Equity Factor Insights

QUARTERLY REPORT | **OCTOBER 2025**

Value outperforms and Size lags amid improving macro backdrop

Value and (Small) Size reverse performance in Q3

In a reversal from Q2's factor performance trends, Value outperformed in 4 of 6 regions, while Size lagged in 5 of 6. Easing financial conditions, an improving growth outlook and positive trade-related developments, compared to Q2, provided the context for more Value-oriented stocks to rally. However, larger equities seemed to rebound more in Q3, reversing Size's outperformance from the previous quarter.

US and Emerging factor performance diverges from rest

US and Emerging Tech's large contribution to their Q3 equity returns led their factor relative performance to diverge from other regions. In the US and Emerging, Value and Yield lagged, while Quality outperformed.

Broadly, cyclicals exposures drive returns

In Q3, an overweight to cyclicals, which continued to rally, was generally supportive of factor relative returns. US and Emerging Tech and Asia Pacific ex Japan Telecoms were strong region-specific drivers. Financials continued to be important for the UK, Europe ex UK and Emerging factors.

Valuations continue to rerate with a few exceptions

After dipping in or around April, absolute 12M factor forward P/Es expanded for most factors. US and Emerging factors remained expensive relative to history.

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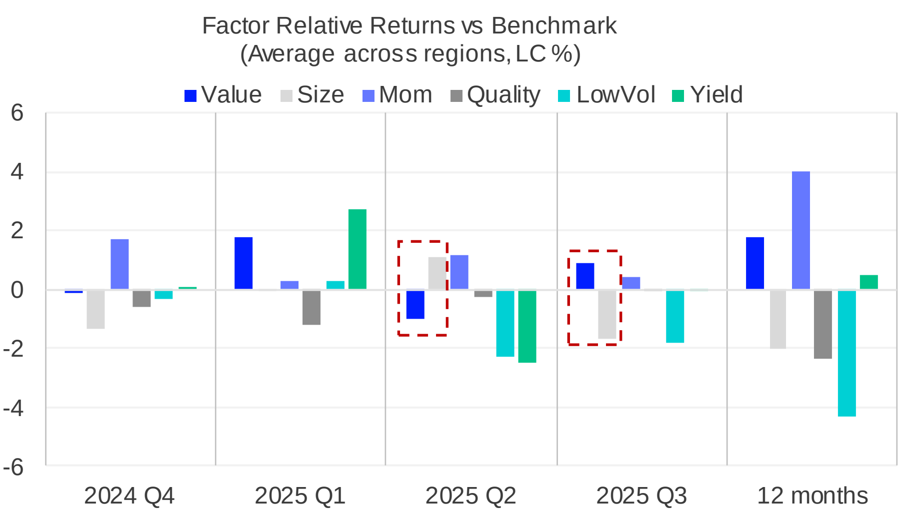
Regional Factor Performance Highlights



Select Regional Relative Returns, 3M (%)

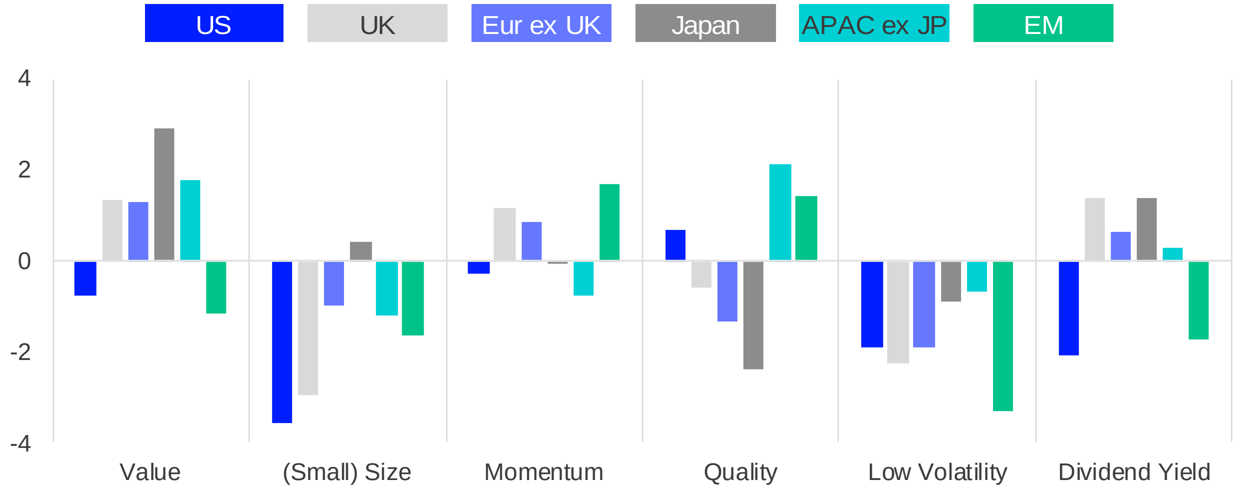
+0.7% US Quality	**-3.6%** US Size
+1.3% Europe ex UK Value	**-1.9%** Europe ex UK Low Vol
+1.3% UK Value	**-2.9%** UK Size
+2.9% Japan Value	**-2.4%** Japan Quality

Source: FTSE Russell and LSEG. All data as of September 30, 2025. * Local currency. Please see Appendix for important legal disclosures and details on rules-based factor indicator calculations and construction methodology.

Global View – Factor and Benchmark Performance Highlights, 3M

The risk rally that began in April and Tech's rebound in Q2 continued into the third quarter. However, Value outperformed benchmarks more broadly (except in the US and Emerging) and (Small) Size lagged most regional benchmarks. This was a reversal from Q2, suggesting cheaper and larger equities participated more in Q3's equity rally, broadly speaking. Momentum's performance moderated and Quality outperformed in more regions (3 out of 6) relative to Q2. And Low Vol continued to lag across the board consistent with market risk sentiment.

Regional Relative Factor returns vs benchmark — 3M (TR, LC%)

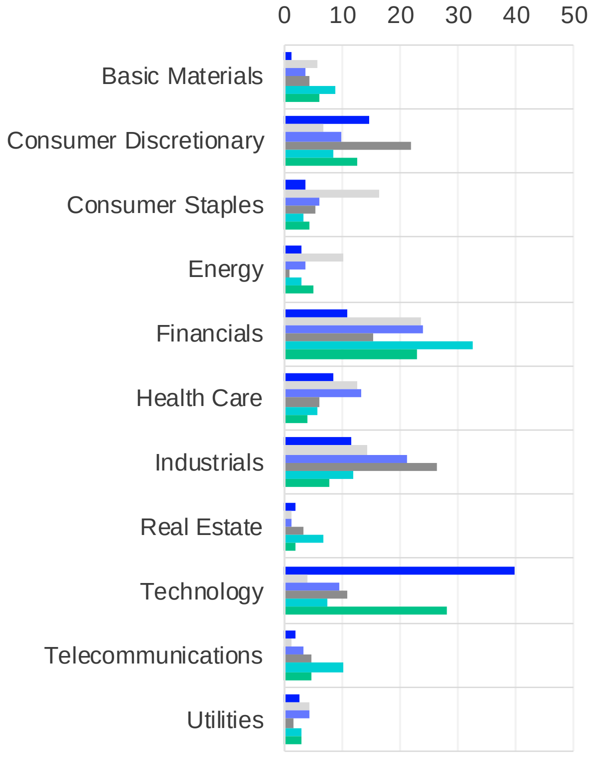


Regional Equity Market Returns – 3M (TR, LC %) – Cyclicals drive equities higher in risk rally

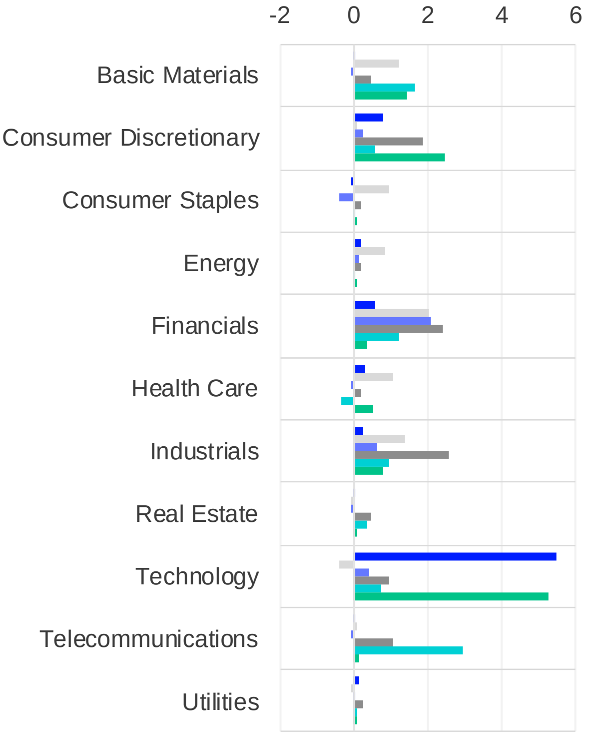
Emerging and Japan equities led performance in the sustained risk rally in Q3. The UK, Asia Pacific and US indices were not far behind with the Europe index trailing. The contribution from Tech and, broadly, cyclicals drove returns. Health Care rebounded in the US and UK after lagging in Q2. Telecoms in Asia Pacific and Japan also shone.

+8.1% FTSE USA	+7.4% FTSE UK	+3.0% FTSE Eur ex UK	+11.0% FTSE Japan	+8.4% FTSE APAC ex JP	+11.8% FTSE Emerging

Benchmark Industry Weights, 3M average (%)



3M – Contributions to Total Benchmark Returns (%)

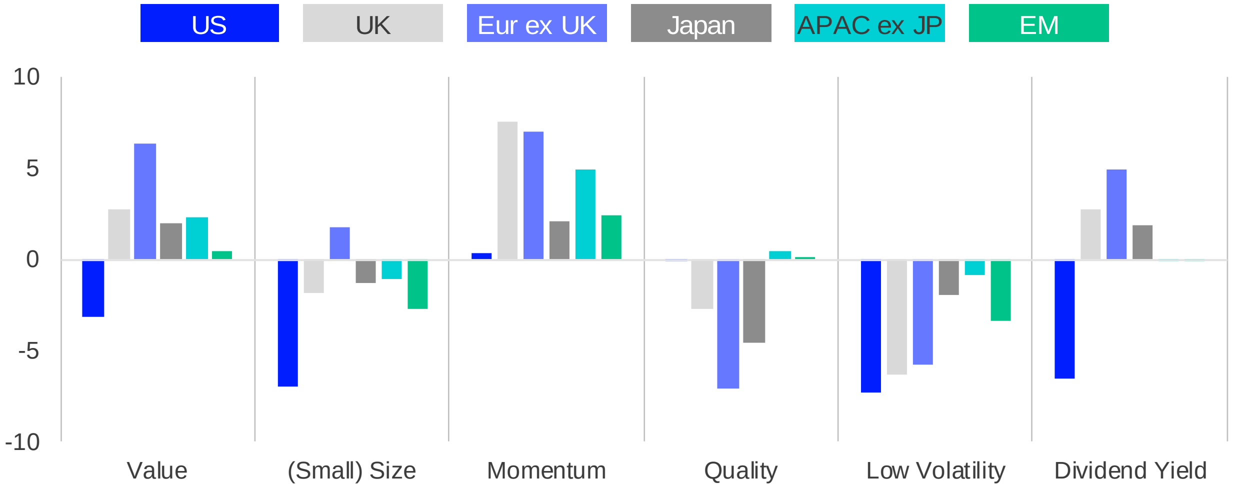


Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

Global View – Factor and Benchmark Performance Highlights,12M

At the end of Q3, 12M factor relative returns for the US stood out relative to other regions. In the US, Value, Size and Yield steeply lagged the benchmark consistent with its Tech-dominated equity returns. In other regions, Value and Yield largely outperformed or were flat, and Size lagged to a smaller extent (except in Europe where it outperformed) indicating their returns were driven more by less expensive higher-yielding equities. Momentum was still the best-performing factor over 12M. Quality and Low Vol mostly lagged or were in line with benchmark returns.

Regional Relative Factor returns vs benchmark — 12M (TR, LC%)

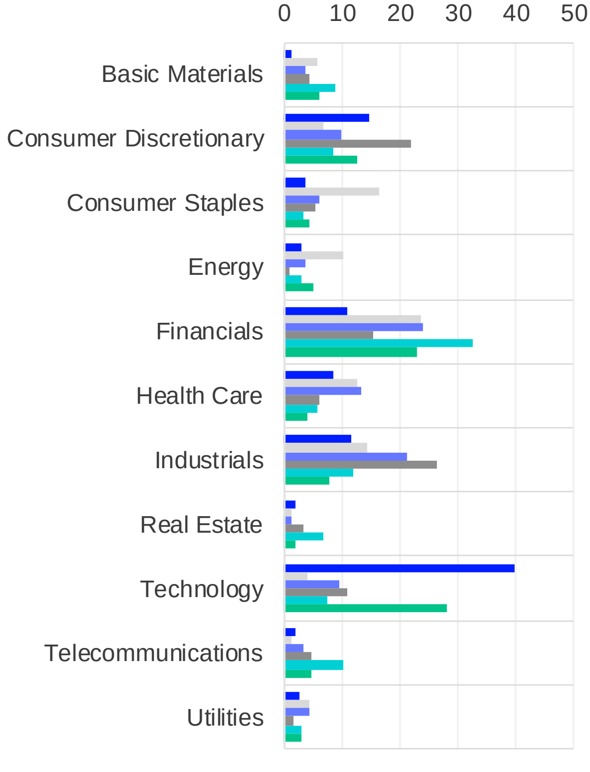


Regional Equity Market Returns – 12M (TR, LC %) – Japanese equities soar

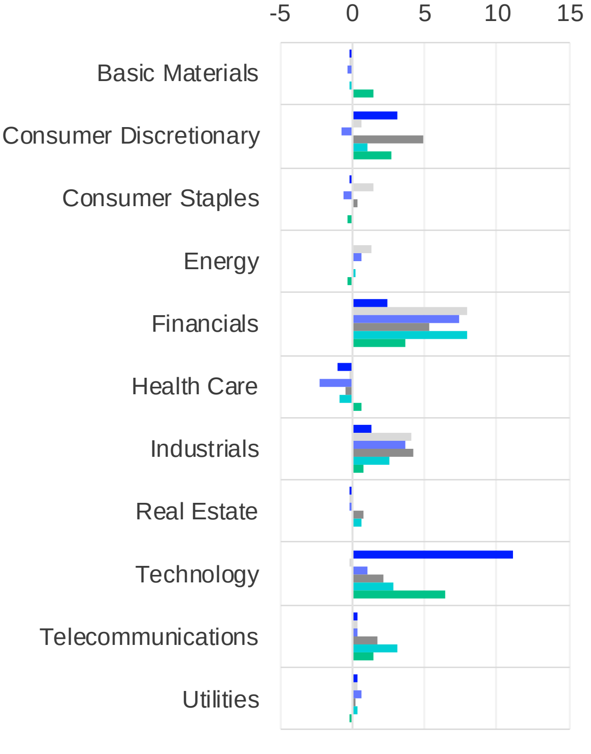
In Q3, Japanese equities led performance in local currency terms, but several regional equities also posted double-digit returns. Cyclicals such as Financials, Industrials, Tech and Discretionary contributed strongly, and more consistently, across regions, relative to defensives. Health Care was still a drag on 12M returns, despite Q3's rebound.

+18.4% FTSE USA	+17.2% FTSE UK	+9.6% FTSE Eur ex UK	+21.0% FTSE Japan	+18.3% FTSE APAC ex JP	+17.0% FTSE Emerging

Benchmark Industry Weights, 3M average (%)



12M – Contributions to Total Benchmark Returns (%)



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

Global View – Factor rotation

In Q3 2025, improvements in the macro picture sustained market optimism and provided the backdrop for the Value factor's outperformance in 4 of 6 regions (Chart 1). Overall, financial conditions eased, even as the growth outlook remained benign. Chart 3 shows the level of policy rates in major G7 economies relative to their highs during 2022-23. The Fed resumed monetary easing in September albeit due to labor market concerns which nevertheless provided a tailwind for risk assets. Chart 4 shows improved forecast GDP growth for 2025. The equity rally spread to cheaper stocks with perhaps more upside than the market leaders thus far in 2025.

