



Factor/Style Investing

The Devil in HML's Details: Factors, Monthly

October 31, 2025

This data set is related to "The Devil in HML's Details" (Asness and Frazzini, 2013). This paper challenges the standard method for measuring "value" used in academic work on factor pricing and behavioral finance. The standard method calculates book-to-price (B/P) at portfolio formation using lagged book data, aligns price data using the same lag (ignoring recent price movements), and holds these values constant until the next rebalance. We propose two simple alternatives that use more timely price data while retaining the necessary lag for measuring book. We construct portfolios based on the different measures for U.S. and International samples. We show that B/P ratios based on more timely prices better forecast true (unobservable) B/P ratios at fiscal year-end. Value portfolios based on the most timely measures (HML Devil) earn statistically significant alphas ranging between 305 and 378 basis point per year against a 5-factor model itself containing the standard measure of value, as well as market, size, momentum and a short term reversal factor.

This data set is an updated and extended version of the paper data, with long/short HML Devil returns for the U.S. and 23 international equity markets updated monthly. We also provide the returns for several additional global factors for reference.

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