EQUITY RISK SCIENCES, INC

Growing Capital with Data Science

How ERS's Technology Helps Advisors Prevent and Reduce Losses

November 11, 2024

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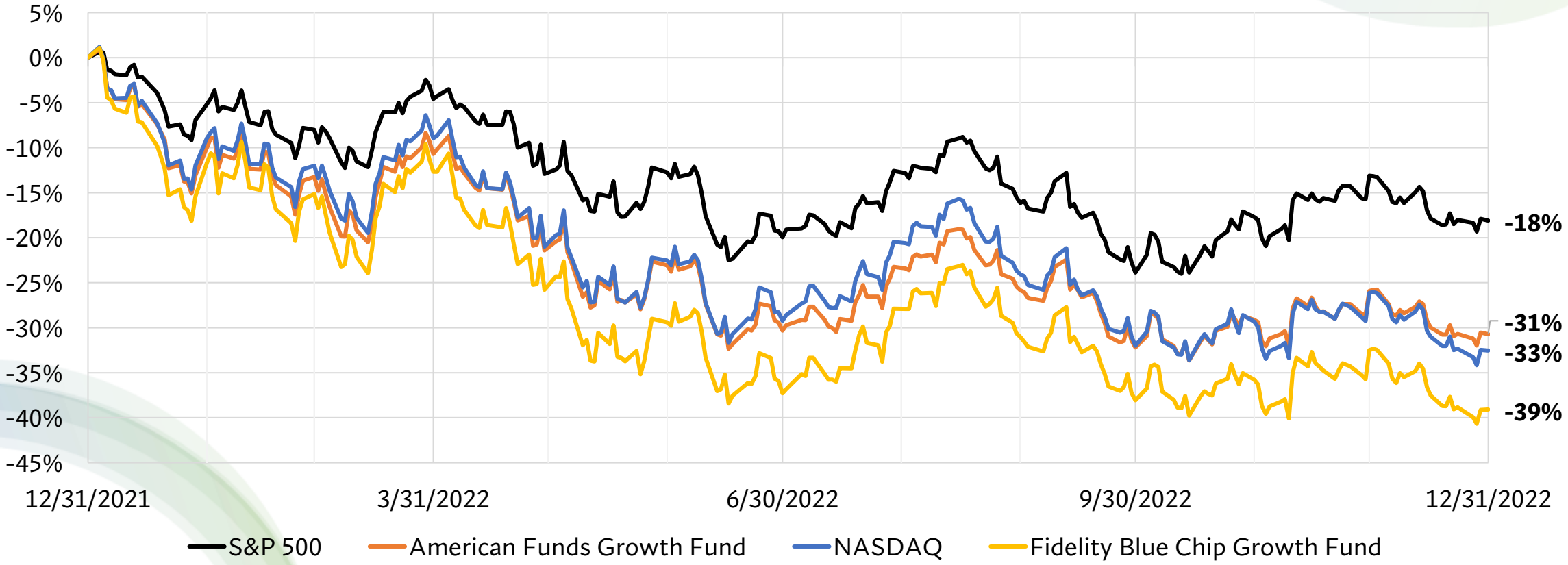
In 2022, The S&P Fell 18% & The NASDAQ Fell 33%

Two of the largest US mutual funds, the **American Funds Growth Fund** and **Fidelity's Blue Chip Growth Fund**, lost much more than the S&P 500.

The largest financial institutions consistently fail to protect investors from great losses.



