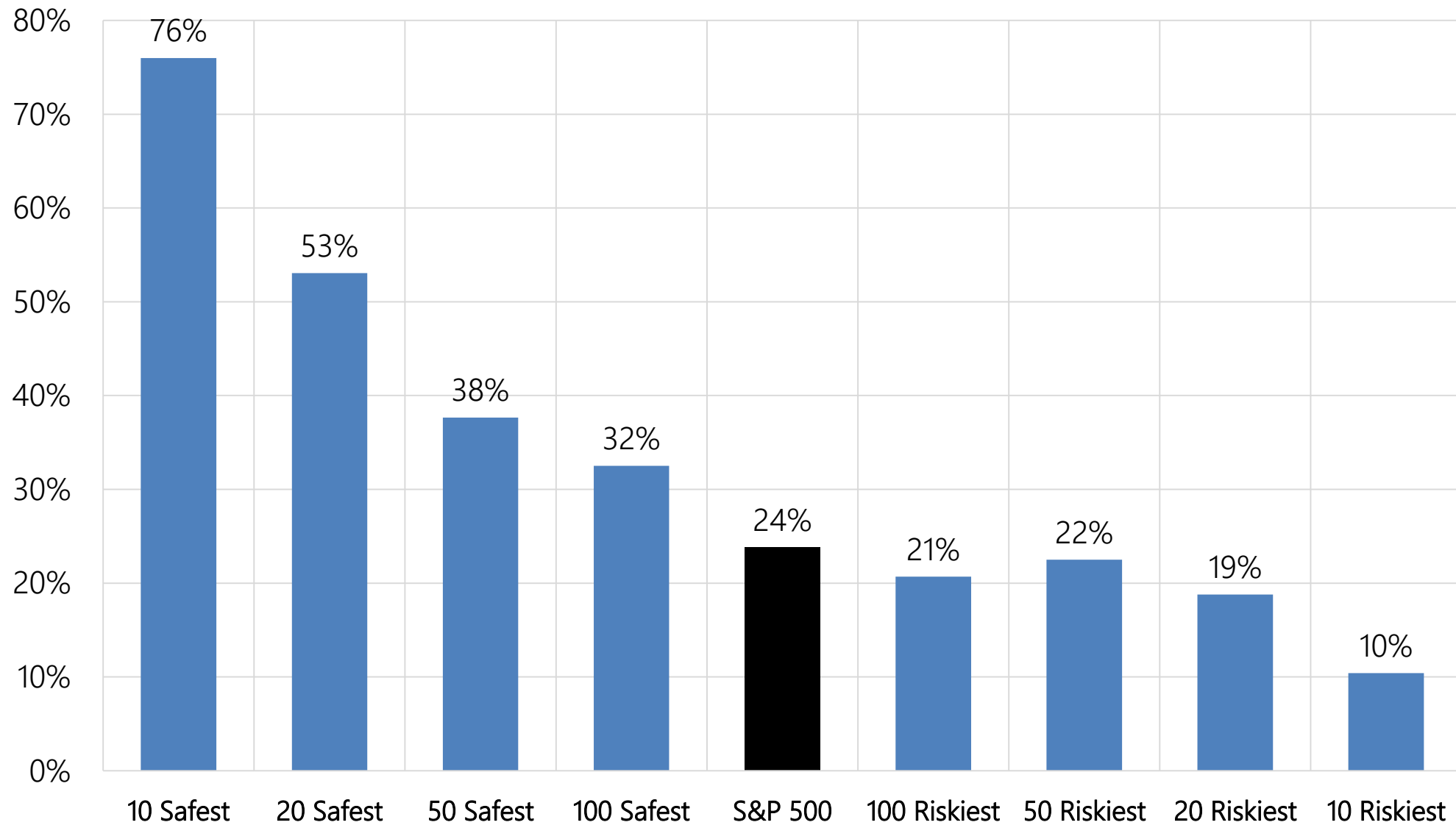


RESEARCH DESCRIPTION

- The following 3 charts show the average performance of 8 portfolios across 121 two-year periods, beginning quarterly from Dec 31, 1986 to Dec 31, 2016.
- These 8 portfolios were constructed from the largest 1,000 companies by market cap in each of the 121 periods.
- Chart 1 shows each portfolio's rate of return averaged over each of the 121 periods.
- Chart 2 shows their average price change of stocks with gains and of those which declined.
- Chart 3 shows the ratio between rising stocks and declining stocks in each portfolio.