The US entered into framework trade agreements with several key trading partners during Q3. Such better-than-feared outcomes may have caused a reversal in the Size factor's performance (Chart 2). In Q2, within industry preference was for smaller equities (positive selection effects for Size) that were presumably more insulated from trade tensions. In Q3, larger equities seemed to rally more. Chart 5 shows the US and Global Economic Policy Uncertainty indices, which peaked in April, but have continued to decline since, indicating an improving outlook. Lastly, it is worth noting that long yields remained high in major economies in the context of high debt levels and limited fiscal space. Government yield curves steepened slightly (Chart 6) providing a tailwind for Financials in a few regions and Value's outperformance.

US | UK | Eur ex UK | Japan | APAC ex JP | EM

Chart 1: Value relative to benchmark (LC, rebased)

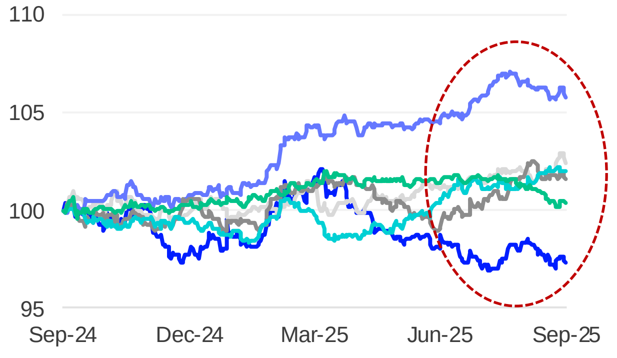


Chart 2: Size relative to benchmark (LC, rebased)

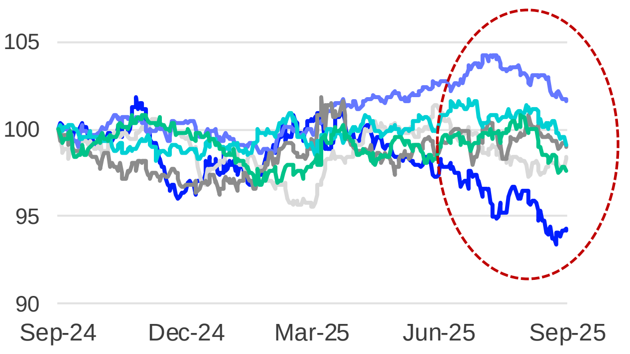


Chart 3: Central bank policy rates (%)

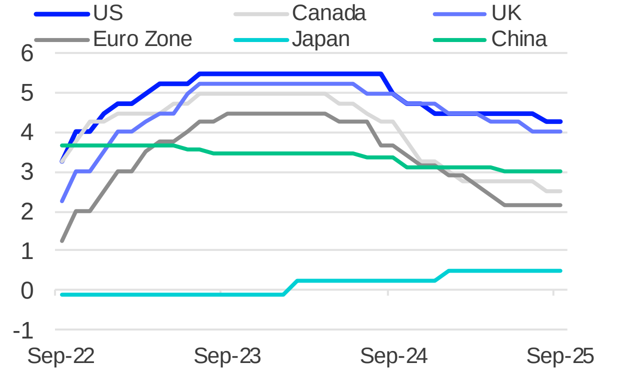


Chart 4: Forecast 2025 GDP growth, September vs June (%)

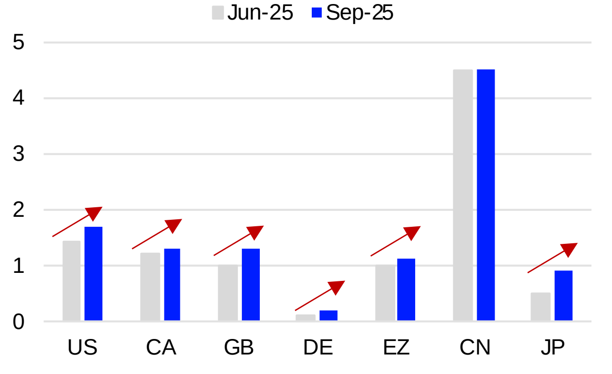


Chart 5: Economic Policy Uncertainty index

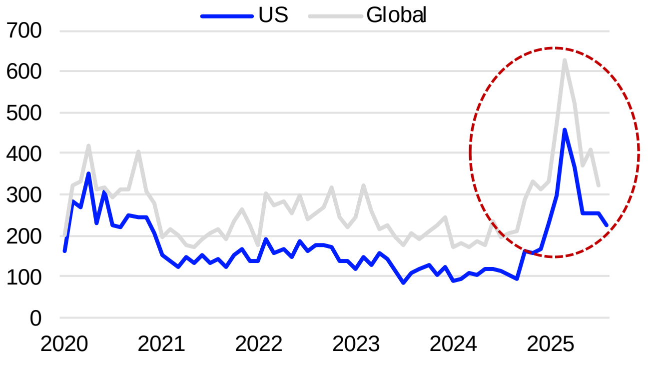
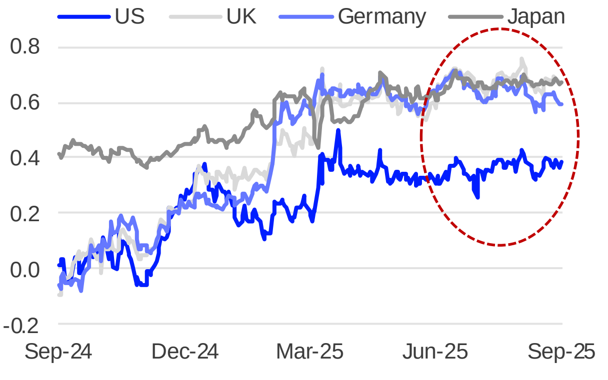


Chart 6: Government bond yield curve slope, 7-10 yr--1-3 yr (%)

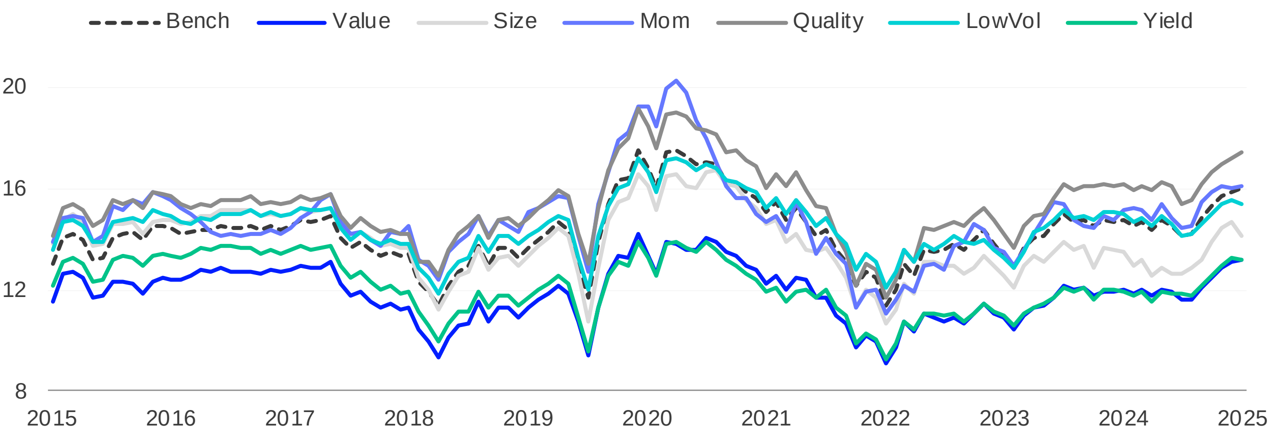


Source: FTSE Russell and LSEG. All data as of September 30, 2025. Policy uncertainty data from: www.PolicyUncertainty.com. Global policy uncertainty index data through August 2025. Past performance is no guarantee of future results.

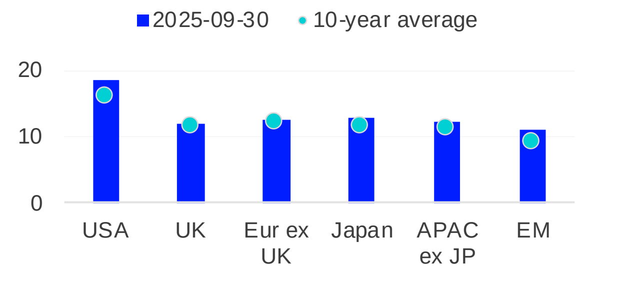
Global View – Factor Valuations

Since end-2022, average factor forward P/Es have rerated broadly. They contracted toward the end of Q1 2025 but have expanded since with the global risk rally. At the end of Q3, when the Value factor outperformed in several regions and Quality rebounded in a few, both Value and Quality traded above long-term averages across regions. All US factors remained expensive relative to history.

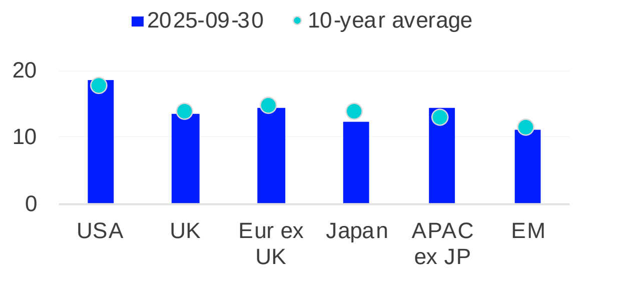
12-month forward factor P/E ratios, average of six regions



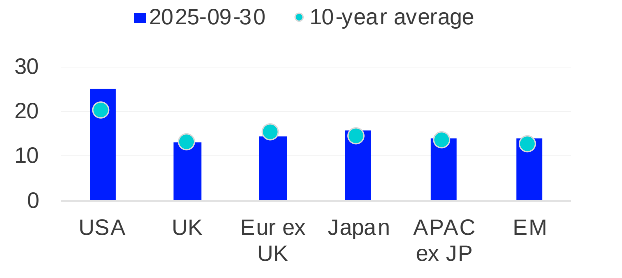
Value - 12M forward P/E



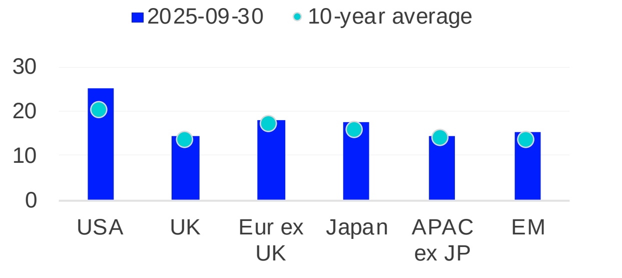
Size - 12M forward P/E



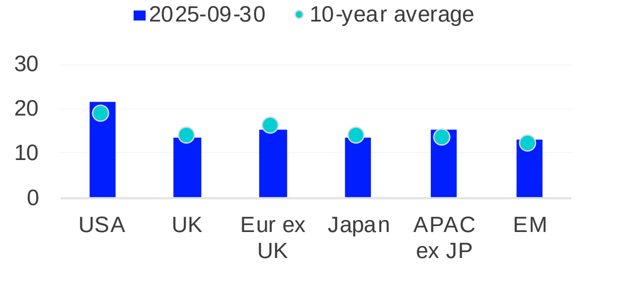
Momentum - 12M forward P/E



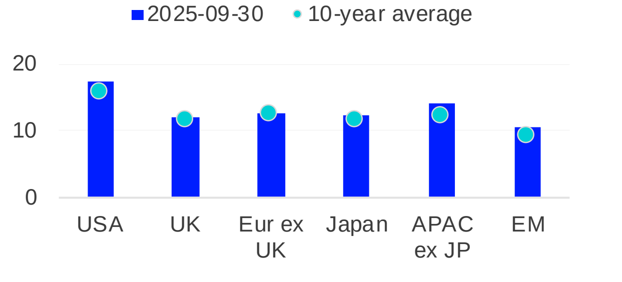
Quality - 12M forward P/E



Low Volatility - 12M forward P/E



Yield - 12M forward P/E



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

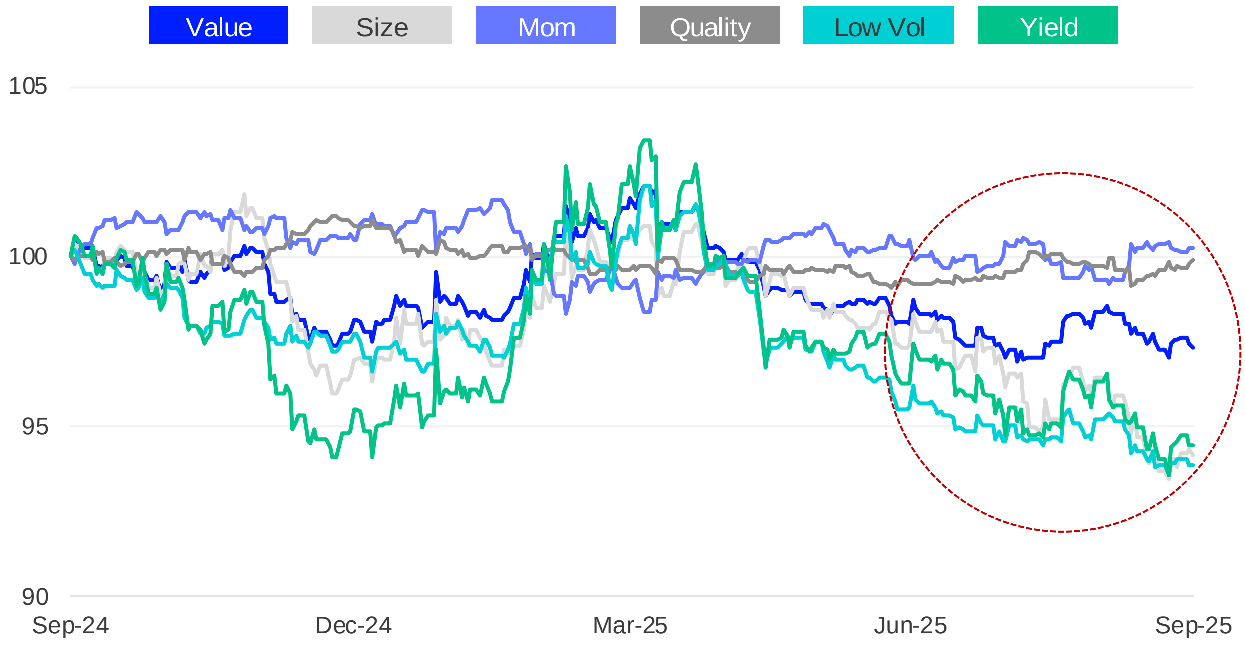
US Equity Factor Insights

THIRD QUARTER | 2025

Key Observations

- In Q3, Quality was the sole factor to outperform the benchmark helped by its overweight to Tech, from positive allocation and selection effects.
- All other US factors lagged the benchmark in Q3, Size most steeply. An underweight to Tech, and overweight to Consumer Staples which underperformed, hurt factor relative returns.
- At the end of Q3, Momentum beat the benchmark over the 12M timeframe; Quality was on par. After gaining ground in Q1, other US factors have trailed the benchmark index notably.
- Absolute factor forward P/Es have rerated since troughing in April for most factors. US factor valuations remained above their long-term averages with the Quality-Value premium widening slightly in Q3.
- In relative terms, Momentum and Quality continued to trade above their 10-year average P/Es.