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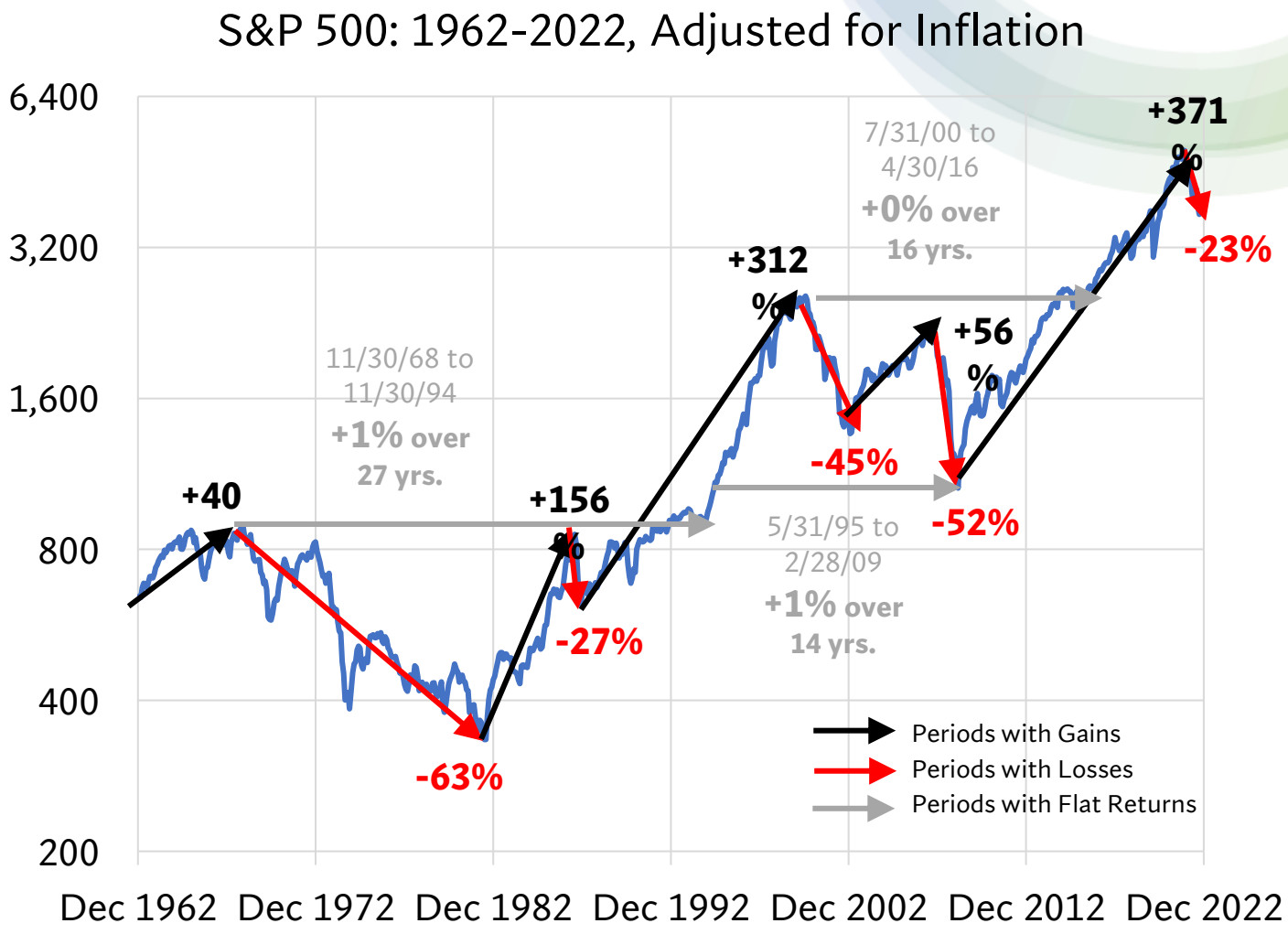
Passive Investing Is Very Risky

The S&P 500 Has Had Long Periods With Poor Returns or No Returns

1) **The 60 years from 1962 to 2022 delivered investors a 3.03% annual rate of return, adjusted for inflation.**
2) In the 16 years from 11/30/68 to 7/31/82, the S&P 500 fell -63%.
3) In the 18 years from 7/31/82 to 7/31/00, the S&P rose 12.0% annually.
4) In the 9 years from 7/31/00 to 2/28/09, the S&P fell -59%.
5) In the 13 years from 2/28/09 to 11/30/21, the S&P rose 12.9% annually.
6) In the 13 months from 11/30/21 to 12/31/22, the S&P fell -23%.
7) In the 27 years from 11/30/68 to 11/30/94, the S&P 500 rose only 1%.
8) In the 14 years from 5/31/95 to 2/28/09, the S&P 500 rose only 1%.
9) **In the 16 years from 7/31/00 to 4/30/16, the S&P 500 made 0%.**

Dividends are assumed to pay for fees and taxes.
Inflation data is provided by the Bureau of Labor Statistics.
S&P 500 data is provided by Robert Shiller, a Ph.D. from Yale.



