

Equity Factor Insights

QUARTERLY REPORT | JANUARY 2026

During Q4, investors seek safety in Value and larger equities

Value outperforms broadly; (Small) Size lags

In Q4 2025, the Value factor continued to outperform benchmarks, including in the US and Emerging where it had lagged the previous quarter. Quality also led equity indices in the US, Japan and Asia Pacific ex Japan markets. (Small) Size lagged broadly, as in Q3. Momentum and Low Vol recorded mixed performance.

Tech moderation, Financials contribution are key

While the global growth environment remained positive, concerns resurfaced in Q4 around tech valuations and AI investment payoffs, and the tech rally moderated, impacting factor relative returns. Easing short rates and steepening yield curves remained supportive of Financials industry returns and related factor performance.

Value, Quality and larger equities in favor within industries

Within industries, investor preference for larger, value-oriented and quality equities (evidenced in positive selection effects) may reflect a more defensive stance during Q4 compared to the previous two quarters.

Valuation changes are mixed

While absolute 12M factor forward P/Es mostly expanded over Q4, there were notable exceptions in the US and Asia Pacific ex Japan markets.

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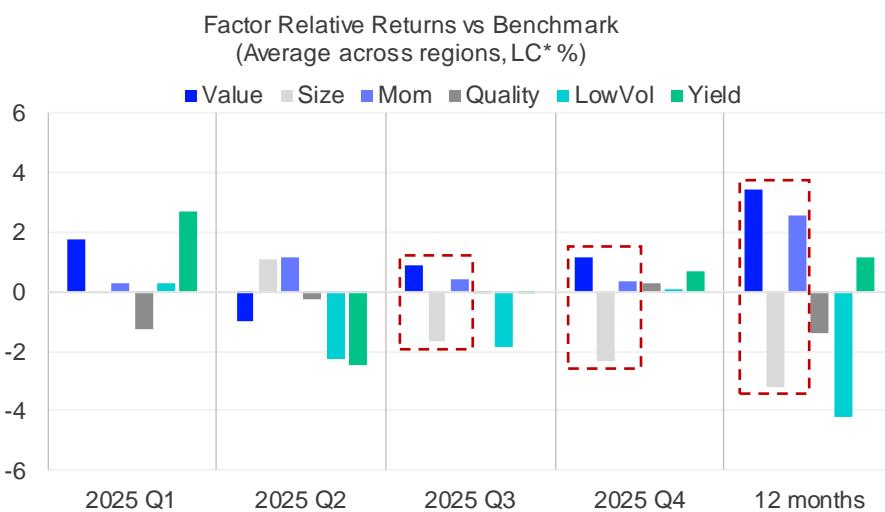
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Regional Factor Performance Highlights



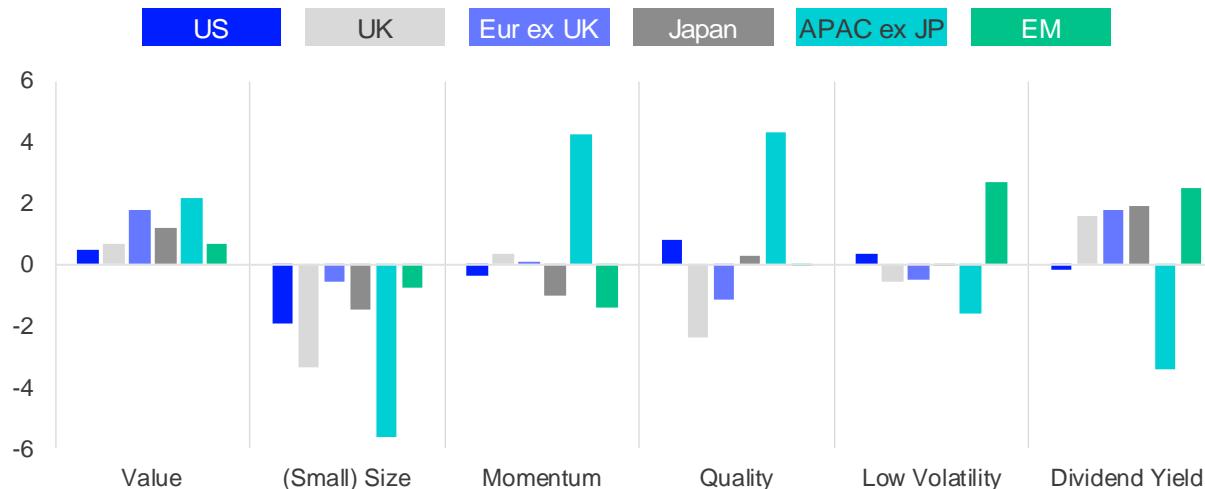
Select Regional Relative Returns, 3M (%)

+0.8%	US Quality	-1.9%	US Size
+1.8%	Europe ex UK Value	-1.2%	Europe ex UK Quality
+2.7%	Emerging Low Vol	-1.4%	Emerging Momentum
+4.3%	Asia Pacific ex Japan Quality	-5.6%	Asia Pacific ex Japan Size

Global View – Factor and Benchmark Performance Highlights, 3M

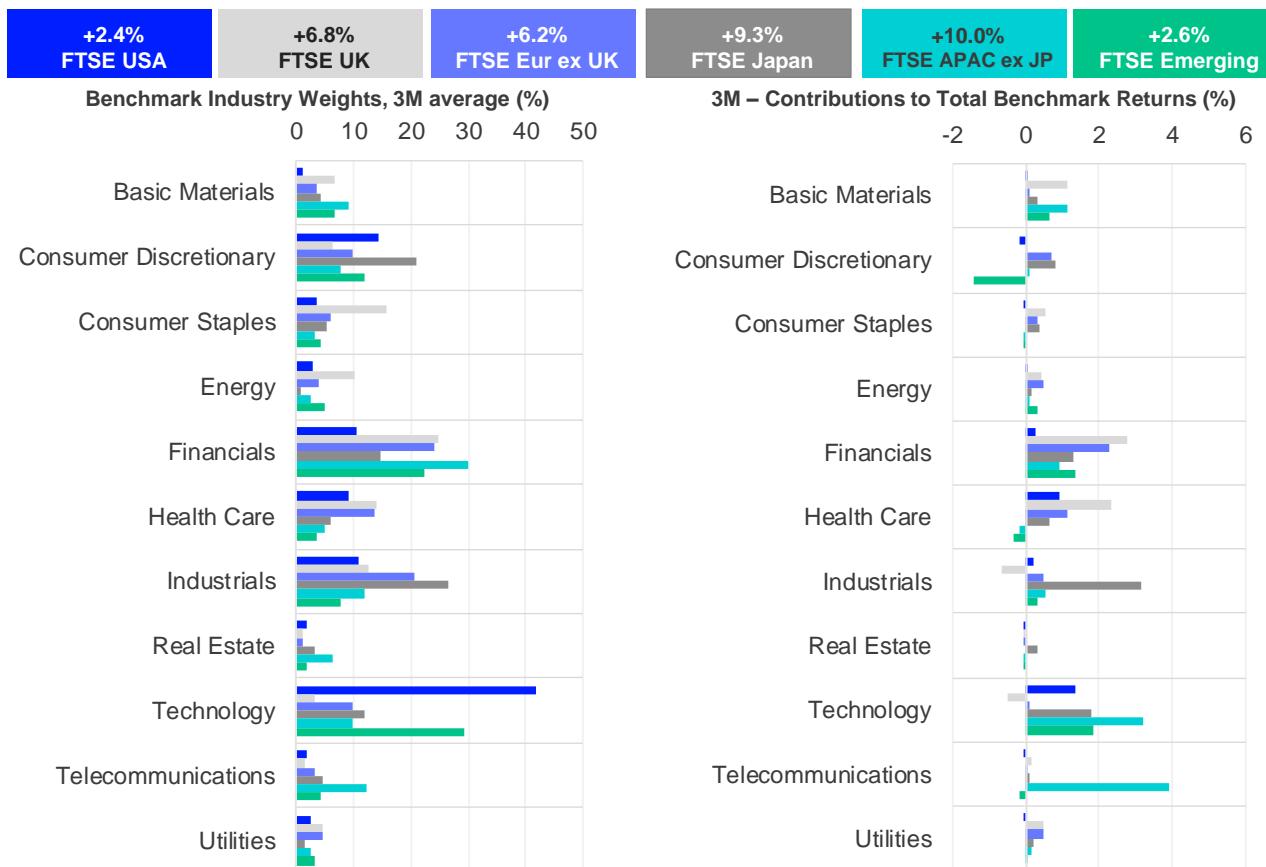
Q4 2025 saw Value continue to outperform and (Small) size lag as in Q3. Value outperformed broadly, including US Value and Emerging Value which had trailed in Q3. This may be partly attributed to the tech rally moderating in Q4. Investors may find a measure of safety in Value and larger equities amid stretched valuations (particularly in the US) and volatile equity markets. Asia Pacific ex Japan factor performance stood out in the magnitude of factor relative returns. Momentum, Quality and Low Vol performance was mixed.

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



Regional Equity Market Returns – 3M (TR, LC %) – Asia Pacific leads; muted returns for the US and Emerging

The equity rally that began in April after the US paused “reciprocal” tariffs seemed to narrow and moderate in Q4, especially in the US which lagged other key markets. Asia Pacific ex Japan equities led local currency returns, with the Japan index not far behind. They were followed by UK and Europe ex UK equities, with Emerging and the US trailing.