Factor returns relative to benchmark (rebased)



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

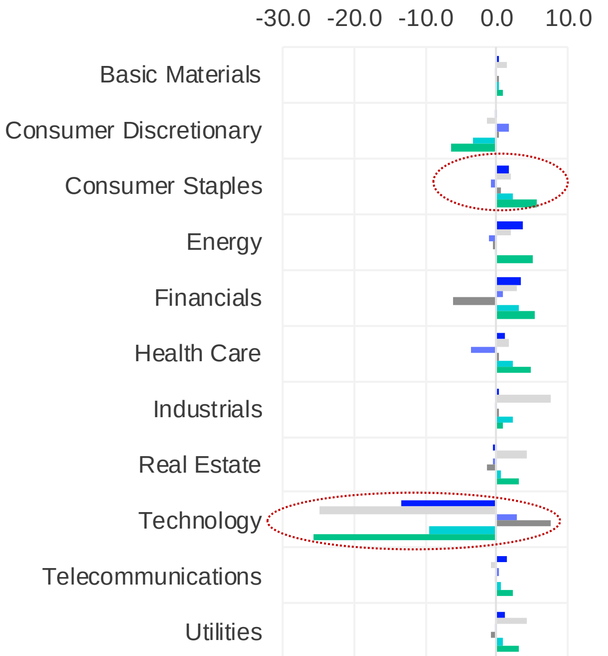
US Factor Performance & Industry Attributions — 3M

Quality outperforms; Size lags steeply

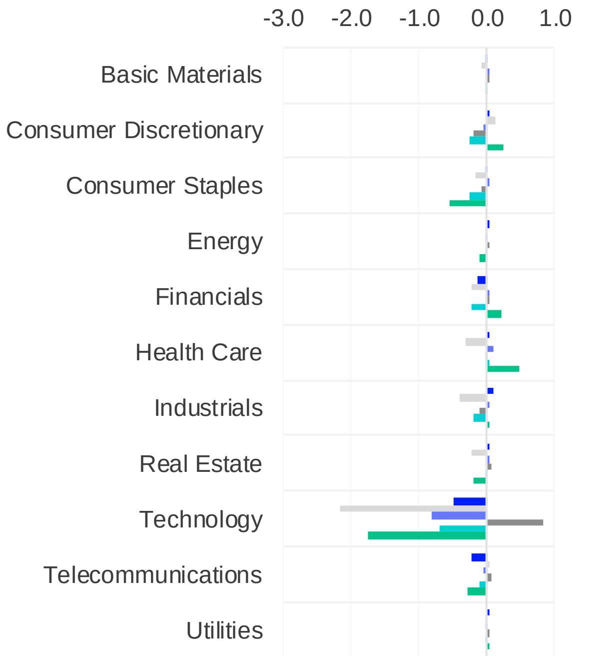
In Q3, Quality was the sole US factor to outperform the benchmark. It benefited from positive allocation and selection effects within Tech based on its overweight to Tech stocks. Momentum, which was the only factor to outperform last quarter, lagged slightly due to a large negative selection effect within Tech. An overweight to Consumer Staples, which trailed the benchmark, hurt most factors' relative performance. A few benefitted from the rebound in US Health Care.

2025 Q3	Relative to Benchmark (TR %)					
FTSE USA	Value	Size	Mom	Quality	Low Vol	Yield
8.1%	-0.8	-3.6	-0.3	0.7	-1.9	-2.1

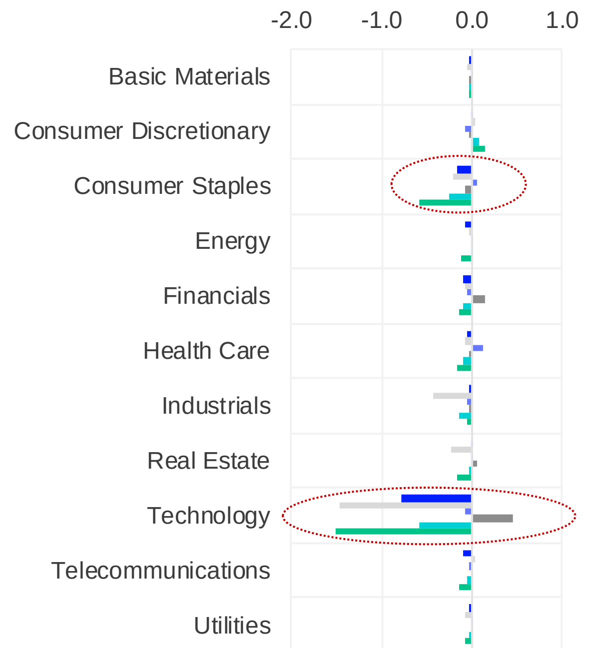
Industry active weights, 3M average



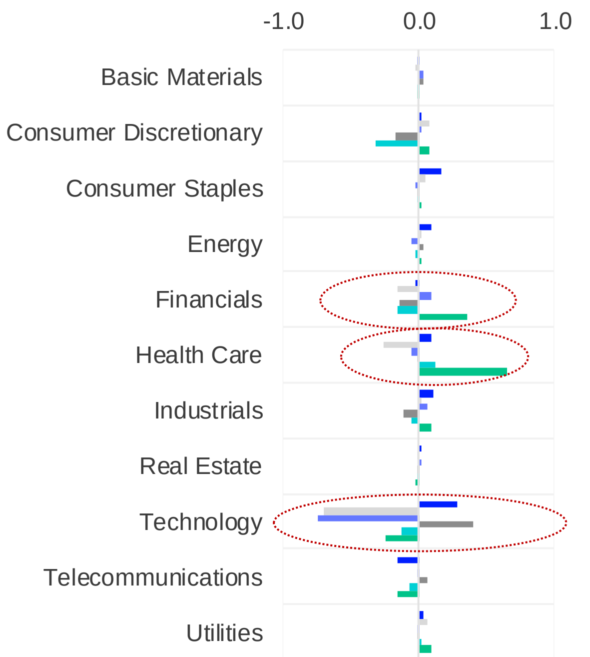
Total industry effects, 3M



Industry allocation effects, 3M



Stock selection within industry, 3M



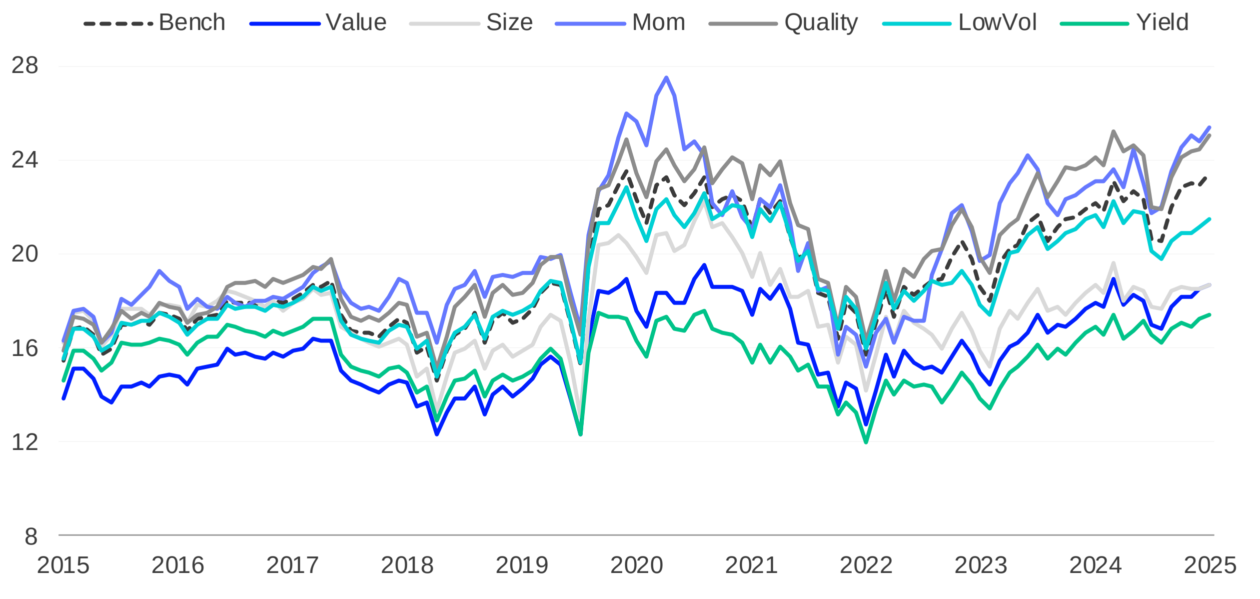
Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

US Factor Valuations

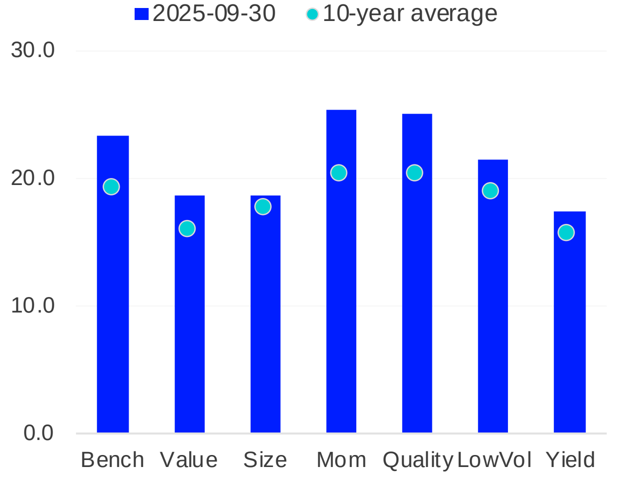
US factor forward P/Es fell during Q1 2025 as the US tech rally stalled and troughed in April as equities pulled back sharply on the announcement of high reciprocal tariffs on US trading partners. They have since rerated as those tariffs were put on pause and the US has entered into trade agreements with several trading partners. All US factors continued to trade above their 10-year average valuation in absolute terms at the end of Q3.

Quality and Momentum remained expensive in absolute and relative terms. Quality's premium over Value widened slightly over the quarter to 34%. In relative terms, Value, Size, Low Vol and Yield were cheaper compared to long-term averages.

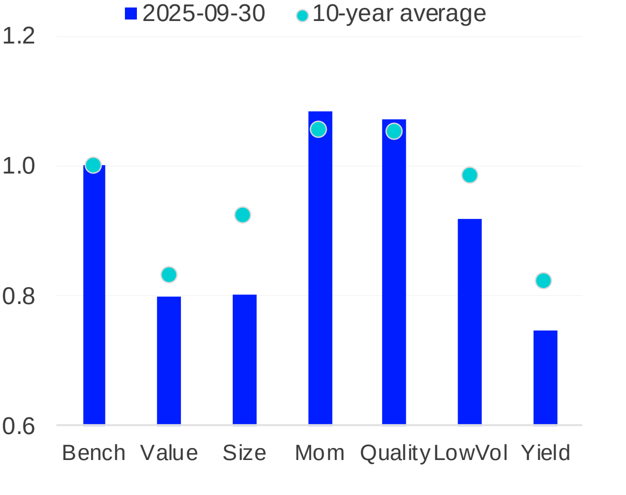
FTSE USA – Absolute 12M forward P/Es



Current Absolute 12M forward P/E vs history



Current Relative 12M forward P/E vs history



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

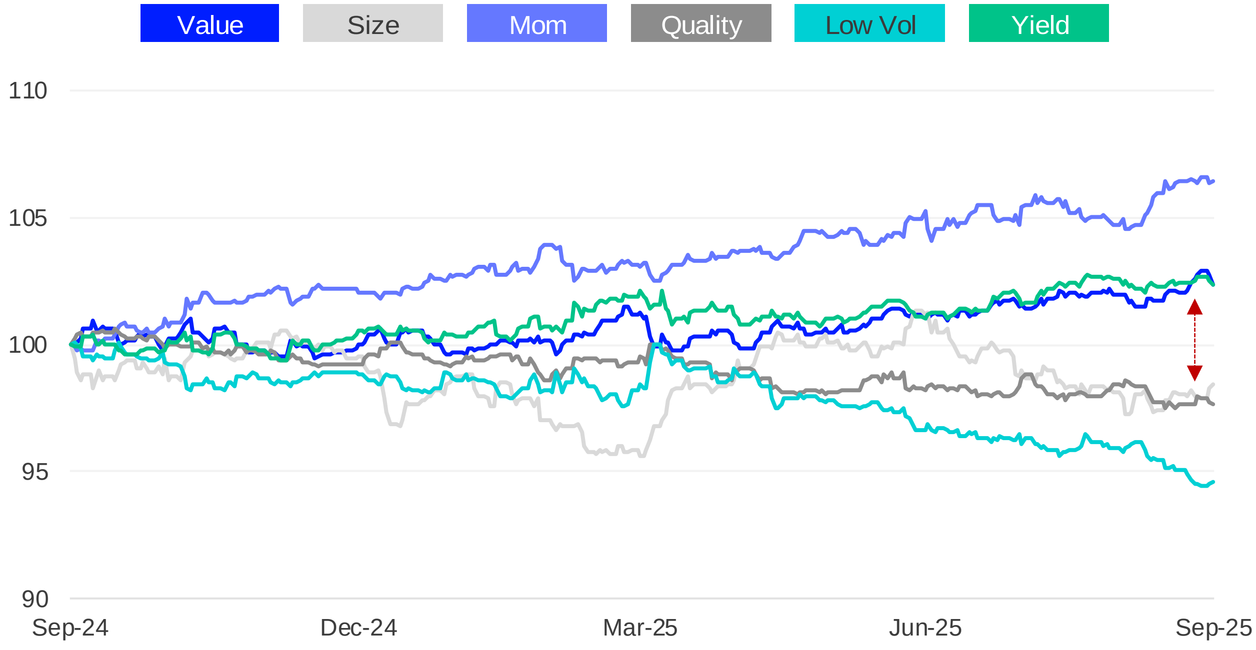
UK Equity Factor Insights

THIRD QUARTER | 2025

Key Observations

- In Q3, Value and Yield led, while Size lagged the UK benchmark in a reversal from the previous quarter. Momentum continued to outperform.
- Net exposures to Financials, Basic Materials and Tech led to positive allocation effects for Value Yield and Momentum. Selection effects within Financials were also important.
- Over 12M, Momentum led the index substantially, followed by Value and Yield. Despite its Q2 outperformance, at the end of Q3 Size lagged over 12M, along with Quality and Low Vol.
- Absolute factor forward P/Es rerated over Q3, as they had over the previous quarter. Quality, Value and Yield were expensive relative to history.
- In relative terms, Quality, Size and Low Vol traded at forward P/Es greater than the benchmark's.

Factor returns relative to benchmark (rebased)



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

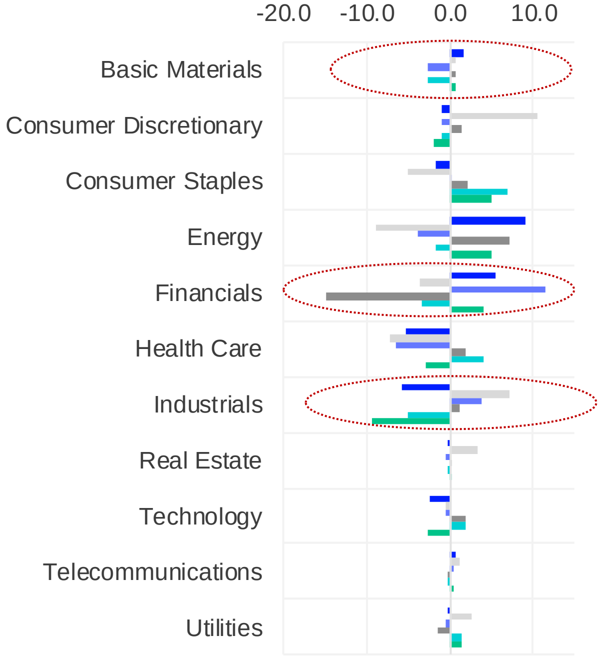
UK Factor Performance & Industry Attribution — 3M

Value and Yield lead as Size reverses course in Q3

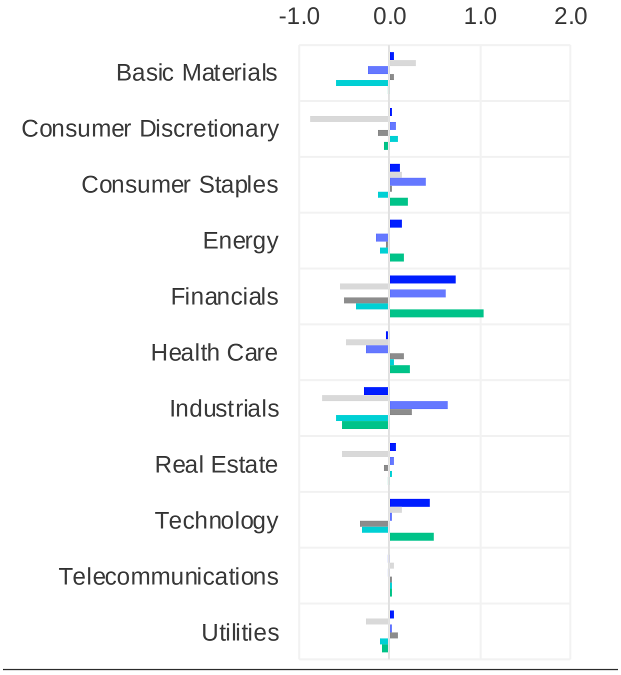
In Q3, Size lagged the benchmark in a reversal from the previous quarter, while Momentum continued to outperform. However, Value and Yield led factor relative returns. They were helped by an overweight to Financials and Basic Materials, and an underweight to Tech (which posted losses). Value, Yield and Momentum also saw strong positive selection effects within Financials, and Momentum within Industrials.

