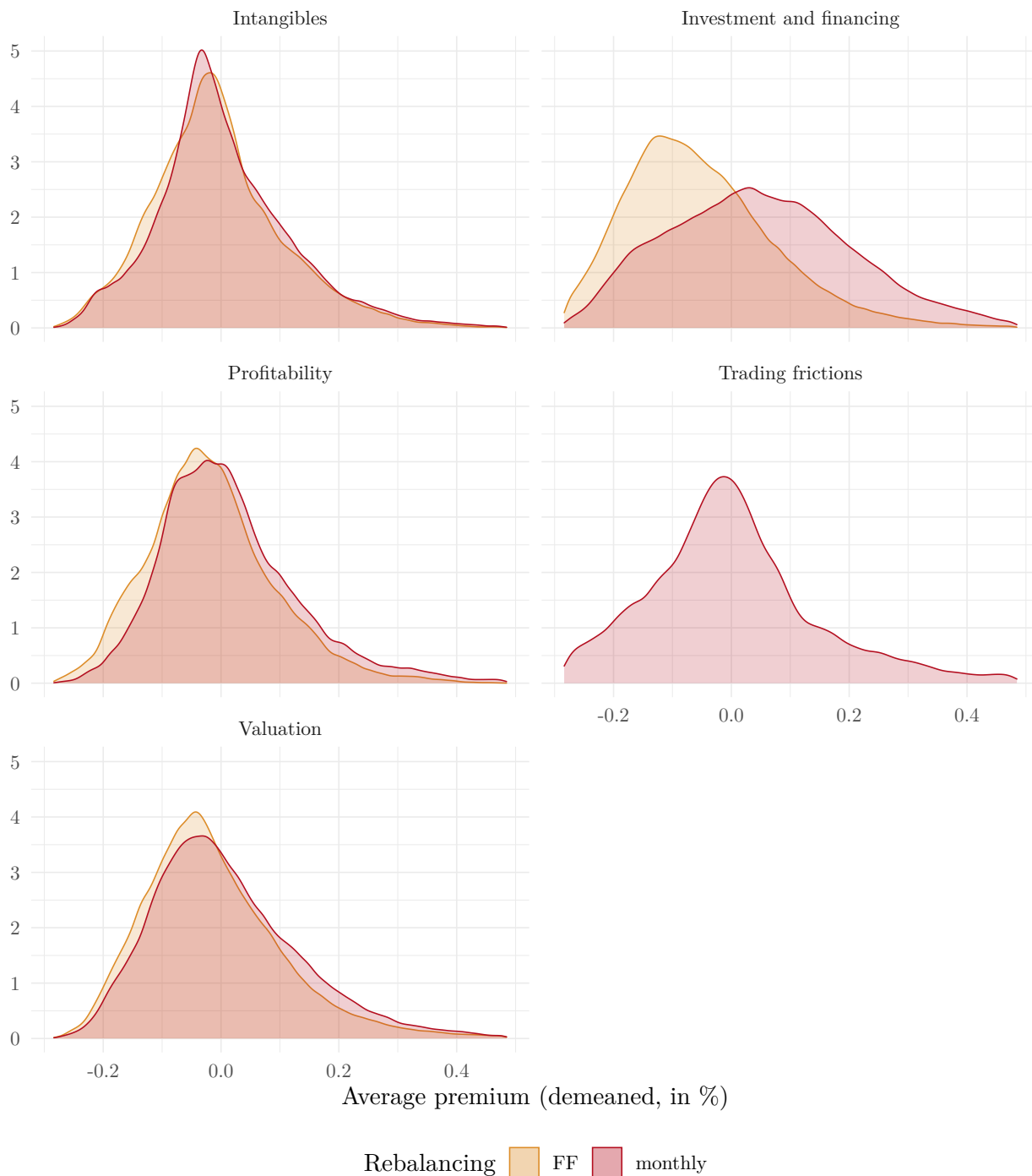


Figure IV.9: Impact of decision node: Double sort.