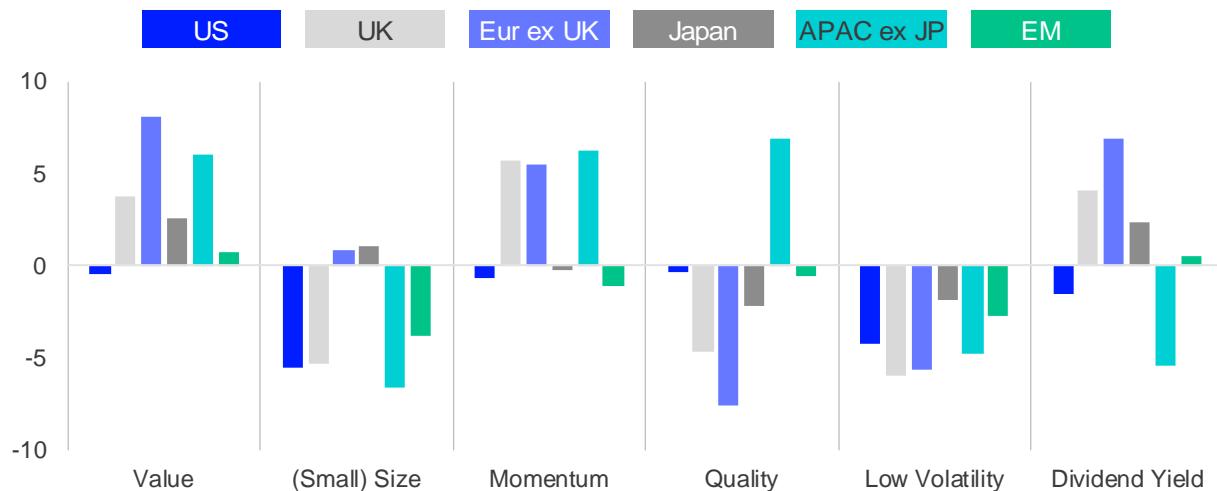


Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

Global View – Factor and Benchmark Performance Highlights, 12M

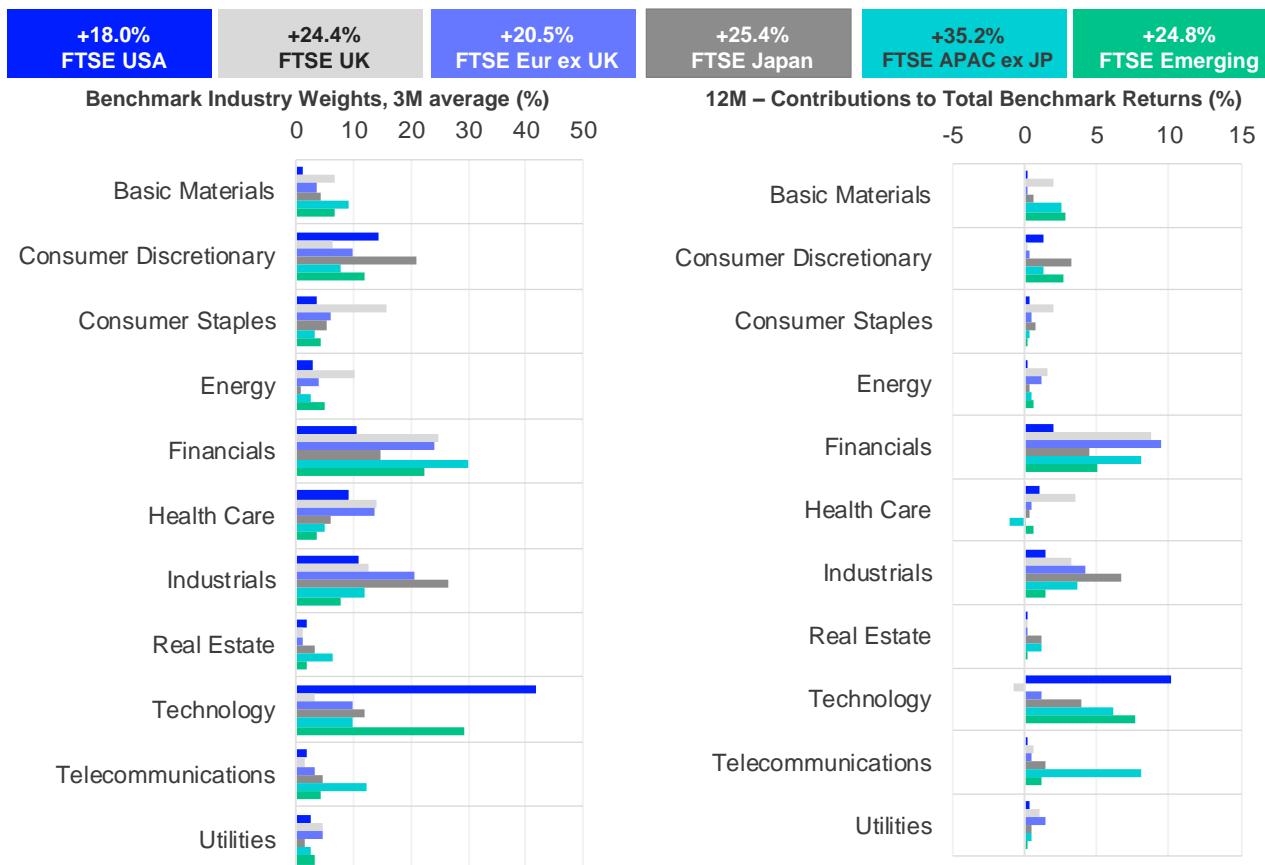
12M factor relative returns also reflected investor preference for large, value-oriented equities. Value outperformed equity indices, except in the US where it slightly lagged. (Small) Size notably trailed the US, UK, Asia Pacific ex Japan and Emerging indices, but outperformed slightly in Europe ex UK and Japan. Momentum remained positive in the UK, Europe and Asia Pacific, but lagged slightly elsewhere which was a reversal from its 12M performance at the end of Q3. Most Quality and Low Vol factors underperformed reflecting the risk-on market sentiment over the longer timeframe.

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



Regional Equity Market Returns – 12M (TR, LC %) – Asia Pacific equities outpace the rest

Over 12M, Asia Pacific ex Japan equities led local currency returns helped by strong contributions from Financials and Telecoms. They were followed by FTSE Japan, FTSE Emerging and FTSE UK with similar returns. US equities lagged the most. Cyclical sectors generally contributed strongly and broadly to index returns in 2025.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

Global View – Factor rotation

The Value factor's performance over the last 12M was more consistent in some regions than others, e.g. in the UK and Europe, where it steadily outperformed (Chart 1). And (Small) Size outperformed during Q2 but has trailed most indices since then (Chart 2). In particular, during Q4, investors seemed to prefer more value-oriented and larger equities.

While the macro environment was largely benign in Q4—growth was resilient, inflation was not as bad as feared—equity markets experienced a few wobbles. Chart 3 shows how global equities posted steady returns during May-October, after the US paused announced reciprocal tariffs, but moderated or pulled back in November when concerns about tech-related equity valuations and AI investment payoffs resurfaced. In general, 12M forward valuations have rerated since end-2022 (see pg. 5) and are above their 10-year averages in key markets. Any shifts in sentiment toward equity drivers such as the AI theme are likely to be reflected in prices. Option-adjusted spreads for both investment grade (Chart 4) and high yield corporates showed a widening in Q4 after having declined and remaining tight since April; it may be another indicator of investor anxieties. In this context, investors may find a measure of safety in value-oriented equities given their valuation buffer and in larger equities that tend to have stronger balance sheets.

There may also be industry-related tailwinds for Value, as steepening yield curves (Chart 5) have benefited Financials.

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)

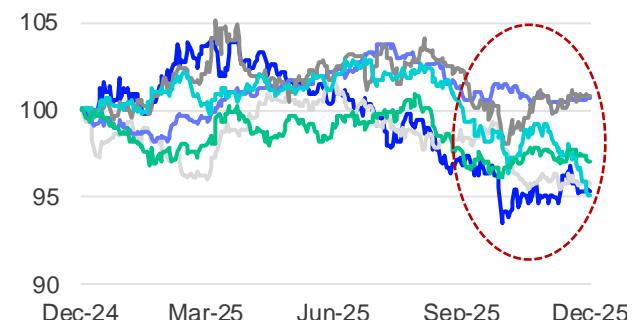


Chart 3: Monthly performance of key FTSE equity indices (LC, TR, %)

■ US ■ UK ■ Euro ex UK ■ Japan ■ APac ex JP ■ Emerging



Chart 4: Investment Grade Corporates: OAS (bps)

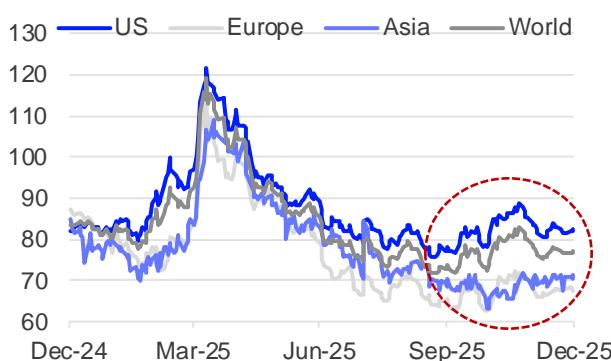
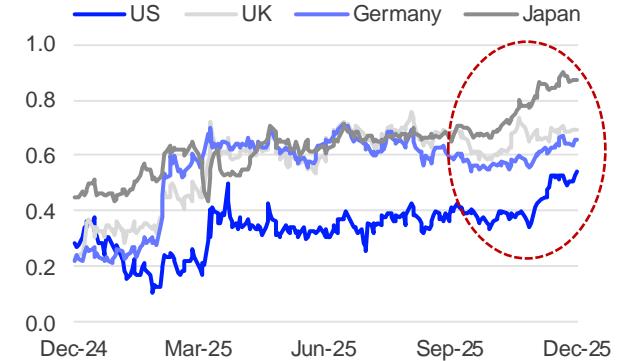


Chart 5: Government bond yield curve slope, 7-10 yr - 1-3 yr (%)



Global View – Factor Valuations

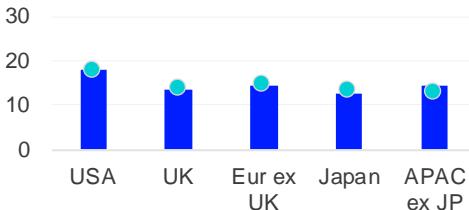
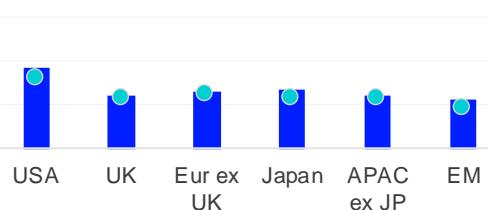
Since end-2022, average factor forward P/Es have rerated broadly. They contracted toward the end of Q1 2025 but have expanded since with the global risk rally. However, during Q4, when the Tech rally moderated, average factor forward P/Es for Quality and Momentum declined notably. They were stable or declined slightly for other factors. At the end of Q4, Value and Yield traded above their long-term averages across all regions.

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



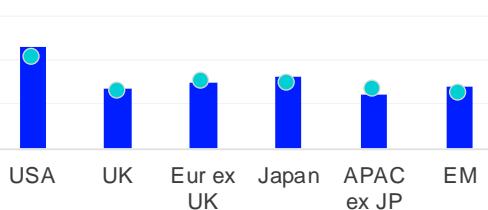
■ 2025-12-31 • 10-year average

■ 2025-12-31 • 10-year average

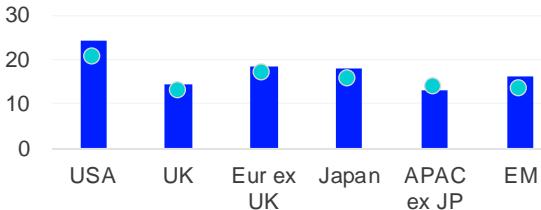


Momentum - 12M forward P/E

■ 2025-12-31 • 10-year average

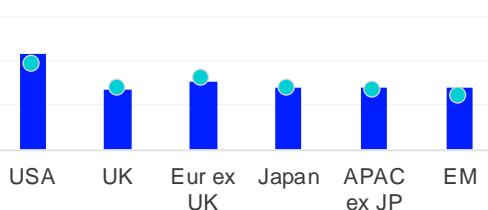


■ 2025-12-31 • 10-year average



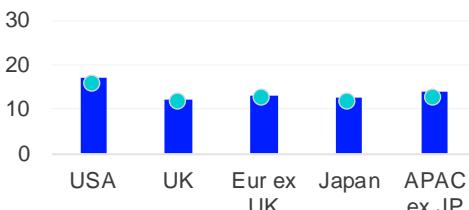
Low Volatility - 12M forward P/E

■ 2025-12-31 • 10-year average



■ 2025-12-31 • 10-year average

Yield - 12M forward P/E



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

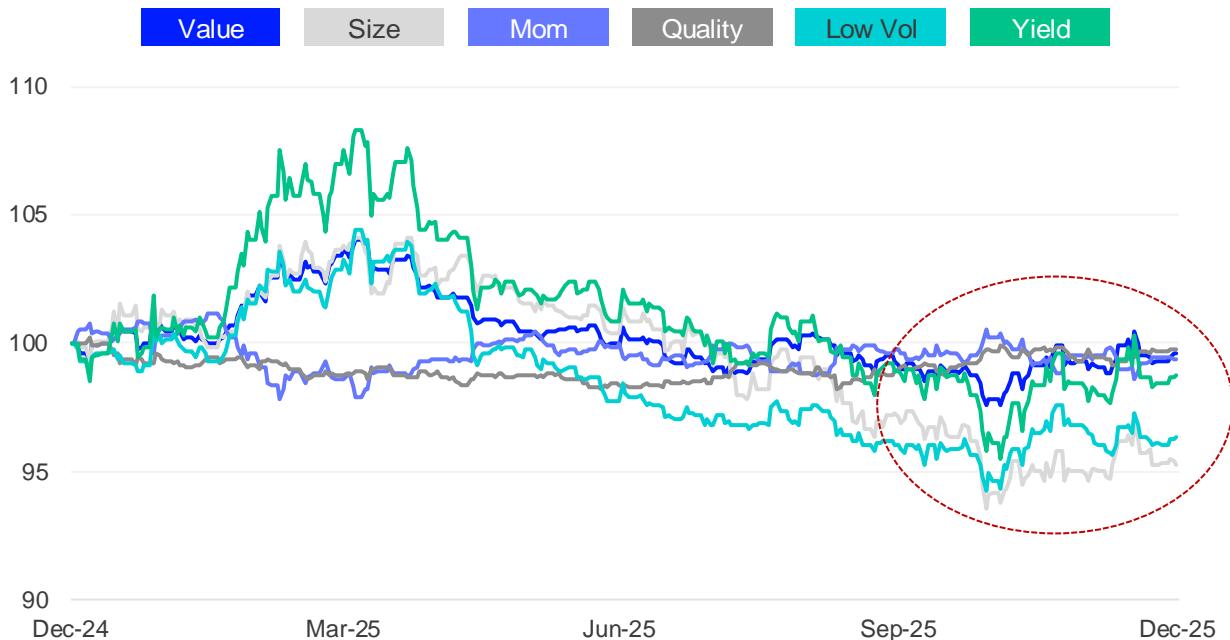
US Equity Factor Insights

FOURTH QUARTER | 2025

Key Observations

- In Q4, Quality continued to outperform the benchmark as in the previous quarter. It was joined by Value and Low Vol with positive relative returns.
- Allocation effects from a Health Care overweight and positive selection within Tech and a few other cyclicals drove factor performance.
- Over 12M, all US factors underperformed the benchmark, with Quality, Momentum and Value only slightly lagging. Size and Low Vol trailed notably.
- Absolute factor forward P/Es for Quality, Momentum and Size derated notably in Q4 as the tech rally moderated. However, all US factor valuations remained above their long-term averages.
- In relative terms, Momentum's relative P/E also contracted over the quarter. Quality continued to trade above its 10-year average relative P/E.