2025 Q3	Relative to Benchmark (TR %)					
FTSE UK	Value	Size	Mom	Quality	Low Vol	Yield
7.4%	1.3	-2.9	1.2	-0.6	-2.2	1.4

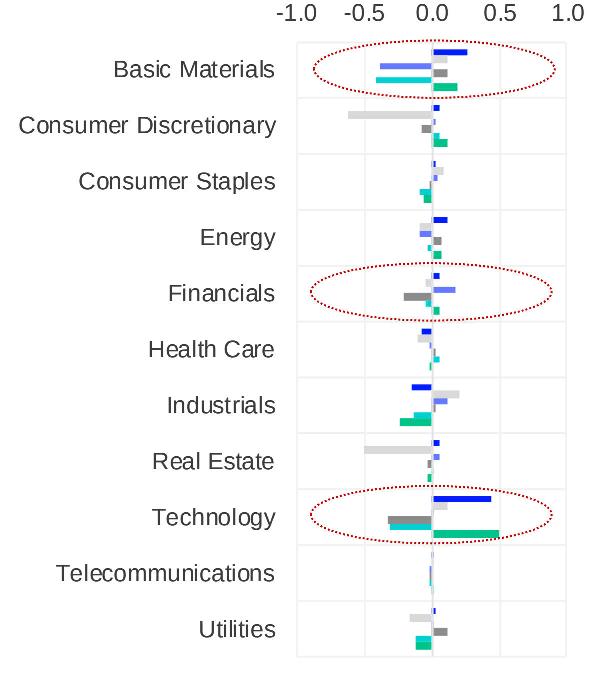
Industry active weights, 3M average



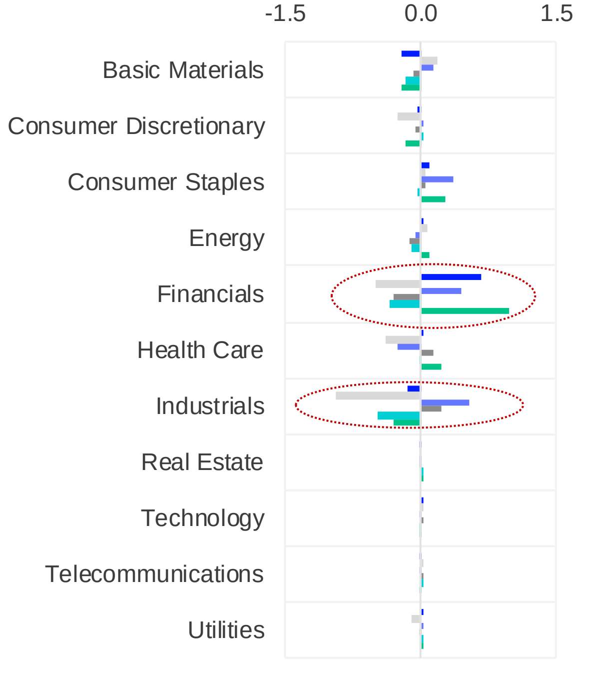
Total industry effects, 3M



Industry allocation effects, 3M



Stock selection within industry, 3M



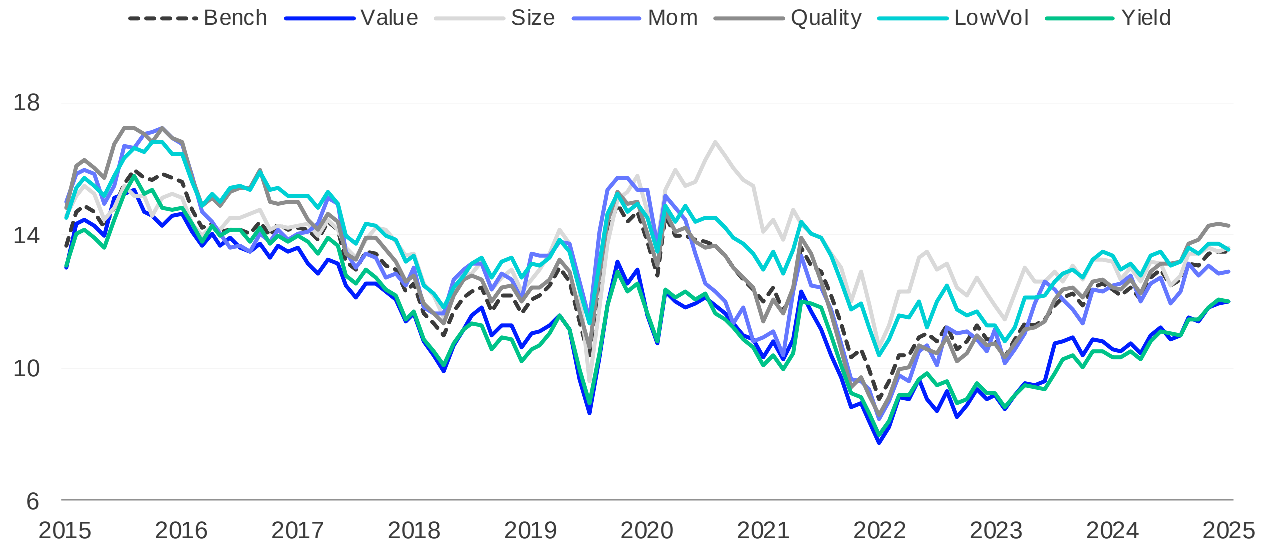
Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

UK Factor Valuations

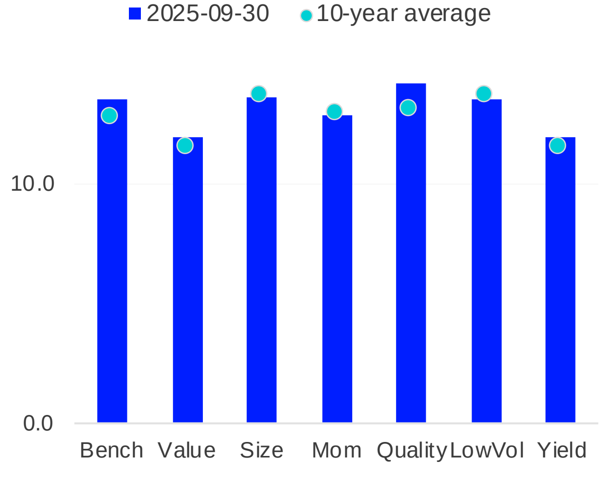
UK factor forward P/Es have re-rated since end-2022. After contracting toward the end of Q1, they have mostly expanded over Q2 and Q3 as equities rallied. After Q3's performance, Value and Yield became expensive relative to history alongside Quality. Other factors traded at a slight discount to their 10-year average P/E in absolute terms at the end of Q3.

In relative terms, only Quality remained expensive compared to history after Q3's performance when Low Vol and Size lagged. But all three were more expensive than the benchmark.

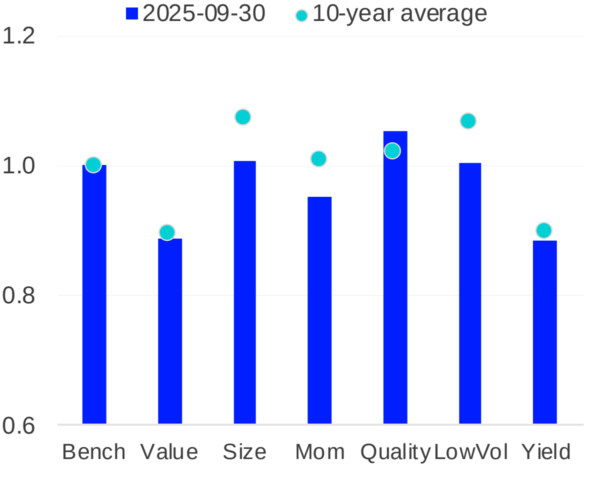
FTSE UK – Absolute 12M forward P/Es



Current Absolute 12M forward P/Es vs history



Current Relative 12M forward P/Es vs history



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

FTSE RUSSELL
An LSEG Business

Europe ex UK Equity Factor Insights

THIRD QUARTER | 2025

Key Observations

– In Q3, Size lagged after leading returns the previous quarter. Value, Momentum and Yield outperformed. Low Vol and Quality trailed.

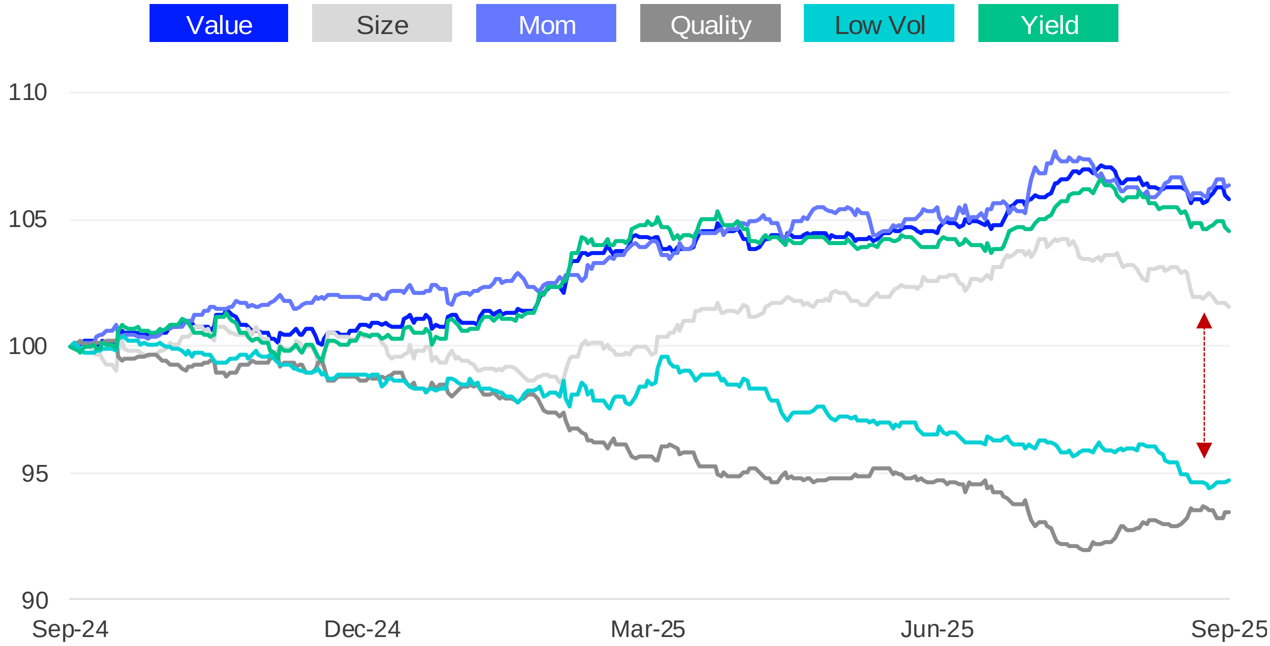
– An overweight to Financials and underweights to Consumer Staples and Health Care led to positive allocation effects. Value and Yield saw positive selection within Financials and Discretionary.

– Over 12M, Quality continued to lag the benchmark partly hurt by its underweight to Financials which has contributed significantly to index returns. Low Vol also trailed the benchmark at the end of Q3. All other factors outperformed.

– Absolute factor forward P/Es continued to rerate in Q3 but remained below their 10-year averages for all except Quality and Value.

– In relative terms, Quality and Value traded above their historical average relative P/Es.

Factor returns relative to benchmark (rebased)



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

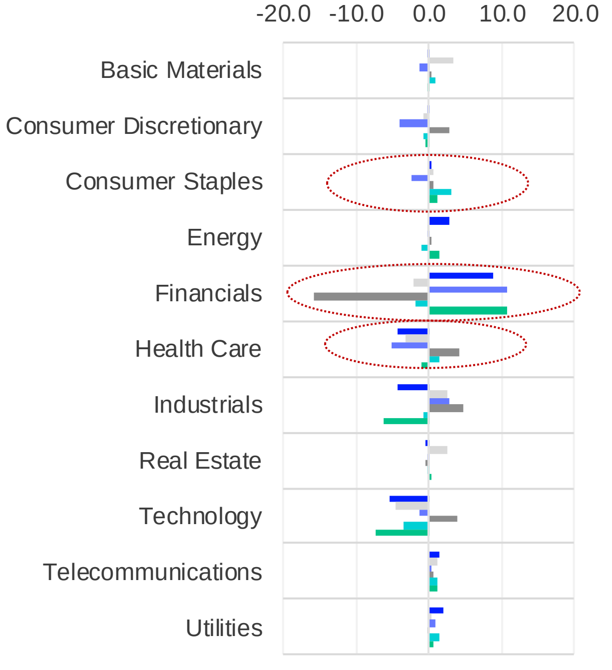
Europe ex UK Factor Performance & Industry Attribution — 3M

Momentum and Value maintain their edge; Size reverses course

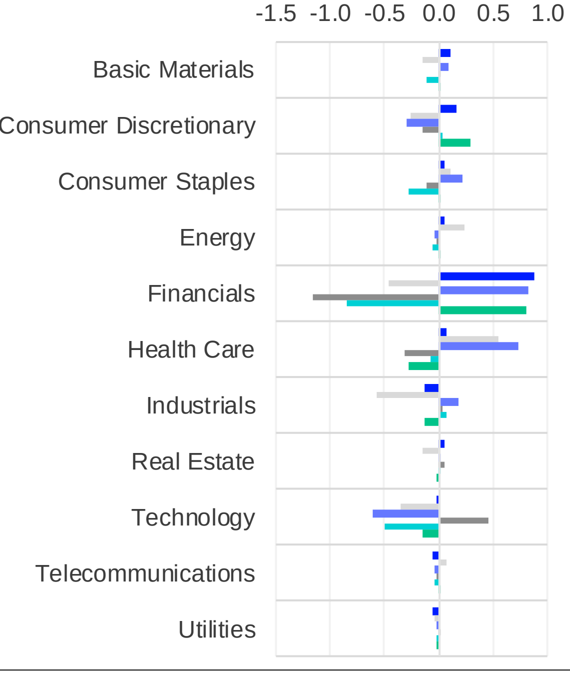
In Q3, Size reversed course after leading factor returns during Q2. Value and Momentum continued to outperform. Low Vol and Quality lagged the most. An overweight to Financials helped Value, Momentum and Yield with strong positive allocation effects. Momentum also benefited from underweights to Consumer Staples and Health Care which lagged. But Momentum saw strong positive selection effect within Health Care, as did Value and Yield within Discretionary.