This figure shows the non-standard error produced when holding double sorting scheme constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.



Figure IV.10: Impact of decision node: Utilities.

This figure shows the non-standard error produced when holding the decision to include utilities constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.



Figure IV.11: Impact of decision node: Sorting variable lag.

This figure shows the non-standard error produced when holding the sorting variable lag constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

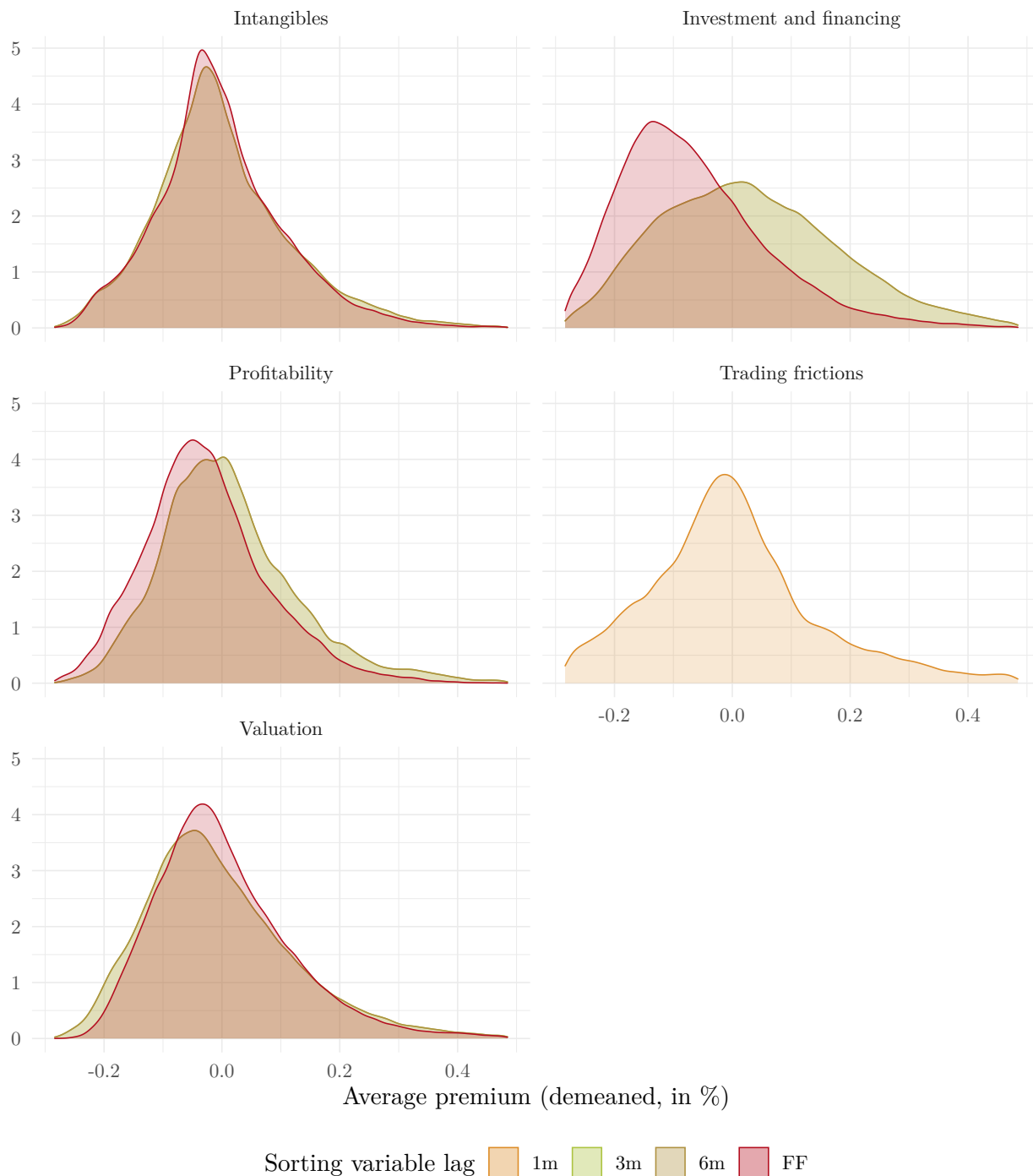


Figure IV.12: Impact of decision node: Stock-age restriction.

