Viking Therapeutics (VKTX):
Identifying Danger Before It Strikes

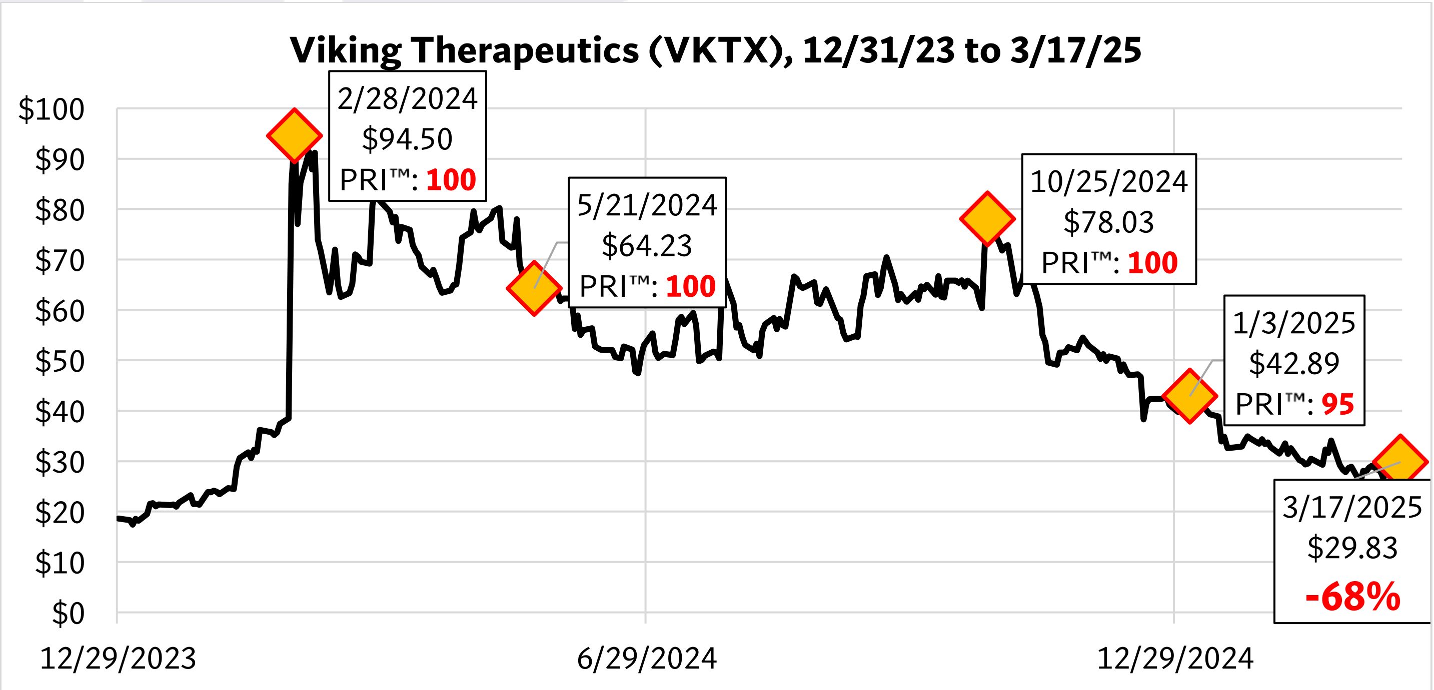
March 18, 2025

Nearly every day, we publish reports identifying stocks that have been rated as high-risk at specific points in time—demonstrating the accuracy and reliability of our technology. Our goal is clear: to provide investment professionals and fiduciaries with clear and actionable ratings to avoid **catastrophic losses** before they happen.

One of the strongest advantages of our technology is its ability to **accurately identify overvalued stocks with a significant statistical probability of declining significantly**. ERS's data overwhelmingly supports this—stocks rated as the most overvalued by our rating technology **are far more likely to decline, and decline significantly, than rise**. ERS's extensive studies confirm a strong correlation between ERS's proprietary high-risk ratings and the probability of significant future price declines. ERS's technology is therefore an essential tool for investment professionals to protect their capital.

Our ratings work. In a comprehensive **25-year study covering over 400,000 ratings**, **63% of the lowest-risk stocks** rose by an average of **47%**, while **37% declined by an average of -26%**, resulting in an overall **average 1-year return of 19.3%**. With ERS, you can invest with confidence, knowing that nearly **two-thirds of the stocks** we rate as lowest-risk historically deliver significant gains and significantly outperform the losses.

We therefore confidently ask you, before you buy your next stock, communicate with ERS. Get our ratings. They are designed to protect you and your clients.



