SIGNAL RESEARCH NOTE

Broad Pair Spread Reversion Rank

Relative reversion evidence across broad listed-equity peer pairs.

FAMILY	UNIVERSE	RESEARCH HORIZON
Pair spread reversion	**Broad listed-equity peer-pair research panel**	**21d research horizon**

Executive Summary

Broad Pair Spread Reversion Rank evaluates whether relative mispricing versus selected equity peers contains short-horizon ranking information. The preferred row is kept as a primary research candidate because the frozen test passed the local standalone, neutralization and cost checks.

Preferred horizon	**21d**
21d rank spread	**0.18%**
Rank IC	**0.012**
Long-leg return	**1.16%**
Average turnover	**69.33%**

Observations

1. The strongest evidence is at the short-horizon pair-reversion window.
2. The result is small in spread terms, so the evidence is best read as a ranking diagnostic.
3. The signal is a component-level research candidate, not a standalone product.

Data and Research Setup

The setup evaluates historical cross-sectional ranking evidence using a consistent dated research panel. The figures are historical diagnostics and do not show current holdings, current tickers or live recommendations.

UNIVERSE

Broad listed-equity peer-pair research panel. Current instruments and latest ranks are not shown.

INPUTS

Historical closing-price and derived market fields are aligned to dated research observations.

COMPARISON BASIS

Tested horizons use the same universe and return-cleaning assumptions within each source run.

OUTPUT BOUNDARY

The note presents historical research output only and avoids current ranks or holdings.

Signal Methodology

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

STEP 1

Relative divergence

The construction measures whether an equity has moved away from a comparable peer relationship.

STEP 2

Cross-sectional ranking

Observations are ranked against one another on each research date.

STEP 3

Forward comparison

Higher-ranked and lower-ranked groups are compared over the selected research horizon.

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

Results and Horizon Context

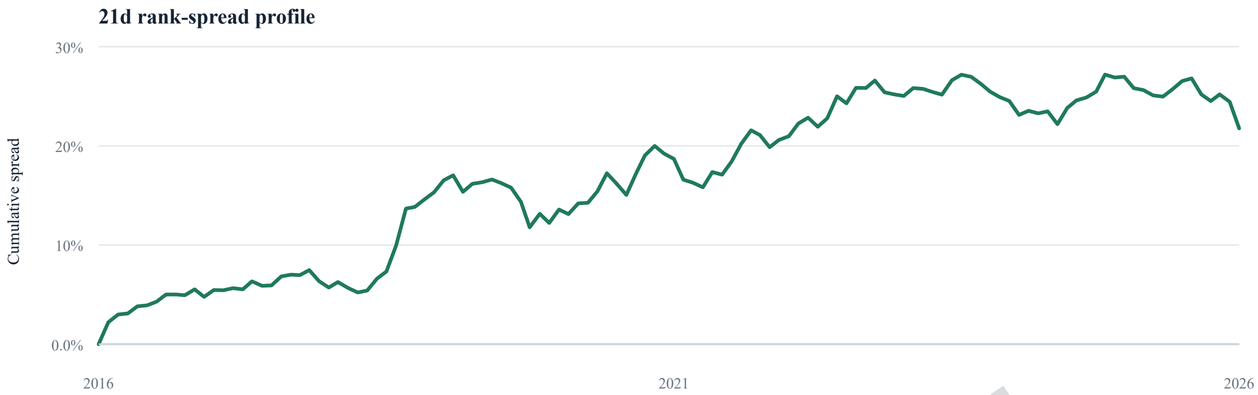

Figure 1. Cumulative 21d top-minus-bottom rank-spread contribution, normalised to zero at the first valid research observation. Forward observations overlap, so the series should be read as a ranking diagnostic, not as a standalone return path.

Figure 2. Top-minus-bottom rank-spread across the tested horizons.

Horizon	Rank spread	Rank IC	Long-leg return	Turnover
21d	**0.18%**	**0.012**	**1.16%**	**69.33%**
63d	0.32%	0.008	3.93%	69.33%

The preferred 21d row shows 0.18% rank spread and 0.012 rank IC. Metrics are historical research diagnostics under the source run.

Stability and Robustness

Stability and robustness are assessed through neighbouring horizons and calendar-year spread diagnostics. The key question is whether the preferred result is isolated or directionally coherent.

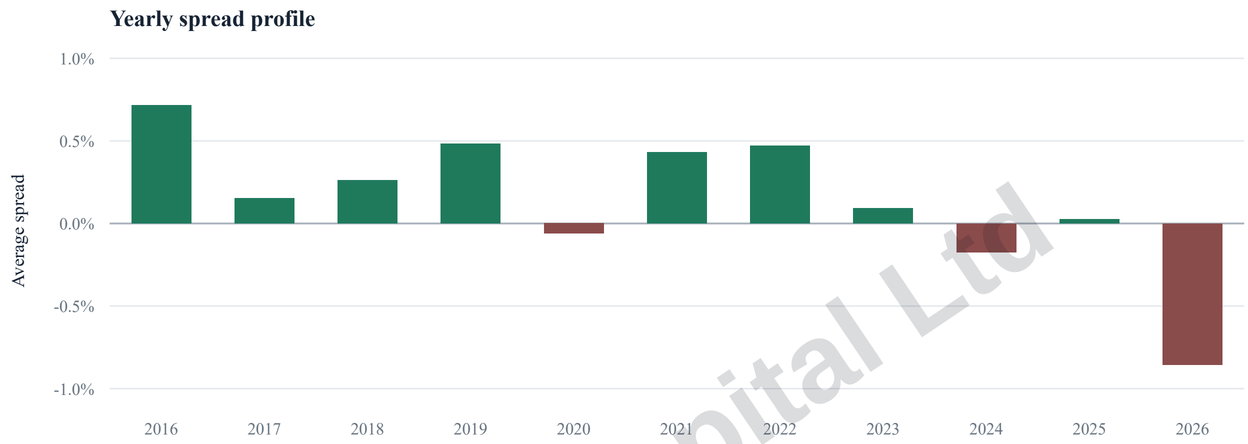

Figure 3. Average rank-spread contribution by calendar year.

Year	Average spread
2016	0.72%
2017	0.15%
2018	0.26%
2019	0.48%
2020	-0.06%
2021	0.43%
2022	0.47%
2023	0.09%
2024	-0.17%
2025	0.03%
2026	-0.85%

Yearly average spread is positive in 8 of 11 calendar-year buckets. That is a stability diagnostic, not evidence of a standalone return path.

Research Interpretation

Broad Pair Spread Reversion Rank is retained in the research library as primary evidence.

ROLE

Primary research candidate.

CAPTURES

Short-horizon relative reversion after a stock diverges from a selected peer.

RATIONALE

Peer relationships can mean-revert when relative moves overshoot fundamentals, positioning or sector context.

USE

Primary pair-reversion component inside broader systematic equity allocation research.

LIMITATIONS

The note does not disclose peer-selection rules, score construction, current pairs or execution assumptions.