Factor returns relative to benchmark (rebased)

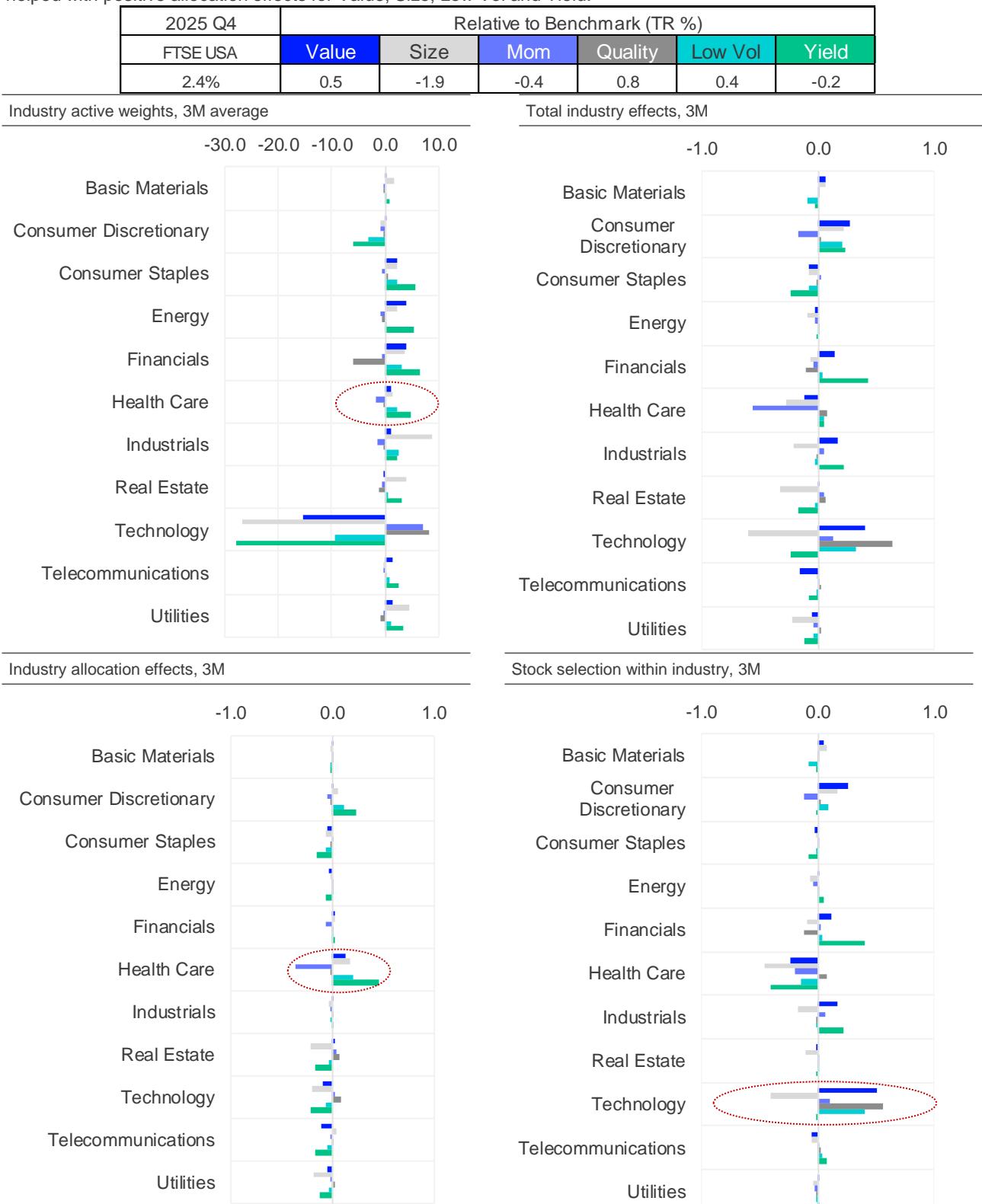


Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

US Factor Performance & Industry Attributions — 3M

Quality continues to outperform; Value and Low Vol reverse course

In Q4, Quality continued to outperform the benchmark alongside Value and Low Vol. All three factors benefitted from positive selection effects within Tech, while Size experienced negative selection, indicating investor preference for cheaper, larger and higher quality stocks. An overweight to Health Care, which outperformed over the quarter, also helped with positive allocation effects for Value, Size, Low Vol and Yield.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

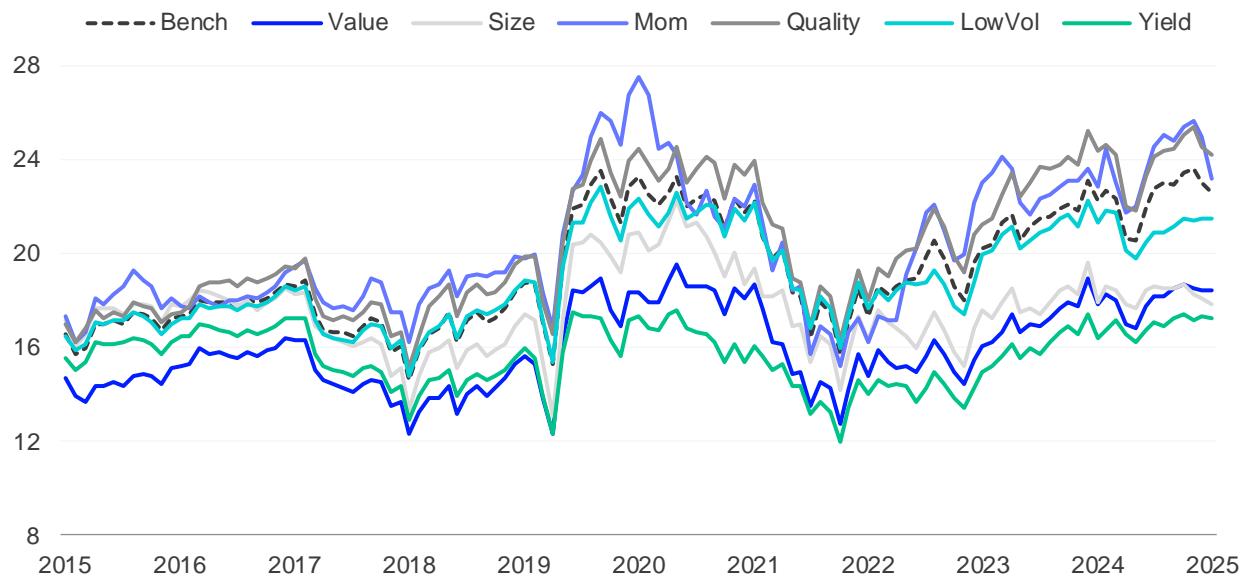
FTSE Russell | Equity Factor Insights Q4 2025

US Factor Valuations

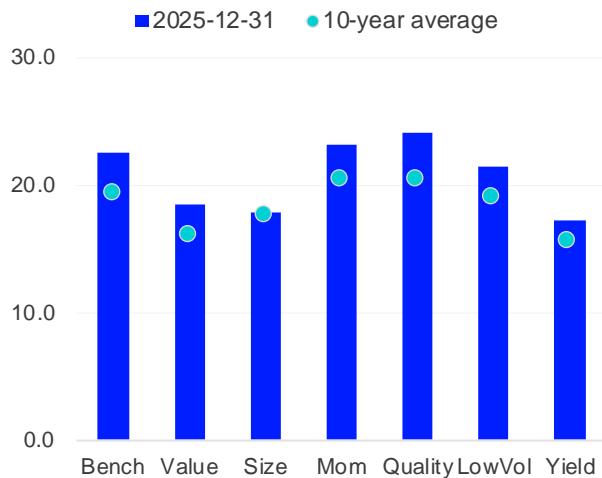
US factor forward P/Es had rerated since April 2025 when equity markets pulled back in response to announced high reciprocal tariffs on US trading partners. However, during Q4 when the tech rally moderated once again, absolute 12M forward P/Es for Quality, Momentum and Size declined notably. At the end of Q4, all US factors remained expensive relative to their 10-year history.

In relative to benchmark terms, only Quality traded above its 10-year average as Momentum's relative forward P/E also derated over the quarter. The Quality-Value premium narrowed.

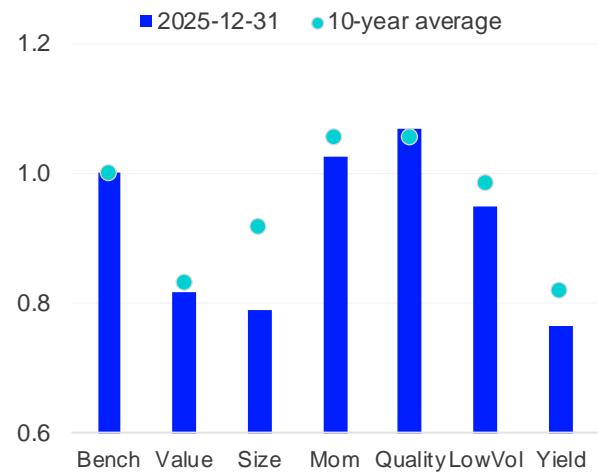
FTSE USA – Absolute 12M forward P/Es



Current Absolute 12M forward P/E vs history



Current Relative 12M forward P/E vs history

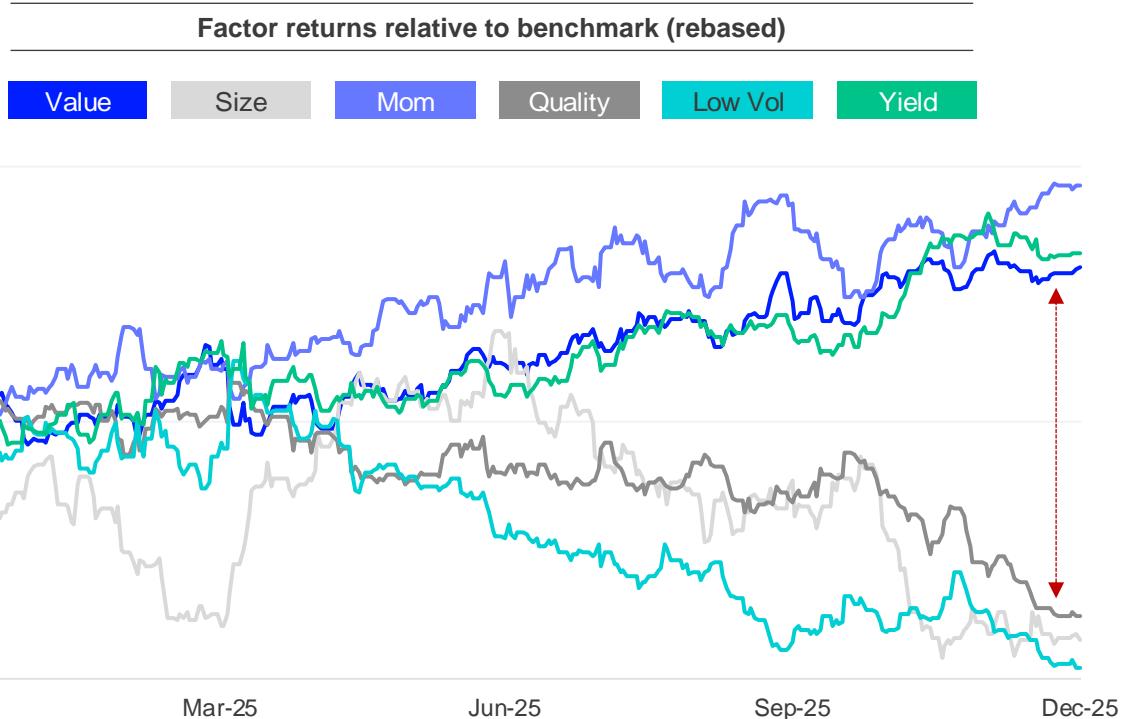


UK Equity Factor Insights

FOURTH QUARTER | 2025

Key Observations

- In Q4, Value, Momentum and Yield continued to outperform as in the previous quarter.
- An overweight to Financials and underweights to Tech and Industrials helped factor relative returns.
- Over 12M, Momentum led the index substantially, followed by Yield and Value. Quality, Size and Low Vol lagged steeply, indicating strong industry impacts such as from Financials and a preference for larger, value equities.
- Absolute factor forward P/Es continued to rerate over Q4, as UK equities with their smaller weight in Tech were insulated from the shift in sentiment toward the AI tech rally.
- In relative terms, Quality remained expensive, and after Q4's performance, Value and Yield also traded above their 10-year average relative P/Es.

