# STOCK RISK REPORT

## 4 Dimensions of Risk™ (4D™)

*Study Analysis – 12/31/2021 to 12/31/2024*

**November 7, 2025**

EQUITY RISK SCIENCES

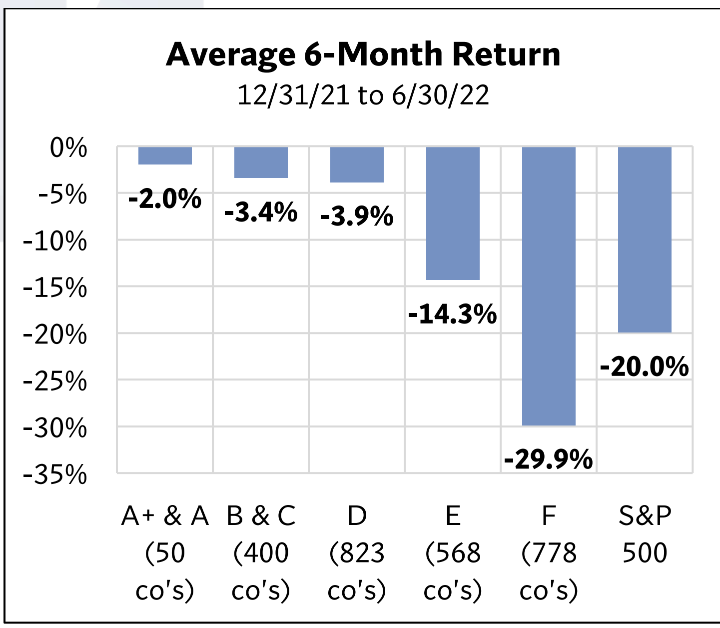
*America's Independent Stock Risk Rating Agency™*

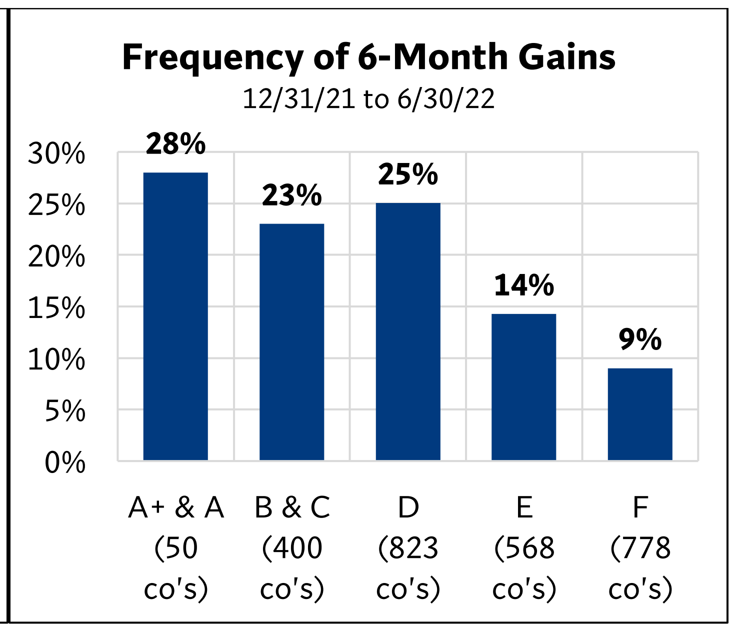
## The 12 Essential Takeaways About ERS's 4D™ Rating

1) ERS's **4D**™ rating uses only audited SEC financial data — never opinions or forecasts.
2) 2,619 companies were ranked strictly by measurable financial strength and durability.
3) The study shows a profound relationship between **4D** ratings and future returns.
4) Strong **4D**-rated companies consistently and substantially outperformed the market over multiple timeframes.
5) Weak **4D**-rated companies experienced large, predictable, and avoidable losses.
6) The **4D** rating gives advisors a reliable, evidence-based method to prevent significant drawdowns.
7) The **4D** identifies companies with the highest probability of durable, long-term gains.
8) The results represent a genuine data-science breakthrough—not a marketing claim.
9) Advisors using the **4D** will gain a significant, measurable competitive edge.
10) **4D** aligns directly with fiduciary duties to monitor, evaluate, and act on financial risk.
11) Firms adopting the **4D** will grow faster by reducing losses, improving outcomes, retaining existing clients and attracting bigger clients.
12) This study provides the first objective, statistical foundation for distinguishing safer companies from dangerous ones—*before the losses occur*.