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Investors in 2000 Made Only 6% After 16 Years of Passive Investing in the NASDAQ

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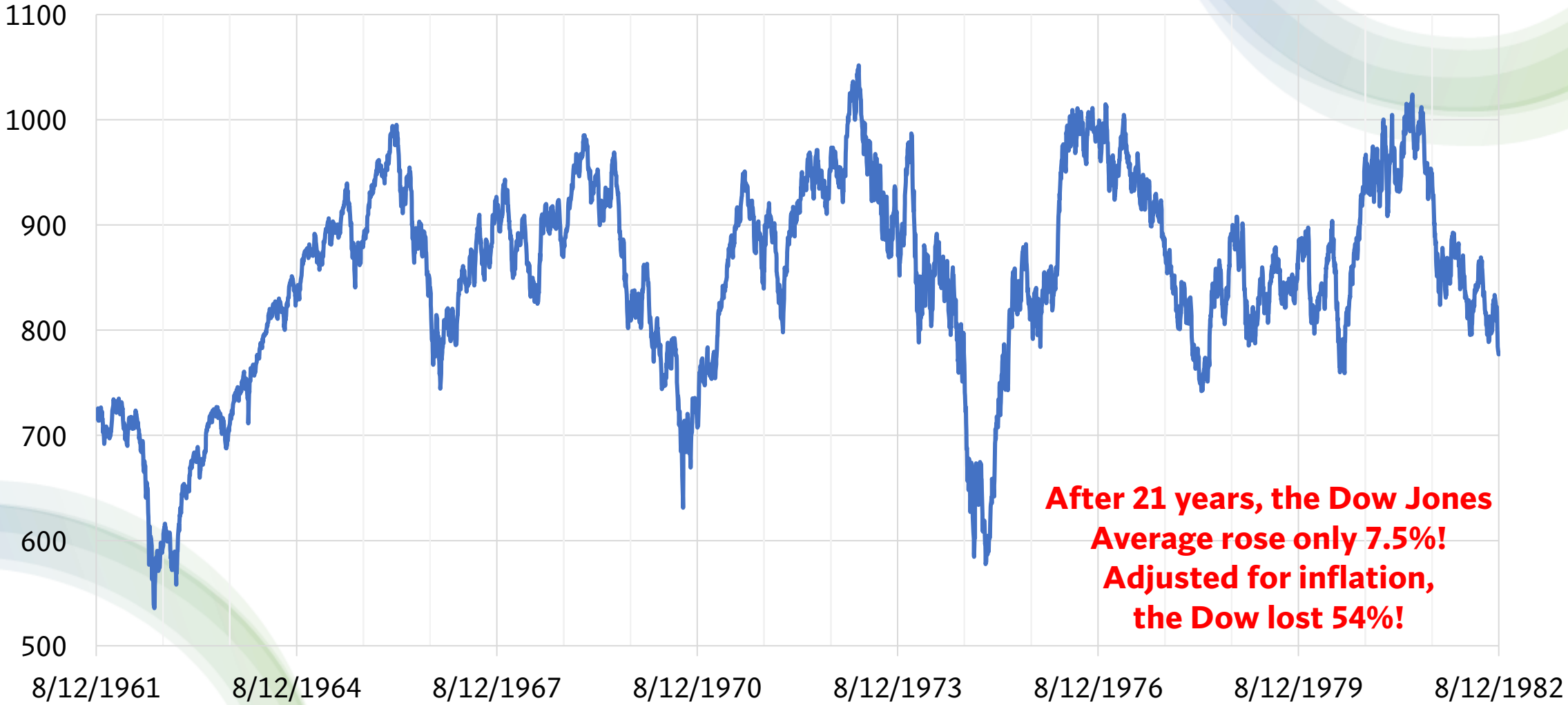
21 Years with 8% Gains for the Dow