2025 Q3	Relative to Benchmark (TR %)					
FTSE Dev Europe ex UK	Value	Size	Mom	Quality	Low Vol	Yield
3.0%	1.3	-1.0	0.8	-1.3	-1.9	0.6

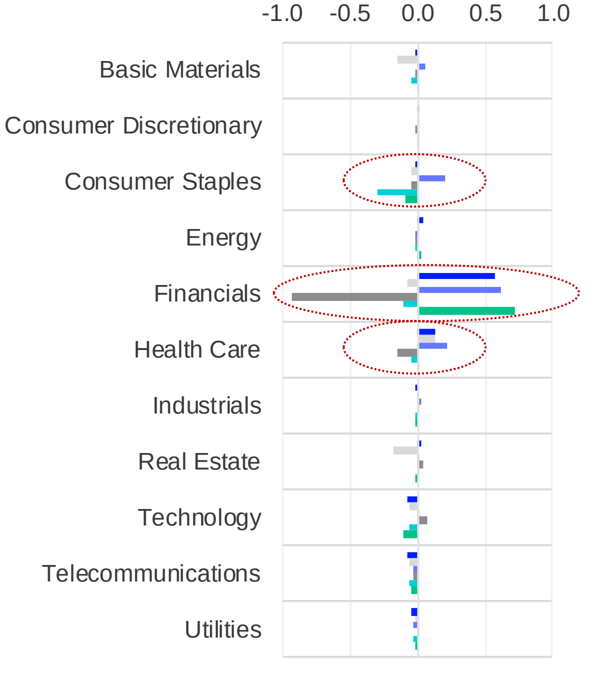
Industry active weights, 3M average



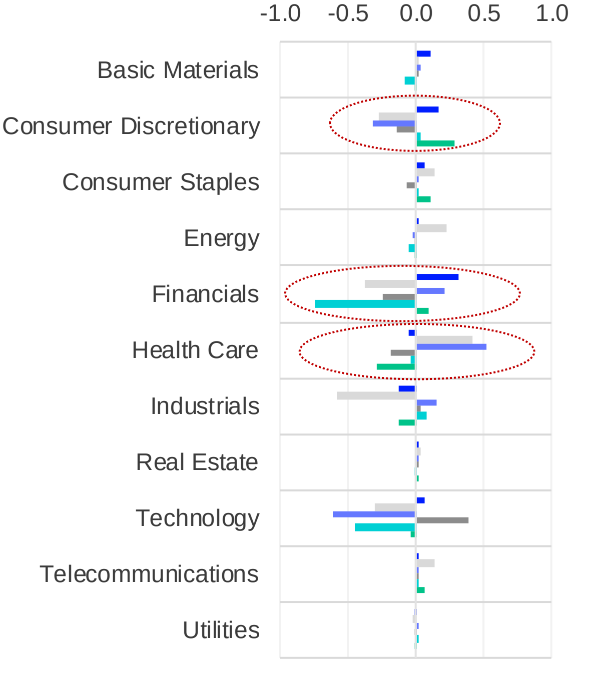
Total industry effects, 3M



Industry allocation effects, 3M



Stock selection within industry, 3M



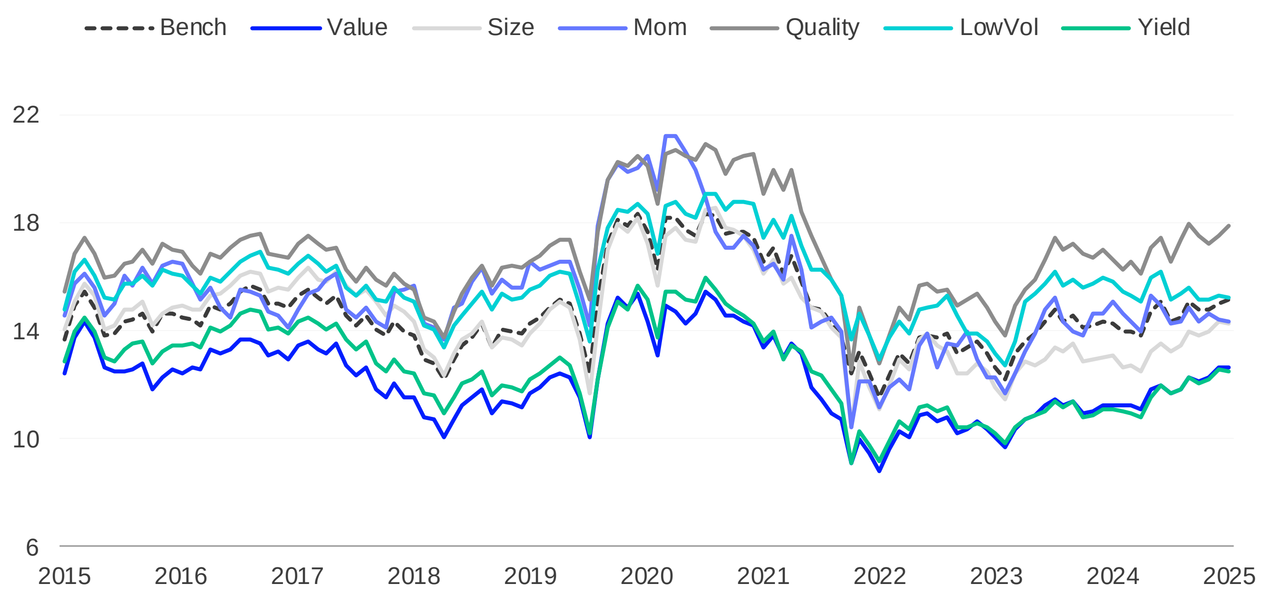
Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

Europe ex UK Factor Valuations

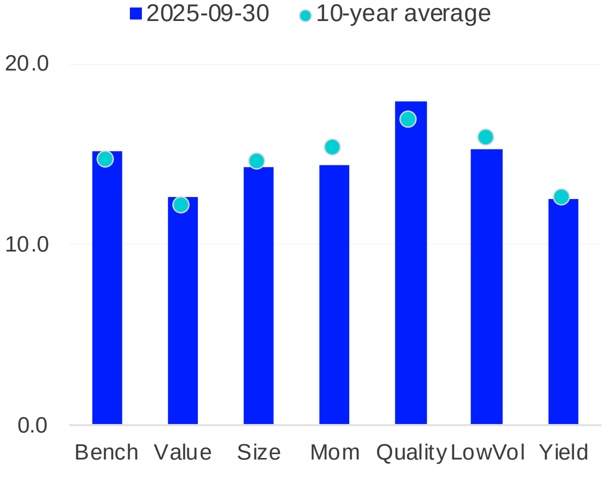
In Q3, absolute factor forward P/Es expanded as they did the previous quarter, except for Momentum whose valuation was flat over the quarter. At quarter-end, Quality and Value traded above their 10-year average P/Es (after Value's Q3 outperformance). However, Quality's premium over Value decreased over the quarter to 42% as Quality lagged the benchmark.

In relative terms as well, Value became expensive relative to history but was still cheaper than the benchmark. Quality and Low Vol, which tend to be relatively expensive, traded at benchmark-relative P/Es greater than 1.

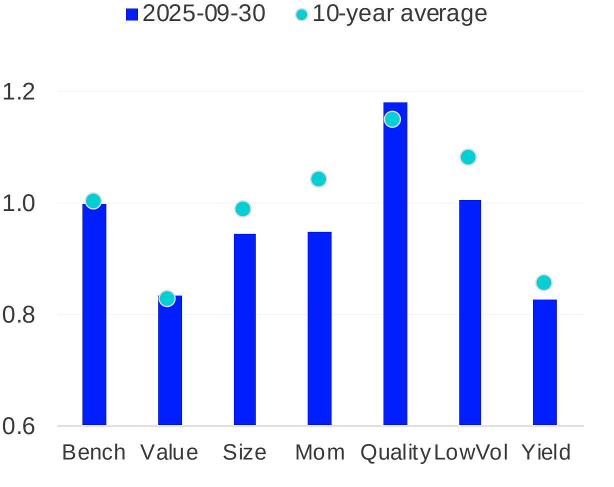
FTSE Europe ex UK – Absolute 12M forward P/Es



Current Absolute12M forward P/Es vs history



Current Relative 12M forward P/Es vs history



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

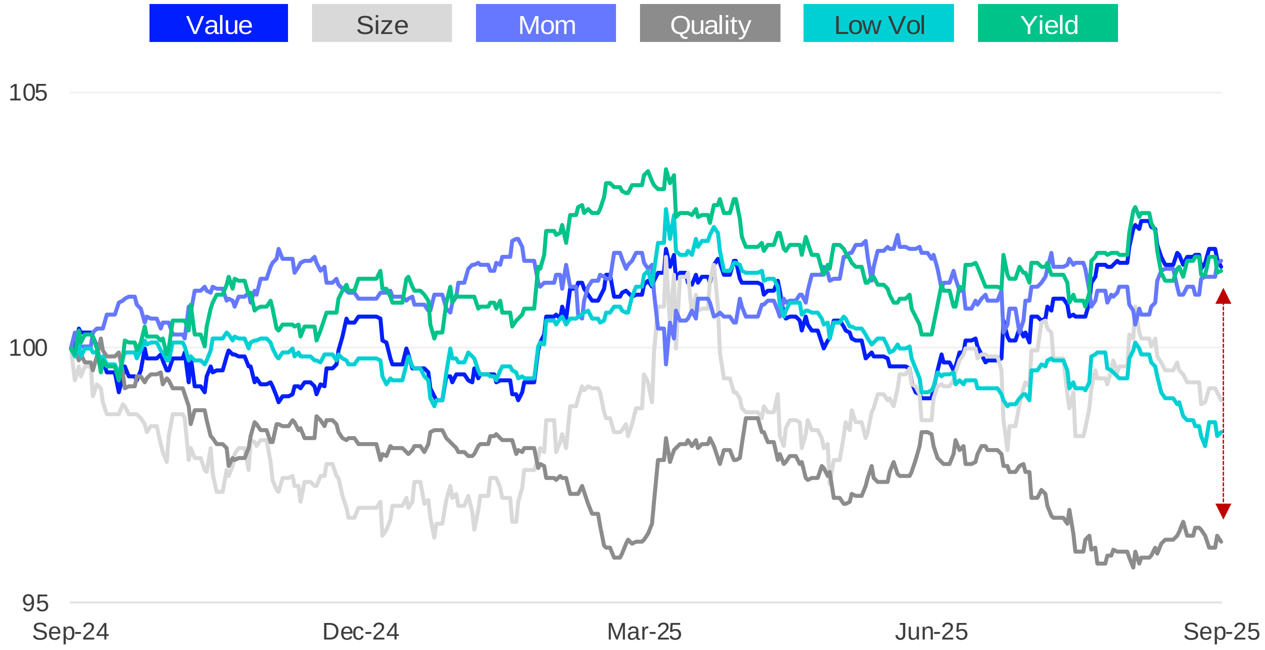
Japan Equity Factor Insights

THIRD QUARTER | 2025

Key Observations

- In Q3, Japan factor performance trends reversed from the previous quarter. Value and Yield led, while Quality lagged the most.
- Relative exposure to Financials which outperformed over the quarter was key to positive allocation effects. However, cheaper, high-yielding equities within Financials and Discretionary led to strong positive selection effects for Value and Yield.
- Over 12M, Value, Yield and Momentum outperformed the benchmark, while Quality lagged steeply at the end of Q3.
- In Q3, absolute factor forward P/Es expanded before dipping slightly in September. Value and Yield became more expensive relative to history.
- In relative terms, Quality and Momentum remained expensive compared to the benchmark and their historical average factor forward P/Es. And Value traded at a historically high relative P/E.

Factor returns relative to benchmark (rebased)



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

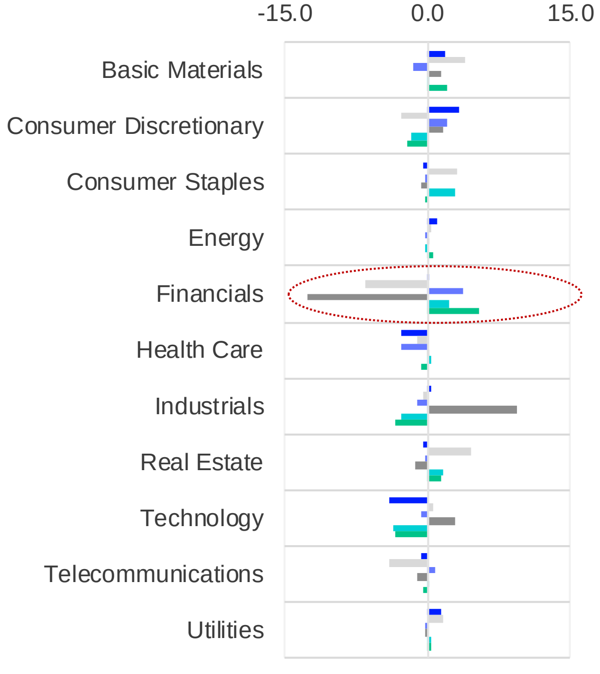
Japan Factor Performance & Industry Attribution — 3M

Value and Yield lead in a reversal from Q2

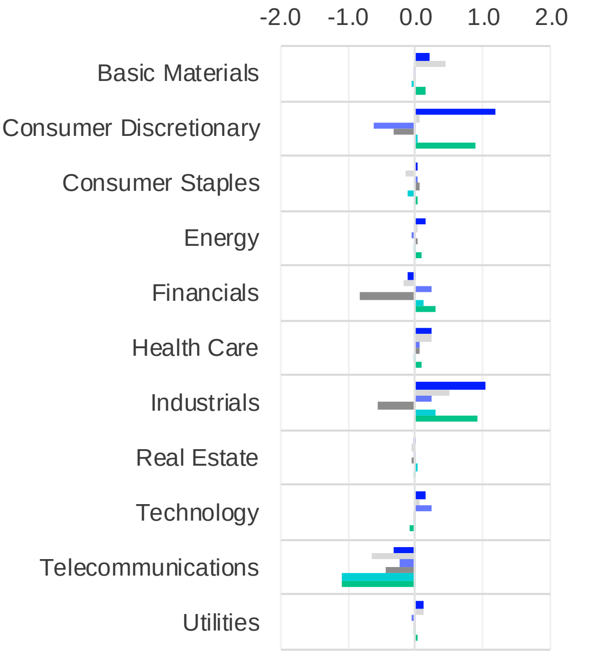
In Q3, Japan factor performance largely reversed from Q2 with Value and Yield outperforming the most, followed by Size. Quality lagged steeply after leading in Q2. This can be partly attributed to the reversal in Financials performance in Q3 where an overweight to the industry led to positive allocation effects and vice versa. Value and Yield also saw strong positive selection effects within Discretionary and Industrials, offsetting a negative selection effect within Telecoms.