This figure shows the non-standard error produced when holding the stock-age restriction constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.

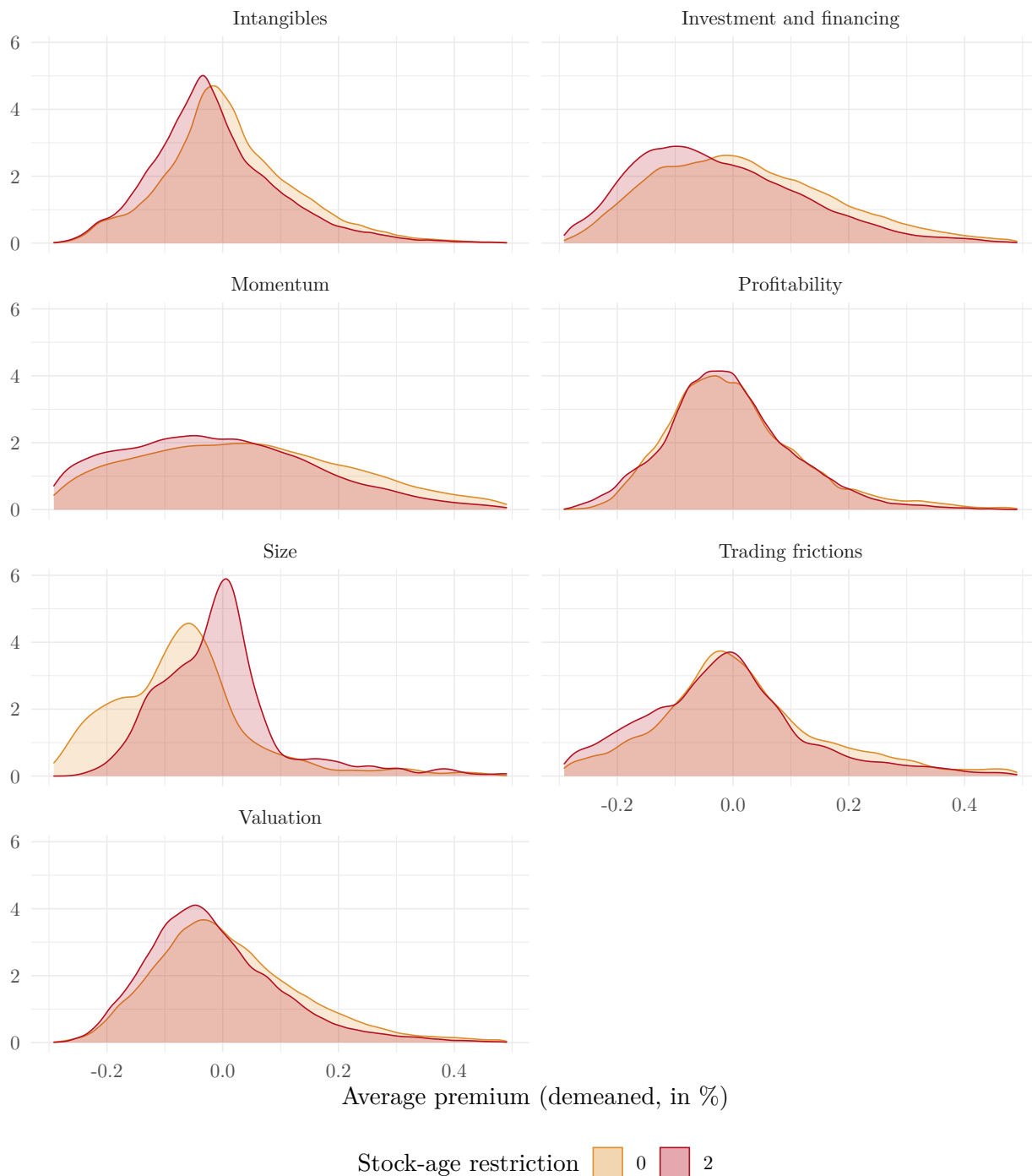


Figure IV.13: Impact of decision node: Price restriction.

This figure shows the non-standard error produced when holding the price restriction constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.



Figure IV.14: Impact of decision node: Positive book equity.

This figure shows the non-standard error produced when holding the book equity filter constant. We demean the average premiums within each sorting variable to make their location comparable. In the separate panels, we show the distribution of demeaned premiums (in %) for the different categories across all remaining decision nodes.



V Alphas and decision nodes

This section shows the impact of decision nodes on alphas for the CAPM and FF3 model, respectively.

Table V.1: Impact of decision node on CAPM alphas.

This table shows the mean statistics across sorting variables for several decision nodes in separate panels. Each table contains the mean (Mean, in %), skewness (Skew.), kurtosis (Kurt.), and interquartile range (IQR, in %) of the average premiums. We also show the non-standard error (NSE, in %), the average standard error (mSE, in %), the standard deviation of the standard error (sSE, in %), and the NSE-SE ratio (Ratio). The last two columns show the number of positive premiums (Pos.) and fraction of t -statistics larger than 1.96 (Sig.).

Panel A: BP: Quantiles (second)

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
2	0.46	0.15	0.14	1.20	0.66	3.29	0.96	0.75
5	0.47	0.15	0.13	1.19	0.65	3.18	0.96	0.76

Panel B: Rebalancing

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
