

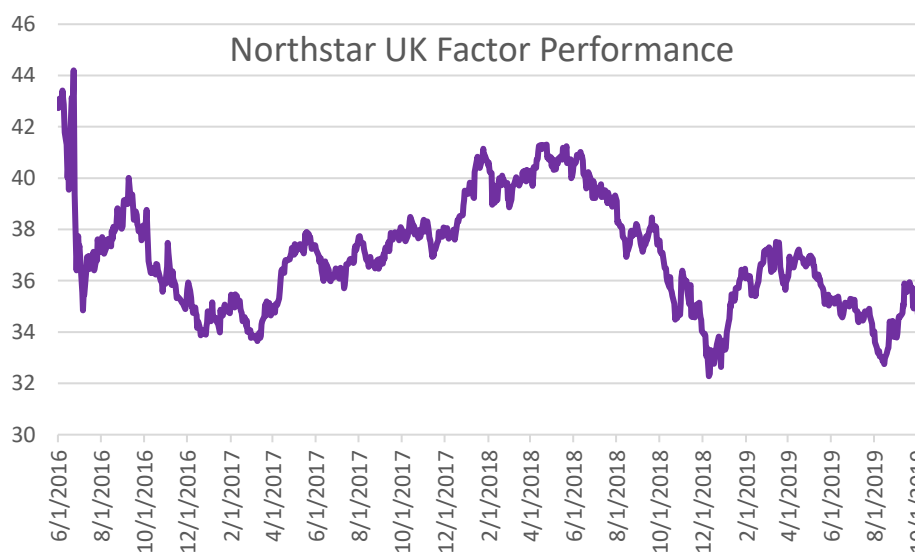
## UK Dead Cat Bounce

On Friday, the Northstar UK equity factor had a +5.58 standard deviation move. Even with that move, the UK has still underperformed by 15% since the Brexit vote in 2016.

### Full Story

The Northstar UK equity factor measures the excess risk and performance of mid-cap stocks in the United Kingdom relative to stocks in the United States. Relative to large-cap companies, mid-cap companies tend to generate more of their revenue in the UK, and be more correlated with the UK economy. A positive return to the UK factor should be interpreted as equities with UK exposure outperforming.

On Friday, October 11, 2019, our UK equity factor was up 5.68%, compared to +1.10% for the S&P 500, +0.84% for the FTSE 100, and +4.19% for the FTSE 250. The British pound also appreciated 1.66% versus the US dollar. This one day move in the UK equity factor was a +5.58 standard deviation move.



Friday was also the largest 1-day move in the factor, positive or negative, since the referendum in 2016. As the above chart shows, even with Friday's move, our UK factor is down significantly, -14.68%, since the beginning of June 2016 (the initial referendum was on June 23, 2016).

The Northstar UK equity factor, along with our other country, sector, style, and macro factors, can be used by portfolio managers to measure risk in their current portfolio, and to calculate the impact of factor exposures on past performance. For more on Northstar factors see [Next Generation Factor Models](#).