

BUILT FOR FIDUCIARIES · BY FIDUCIARIES · POWERED BY DATA SCIENCE

Introducing ERS's 4 DIMENSIONS OF RISK™

The Bear Market Test: December 2021 – December 2023. The best stocks fell less. The worst stocks never recovered.

On December 31, 2021, ERS rated every U.S. stock above \$1 billion in market cap — 2,619 companies in total — using the 4 DIMENSIONS OF RISK™. Each rating group was held equal-weighted for one year (through 12/31/2022) and two years (through 12/31/2023). The S&P 500 lost 18.1% in year one and had recovered only 3.4% after two years. **The rating predicted not just how far each group would fall — but how much of that loss it would recover.**



1-YEAR & 2-YEAR EQUAL-WEIGHTED RETURNS BY 4D RATING GRADE Dec 31, 2021 baseline · 2,619 U.S. companies · Equal-weighted by group



A rating that identifies the strongest companies before a bear market is a risk management tool.

The A-rated stocks lost less than a third of what the F-rated stocks lost — and then compounded that advantage in the recovery.

— Raymond M. Mullaney, Founder & CEO, EQUITY RISK SCIENCES · 49 years of investment industry experience

Built for fiduciaries, by fiduciaries. Transparent ratings. Proven by the numbers.

Full methodology available. We explain exactly how every rating works.

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This is a historical study, not a live portfolio or backtest of a single strategy. On 12/31/2021, ERS applied the 4 DIMENSIONS OF RISK™ rating to all U.S.-listed companies with market capitalization above \$1 billion, yielding 2,619 companies. Companies were grouped by rating grade (A+ & A, B & C, D, E, and F) using only data available on that date. Each group was held equal-weighted for one year (through 12/31/2022) and two years (through 12/31/2023). S&P 500 returns reflect the index total return over the same holding periods from the same start date. Results do not reflect actual client trading, advisory fees, or transaction costs. Past performance is not indicative of future results. For registered investment advisors and qualified institutional investors only.