2025 Q3	Relative to Bechmark (TR %)					
FTSE Japan	Value	Size	Mom	Quality	Low Vol	Yield
11.0%	2.9	0.4	-0.1	-2.4	-0.9	1.4

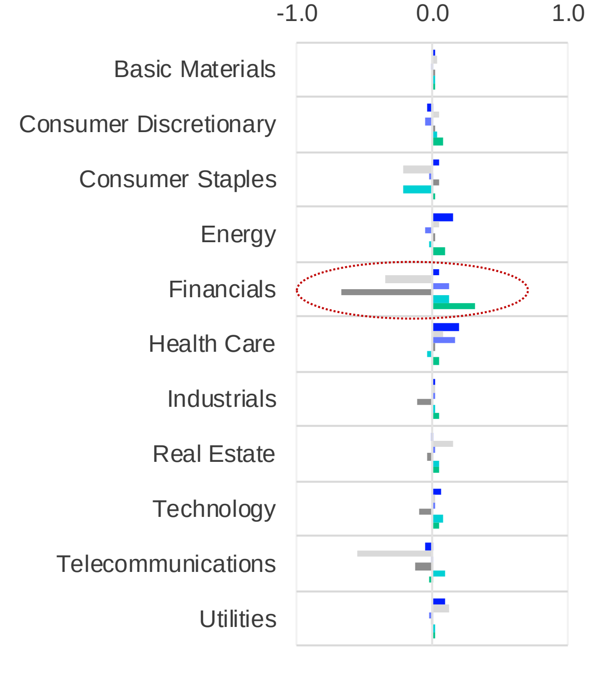
Industry active weights, 3M average



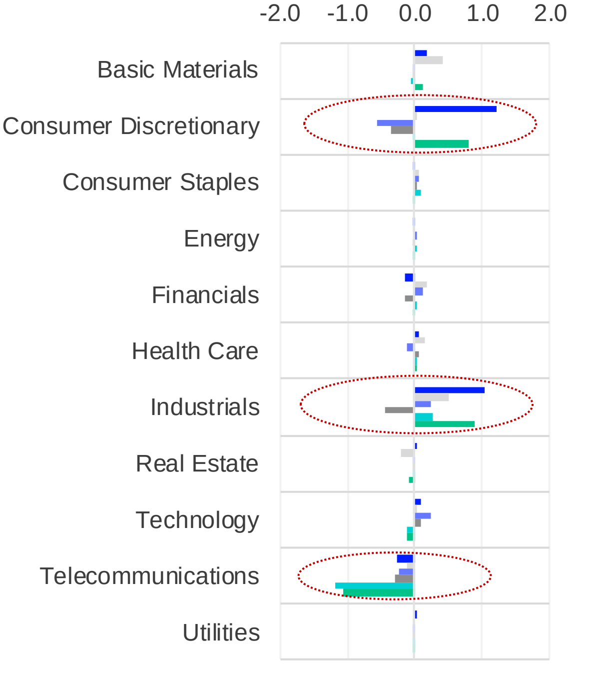
Total industry effects, 3M



Industry allocation effects, 3M



Stock selection within industry, 3M



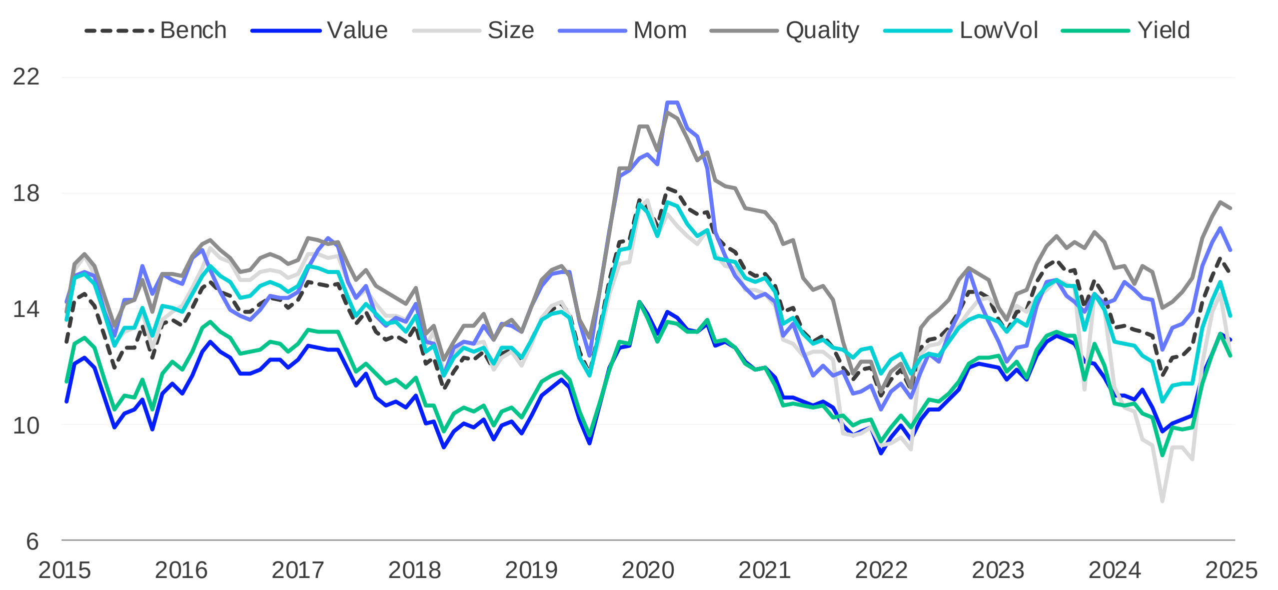
Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

Japan Factor Valuations

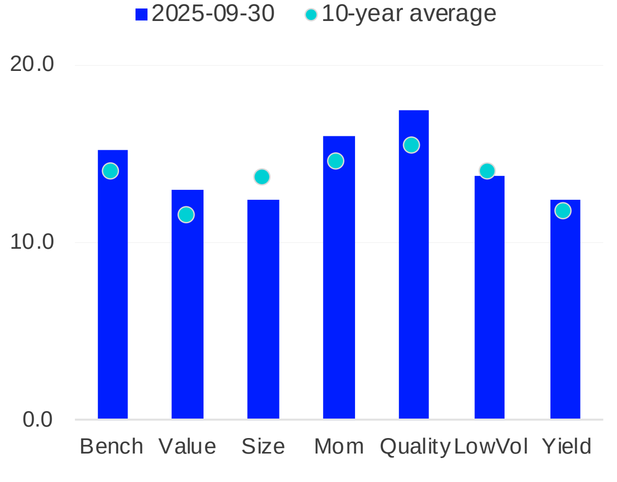
Absolute factor forward P/Es in Japan troughed in February but expanded since only to dip slightly in September, when political uncertainty that may impact the course of fiscal and monetary policy led to some market volatility. In absolute terms, Momentum, Quality, Value and Yield traded above historical averages at quarter-end.

In relative terms as well, Value became more expensive after Q3's outperformance, and Value, Momentum and Quality traded at historical premiums. However, only Momentum and Quality traded at benchmark-relative P/Es greater than 1.

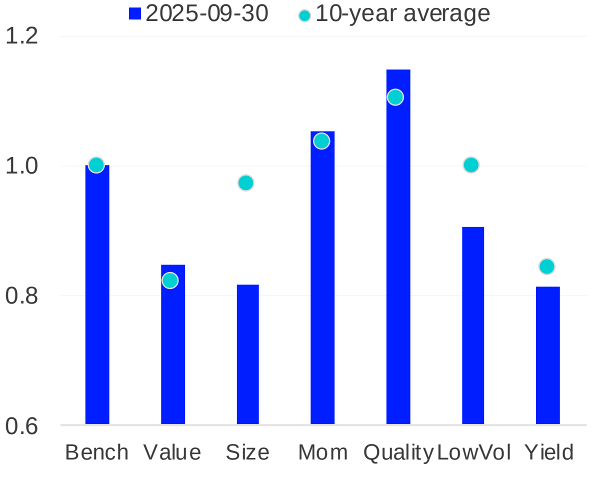
FTSE Japan – Absolute 12M forward P/Es



Current Absolute 12M P/Es vs history



Current Relative 12M P/Es vs history



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

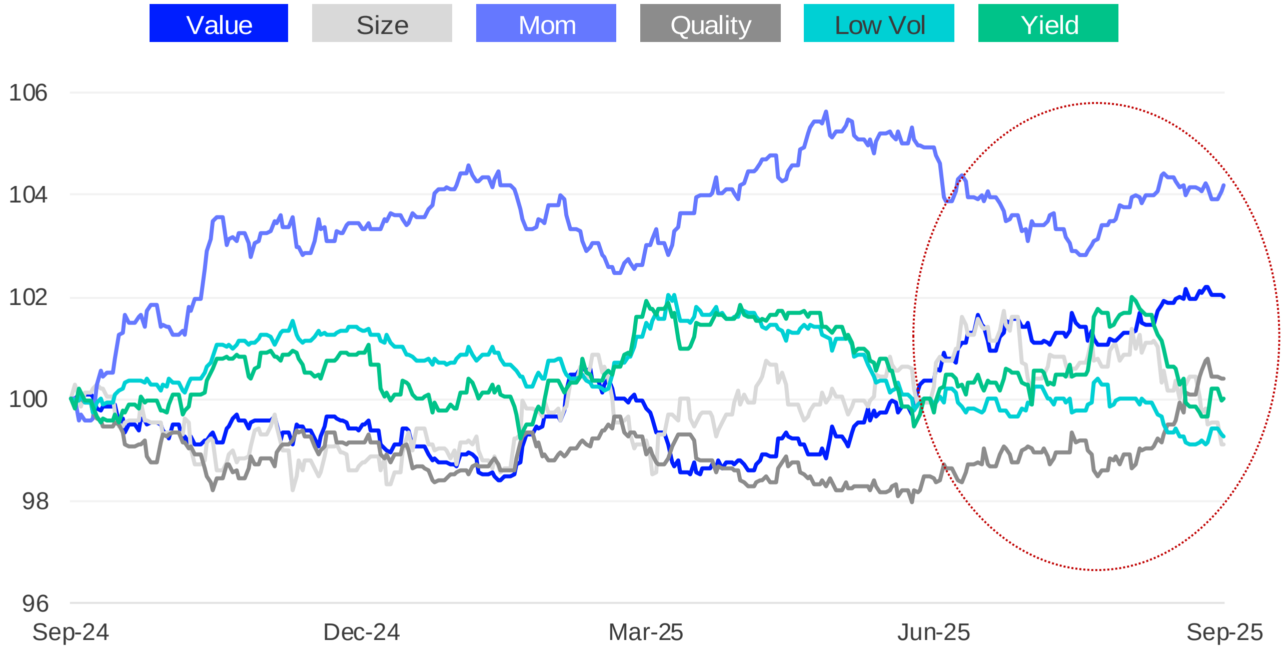
Asia Pacific ex Japan Equity Factor Insights

THIRD QUARTER | 2025

Key Observations

- In Q3, Quality led factor relative returns, followed closely by Value. Size and Momentum lagged in a reversal from Q2.
- Allocation effects from and selection effects within Telecoms, Financials and Basic Materials were key to factor relative performance.
- After Q3's performance, Quality, Value and Momentum outperformed the index over 12M. Size and Yield lagged along with Low Vol.
- Absolute factor forward P/Es expanded over Q3 except for Momentum. At quarter-end, all factors traded above historical average P/Es.
- In relative terms, only Low Vol remained expensive compared to the benchmark after Momentum's underperformance in Q3.

Factor returns relative to benchmark (rebased)



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

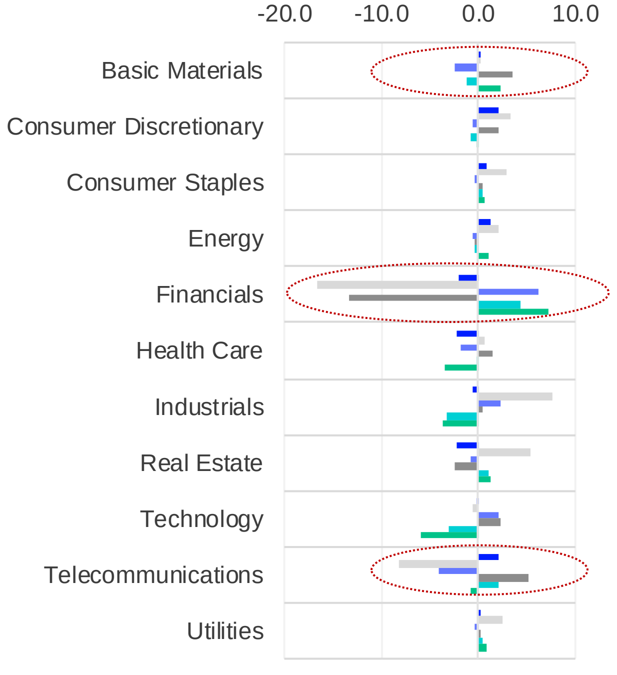
Asia Pac ex Japan Factor Performance & Industry Attribution — 3M

Quality leads; Value retains its edge

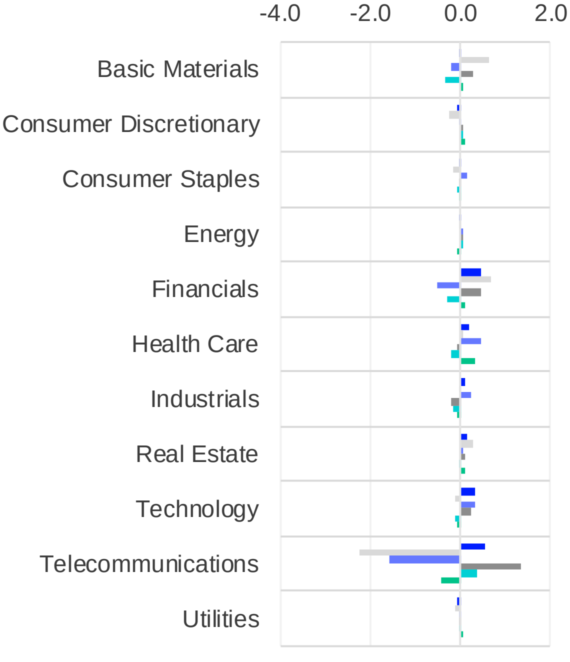
In Q3, Quality led factor relative returns followed closely by Value. Size, Momentum, and Low Vol lagged. Telecoms exposures primarily drove factor performance. Value and Quality saw positive allocation effects from their overweight to Telecoms and Basic Materials and underweight to Financials which lagged. Size was hurt by its underweight to (outperforming) Telecoms. Value and Yield saw positive selection within Financials and Tech, among others.

2025 Q3	Relative to Benchmark (TR%)					
FTSE Dev Asia Pacific ex JP	Value	Size	Mom	Quality	Low Vol	Yield
8.4%	1.8	-1.2	-0.8	2.1	-0.7	0.3