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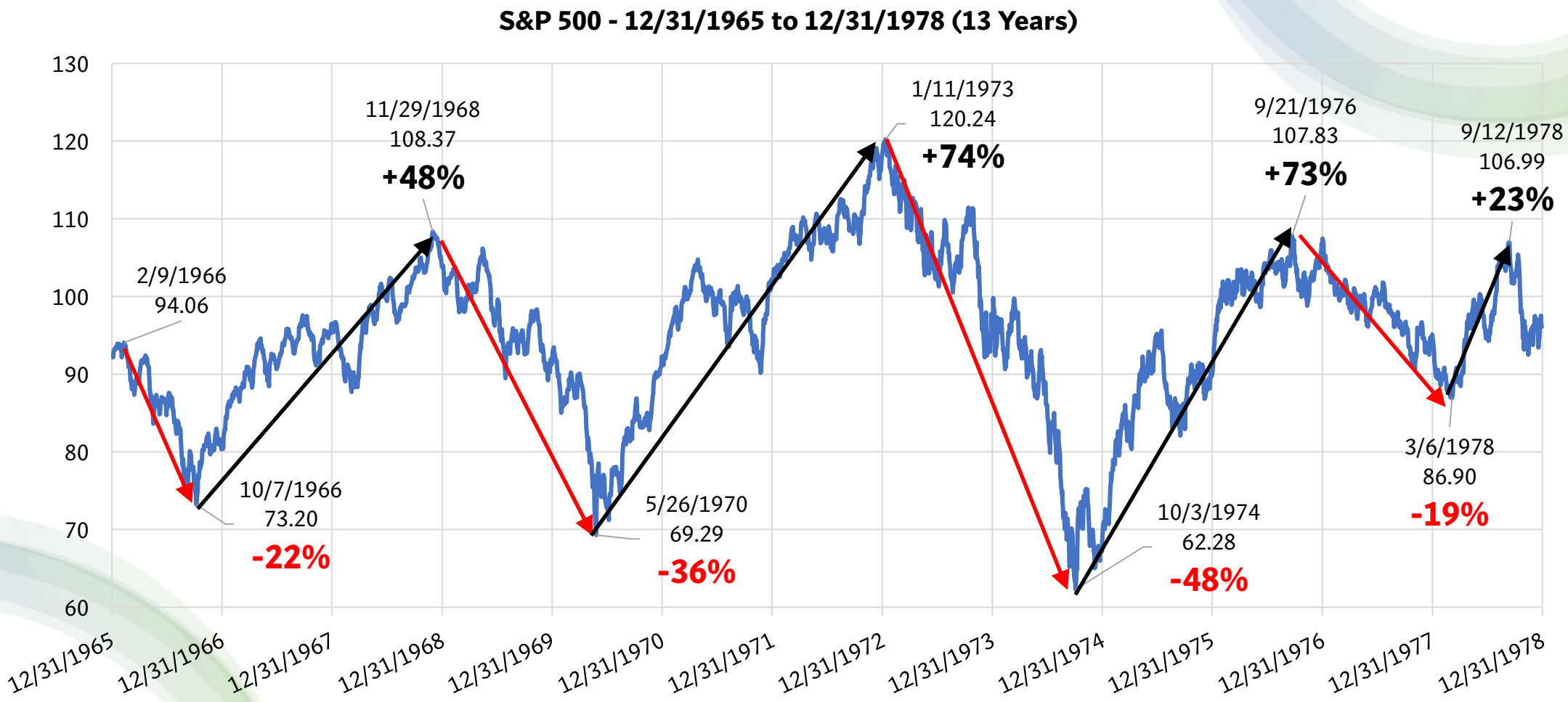
13 Years of 4% Gains in the S&P 500