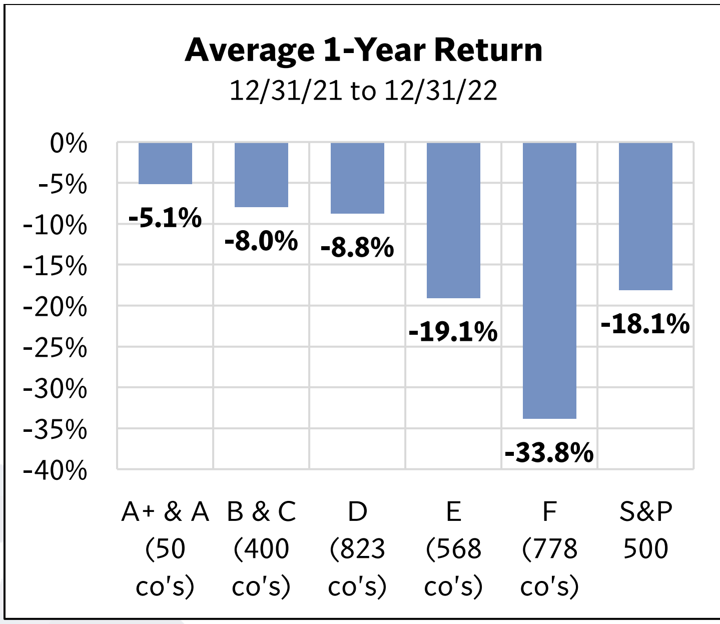
## How the Study Was Constructed

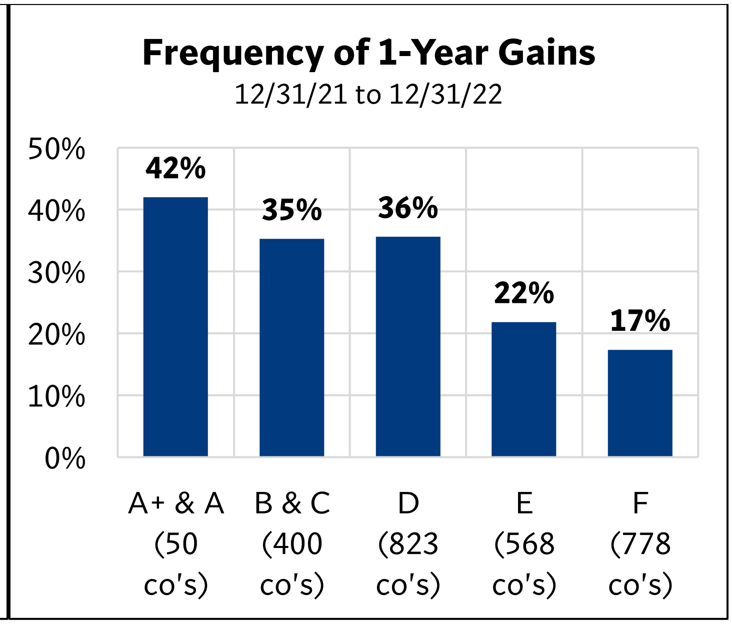
The study examined the 2,619 U.S. companies on 12/31/21 with market caps above $1 billion. Each was assigned an ERS **4D** rating—A+ & A through F. The forward returns for each group were then tracked over four periods: 6 months, 1 year, 2 years, and 3 years. These returns were compared to the S&P 500 to evaluate how each rating category fared relative to the broader market.