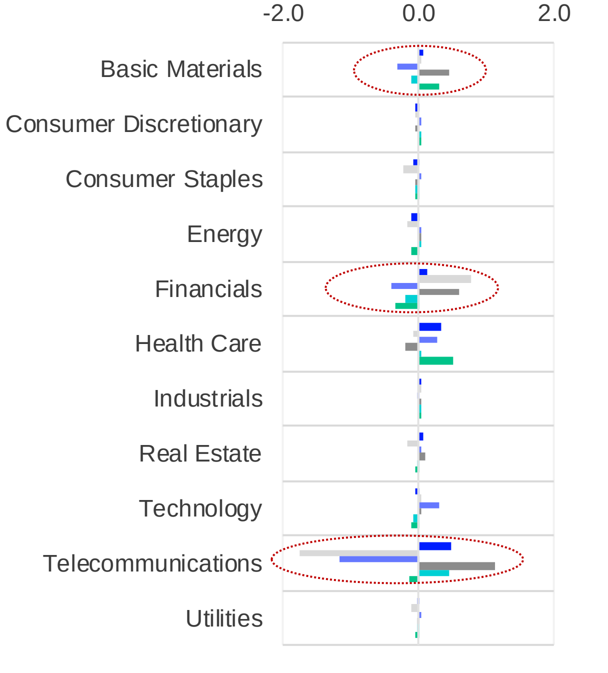
Industry active weights, 3M average



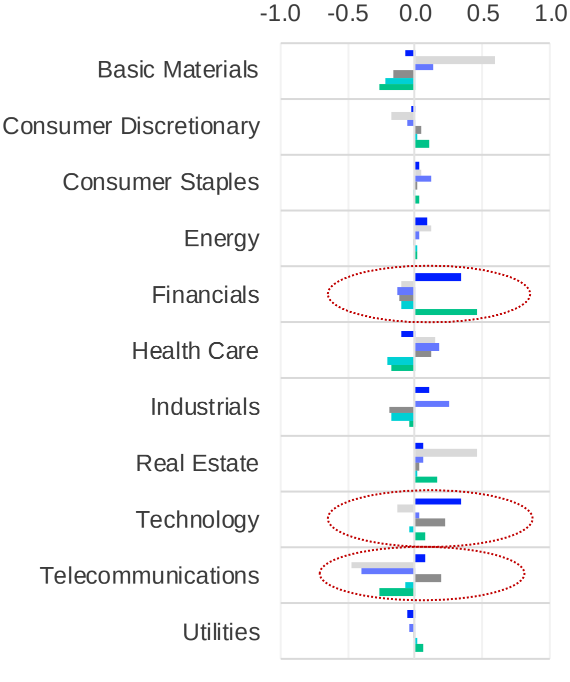
Total industry effects, 3M



Industry allocation effects, 3M



Stock selection within industry, 3M



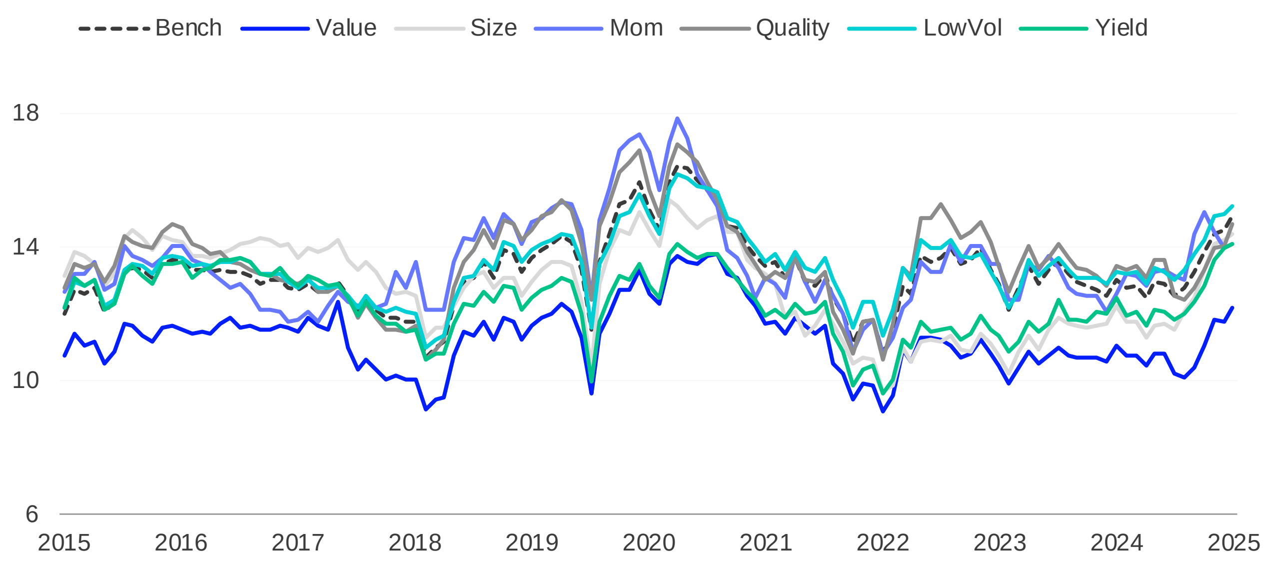
Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

Asia Pacific ex Japan Factor Valuations

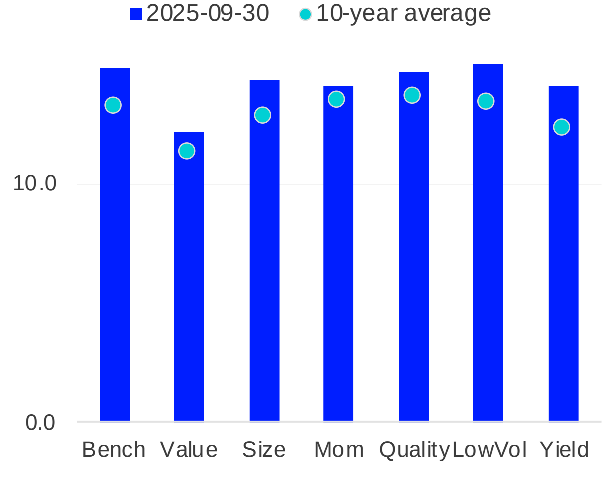
In Q3, all absolute Asia Pacific ex Japan factor forward P/Es expanded except for Momentum whose P/E contracted. Given Value and Quality's performance over the quarter, they became expensive relative to history in absolute terms, alongside all other Asia Pacific ex Japan factors. The Quality/Value premium was stable at 21% in line with its historical average.

In relative terms, only Low Vol remained expensive relative to the benchmark. Both Low Vol and Yield were expensive compared to their historical average relative forward P/Es.

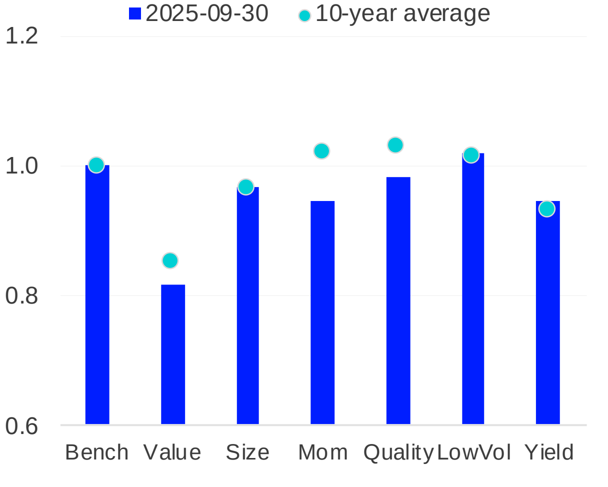
FTSE Asia Pacific ex Japan – Absolute 12M forward P/Es



Current Absolute 12M forward P/Es vs history



Current Relative 12M forward P/Es vs history



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

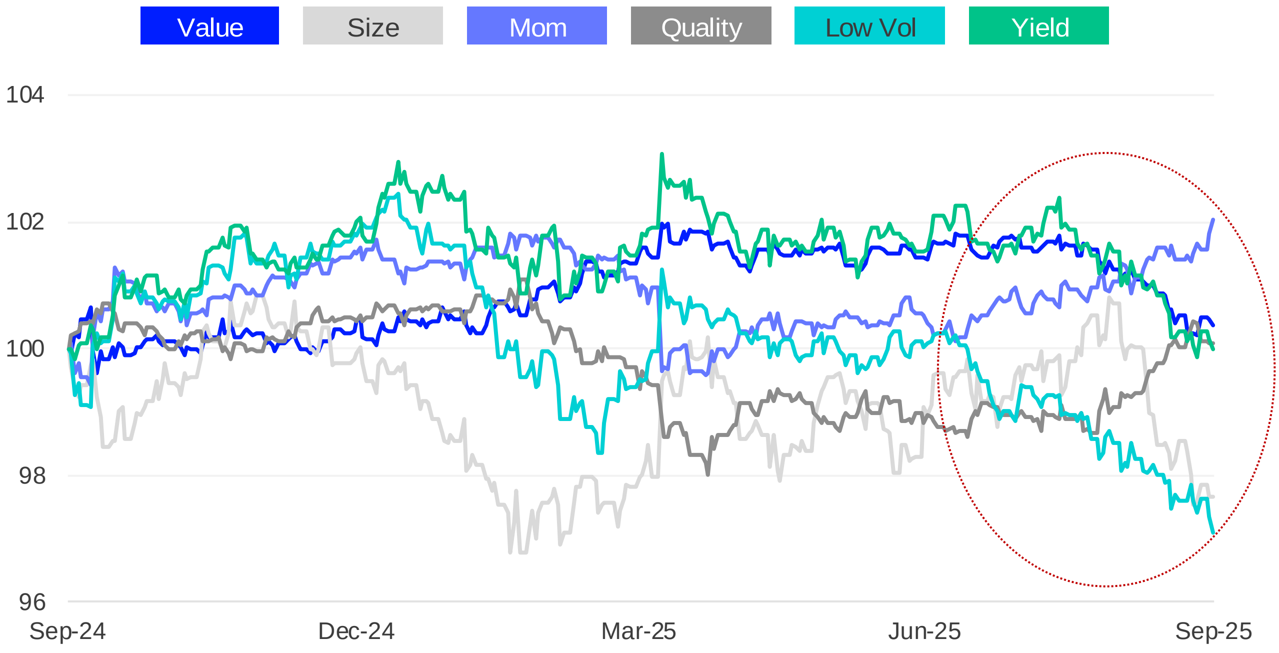
Emerging Markets Equity Factor Insights

THIRD QUARTER | 2025

Key Observations

- In Q3, Momentum and Quality outperformed the benchmark. In a reversal from Q2, Size and Low Vol lagged among other factors.
- Emerging Tech's strong outperformance and Financials' underperformance influenced much of factor relative returns over the quarter. Momentum also saw strong selection effects within several industries.
- Over 12M, Momentum outperformed, and Value, Yield and Quality were more or less on par with the benchmark, while Size and Low Vol lagged steeply.
- Absolute factor forward P/Es expanded broadly during Q3, except for Size whose valuation contracted sharply in September. All but Size remained expensive relative to history.
- In relative terms, Value traded slightly above long-term average P/Es. Quality and Momentum were more expensive compared to the benchmark.

Factor returns relative to benchmark (rebased)



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

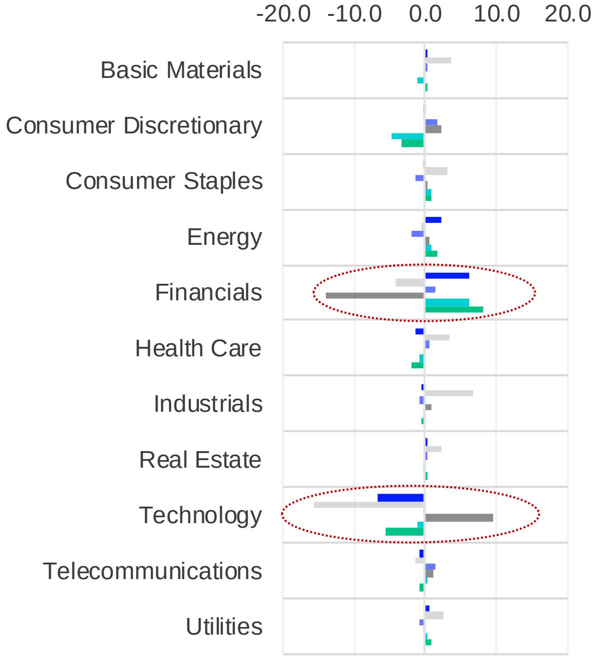
Emerging Markets Factor Performance & Industry Attribution — 3M

Momentum and Quality lead amid strong Tech returns

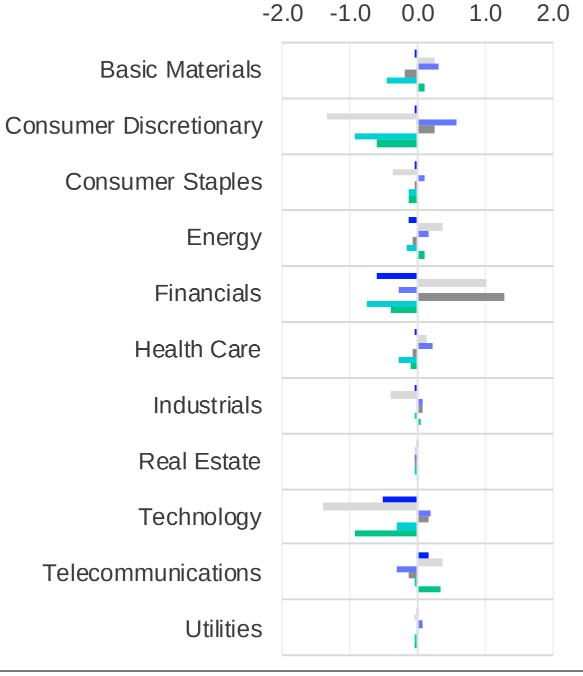
After muted relative returns in the previous quarter, Q3 saw stark contrasts in Emerging factor performance trends. Momentum and Quality outperformed, while other factors lagged. Financials, Discretionary and Tech (which rebounded strongly) drove the bulk of factor performance. Quality benefited from its Tech overweight and Financials underweight while Momentum saw positive selection within several industries including Materials, Discretionary, Tech & Health Care.

2025 Q3	Relative to Benchmark (TR %)					
FTSE Emerging	Value	Size	Mom	Quality	Low Vol	Yield
11.8%	-1.2	-1.6	1.7	1.4	-3.3	-1.7

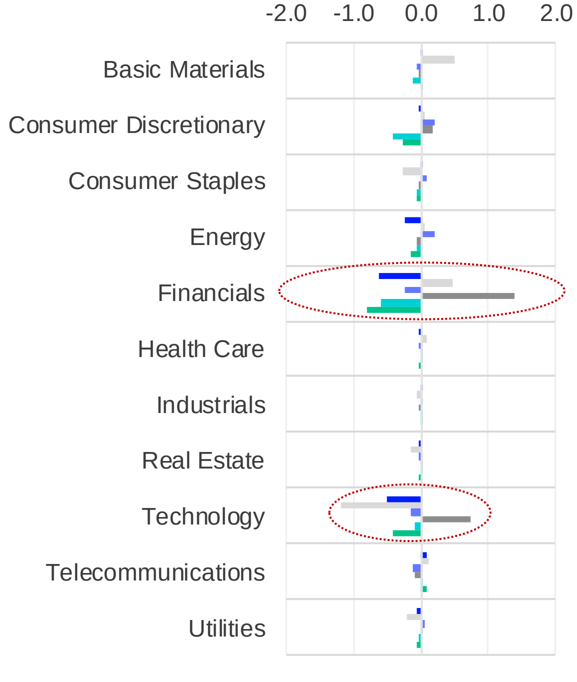
Industry active weights, 3M average



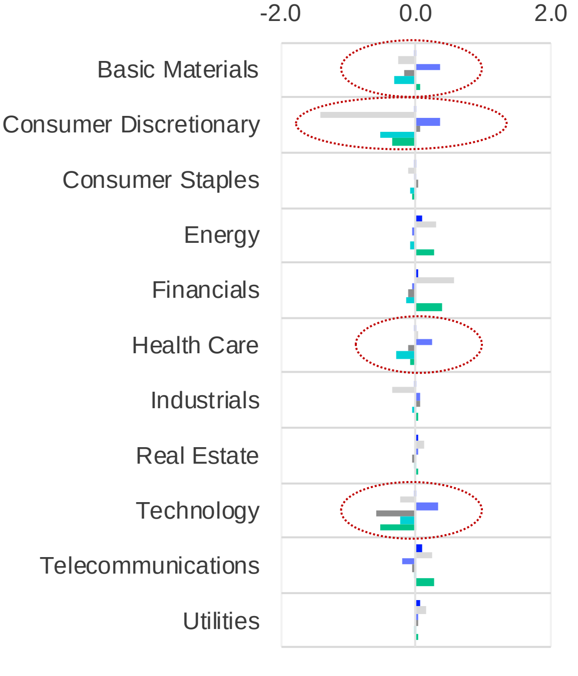
Total industry effects, 3M



Industry allocation effects, 3M



Stock selection within industry, 3M



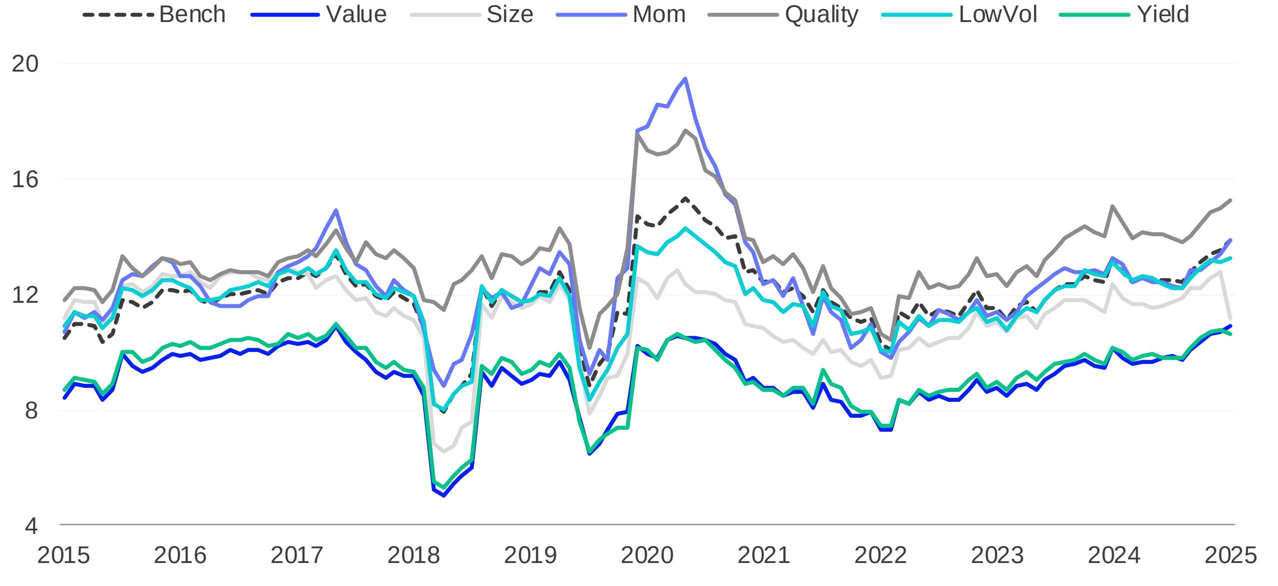
Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

Emerging Markets Factor Valuations

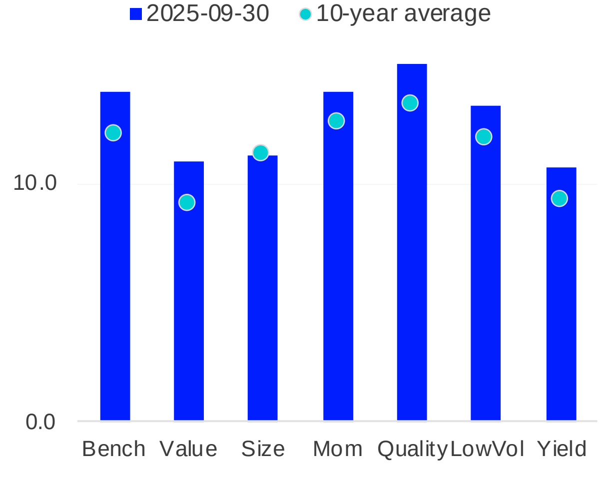
In Q3, absolute factor forward P/Es expanded broadly except for Size whose valuation contracted sharply in September (and may be attributed to the late-quarter rally in Emerging Tech). At quarter-end, all factors but Size remained expensive relative to their 10-year averages.

