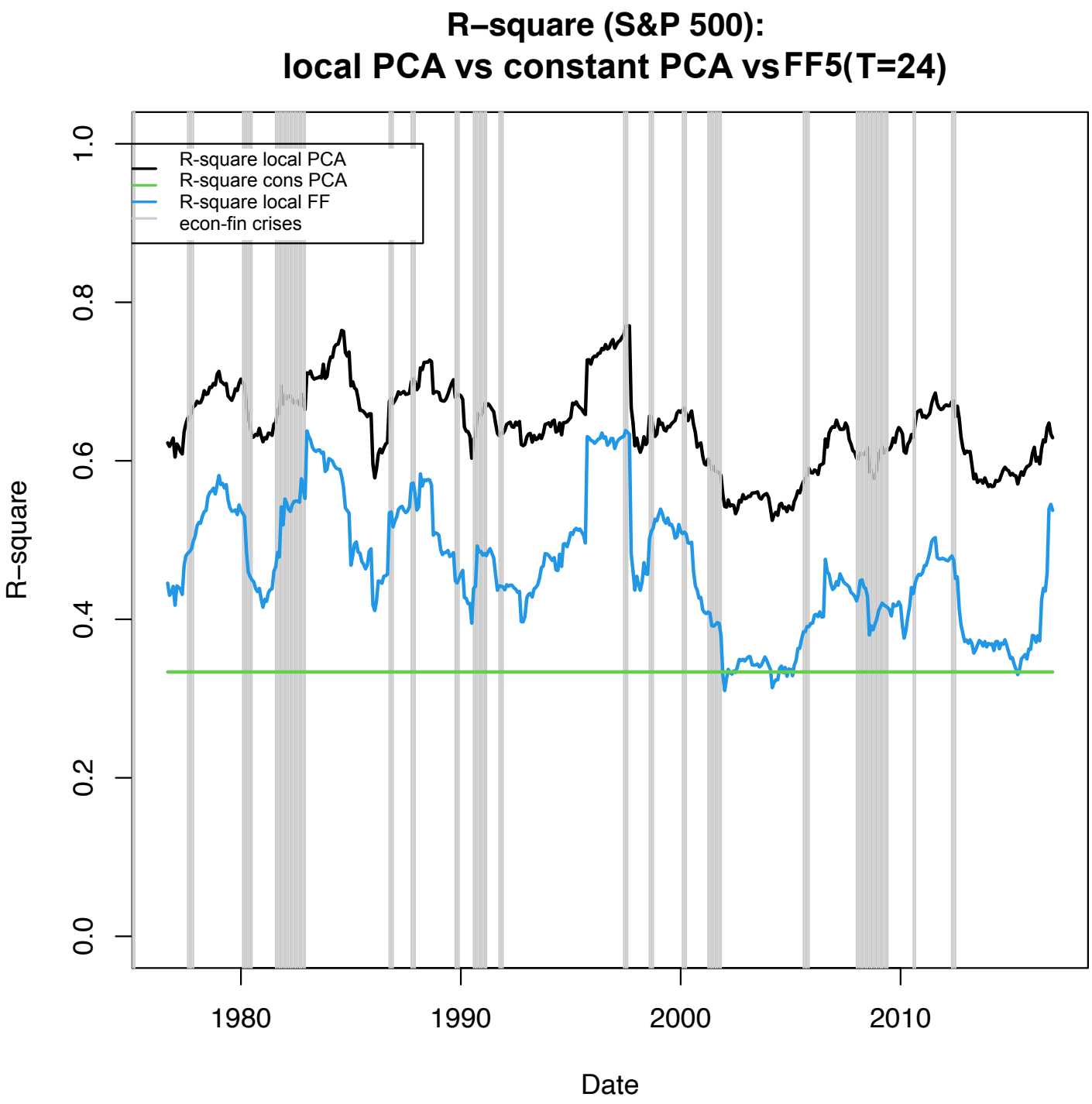
R−square (S&P 500):
local PCA vs constant PCA vs FF5(T=24)
R-square local PCA
R-square cons PCA
R-square local FF
econ-fin crises
R−square
0.0
0.2
0.4
0.6
0.8
1.0
1980
1990
2000
2010
Date