FF	0.39	0.13	0.13	1.06	0.66	3.32	0.96	0.71
monthly	0.46	0.16	0.14	1.23	0.50	3.30	0.95	0.73

Panel C: Double sort

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
Dependent	0.46	0.15	0.13	1.19	0.66	3.32	0.96	0.75
Independent	0.47	0.15	0.14	1.18	0.61	3.17	0.96	0.76
Single	0.44	0.17	0.15	1.24	0.66	3.39	0.93	0.68

Panel D: Utilities

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
Excluded	0.46	0.16	0.14	1.23	0.62	3.57	0.96	0.73
Included	0.44	0.16	0.14	1.23	0.65	3.61	0.94	0.72

Panel E: Sorting variable lag

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
1m	0.48	0.19	0.13	1.49	0.30	3.66	0.89	0.69
3m	0.44	0.15	0.14	1.18	0.60	3.28	0.96	0.73
6m	0.44	0.15	0.14	1.18	0.60	3.28	0.96	0.73
FF	0.39	0.13	0.13	1.04	0.62	3.21	0.95	0.72

Panel F: Stock-age restriction

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
0	0.47	0.17	0.14	1.24	0.57	3.44	0.94	0.73
2	0.42	0.15	0.14	1.19	0.65	3.66	0.96	0.71

Panel G: Price restriction

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
0	0.46	0.17	0.14	1.28	0.65	3.52	0.95	0.73
1	0.46	0.16	0.14	1.23	0.58	3.26	0.95	0.73
5	0.44	0.15	0.14	1.17	0.47	3.08	0.95	0.72

Table V.2: Impact of decision node on FF3 alphas.

This table shows the mean statistics across sorting variables for several decision nodes in separate panels. Each table contains the mean (Mean, in %), skewness (Skew.), kurtosis (Kurt.), and interquartile range (IQR, in %) of the average premiums. We also show the non-standard error (NSE, in %), the average standard error (mSE, in %), the standard deviation of the standard error (sSE, in %), and the NSE-SE ratio (Ratio). The last two columns show the number of positive premiums (Pos.) and fraction of t -statistics larger than 1.96 (Sig.).