In relative terms, Value traded slightly above its 10-year average relative P/E, but Momentum and Quality were expensive relative to the benchmark.

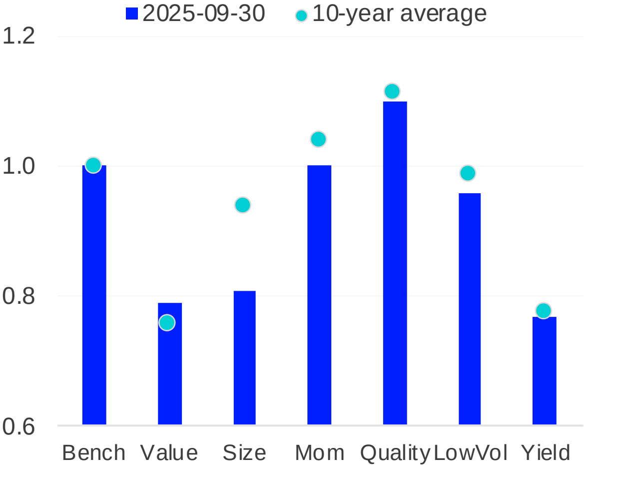
FTSE Emerging – Absolute 12M forward P/Es



Current Absolute 12M forward P/Es vs history

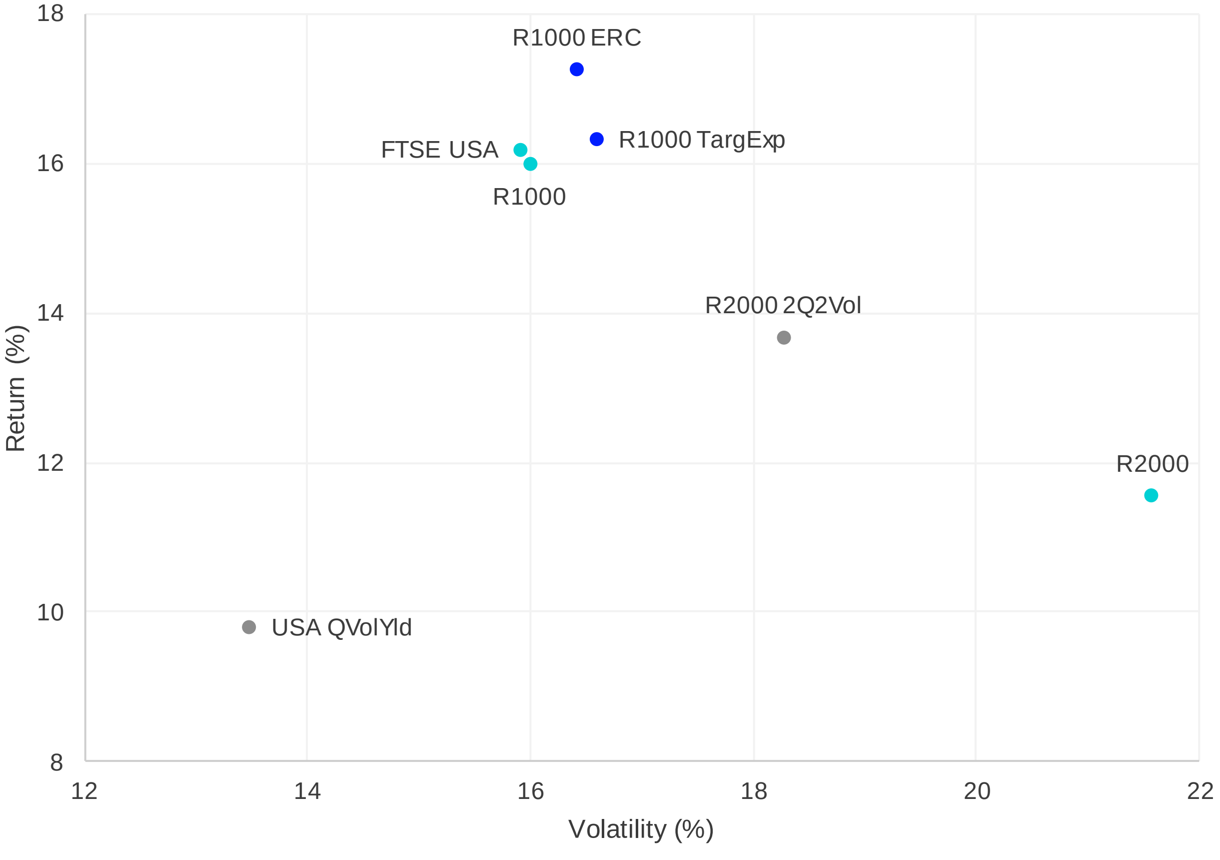


Current Relative 12M forward P/Es vs history



Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

5-Year Annualized Return and Volatility (USD)



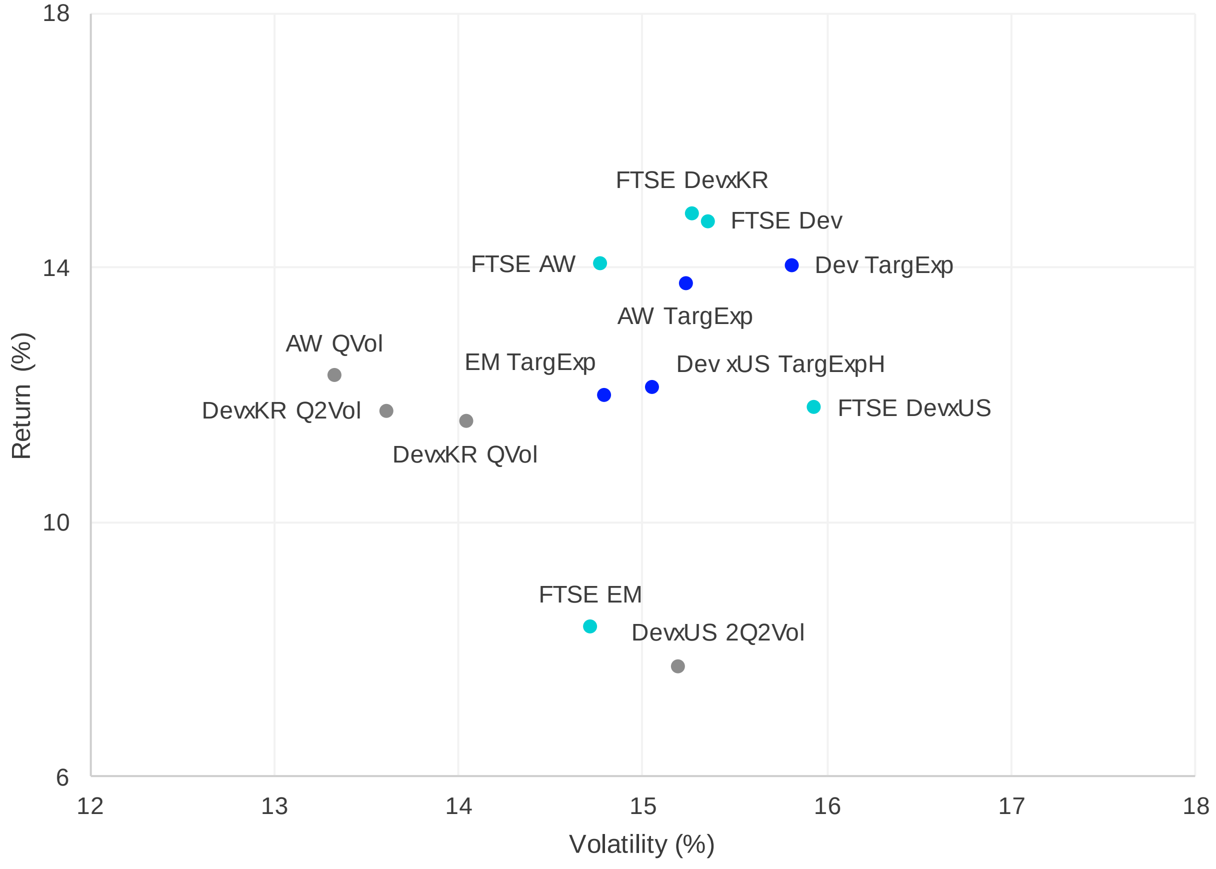
Annualized Returns and Volatility (USD %)

Label	Index	1-yr return	5-yr return	5-yr volatility
	Diversified Indices			
R1000 ERC	Russell 1000 Comprehensive Equal Factor Risk Contribution	16.4	17.2	16.4
R1000 TargExp	Russell 1000 Comprehensive Target Exposure Factor Index	18.0	16.3	16.6
	Defensive Indices			
R2000 2Q2Vol	Russell 2000 2Qual/2Vol 3% Capped Factor Index	7.8	13.7	18.3
USA QVolYld	FTSE USA Qual/Vol/Yield Factor Index	4.1	9.8	13.5
	Benchmarks			
FTSE USA	FTSE USA Index	18.4	16.2	15.9
R1000	Russell 1000® Index	17.7	16.0	16.0
R2000	Russell 2000® Index	10.8	11.6	21.6

Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

FTSE Russell Global Factor Index Risk/Return Performance

5-Year Annualized Return and Volatility (USD)



Annualized Return and Volatility (USD %)

Label	Index	1-yr return	5-yr return	5-yr volatility
	Diversified Indices			
AW TargExp	FTSE All-World Comprehensive Target Exposure Factor Index	17.9	13.8	15.2
Dev TargExp	FTSE Developed Comprehensive Target Exposure Factor Index	19.1	14.0	15.8
Dev xUS TargExpH	FTSE Developed ex US Comprehensive High Target Exposure	20.8	12.1	15.0
EM TargExp	FTSE Emerging Comprehensive Target Exposure Factor Index	16.6	12.0	14.8
	Defensive Indices			
AW Qvol	FTSE All-World Target Exposure Qual Vol Factor Index	11.6	12.3	13.3
DevxKR Q2Vol	FTSE Developed ex Korea Qual/2 Vol Factor Index	8.9	11.8	13.6
DevxKR QVol	FTSE Developed ex Korea Qual/Vol Factor Index	9.0	11.6	14.0
DevxUS 2Q2Vol	FTSE Developed ex US 2Qual/2Vol 5% Capped Factor Index	5.1	7.7	15.2
	Benchmarks			
FTSE AW	FTSE All-World Index	17.8	14.1	14.8
FTSE DevxKR	FTSE Developed ex Korea Index	17.9	14.9	15.3
FTSE DevxUS	FTSE Developed Ex US Index	16.9	11.8	15.9
FTSE Dev	FTSE Developed Index	18.0	14.7	15.4
FTSE EM	FTSE Emerging Index	16.2	8.4	14.7

Source: FTSE Russell and LSEG. All data as of September 30, 2025. Past performance is no guarantee of future results.

Notes and Glossary

Notes on Market Maps Factor Data

FTSE Russell employs a bottom-up "tilting" approach to create factor indices. Factor scores are calculated that range from 0 to 1, with higher scores being better. The underlying cap-weighted benchmark weights are multiplied by these scores, and this product is renormalized to give the factor index weights.

Intuitively, the index weights start with the benchmark weights and "tilt" towards stocks with better factor scores and away from stocks with worse factor scores. The magnitude of the index's factor exposure can be controlled by raising the factor scores by an exponent, with higher exponents yielding higher factor exposure. All data in this Market Maps Equity Factor Insights report is based on hypothetical factor indicators that use an exponent (or tilt size) of 1 and are rebalanced monthly. For more Information on Factor Index Ground Rules and Construction Methodology, see: FTSE Global Factor Index Series Ground Rules v4.4, January 2019

The base indices used in this report are the FTSE USA, FTSE UK, FTSE Developed Europe ex UK, FTSE Japan, FTSE Developed Asia Pacific ex Japan, and FTSE Emerging indices.

Glossary of Terms

VALUE

Earnings Yield (E/P) – Latest reported annual earnings per share divided by full market capitalization. Earnings are based on net income from continuing operations, before amortization of goodwill and extraordinary items and after tax, minority interests, preferred dividend, at fiscal year end.

Cash-Flow Yield (CF/P) – Latest reported annual cash-flow yield is cash earnings per share divided by full market capitalization. Cash earnings are earnings plus depreciation, amortization, deferred taxes, other non-cash items, extraordinary item and changes in working capital for the most recent fiscal year.

Sales-to-Price (S/P) – Latest annual sales from continuing operations per share for the full fiscal year divided by full market capitalization. Sales values are generally as reported but occasional adjustments may be made. They are also computed for banks, insurance and other financial companies based on appropriate definitions. Sales are attributed across different share classes, where common equity is comprised of more than one share type.

MOMENTUM: Measure of changes in total stock returns in local currency terms over those of the previous year excluding the most recent month.

SIZE: Size is calculated as the natural logarithm of each company's full market capitalization in US dollars.

QUALITY

PROFITABILITY

Return on Assets (ROA) − Net income divided by average total assets, calculated relative to the regional median stock level.

Delta Turnover − Net sales revenue divided by average total assets, calculated relative to the regional median stock level.

Accruals − Net operating assets (NOA) for the most recent reporting period minus NOA from the previous reporting period, as calculated with following formula: Change in working capital + change in non-current net operating assets + change in net financial assets ([short-term investments + long-term investments] – [long-term debt + short-term debt + preferred stock]), divided by average total assets. Calculated relative to the regional median stock level.

LEVERAGE

Leverage Ratio − Operating cash flow divided by total debt. A company whose net operating cash flow is greater than total debt or has no debt is assigned a maximum Leverage Ratio of one.

VOLATILITY (LOW): Standard deviation of five years of weekly local total returns prior to the rebalance month. A minimum of 52 weekly return observations are required to calculate volatility.

YIELD

Dividend Yield 12M − Calculated as the natural logarithm of each company's 12-month trailing dividend yield.

Source: FTSE Russell and LSEG. All information as of September 30, 2025. Past performance is no guarantee of future results.

ABOUT FTSE RUSSELL
FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner, we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 40 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

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