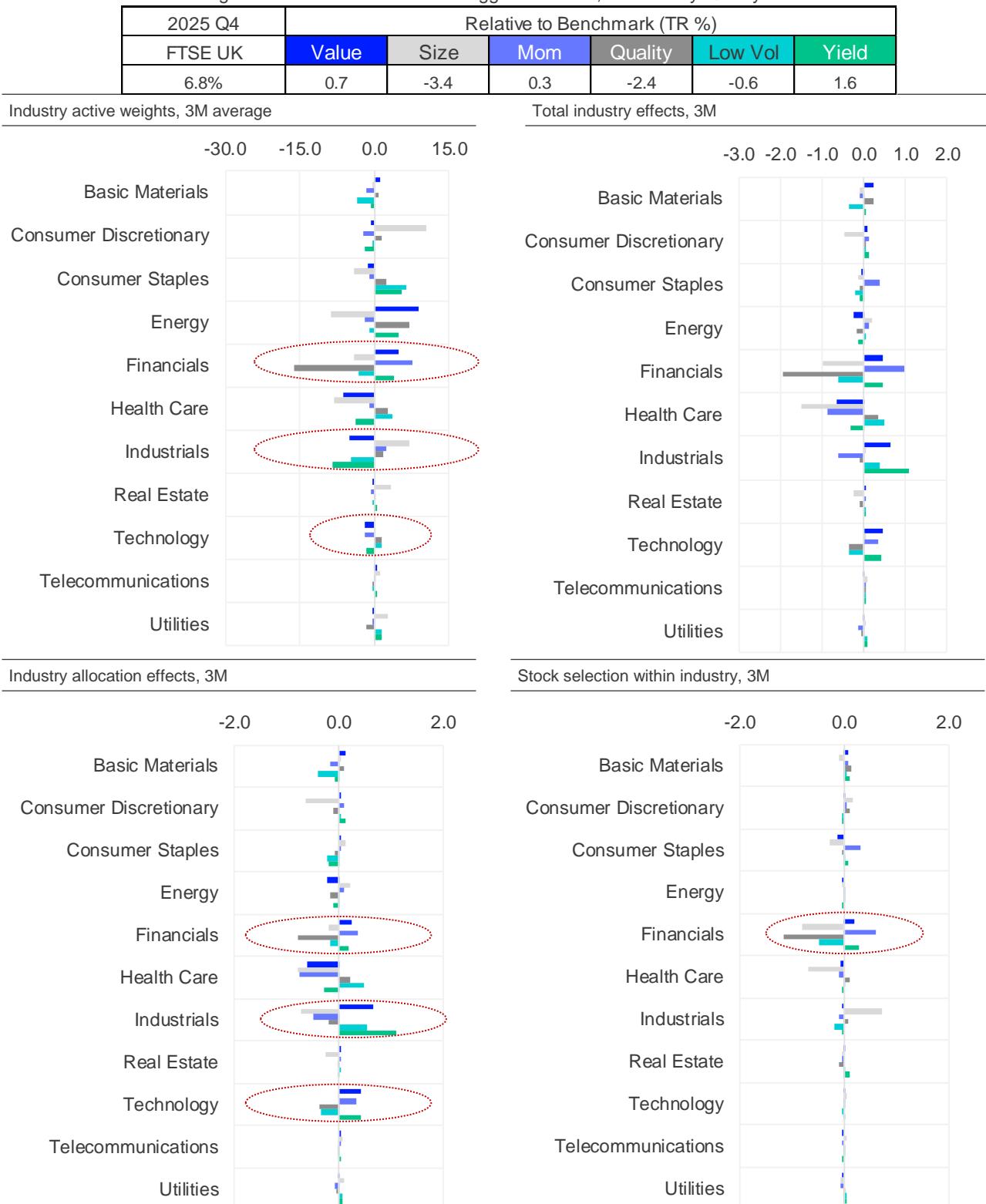


Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

UK Factor Performance & Industry Attribution — 3M

Value, Momentum and Yield continue to outperform

In Q4, Value, Momentum and Yield outperformed the benchmark as in the previous quarter and consistent with the 12M trend. All three factors had positive allocation effects from Financials (overweight) and Tech (underweight), and positive selection within Financials. Additionally, Value and Yield also benefitted from their underweight to Industrials. Both Tech and Industrials were a drag on the UK benchmark. Size lagged the most, followed by Quality.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

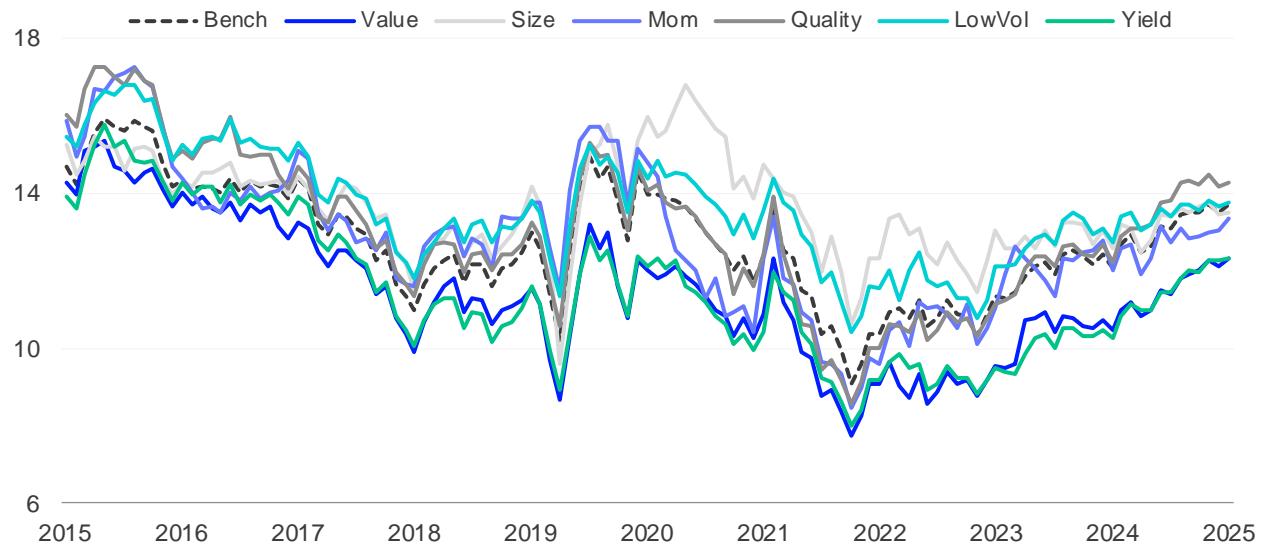
FTSE Russell | Equity Factor Insights Q4 2025

UK Factor Valuations

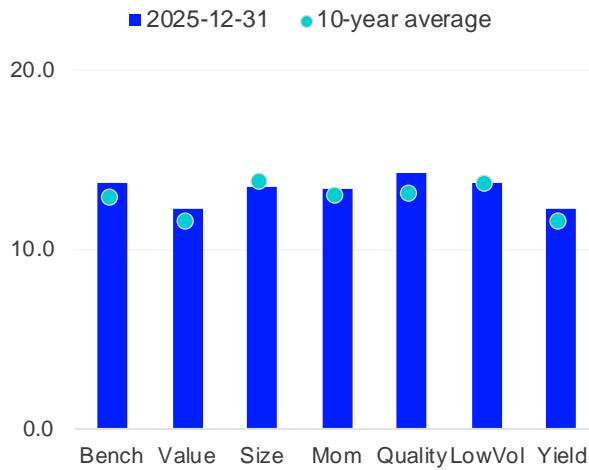
UK factor forward P/Es have re-rated since end-2022 and continued to do so in Q4 2025, except for UK Size whose P/E contracted slightly. The UK index, which has a smaller weight in Tech, was insulated by the shift in investor sentiment toward the AI tech rally. At the end of Q4, most UK factor forward P/Es traded above their 10-year averages, except for Size. The Quality-Value premium was higher than its long-term history.

In relative terms, Quality remained expensive, but Value and Yield also turned slightly expensive compared to history after Q4's performance.

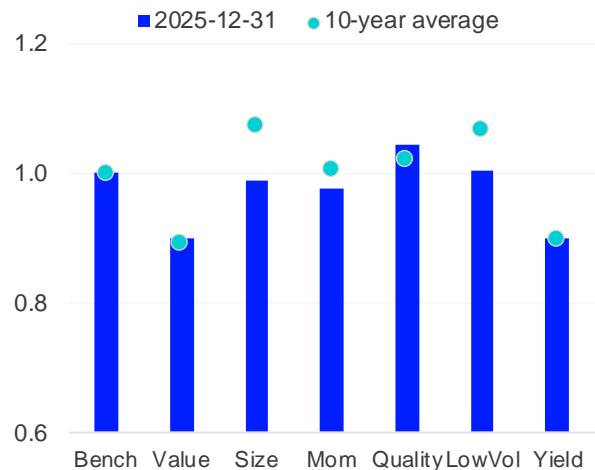
FTSE UK – Absolute 12M forward P/Es



Current Absolute 12M forward P/Es vs history



Current Relative 12M forward P/Es vs history

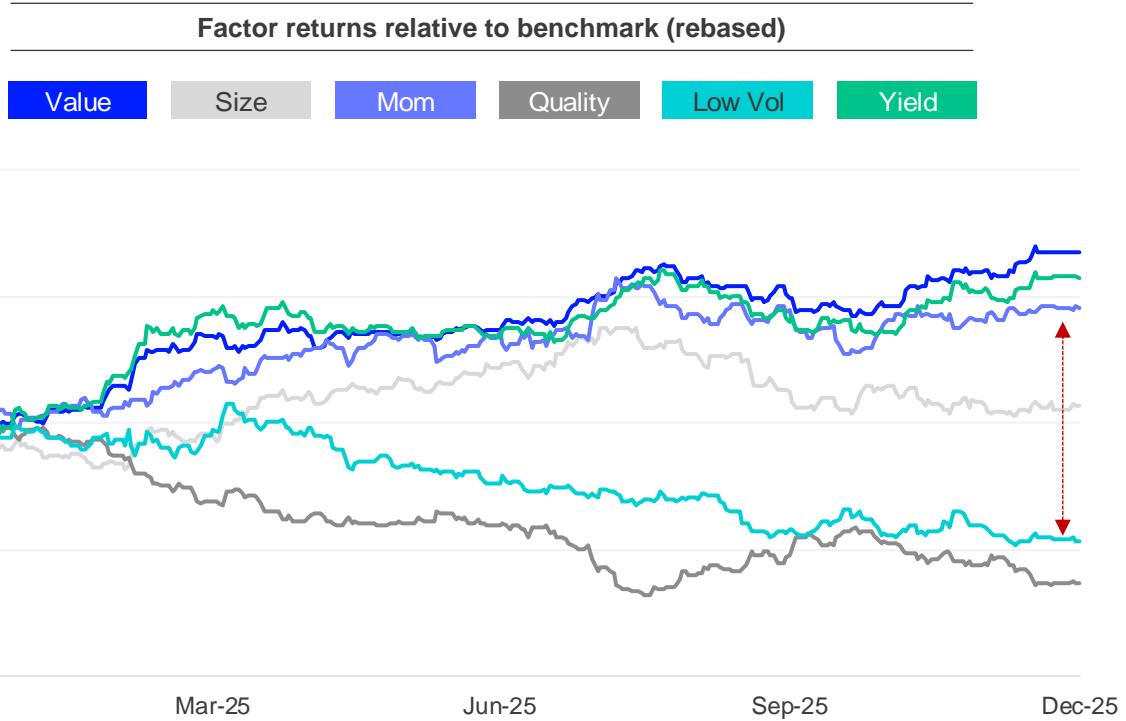


Europe ex UK Equity Factor Insights

FOURTH QUARTER | 2025

Key Observations

- In Q4, Value, Momentum and Yield outperformed as they did in the previous quarter.
- An overweight to Financials and underweight to Industrials and Tech generally helped factor performance. Investors seemed to prefer more value-oriented stocks within several cyclical industries.
- Over 12M, Value, Yield and Momentum strongly outperformed the index. Quality and Low Vol continued to lag the benchmark largely hurt by their underweight to Financials which has contributed significantly to index returns.
- Absolute factor forward P/Es continued to rerate in Q4. They were above 10-year averages for Quality, Value and Yield.
- In relative terms, Quality and Value continued to trade above their historical average relative P/Es, despite Quality lagging the index recently.