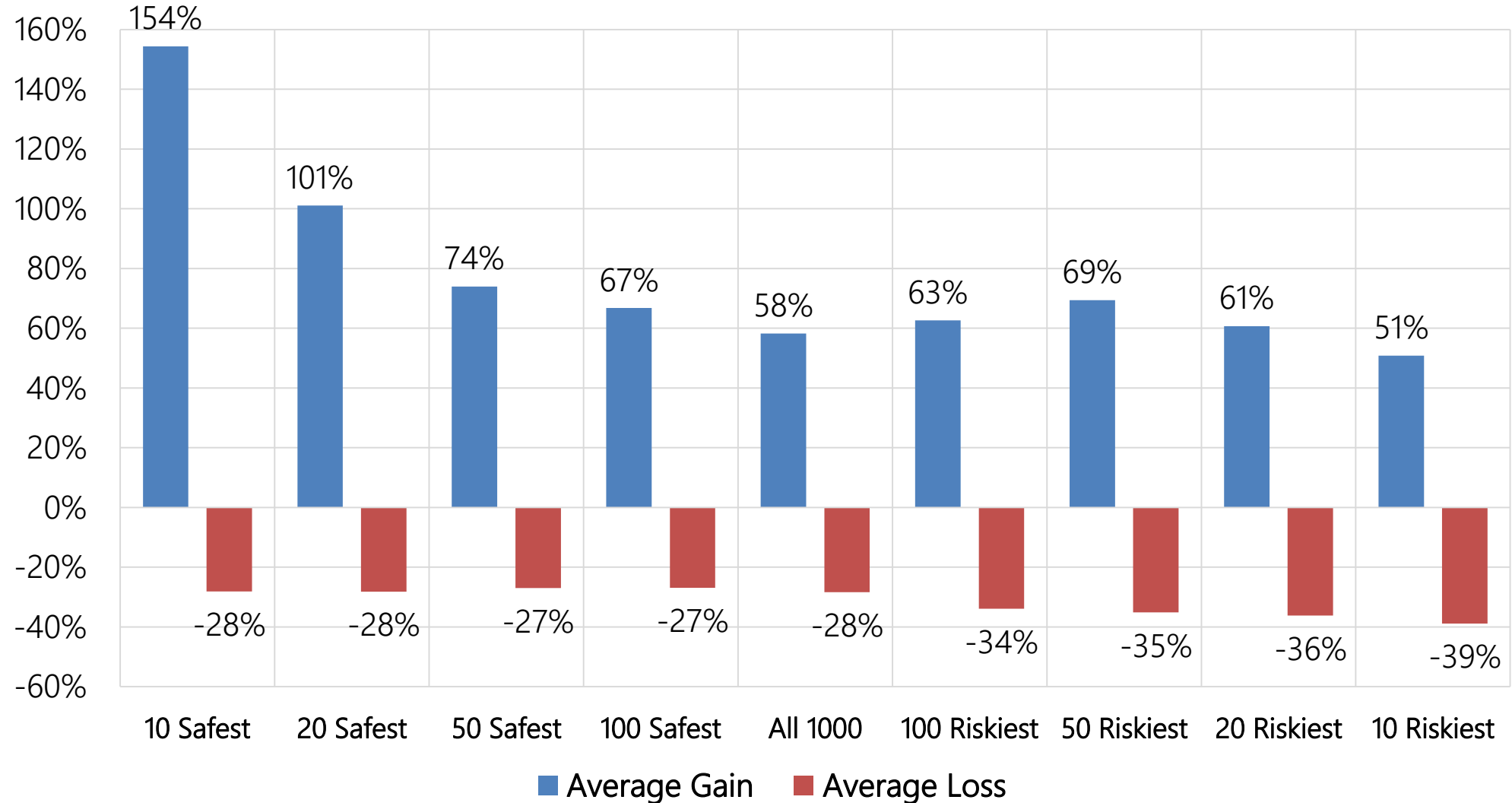
ALPHA PRODUCED BY ERS'S RISK ANALYSIS

Average 2-Year Risk-Rated Portfolio Returns



ERS'S RISK TECHNOLOGY IDENTIFIES COMPANIES WITH GREATER POTENTIAL GAINS AND WITH SMALLER LOSSES

Average Gains of Stocks with Gains;
Average Losses of Stocks with Losses



2-YEAR PROBABILITY OF GAIN AND OF LOSS OF 1000 LARGEST COMPANIES, 1986-2016 QUARTERLY (121 TWO-YEAR PERIODS)

Ratio of Stocks with Gains to Stocks with Losses