Viking Therapeutics (VKTX): A Case Study in High-Risk Stock Decline

Viking Therapeutics (VKTX) is a textbook example of how ERS risk ratings can help investors **avoid catastrophic losses**. Despite sharp declines in its stock price over the past year, VKTX remained a **high-risk** stock at every stage of its fall—an indication that the risks surrounding this company were not just about an overinflated price but likely something deeper in its fundamentals.

ERS Risk Ratings Consistently Warned of Danger

Date	Price	PRI™ *0 (best) to 100 (worst)*	ERI™ *0 (best) to 100 (worst)*	FRR™ *0 (best) to 100 (worst)*	eValuation™ *150 (best) to -250 (worst)*
2/28/24	$94.50	**100**	**91**	**100**	**-211**
5/21/24	$64.23	**100**	**85**	**100**	**-141**
10/25/24	$78.03	**100**	**86**	**100**	**-145**
1/3/25	$42.89	**95**	**87**	**100**	**-109**
3/17/25	$29.83	**89**	**85**	**100**	**-78**

As shown in the above table, VKTX's **PRI™ rating was 100, the worst possible score,** on multiple occasions. Even **after** the stock declined significantly, the risk ratings remained alarmingly high.

While many investors might have assumed that VKTX was becoming a "bargain" after its price drop, ERS's risk models continued to signal extreme caution. The persistent **100 risk rating** at the stock's peak and throughout its descent suggests that VKTX's problems were **not just about overvaluation**—there were **fundamental concerns** that made it a dangerous investment even at lower prices.

A Steep Decline That Could Have Been Avoided

VKTX ultimately fell from **$94.50 to $29.83**, a **68% decline**. This is exactly the kind of avoidable loss that ERS's ratings are designed to prevent.

For investors, the key takeaway is this: **high-risk stocks tend to remain high risk, even as they fall**. The idea that "it's cheap now, so it must be safe" is often a dangerous assumption. ERS's system doesn't just flag overpriced stocks—it identifies those with a **high probability of major losses**, and VKTX was a clear example of that.

The Bottom Line

Investors who followed ERS's risk warnings on VKTX could have **avoided** a devastating drawdown. The data confirms what we've seen time and time again—our ratings provide an objective, time-tested way to **sidestep high-risk stocks before they collapse**. If you're serious about protecting capital and maximizing returns, **ignoring ERS's risk ratings is a risk you can't afford to take.**

How Reliable Are ERS Ratings?

Think about this: It's perfectly reasonable to say, "People who smoke get cancer," because studies show that 15% to 30% of smokers develop lung cancer, compared to only 1.5% of non-smokers. Now, let's apply this logic to investing.

With ERS's risk ratings, the overwhelming majority of stocks that experience steep declines were previously rated as **high-risk**. Not every high-risk stock falls, but when stocks do fall, the vast majority were already flagged as risky.

And the reverse is also true—there's a **very high** percentage of stocks that we rate as low-risk that then rise. This means that anyone using ERS ratings to make investment decisions can do so with confidence. Statistically, we're right about **70% of the time**.

We can't predict in advance exactly when we'll be wrong, but across **bull and bear markets**, our data shows that over **70% of the stocks we rate as low-risk rise**.

The Track Record: 1,068 Trades Over 25 Years

Numbers don't lie. We conducted a long-term, **25-year study covering 1,068 trades**. Here's what happened:

- **76%** of the trades **resulted in a gain**
- **24%** of the trades **resulted in a loss**
- The overall return of the portfolio was **over 21% annualized**

That's a **stunningly successful track record**. When you have a system that delivers those kinds of results, you don't need to second-guess every trade. You can invest with **confidence**, knowing you're making the best possible decision based on statistical probabilities—not speculation, not emotion, not hype.

Over 25 years, if you show us **another system** that has identified stocks with a **70%+ success rate**, we'll tell you to use it—because any system with that kind of track record is worth trusting.

Invest With Confidence, Not Emotion

At ERS, we eliminate guesswork and emotion from investing. Our risk ratings aren't based upon market popularity, trends, anecdotes or advisors' experience—they are built on time-tested, rigorous data science. In a comprehensive **1-year study covering 7,920 stocks beginning on 12/31/21 and ending on 12/31/22**, **the 170 lowest-risk stocks** only fell by an average of **-1%**, while **the 3,351 highest-risk stocks** fell by an average of **-30%**.

Call or email ERS for ratings on your stock holdings.
Our analysis is precise. The results are proven.
Begin to invest with science and clarity—and without regret.