

Why factor-based investing?

1. Potential excess returns

1.56% average annualized excess return over market-cap weighted indices from 2002–2025 (see top chart left).

2. Potential improved consistency

Outperformance of 71% of calendar years 2002–2025 (see bottom chart left).

3. Research lauding the benefits of multi-factor based investments

Links to several articles from firms, such as AQR, are on the “Resources” tab at WallickInvestments.com.

Also, James O’Shaughnessey’s 1996 book “What Works on Wall Street” provided early foundational exposure to factor-based investing.

4. Rise in assets under management in factor-based products

According to ETFGI’s Insights, assets in factor-based ETFs had risen to \$1.56 trillion in 2024 and have grown at an average compounded growth rate of over 19.7% over the previous 5 years.

5. Rise in popularity

We have identified 8 peer indices and/or funds with what we consider a similar material allocation to small- and mid-cap companies.

- Fidelity Small- Mid Multi-factor Index
- Vanguard US Multi-factor ETF
- Hartford Multi-factor US Equity Index
- Russell 1000 Comprehensive Factor Index
- JPMorgan Diversified Return US Eq Index
- Morningstar US Market Factors Tilt Index
- MSCI Multifactor USA Index
- Wisdom Tree US Multifactor Index

6. Wallick Investments’ experience

Our Fidelis separate account composite consistently ranked highly against peers in the Morningstar separate account database, receiving a 4 or 5 Star Morningstar Overall Rating 80% of reported periods and never less than 3 Stars. For details, visit our website: WallickInvestments.com/morningstar

Please note: *Although the factors and weightings are similar, there is not a one-to-one correlation between our separate account composite and our Index. Investors cannot be guaranteed the same performance.*