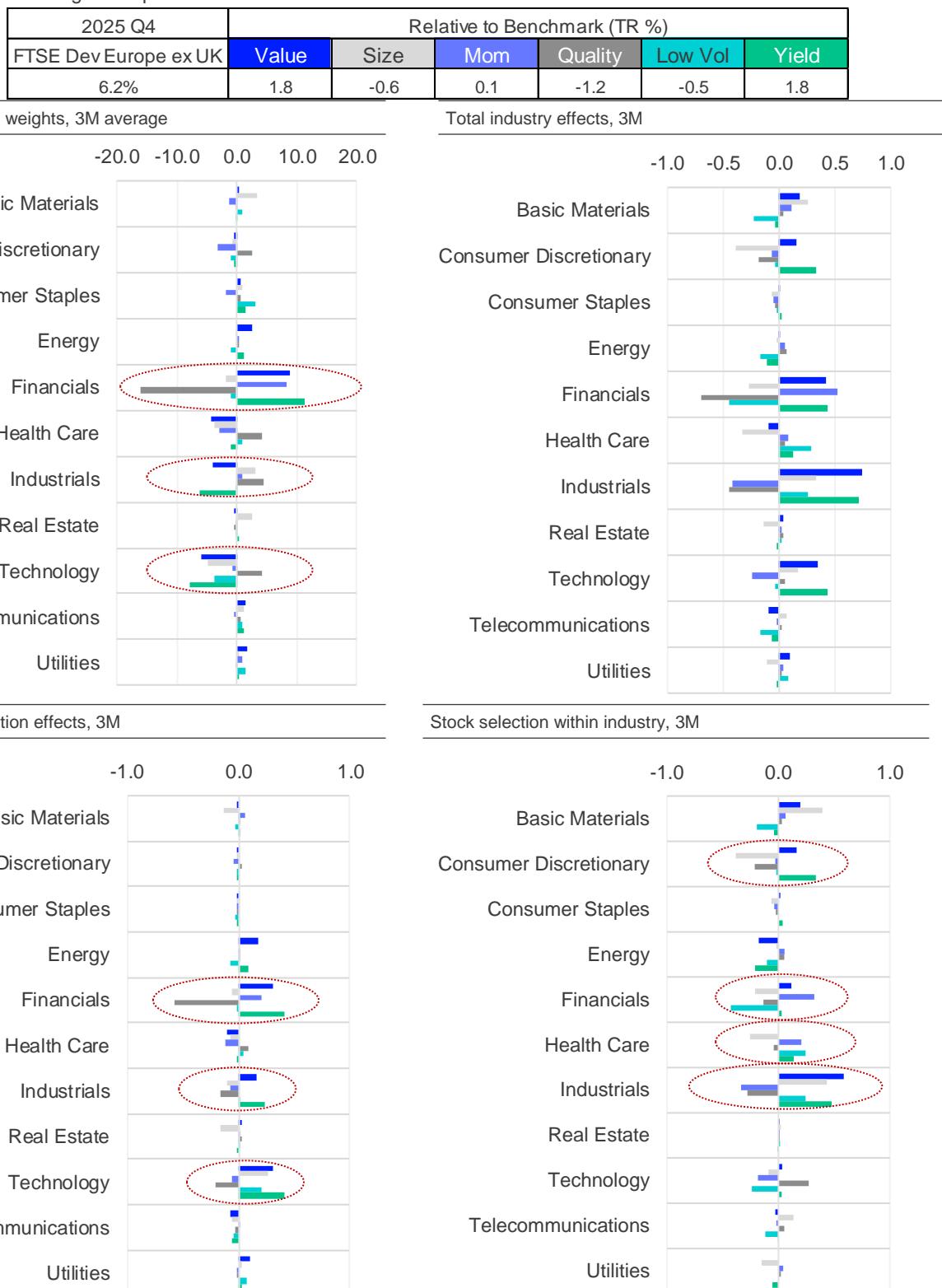


Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

Europe ex UK Factor Performance & Industry Attribution — 3M

Momentum and Value maintain their edge

In Q4, Momentum, Value and Yield outperformed, as in the previous quarter and consistent with the 12M trend. Value and Yield saw positive allocation effects from their overweight to Financials and underweight to Industrials and Tech. Additionally, they had strong positive selection effects within Industrials and Discretionary. Momentum benefitted from its Financials overweight and positive selection effects within Financials and Health Care.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

FTSE Russell | Equity Factor Insights Q4 2025

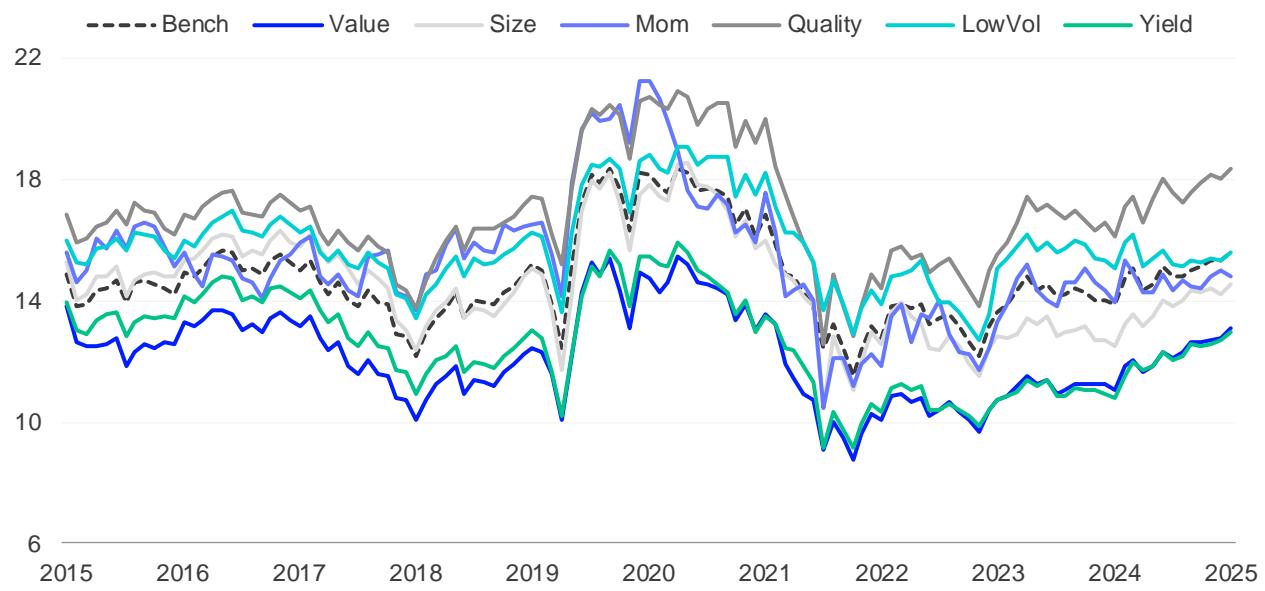
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Europe ex UK Factor Valuations

In Q4, absolute factor forward P/Es expanded broadly as they did the previous quarter. After Q4's performance, Yield also traded above its 10-year average P/E alongside Quality and Value. However, Quality's premium over Value narrowed further over the quarter as Quality continued to lag the benchmark.

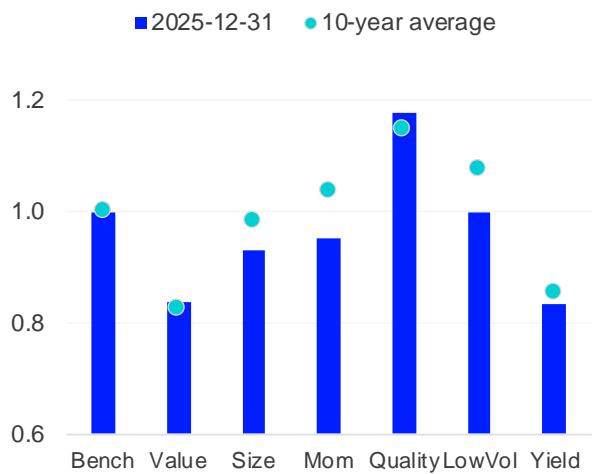
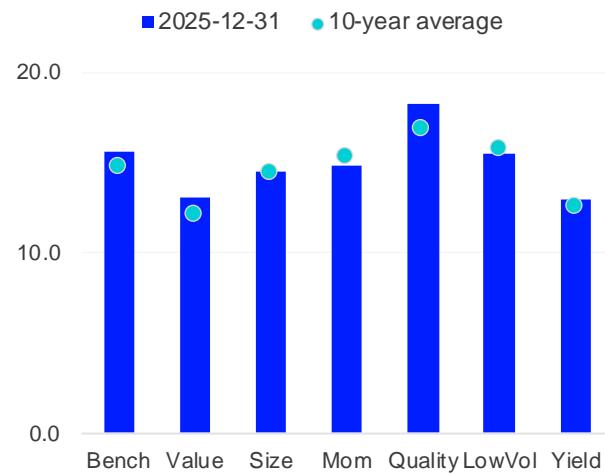
In relative terms as well, Value remained expensive compared to history. Quality, which tends to be relatively expensive and trade above the benchmark's P/E traded above its 10-year average at the end of Q4.

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



Current Absolute 12M forward P/Es vs history

Current Relative 12M forward P/Es vs history



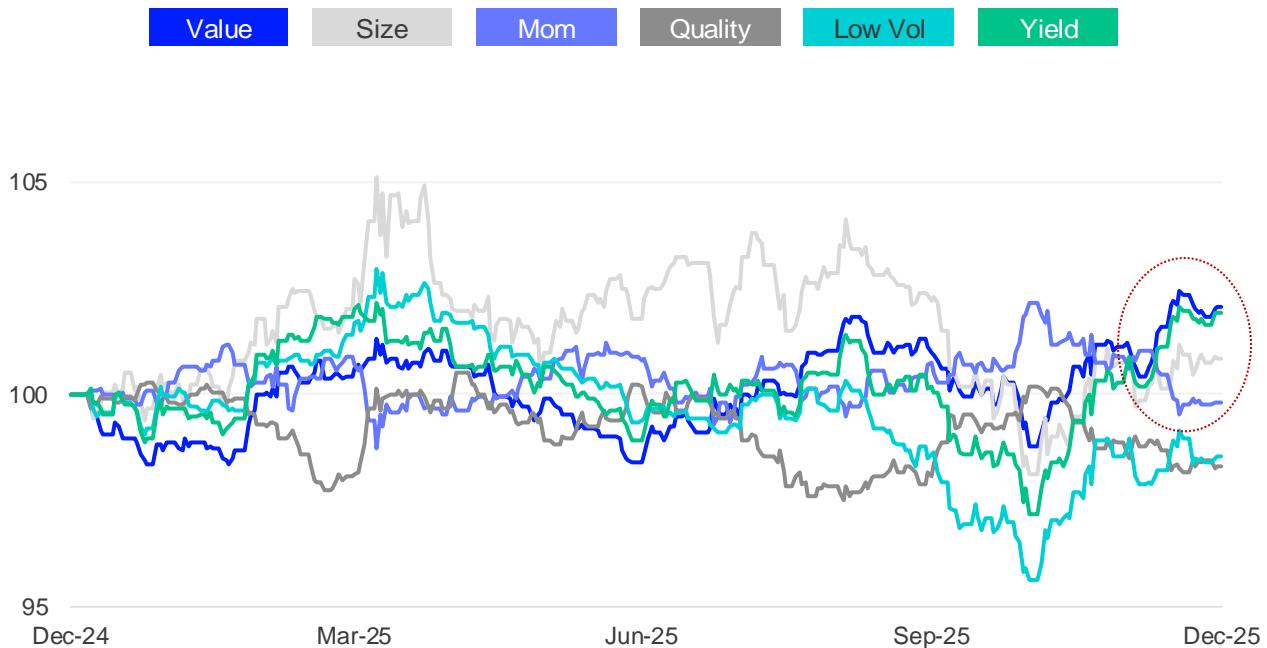
Japan Equity Factor Insights

FOURTH QUARTER | 2025

Key Observations

- In Q4, Value and Yield continued to outperform, as did Quality in a reversal from Q3.
- Value and Yield primarily benefited from strong positive selection within Discretionary, and Quality from positive selection within Tech.
- Over 12M, Value, Yield and Size outperformed the benchmark, with Momentum just lagging.
- At the end of Q4, absolute factor forward P/Es for all factors were higher than at the end of Q3. All except Size traded at historical premiums.
- In relative terms, Value, Quality and Momentum remained expensive compared to their historical average relative P/Es.

