While you may not have actively incorporated factor investing in your portfolio, you probably practice its underlying concepts in real life.

Factors in Day-to-Day Life

**Low Volatility**

- Low volatility has performed best during economic slowdown/contraction.
- Low volatility has generally performed better during recessions.

**Quality**

- Quality has generally performed best during economic expansion cycle.
- Quality has generally performed well during periods of low volatility.

**Value**

- Value has generally performed best during economic contraction.
- Value has generally performed well during periods of high volatility.

**Momentum**

- Momentum has generally performed best during economic recovery cycle.
- Momentum has generally performed well during periods of high volatility.

**Low Size**

- Low size has generally performed best during economic recovery cycle.
- Low size has generally performed well during periods of low volatility.

Understanding Your Investments

With factor investing, you can better understand what drives your portfolio’s performance.