Factor/Style Investing

Smart Beta: Not New, Not Beta, Still Awesome

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Though some confusion continues regarding the subject, the term “smart beta” (including “Fundamental Indexing”) is just a new way to describe some well-known and well-tested investment ideas. An article Cliff Asness wrote for *Institutional Investor* nearly eight years ago made this clear, as did a presentation he delivered at the Q Group in 2007.

However, in the finance business it’s not uncommon to see good ideas repackaged as something new, and smart beta is the latest example. So Cliff and John Liew have written this new article explaining that smart beta is neither new nor really beta (at least the “smart” part isn’t), but is, in their view, worth having in your portfolio.

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