EQUITY RISK SCIENCES, INC

FOR IMMEDIATE RELEASE

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Equity Risk Sciences Launches as America's First Independent Stock Risk Rating Agency

North Kingstown, RI — July 11, 2025 — *Equity Risk Sciences (ERS)* announces its launch as America's first **independent Stock Risk Rating Agency**. ERS provides quantitative, evidence-based ratings of the probability and magnitude of stock price changes.
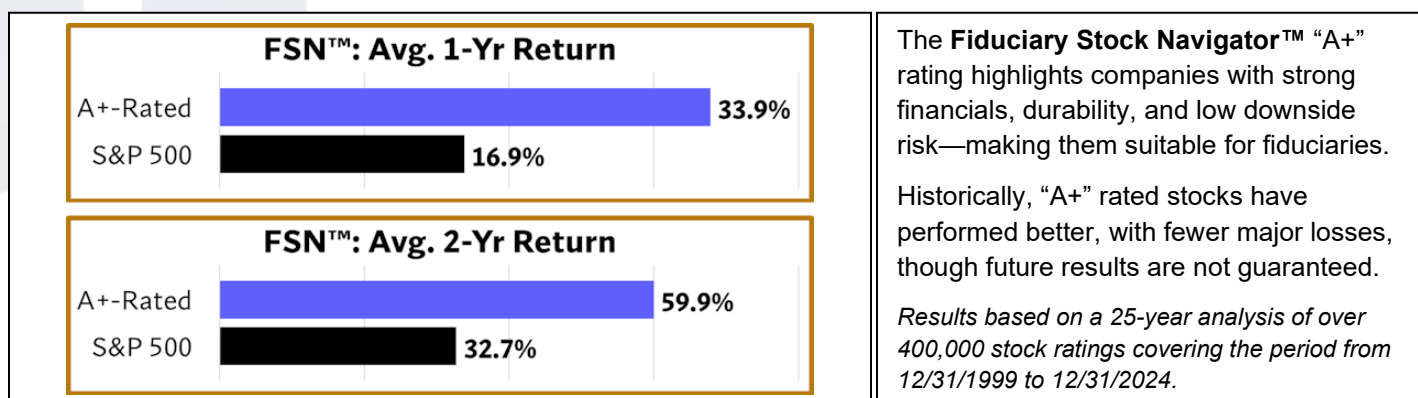
ERS has developed a suite of proprietary models powered by **only SEC-filed financial data** and 35 years of price history to measure the financial attributes, changes and trends most associated with future stock price changes, both increases and declines. These tools support fiduciaries and institutional investors seeking objective, conflict-free analysis based on data science and AI.

ERS's ratings are grounded in rigorous statistical analysis of the historical links between financial statement deterioration and significant future stock price declines. Key ERS ratings include:

- **Fiduciary Stock Navigator™ (FSN™):** A comprehensive composite rating of a stock's overall fiduciary suitability and probability of serious loss, integrating multiple dimensions of financial risk.

- **Loss Indicator™ (LI™):** A focused rating based solely on financial statement strength and deterioration, highlighting companies with the greatest economic vulnerability.

These ratings provide a revolutionary standard for fiduciary oversight and portfolio risk management, i.e. loss avoidance, equipping professionals with the data-driven evidence they need to meet their legal duty of care and reduce exposure to catastrophic loss.
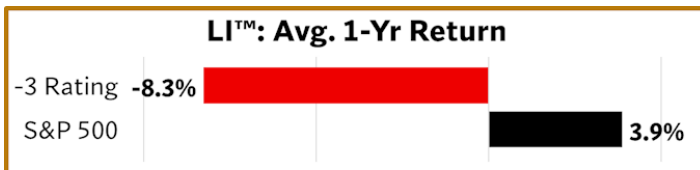
Fiduciary Stock Navigator™ - "A+" Ratings

FSN™: Avg. 1-Yr Return

A+-Rated	33.9%
S&P 500	16.9%

FSN™: Avg. 2-Yr Return

A+-Rated	59.9%
S&P 500	32.7%

The **Fiduciary Stock Navigator™** "A+" rating highlights companies with strong financials, durability, and low downside risk—making them suitable for fiduciaries.

Historically, "A+" rated stocks have performed better, with fewer major losses, though future results are not guaranteed.

Results based on a 25-year analysis of over 400,000 stock ratings covering the period from 12/31/1999 to 12/31/2024.

Loss Indicator™ - "-3" Ratings

ERS's **Loss Indicator™ (LI™)** is a rating that assesses the level of financial risk embedded in a company's structure, such as its liquidity, solvency, capital burn rate, operational history, durability, profitability, tangible equity, etc. It answers a critical question: "How much is this stock likely to fall, and how probable is its survival, based on its financial history?"

In a 25-year study, companies with a **Loss Indicator** rating of "-3" consistently underperformed, delivering negative average returns over 1- and 2-year periods even as the broader market rose. These results confirm that LI ratings serve as effective early warning signals for significant downside risk.

Results based on a 25-year analysis of over 400,000 stock ratings covering the period from 12/31/1999 to 12/31/2024.

LI™: Avg. 1-Yr Return

-3 Rating **-8.3%**
S&P 500 **3.9%**

LI™: Avg. 2-Yr Return

-3 Rating **-5.1%**
S&P 500 **9.9%**

ERS does not issue recommendations, manage money, or receive any payment from companies it rates. Its mission is to empower fiduciaries and financial institutions with scientific, transparent, and actionable risk ratings grounded in economic reality.

"We're not in the prediction business—we're in the probability business," said Raymond Mullaney, Founder and CEO of ERS. "Our goal is to give fiduciaries the tools they need to avoid preventable losses. We deliver data analytics and the objective ratings data produces."

Why This Matters Now

These studies challenge a grossly inaccurate and misleading myth: that severe stock declines must be tolerated and ignored for the long-term success of investors' portfolios. In reality, most major losses are preventable. The data is clear—valuation matters greatly, and ignoring financial fundamentals can be even more costly. Investment professionals—legally obligated to prudently evaluate risk—need objective data to identify companies exhibiting the financial patterns that historically precede major and lasting losses.

As fiduciaries face growing regulatory and legal scrutiny, ratings like the FSN™ and LI™, developed by Equity Risk Sciences, aid fiduciaries in both reducing losses and meeting their legal duty of care.

Next Steps

Full study results are available upon request.

To arrange a call or meeting with Mr. Mullaney, contact Francesca Okleasky, communications manager, at **Francesca@ERS.ai**, or call **(203) 254-0000**.