

Accrual Quality Rank

Accounting-quality rank evidence from accrual-related issuer characteristics.

FAMILY	UNIVERSE	RESEARCH HORIZON
Fundamental equity rank	Broad equity universe	252d

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Executive Summary

Accrual Quality Rank evaluates whether accrual-related issuer characteristics produce a coherent quality ranking. The 252d horizon shows the strongest spread in the research record, consistent with a slow-moving fundamental lens.

Preferred horizon	252d
Rank spread	5.92%
Rank IC	0.035
Long-leg return	26.51%
Average turnover	not reported

Observations

- 1 Ranking evidence is strongest at the long tested horizon.
- 2 The signal behaves like a slow-moving quality component rather than a short-horizon timing signal.
- 3 The result is best interpreted alongside other fundamental and style ranks.

Data and Research Setup

The research setup holds the comparison universe and return horizon conventions constant across the horizon tests shown in this note.

Universe

Broad listed-equity comparison universe with a constant validation setup across horizons.

Inputs

Daily close-derived returns and issuer-level research features available at the evaluation date.

Horizons

Multiple forward windows are compared using the same universe and assumptions.

Exclusions

Instrument lists and common corporate ranks are intentionally excluded.

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Signal Methodology

Without disclosing the exact functional, the construction proceeds along three conceptual steps.

STEP 1

Accounting-quality measurement

The signal summarizes accrual-related issuer characteristics into a quality-oriented ranking lens.

STEP 2

Cross-sectional ranking

Issuers are ordered by the research score and compared through forward return groups.

STEP 3

Medium-term evaluation

Longer forward windows are used to test whether accounting-quality information is reflected gradually.

The description is intentionally conceptual. Formula details, exact construction rules and implementation parameters are not disclosed.

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Results and Horizon Context

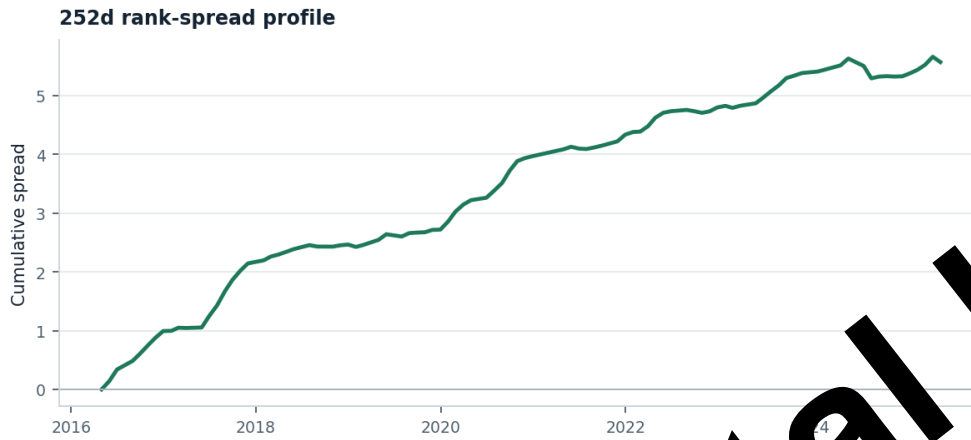


Figure 1. Cumulative 252d top-minus-bottom rank-spread contribution. Long-horizon forward observations could also be read as a ranking diagnostic, not as a standalone return path.

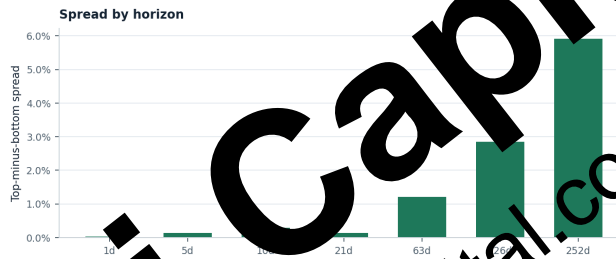


Figure 2. Top-minus-bottom spread across test horizons using the same signal family and comparison setup.

HORIZON	SPREAD	RANK IC	LONG-LEG RETURN	TURNOVER
1d	0.03%	0.004	0.37%	not reported
5d	0.14%	0.012	0.75%	not reported
10d	0.29%	0.014	1.11%	not reported
21d	0.74%	0.005	1.88%	not reported
63d	1.21%	0.023	5.67%	not reported
252d	5.92%	0.035	26.51%	not reported

The table reports historical rank evidence under the stated universe and horizon assumptions. Positive spread means the higher-ranked group exceeded the lower-ranked group over the measured forward window.

Stability and Robustness

Stability is assessed through horizon coherence and date-level variation rather than a single terminal number.



Figure 3. Yearly average 252d rank-spread contribution from the preferred stock.

YEAR	AVG SPREAD	AVG IC	PERIODS
2017	11.51%	0.091	10
2018	2.91%	0.029	11
2019	2.55%	0.012	10
2020	11.37%	0.061	11
2021	4.06%	0.029	9
2022	4.20%	0.005	11
2023	5.85%	0.040	10
2024	-0.55%	-0.014	10
2025	4.83%	0.015	5

The result should be read with the yearly variation in view. Coherence across nearby horizons is more informative than a single best row.

Research Interpretation

The balanced interpretation is to treat the evidence as a research-library component and not as a standalone product claim.

Role in library

Fundamental quality ranking component.

Captures

Relative accounting-quality evidence that may be slow-moving across issuers.

Where useful

Useful as a quality lens when comparing fundamental and valuation-oriented equity ranks.

Known limitations

Accounting signals can be reporting-cycle dependent and sensitive to sector and size composition.

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