Panel A: BP: Quantiles (main)

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
5	0.33	0.12	0.10	1.34	0.54	3.44	0.91	0.71
10	0.43	0.16	0.12	1.31	0.48	3.49	0.90	0.70

Panel B: Weighting scheme

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
EW	0.41	0.15	0.11	1.41	0.65	3.50	0.93	0.75
VW	0.35	0.15	0.11	1.34	0.59	3.56	0.88	0.66

Panel C: Positive earnings

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
No	0.40	0.16	0.12	1.41	0.52	3.44	0.91	0.72
Yes	0.35	0.14	0.10	1.36	0.44	3.26	0.90	0.69

Panel D: Size restriction

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
0	0.43	0.18	0.11	1.61	0.35	3.10	0.93	0.76
0.2	0.32	0.12	0.11	1.07	0.17	2.98	0.88	0.64

Panel E: BP: Exchanges

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
All	0.42	0.17	0.12	1.47	0.38	3.27	0.92	0.73
NYSE	0.33	0.13	0.11	1.22	0.44	3.53	0.89	0.68

Panel F: Financials

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
Excluded	0.38	0.16	0.11	1.43	0.57	3.65	0.90	0.69
Included	0.37	0.15	0.11	1.44	0.58	3.67	0.92	0.71

Table V.3: Impact of decision node on FF3 alphas.

This table shows the mean statistics across sorting variables for several decision nodes in separate panels. Each table contains the mean (Mean, in %), skewness (Skew.), kurtosis (Kurt.), and interquartile range (IQR, in %) of the average premiums. We also show the non-standard error (NSE, in %), the average standard error (mSE, in %), the standard deviation of the standard error (sSE, in %), and the NSE-SE ratio (Ratio). The last two columns show the number of positive premiums (Pos.) and fraction of t -statistics larger than 1.96 (Sig.).

Panel A: BP: Quantiles (second)

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
2	0.39	0.15	0.11	1.35	0.60	3.34	0.93	0.73
5	0.39	0.14	0.11	1.32	0.60	3.24	0.94	0.74

Panel B: Rebalancing

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
FF	0.31	0.13	0.10	1.26	0.53	3.35	0.92	0.69
monthly	0.37	0.15	0.11	1.42	0.45	3.39	0.91	0.71

Panel C: Double sort

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
Dependent	0.38	0.14	0.11	1.34	0.61	3.37	0.93	0.74
Independent	0.40	0.14	0.11	1.32	0.56	3.20	0.93	0.73
Single	0.36	0.18	0.12	1.53	0.56	3.18	0.87	0.66

Panel D: Utilities

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
Excluded	0.38	0.16	0.11	1.44	0.55	3.65	0.90	0.70
Included	0.37	0.15	0.11	1.45	0.58	3.70	0.91	0.70

Panel E: Sorting variable lag

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
1m	0.38	0.18	0.11	1.62	0.42	3.74	0.85	0.62
3m	0.35	0.14	0.11	1.38	0.51	3.39	0.92	0.71
6m	0.35	0.14	0.11	1.38	0.51	3.39	0.92	0.71
FF	0.31	0.13	0.10	1.24	0.52	3.27	0.93	0.70

Panel F: Stock-age restriction

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
0	0.39	0.16	0.11	1.47	0.52	3.58	0.90	0.70
2	0.35	0.15	0.11	1.40	0.57	3.71	0.90	0.69

Panel G: Price restriction

Branch	Mean	NSE	ASE	Ratio	Skew.	Kurt.	Pos.	Sig.
0	0.38	0.17	0.11	1.52	0.60	3.60	0.91	0.71
1	0.38	0.16	0.11	1.45	0.52	3.33	0.91	0.71
5	0.37	0.14	0.11	1.35	0.36	3.05	0.90	0.70