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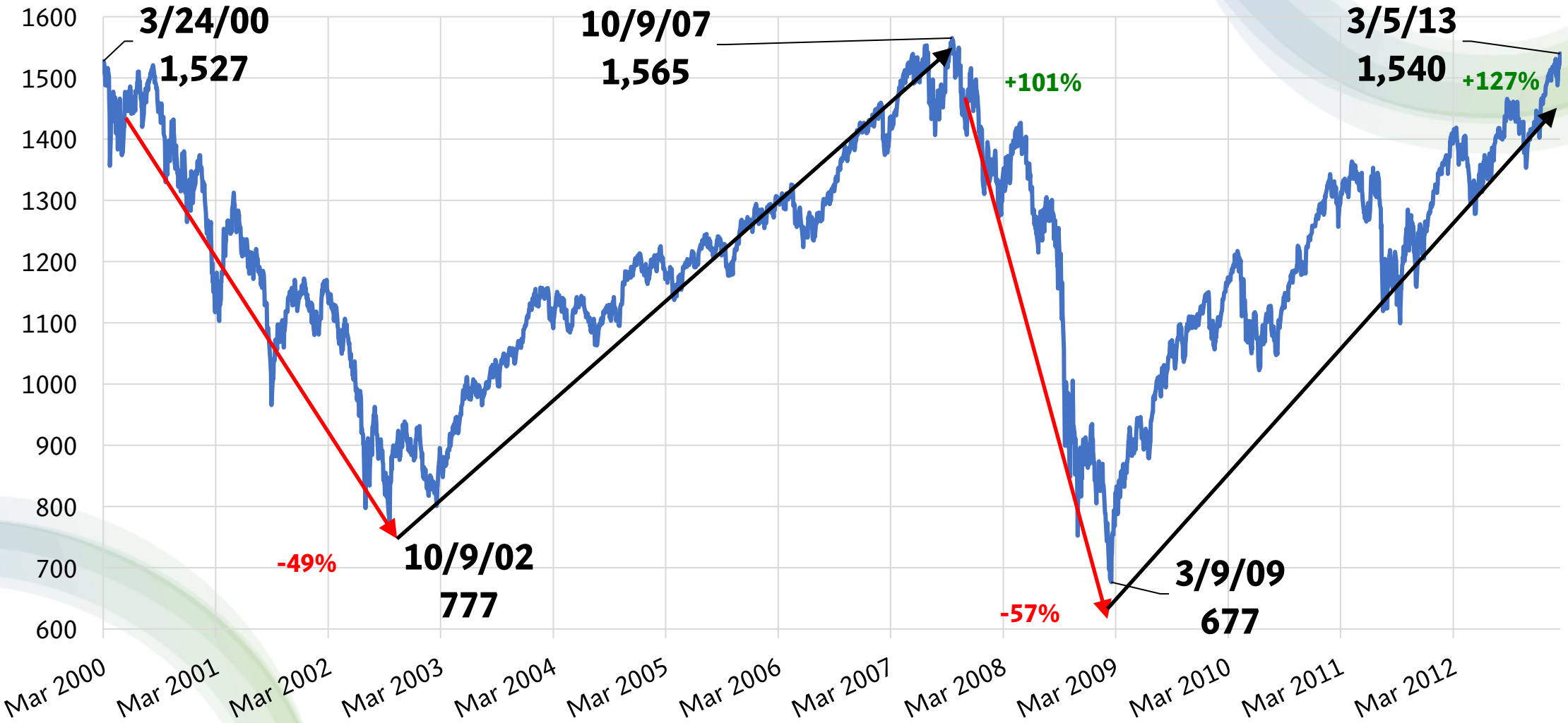
13 Years of 1% Gains in the S&P 500



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Investing at the Wrong Times is Very Punishing

Nov 2021 – Dec 2022*	1 year, 1 month*	35%
Oct 2007 – Mar 2009	1 year, 5 months	52%
Aug 2000 – Feb 2003	2 years, 6 months	47%
Aug 1987 – Dec 1987	4 months	27%
Nov 1968 – Aug 1982	13 years, 8 months	63%
Apr 1946 – Jun 1949	3 years, 2 months	42%
Feb 1937 – May 1942	5 years, 3 months	62%
Sep 1929 – Jun 1932	2 years, 9 months	81%

**The NASDAQ declined 35% from 11/19/2021 to 12/31/2022.*
All other declines on this page are declines in the S&P 500 from end-of-month to end-of-month, adjusted for inflation.
Source: Inflation-Adjusted S&P 500 by Month, Multpl.com

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Very Long Periods With Very Low Profits