Factor returns relative to benchmark (rebased)



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

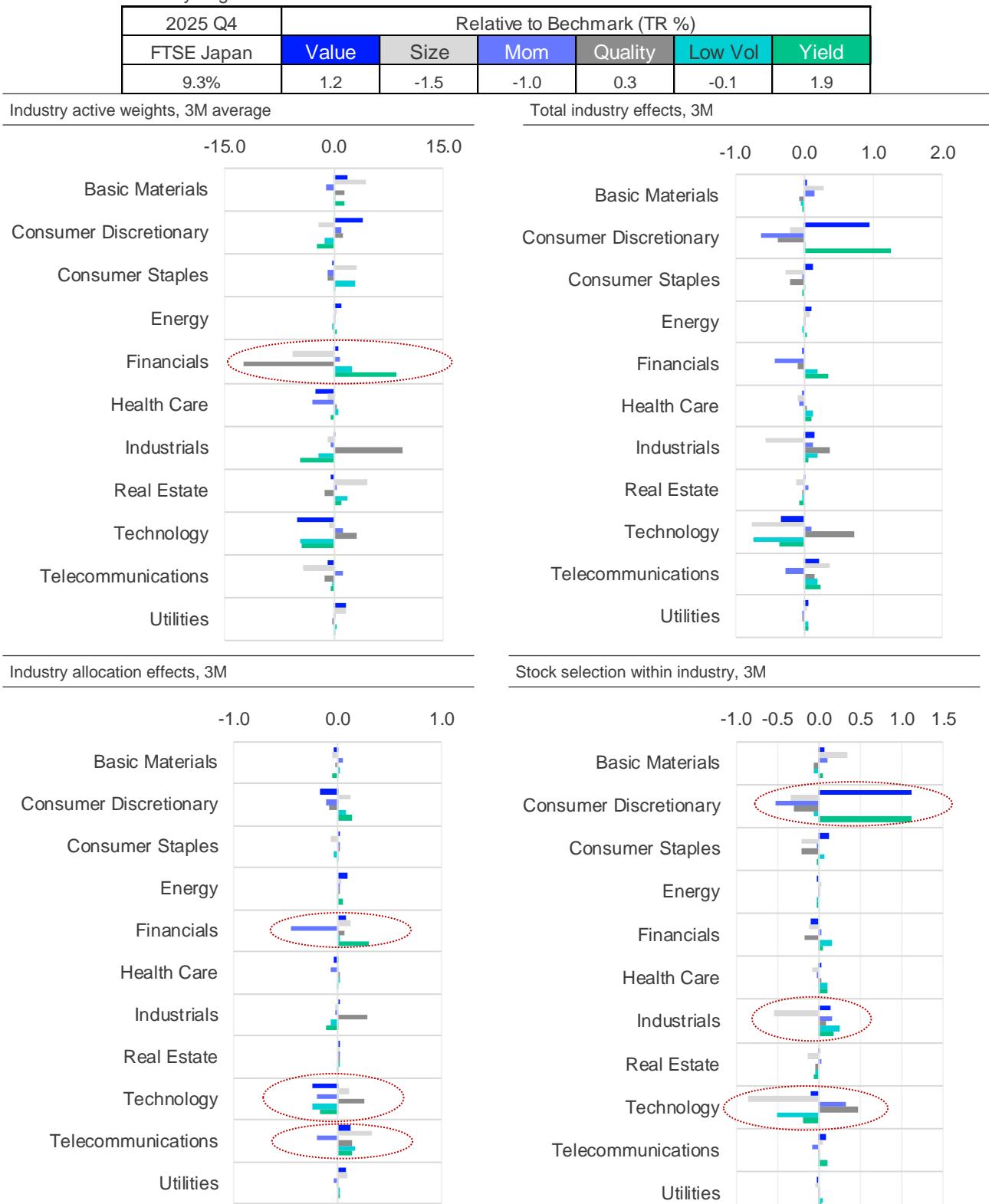
FTSE Russell | Equity Factor Insights Q4 2025

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Japan Factor Performance & Industry Attribution — 3M

Value and Yield continue to lead in Q4

In Q4, Value and Yield continued to outperform, but Quality's relative return also turned positive unlike in Q3. Value and Yield saw strong positive selection within Discretionary and positive allocation effects from Financials and Telecoms. Quality benefitted from positive allocation effects from Industrials, Tech and Telecoms and positive selection within Tech. Size was hurt by negative selection within several industries.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

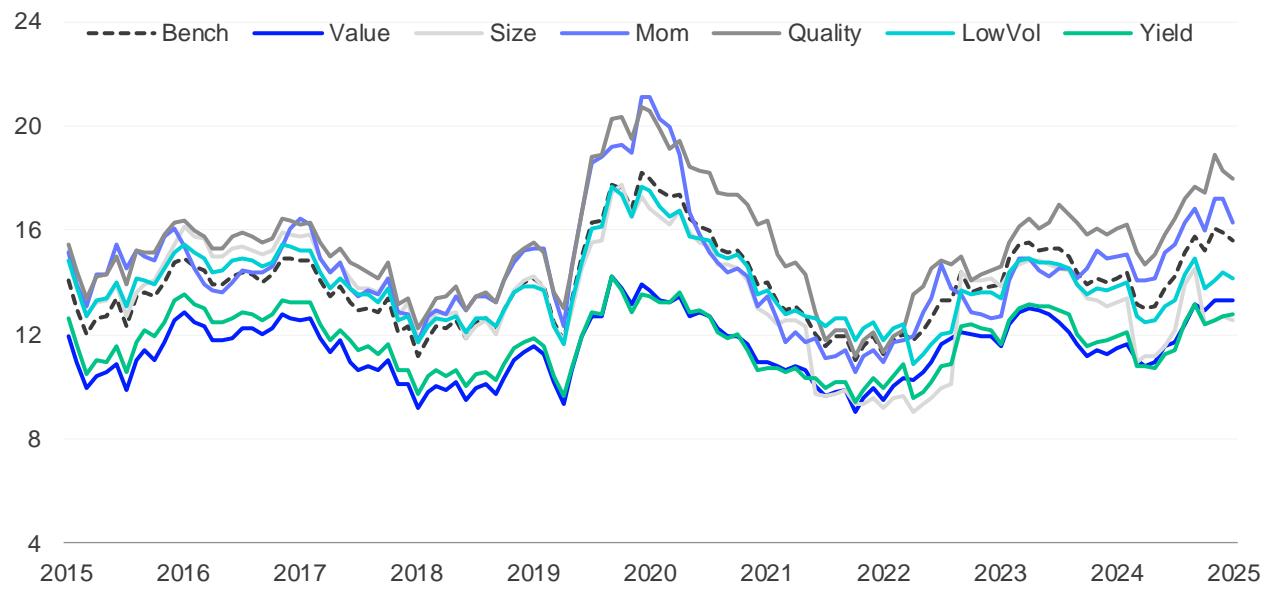
FTSE Russell | Equity Factor Insights Q4 2025

Japan Factor Valuations

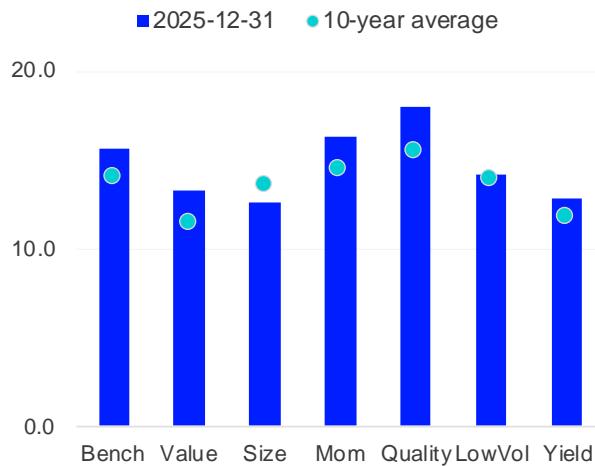
Absolute factor forward P/Es in Japan expanded early in Q4 but dipped toward quarter end, especially for Quality and Momentum. After Q4's performance, absolute Japan factor P/Es traded above the 10-year average for all but Size which lagged the index over the quarter.

In relative terms, Value, Momentum and Quality continued to traded at historical premiums. However, only Momentum and Quality traded at benchmark-relative P/Es greater than 1.

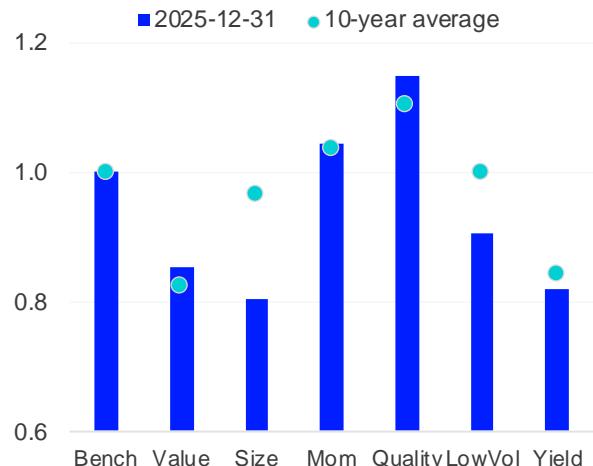
FTSE Japan – Absolute 12M forward P/Es



Current Absolute 12M P/Es vs history



Current Relative 12M P/Es vs history



Asia Pacific ex Japan Equity Factor Insights

FOURTH QUARTER | 2025

Key Observations

- In Q4, Quality and Value continued to outperform as in Q3, while Momentum rebounded strongly after trailing the index in the previous quarter.
- Quality and Momentum saw positive allocation effects from Tech and Telecoms. Value benefitted from strong positive selection effects. Size trailed steeply due to an underweight to Telecoms and negative selection within Tech.
- After Q4's performance, Quality, Value and Momentum's outperformance of the index and other factors over 12M widened.
- Absolute factor forward P/Es contracted over Q4 except for Size. At quarter-end, all factors except Momentum and Quality traded above historical average P/Es.
- In relative terms as well, Momentum and Quality traded at discounts to their 10-year average relative forward P/E.

Factor returns relative to benchmark (rebased)

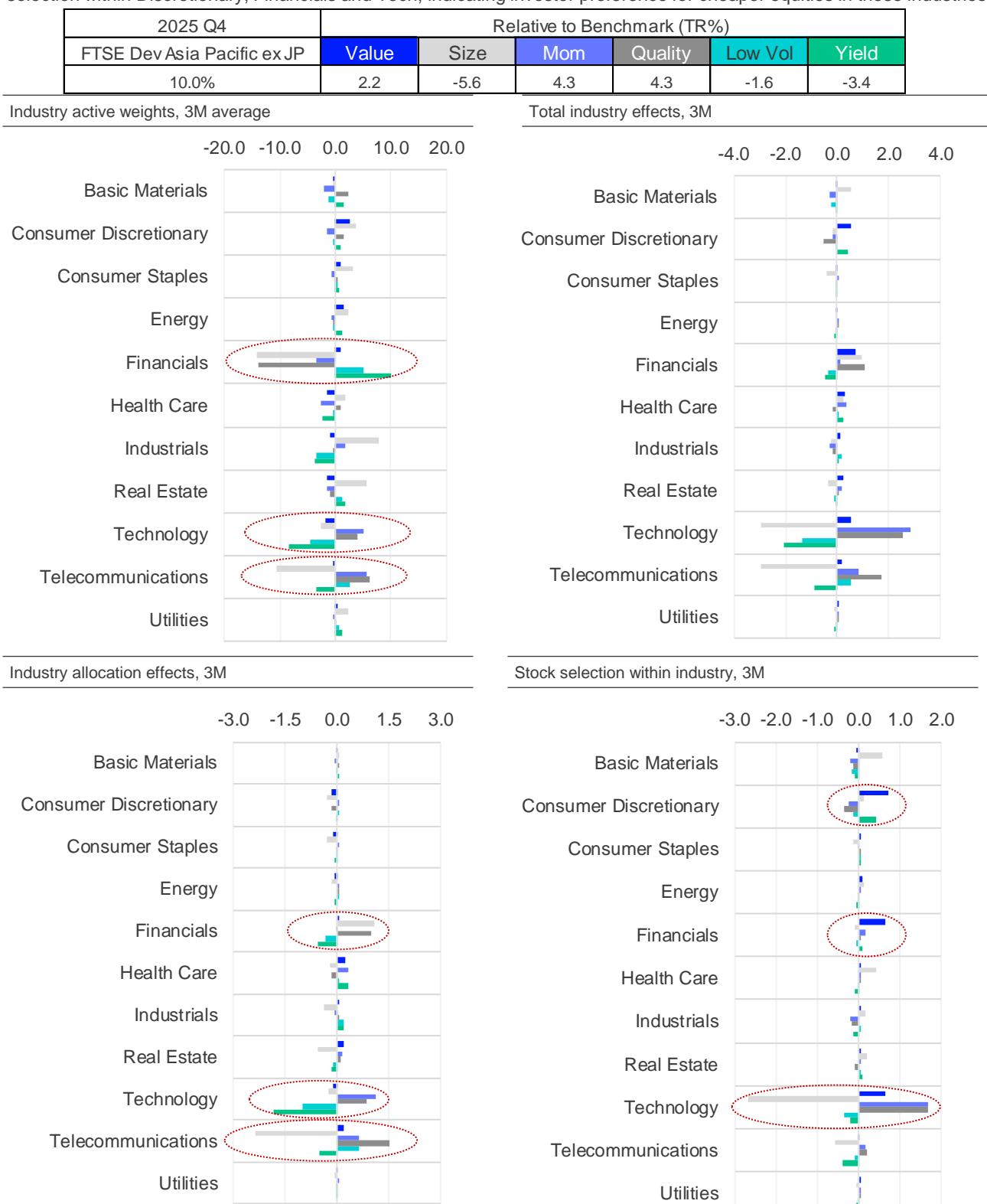


Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

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

Quality and Value retain their edge; Momentum rebounds strongly

In Q4, Quality and Momentum led factor relative returns followed by Value. Momentum rebounded strongly after trailing the index in Q3. All three factors saw positive allocation effects from Telecoms. Momentum and Quality also benefitted from positive allocation effects from and selection effects within Tech. Value's performance was driven by strong positive selection within Discretionary, Financials and Tech, indicating investor preference for cheaper equities in these industries.

