



Factor Timing

Contrarian Factor Timing is Deceptively Difficult (Supplement)

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In **Contrarian Factor Timing Is Deceptively Difficult**, published in a 2017 special issue of *The Journal of Portfolio Management*, **Cliff Asness**, **Swati Chandra**, **Antti Ilmanen**, and **Ronen Israel** of *AQR Capital Management* address two of the most heated questions for today's factor investors: how expensive are the most popular factors now and should we seek time exposure to them?

Their analysis covers the value, momentum, and defensive factors, also known as style premia, and reveals that while some of these factors are cheaper or richer compared to their historical norms, none of them are at extremes. They also do not find any robust evidence that value-based factor timing can deliver meaningful outperformance.