Eigenvalues of KFX returns
$\sqrt{12} \cdot \sqrt{\text{diag}(\Sigma)}$
KFX: Factor structure of return variance

____=total

---=from 5 common factors

....=idiosyncratic
KFX returns & the APT restriction

\[ \text{expected yearly rate of return} = \mu - B \lambda \]

\[ = \mu \]

\[ = 95\% \text{ confidence band (approximate)} \]