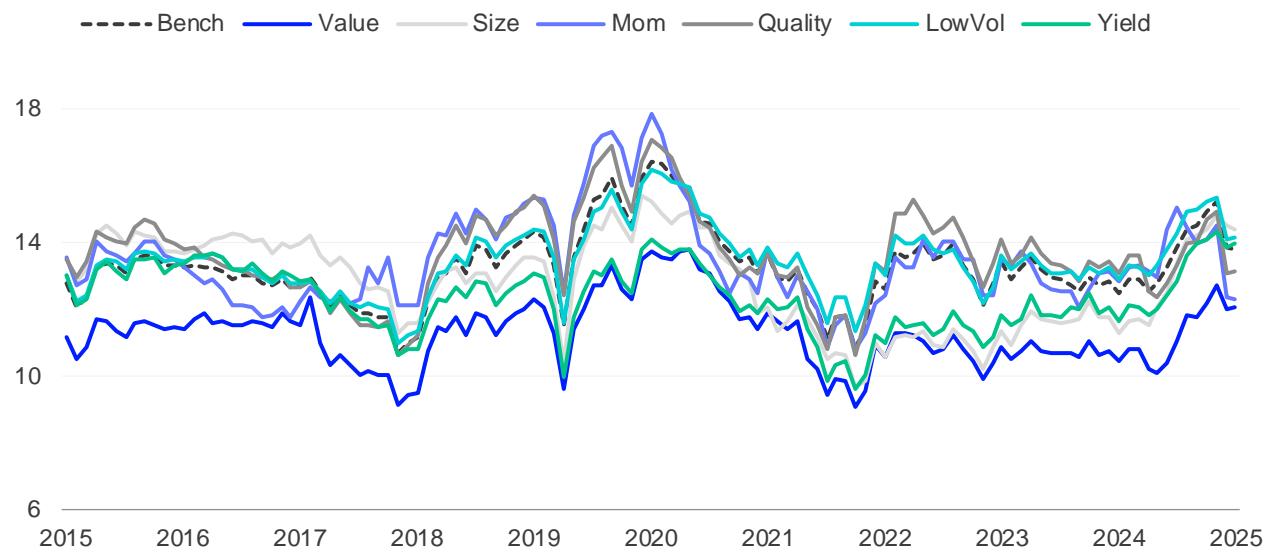


Asia Pacific ex Japan Factor Valuations

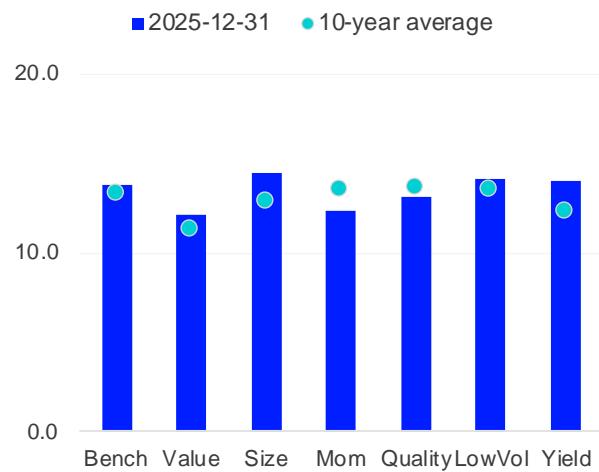
In Q4, most absolute Asia Pacific ex Japan factor forward P/Es contracted except for Size whose P/E expanded (despite the factor lagging the benchmark in performance). At the end of Q4, most Asia Pacific ex Japan factors were expensive relative to their long-term history except Momentum and Quality, despite them leading Q4's performance suggesting that the price appreciation was balanced by expected earnings growth.

In relative terms as well, except for Momentum and Quality, all factors were expensive compared to their historical average relative forward P/Es.

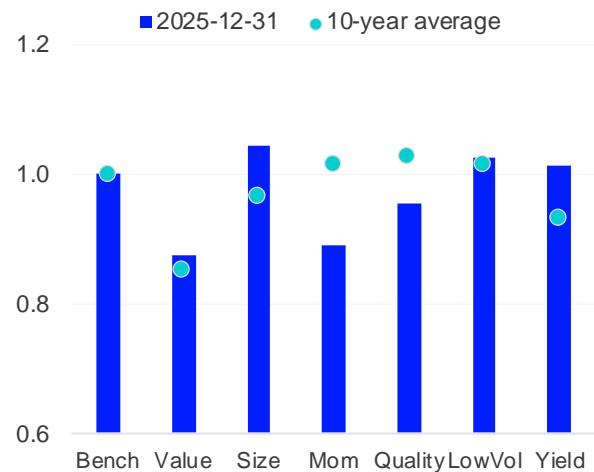
FTSE Asia Pacific ex Japan – Absolute 12M forward P/Es



Current Absolute 12M forward P/Es vs history



Current Relative 12M forward P/Es vs history

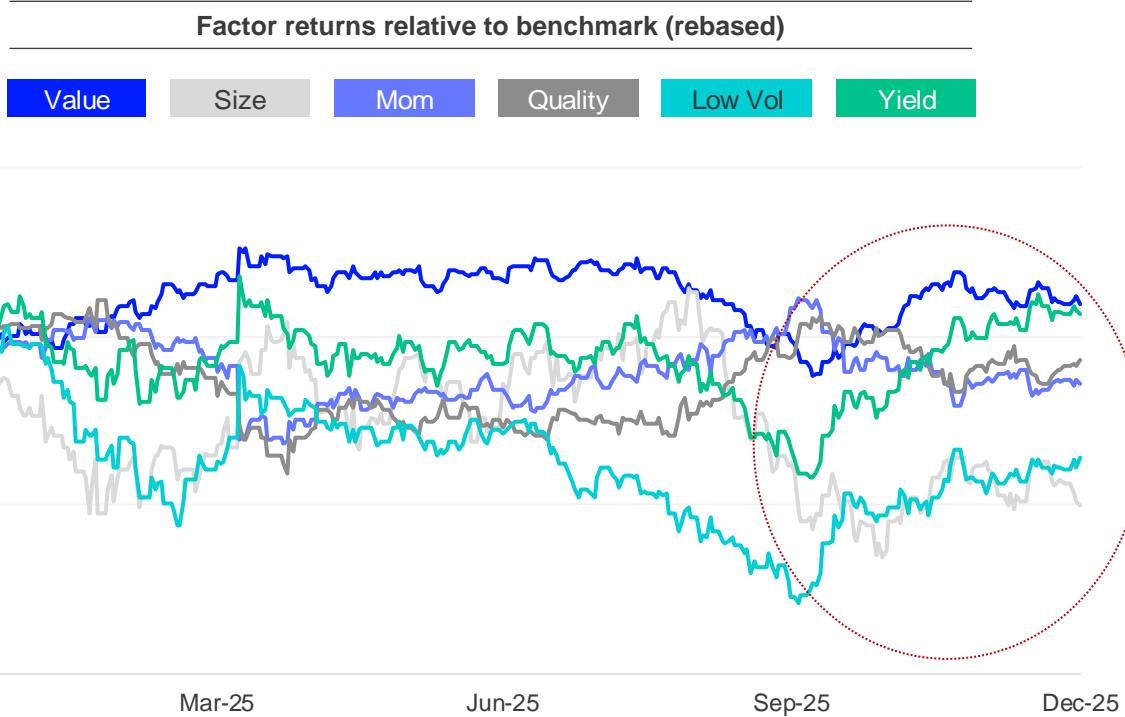


Emerging Markets Equity Factor Insights

FOURTH QUARTER | 2025

Key Observations

- In Q4, Low Vol led the index and factor performance. Value and Yield also outperformed. Momentum which led relative returns in Q3 lagged the most.
- Strong allocation and selection effects from Discretionary, Tech and Financials were key to factor relative returns.
- After Q4, Value and Yield outperformed the benchmark over 12M, while Size and Low Vol lagged the most, despite the latter's Q4 outperformance.
- Absolute factor forward P/Es expanded broadly during Q4, despite a late-quarter dip in valuations. All factors were expensive relative to history.
- In relative terms, all factors but Momentum and Low Vol traded above long-term average relative forward P/Es. Momentum became less expensive than the benchmark.

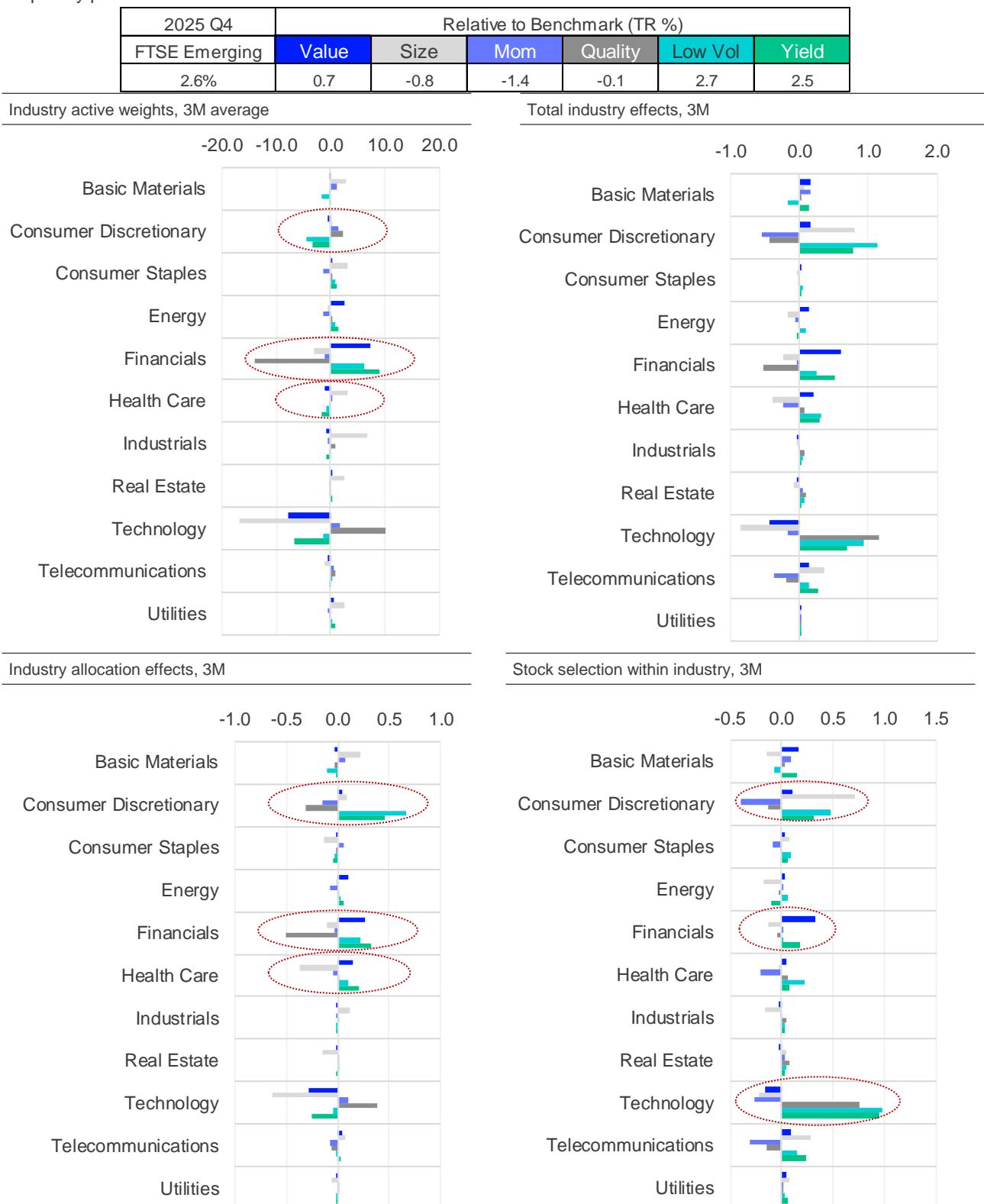


Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

Emerging Markets Factor Performance & Industry Attribution — 3M

Low Vol leads factor relative returns; Momentum reverses course

In Q4, Low Vol led factor performance relative to muted benchmark returns. Momentum trailed the most after leading in the previous quarter. Low Vol and Yield benefitted from positive allocation effects from Discretionary, Financials and Health Care, and positive selection effects within Discretionary and Tech. Value also posted positive relative returns helped by positive allocation and selection effects from Financials.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