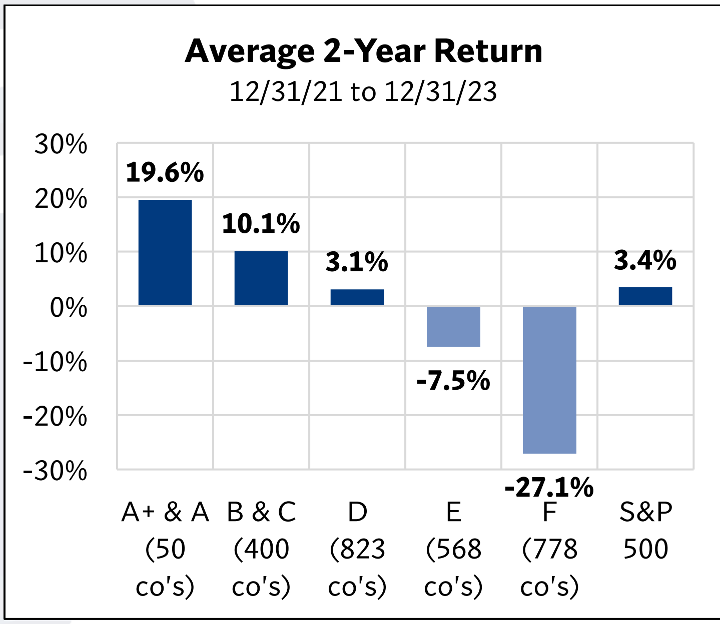


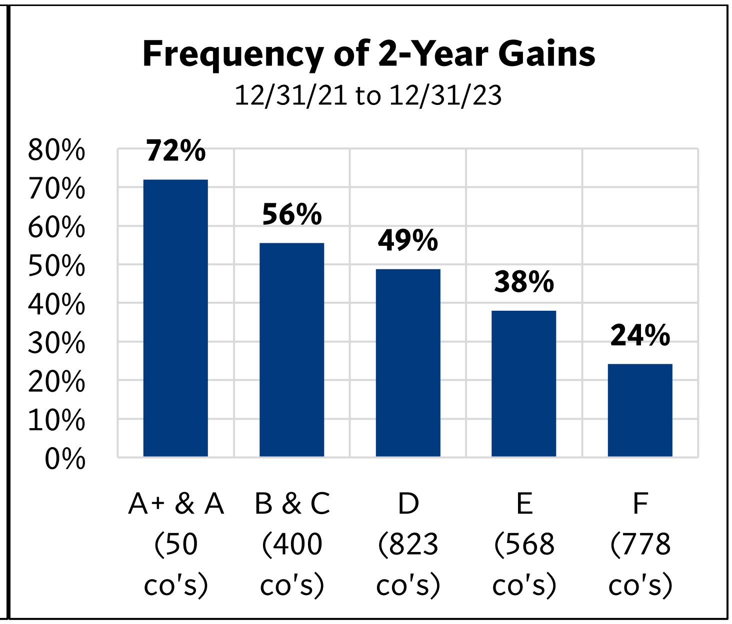



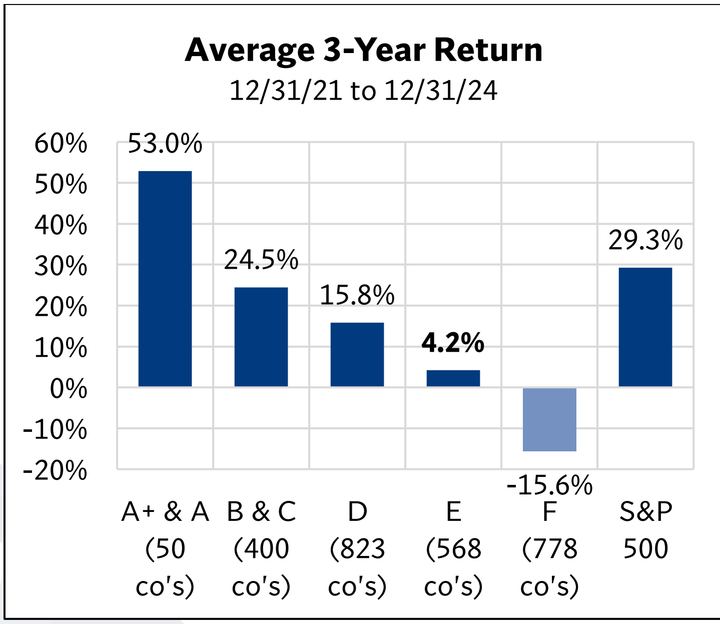

 

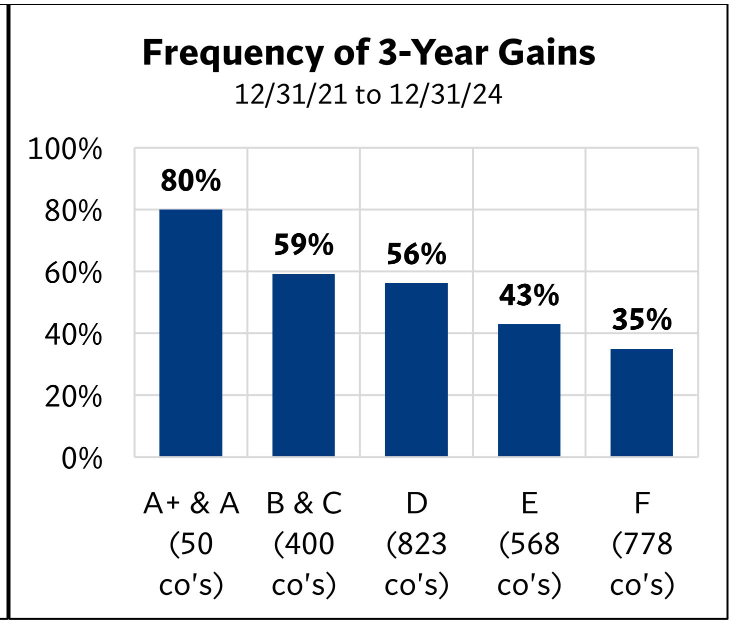

Average 1-Year Return
12/31/21 to 12/31/22
0%
-5%
-10%
-15%
-20%
-25%
-30%
-35%
-40%
-5.1%
-8.0%
-8.8%
-19.1%
-33.8%
-18.1%
A+ & A (50 co's)
B & C (400 co's)
D (823 co's)
E (568 co's)
F (778 co's)
S&P 500


Frequency of 1-Year Gains
12/31/21 to 12/31/22
50%
40%
30%
20%
10%
0%
42%
35%
36%
22%
17%
A+ & A (50 co's)
B & C (400 co's)
D (823 co's)
E (568 co's)
F (778 co's)


Average 2-Year Return
12/31/21 to 12/31/23
30%
20%
10%
0%
-10%
-20%
-30%
19.6%
10.1%
3.1%
-7.5%
-27.1%
3.4%
A+ & A (50 co's)
B & C (400 co's)
D (823 co's)
E (568 co's)
F (778 co's)
S&P 500


Frequency of 2-Year Gains
12/31/21 to 12/31/23
80%
70%
60%
50%
40%
30%
20%
10%
0%
72%
56%
49%
38%
24%
A+ & A (50 co's)
B & C (400 co's)
D (823 co's)
E (568 co's)
F (778 co's)




**For more information, contact:**
**Raymond M. Mullaney, CEO:**

**(203) 254-0000 | (401) 450-4040 | (617) 684-3900**
**ray@ers.ai**

**Disclosure & Disclaimer**

**Methodology –** This report is based on historical stock price and financial data analyzed using Equity Risk Sciences' (ERS) proprietary risk-rating models. All calculations and categorizations were derived from reproducible, formula-based methods designed for transparency and statistical consistency. Portions of this report were prepared with AI-assisted analysis to ensure clarity, consistency, and replicability.



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