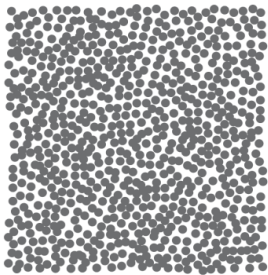


Portfolios Can Be Structured to Pursue Dimensions

● Company ●●●● Higher Expected Return
→

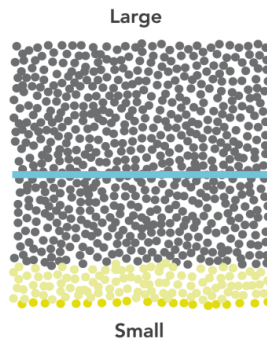
MARKET

Beta¹
(Equity Premium)



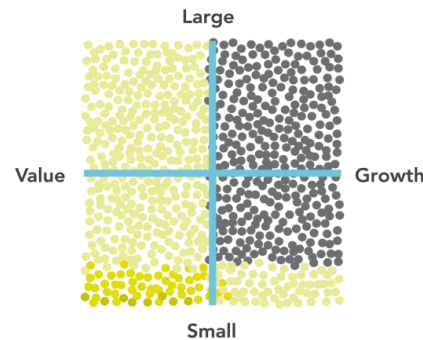
COMPANY SIZE

Market Cap
(Small Cap Premium)



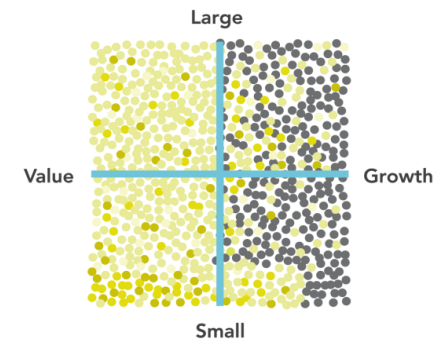
RELATIVE PRICE

Price-to-Book²
(Value Premium)



EXPECTED PROFITABILITY

Direct Profitability³
(Profitability Premium)



Investors can pursue higher expected returns through a low-cost, well-diversified portfolio that targets these dimensions.

1. Beta: A quantitative measure of the co-movement of a given stock, mutual fund, or portfolio with the overall market.

2. Price-to-Book Ratio: A company's capitalisation divided by its book value. It compares the market's valuation of a company to the value of that company as indicated on its financial statements.

3. Direct Profitability: A measure of a company's current profits. We define this as operating income before depreciation and amortisation minus interest expense, scaled by book equity.