**Introduction:**

The study of asset pricing anomalies has greatly deepened our understanding of stock return behavior, surpassing the traditional Capital Asset Pricing Model (CAPM). Empirical finance has recorded many anomalous phenomena, namely return system patterns that cannot be explained solely by market risk, which has led to the development of multi factor models that incorporate additional risk factors and firm characteristics.

One of the most influential frameworks is the Fama French three factor model (1993), which introduces factors of size (SMB: small to large) and value (HML: high to large) as well as market factors to better explain the cross-sectional changes in stock returns. These factors capture the empirical pattern that small cap and value stocks often outperform their peers, reflecting potential risk premiums or behavioral biases (Fama&French, 1993).

Based on this research conclusion, Fama and French (2015) added two additional factors: profitability (RMW: steady minus weak) and investment (CMA: conservative minus aggressive). The motivation behind these factors is the observation that companies with strong profitability and conservative investment models typically receive higher returns, indicating that the dimensions of profitability and investment capture risk cannot be considered solely based on size and value (Fama&French, 2015).

Complementing these fundamental factors is the momentum factor (UMD: rise minus fall) proposed by Jegadeesh and Titman (1993), which indicates that stocks that have recently performed strongly tend to continue outperforming the market in the short to medium term. Momentum captures behavioral phenomena such as insufficient investor response and delayed information diffusion, which traditional risk-based models cannot explain.

Although these factors have been widely tested in the US stock market, the difference in our research is that we used sample data from recent years(2000-2024) to apply these effective investment strategies to the Chinese A-share market. The motivation for this transformation is the unique characteristics of the A-share market, including different investor behavior, regulatory environment, and market structure compared to the US market. By studying the performance of these anomalies in the A-share market, we aim to evaluate their robustness and relevance in emerging and evolving markets.

Our empirical results once again confirm that although market factors remain the main driving factor, the inclusion of factors such as size, value, profitability, investment, and momentum significantly enhances the explanation of cross-sectional returns in the A-share market. This indicates that these anomalous phenomena are not limited to developed markets, but also have explanatory power in different economic environments, providing valuable insights for scholars.

**REFERENCES**

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Fama, E. F., & French, K. R. (2015). A Five-Factor Asset Pricing Model. *Journal of Financial Economics, 116*(1), 1-22.

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|  | **Factor** | **Key Authors** | **Year** |
| **1** | **Momentum(UMD)** | **Jegadeesh & Titman** | **1993** |
| **2** | **Investment(CMA)** | **Fama & French** | **2015** |
| **3** | **Profitability(RMW)** | **Fama & French** | **2015** |