FTSE Russell | Equity Factor Insights Q4 2025

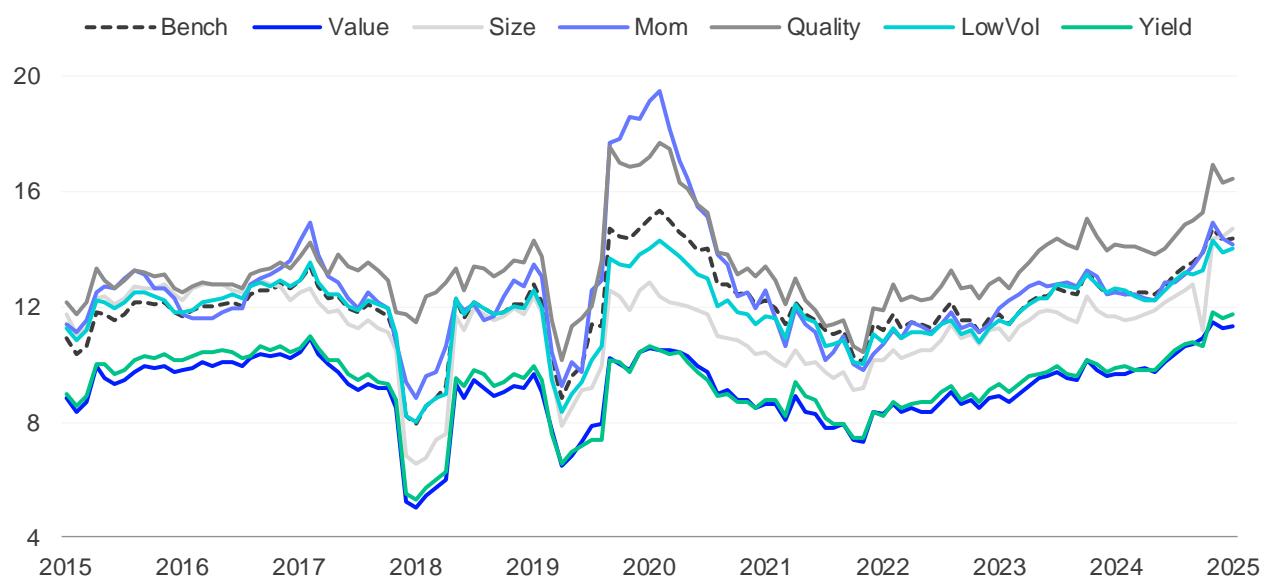
22

Emerging Markets Factor Valuations

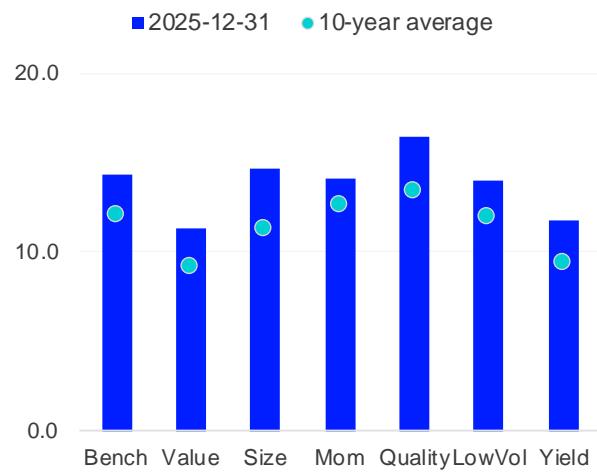
In Q4, absolute factor forward P/Es expanded broadly early in the quarter before dipping toward quarter end. Quarter-on-quarter, factor valuations were higher. At quarter-end, all factors including Size were expensive relative to their 10-year averages.

In relative terms, Momentum and Low Vol traded at discounts to their 10-year average relative P/E. Quality and Size traded at benchmark-relative P/Es greater than 1.

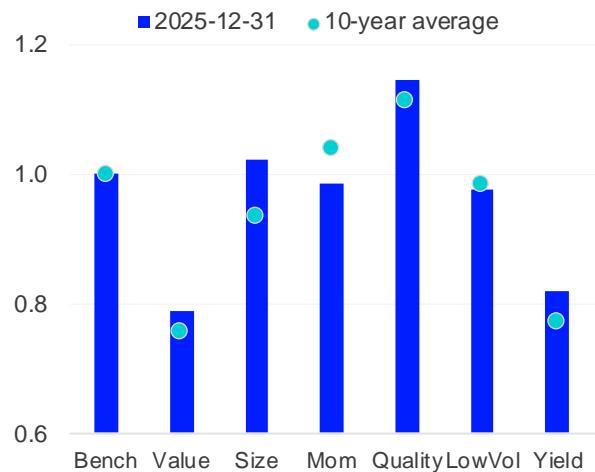
FTSE Emerging – Absolute 12M forward P/Es



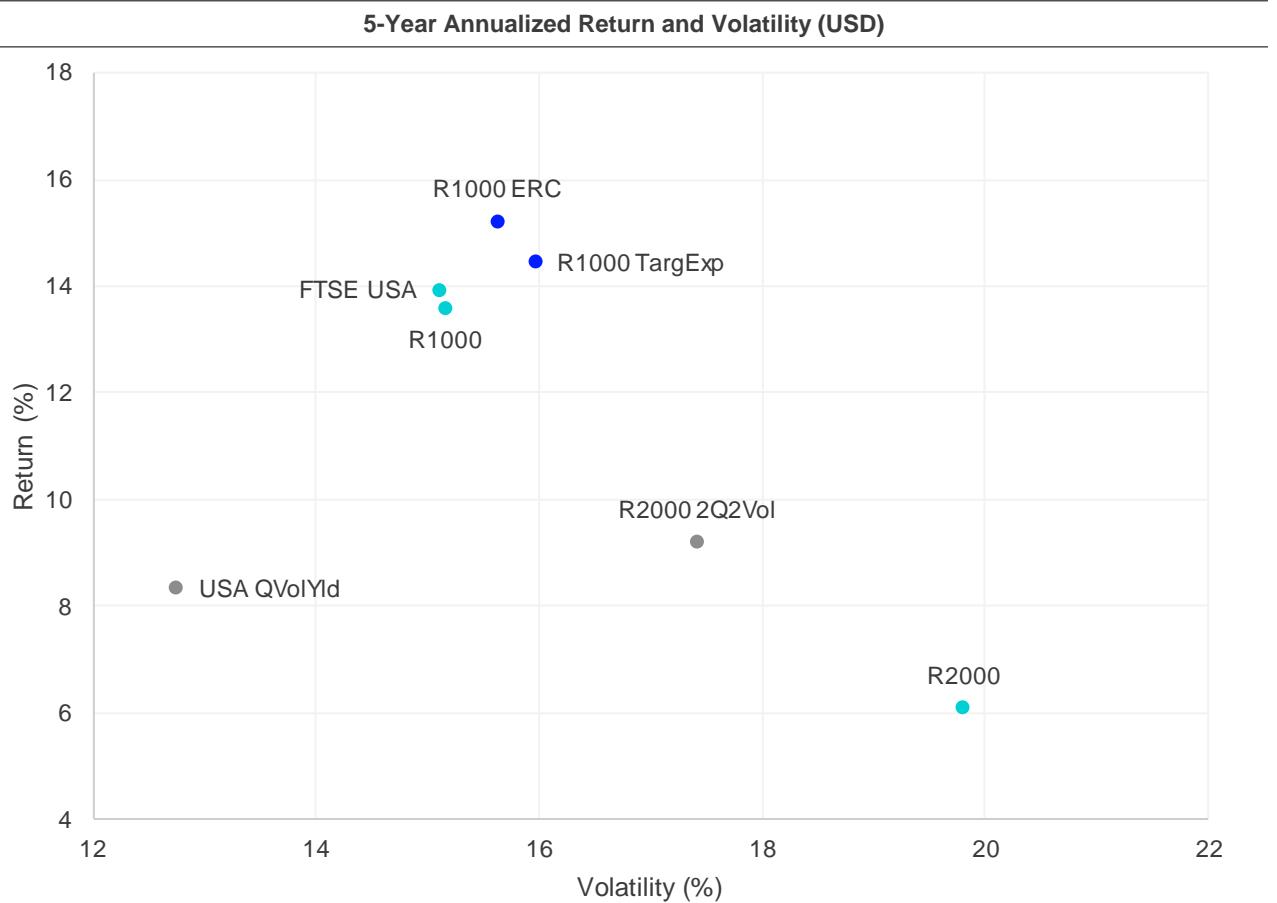
Current Absolute 12M forward P/Es vs history



Current Relative 12M forward P/Es vs history



FTSE Russell US Factor Index Risk/Return Performance



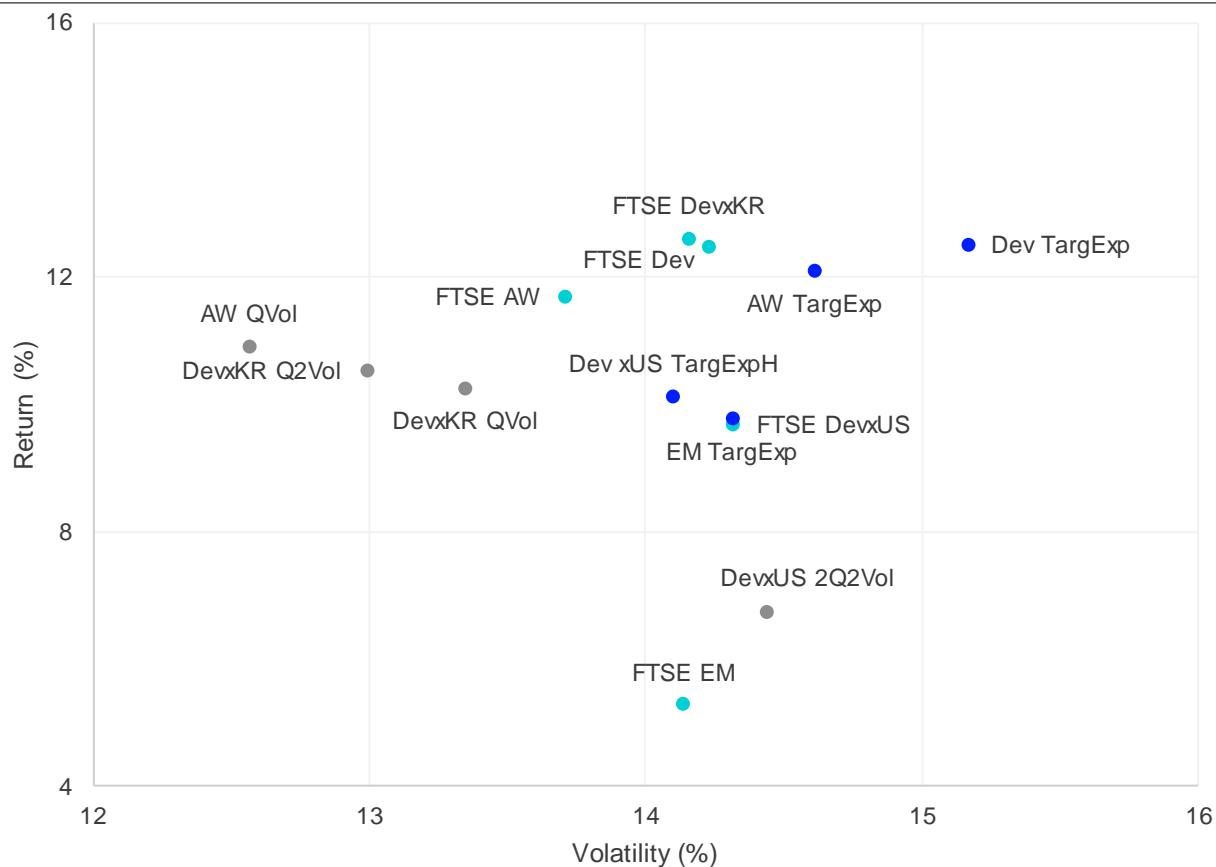
Annualized Returns and Volatility (USD %)

Label	Index	1-yr return	5-yr return	5-yr volatility
Diversified Indices				
● R1000 ERC	Russell 1000 Comprehensive Equal Factor Risk Contribution	19.8	15.2	15.6
● R1000 TargExp	Russell 1000 Comprehensive Target Exposure Factor Index	23.2	14.4	16.0
Defensive Indices				
● R2000 2Q2Vol	Russell 2000 2Qual/2Vol 3% Capped Factor Index	9.3	9.2	17.4
● USA QVolYld	FTSE USA Qual/Vol/Yield Factor Index	10.6	8.3	12.7
Benchmarks				
● FTSE USA	FTSE USA Index	18.0	13.9	15.1
● R1000	Russell 1000® Index	17.4	13.6	15.2
● R2000	Russell 2000® Index	12.8	6.1	19.8

Source: FTSE Russell and LSEG. All data as of December 31, 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				
Defensive Indices				
● AW TargExp	FTSE All-World Comprehensive Target Exposure Factor Index	26.9	12.1	14.6
● Dev TargExp	FTSE Developed Comprehensive Target Exposure Factor Index	28.8	12.5	15.2
● Dev xUS TargExpH	FTSE Developed ex US Comprehensive High Target Exposure	34.3	10.1	14.1
● EM TargExp	FTSE Emerging Comprehensive Target Exposure Factor Index	29.6	9.8	14.3
Benchmarks				
● FTSE AW	FTSE All-World Index	23.1	11.7	13.7
● FTSE DevxKR	FTSE Developed ex Korea Index	22.0	12.6	14.2
● FTSE DevxUS	FTSE Developed Ex US Index	34.9	9.7	14.3
● FTSE Dev	FTSE Developed Index	22.8	12.5	14.2
● FTSE EM	FTSE Emerging Index	26.5	5.3	14.1

Source: FTSE Russell and LSEG. All data as of December 31, 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.

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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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