Value

Value: Why Now? Capturing the Comeback in Its Early Innings

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The value factor has delivered attractive long-term returns but has also weathered difficult short-term periods, typically when investors over-extrapolate growth. While these times are painful for investors, the subsequent recoveries are lucrative for those that stick with the factor. The 3-year stretch from 2017 to 2020 was a particularly painful period for value, but value's strong performance in 2022 indicates it is in the early phase of its comeback. In this piece, we summarize the evidence for why we believe long/short value continues to be an exceptional go-forward opportunity. We then review how investors can adapt their portfolios to this historic opportunity.

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