Aug 2000 – Oct 2016	16 years, 2 months	+3.1%
Dec 1968 – Mar 2009	41 years, 3 months	+18.6%
Jul 1956 – Dec 1987	21 years, 5 months	+17.3%
Jun 1946 – Aug 1982	36 years, 2 months	+13.0%
Mar 1937 – Dec 1974	37 years, 9 months	+1.4%
Sep 1929 – Dec 1987	58 years, 3 months	+15.4%
Jun 1901 – Aug 1982	82 years, 2 months	-0.7%

S&P 500 returns on this page are from end-of-month to end-of-month, adjusted for inflation.
Source: Inflation-Adjusted S&P 500 by Month, Multpl.com

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The Market Has Been Very Rewarding – At Times

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Investors Lost $8.4 Trillion on Just 60 Companies

ERS's Proprietary Ratings Provided an Accurate Assessment of the Very High Risks of These Stocks Long Before They Fell

From 9/30/2020 to 9/30/2023, investors lost $8.4 trillion on these 60 Wall Street favorites from their 3-year highs. These 60 companies had an average FRR™ rating at their 3-year highs of 87, very high-risk.

Company	FRR™	Loss	Company	FRR™	Loss	Company	FRR™	Loss	Company	FRR™	Loss
3M	48	-51%	Adobe	98	-60%	Airbnb	100	-62%	Amazon	73	-56%
AMC Enter.	100	-91%	Ameritrust	100	-98%	Applied Mats.	64	-55%	Blackstone	75	-49%
Block	96	-84%	Boeing	71	-57%	Charles Schwab	100	-50%	Charter Comms	72	-63%
Cloudflare	100	-83%	Coinbase Global	78	-91%	Comcast	43	-52%	ContextLogic	100	-97%
Coupang	100	-81%	Crown Castle	100	-53%	Discovery	77	-82%	DocuSign	100	-87%
DoorDash	100	-82%	Estee Lauder	90	-62%	Faraday Future	100	-98%	Fidelity	91	-67%
Ford	70	-55%	General Motors	28	-52%	Illumina	99	-75%	Intel	43	-61%
Lam Research	63	-56%	Lucid Group	100	-90%	Meta	79	-77%	Moderna	100	-80%
Netflix	100	-76%	Nike	79	-53%	P10	79	-98%	Palantir Tech.	100	-85%
Paramount	40	-87%	PayPal	100	-81%	Peloton	97	-97%	PNC	100	-48%
Protective Cap.	100	-98%	Rivian Auto	100	-93%	Robinhood	100	-90%	Roblox	100	-83%
Rock-Tenn	53	-58%	Roku	95	-92%	Salesforce	100	-59%	ServiceNow	100	-51%
SinglePoint	100	-100%	Snap	100	-91%	Snowflake	100	-72%	Target	43	-56%
Tesla	96	-73%	Truist Financial	100	-59%	Twilio	100	-90%	U.S. Bancorp	100	-52%
Uber	100	-68%	Unity Software	100	-89%	Walt Disney	84	-60%	Zoom	100	-89%

Investors suffer significant losses because they do not have objective, accurate and reliable ratings for stocks.

ERS solves this problem with its stock risk ratings.

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Problem: From 2020 to 2023, these 200 companies lost an average of 66%.

Solution: ERS's **Fiduciary Risk Rating™ (FRR™)**

These 200 stocks had a very risky rating of 81 (on a scale of 0 to 100) ...*before they fell*.

10x Genomics: -82%	3M: -38%	Accenture: -35%	Adobe: -51%	Advance Auto : -37%	Affirm Hldgs: -94%	Agora: -96%	Airbnb: -61%
Alcoa Corp: -52%	Algonquin Pwr.: -57%	Alibaba: -72%	Alphabet: -41%	Alteryx: -72%	Amazon: -55%	AMC Enter'tn: -93%	AMD: -47%
America Great H.: -99%	American Air.: -51%	AMTD: -99%	Applied Mats.: -41%	Arrival: -99%	Athena Bitcoin: -99%	Autodesk: -45%	Avis Budget: -54%
Babylon Holdings: -98%	Baidu: -66%	Ball: -47%	Bausch: -82%	Baxter Int'l: -44%	Beyond Meat: -94%	Black & Decker: -64%	BlackBerry: -87%
Blackstone: -48%	Block: -78%	Boeing: -45%	Boston Beer: -75%	Boston Prop.: -48%	Bright Health: -96%	Capital One: -46%	CarMax: -61%
Carnival: -84%	Carvana: -99%	Celanese: -38%	Charles River: -52%	Charter: -59%	Chewy: -69%	China Evergrande: -99%	Citigroup: -38%
Cleveland-Cliffs: -51%	Clorox: -37%	Cognizant: -38%	Coinbase: -90%	Comcast: -42%	ContextLogic: -98%	Credit Suisse: -79%	Crocs: -40%
Denali Thera.: -70%	Dentsply Sirona: -53%	DiDi Global: -81%	DISH Network: -70%	DocuSign: -82%	DoorDash: -80%	Doximity: -67%	Eargo: -99%
Eastman Chemical: -34%	Etsy: -60%	Evergrande: -89%	Exact Sciences: -68%	Expedia: -59%	Farfetch: -94%	FedEx: -44%	First Republic: -45%
Five9: -68%	Fiverr Int'l: -91%	Floor & Décor: -51%	GameStop: -79%	Gap: -67%	Garmin: -46%	Generac: -80%	General Motors: -49%
Getty Images: -84%	Ginkgo Bioworks: -89%	GitLab: -65%	Grab Holdings: -64%	GSK PLC: -38%	Guardant: -85%	Hasbro: -37%	Hertz Global: -56%
HubSpot: -66%	IDEXX Labs: -42%	Intel Corp: -58%	Int'l Paper: -43%	Intuit: -44%	IPG Photonics: -63%	iQIYI: -82%	James Hardie: -56%
JD.com: -46%	Kinross Gold: -57%	Lenovo: -46%	Levi Strauss: -47%	LifeStance: -83%	Lincoln National: -58%	Logitech: -54%	Lucid Group: -88%
Luckin Coffee: -56%	Lumen Tech: -62%	Lyft: -84%	Macy's: -43%	Magna Int'l: -44%	Marvell Tech: -59%	Match Group: -76%	Medtronic: -40%
Meta Platforms: -69%	Micron Tech: -48%	MicroStrategy: -89%	Moderna: -63%	Mohawk: -56%	Monday.Com: -73%	MongoDB: -66%	Morningstar: -37%
NetApp: -36%	Netflix: -57%	Newegg: -98%	Newell Brands: -52%	Newmont: -43%	Nomura Resch.: -47%	NVIDIA: -56%	Oak Street Hth.: -67%
Okta: -75%	OneConnect: -98%	Ontrak: -100%	Palantir Tech: -84%	Palo Alto: -33%	Paramount: -82%	PayPal: -77%	Peloton: -95%
PENN Enter'tn: -78%	Pinduoduo: -60%	Pinterest: -73%	Plug Power: -82%	Qualcomm: -41%	Repligen: -48%	Revlon: -98%	RH: -64%
Rivian Auto: -89%	RLX Tech: -92%	Robert Half: -40%	Robinhood: -88%	Roblox: -79%	Roku: -92%	Salesforce: -57%	SAP SE: -37%
Scotts Miracle Gro: -80%	Sea: -86%	Seagate Tech: -52%	SentinelOne: -81%	ServiceNow: -45%	Shopify: -79%	Signature Bank: -68%	Skillz: -99%
SmileDirectClub: -98%	Snap: -89%	Snowflake: -64%	Sony Group: -41%	Southwest Air: -47%	Splunk: -61%	Spotify Tech: -78%	Sunrun: -75%
Taiwan Semi.: -46%	Target: -41%	Teladoc Health: -92%	Tesla: -69%	Toast: -72%	Toyota: -34%	Trade Desk: -60%	Trex: -70%
Twilio: -89%	Tyson Foods: -36%	Uber: -61%	UiPath: -85%	Under Armour: -62%	Unity Software: -86%	VF Corp: -69%	Volkswagen AG: -47%
Vroom: -99%	Walt Disney: -57%	Wayfair: -90%	WB Discovery: -64%	Western Digital: -59%	Western Union: -44%	Whirlpool: -41%	Williams-Son.: -47%
Wix.com: -78%	Workday: -44%	XP: -70%	Zebra Tech: -58%	Zillow: -85%	Zoom: -88%	ZoomInfo: -61%	Zscaler: -70%

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