

# Fundamental Value Creation Momentum Rank

Medium-term ranking evidence from value creation fundamentals.

<b>FAMILY</b> Fundamental quality value creation	<b>UNIVERSE</b> Broad equity research universe	<b>RESEARCH HORIZON</b> 252d
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## Executive Summary

Fundamental Value Creation Momentum Rank shows weak short-horizon evidence and clearer medium-to-long horizon evidence. It is best treated as second-level fundamental quality research material.

Preferred horizon	252d
Rank spread	3.00%
Rank IC	0.051
Long-leg return	23.57%
Average turnover	not reported
Universe size	2,990

### Observations

- 1 The short horizons are not the useful part of the profile.
- 2 Spread and rank correlation improve from 21d through 252d.
- 3 The signal is best used as a quality/value creation research component.

## Data and Research Setup

The setup compares value-creation momentum ranks across the same broad equity universe and forward horizon grid.

### Universe

Broad equity research universe from the repaired value-creation momentum run.

### Inputs

Fundamental value-creation metadata, issuer identifiers, and daily price outcomes.

### Horizons

1d, 5d, 10d, 21d, 63d, 126d, and 252d forward windows are compared.

### Exclusions

No formulae, reciprocal issues, holdings table, or trading instructions shown.

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## Signal Methodology

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

### STEP 1

#### Value-creation measurement

The signal summarizes whether company fundamentals show improving value-creation characteristics.

### STEP 2

#### Cross-sectional ranking

Issuers are ranked at each evaluation date and compared by later outcomes.

### STEP 3

#### Medium-term evaluation

The ranking is read across adjacent horizons to check whether the effect builds over time.

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

## Results and Horizon Context

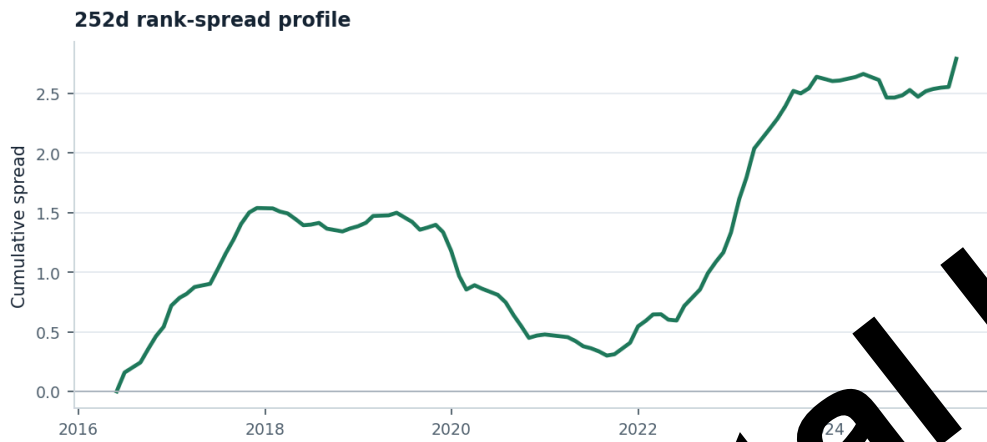


Figure 1. Cumulative 252d top-minus-bottom rank-spread contribution, normalised to zero at the final valid re-ranking observation. Long-horizon forward observations overlap, so the series should be read as a ranking diagnostic, not as a simulated return path.

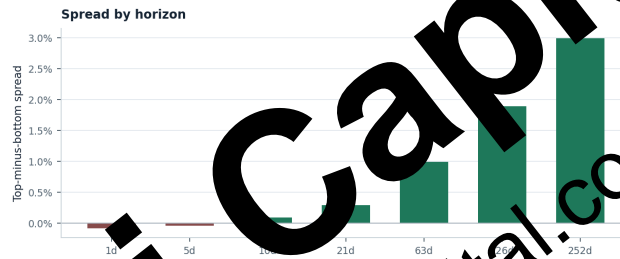


Figure 2. Top-minus-bottom spread across test horizons under the same comparison setup.

HORIZON	RANK SPREAD	RANK ID	LONG-LEG RETURN	PERIODS
1d	-0.08%	0.002	0.28%	102
5d	-0.04%	0.004	0.62%	102
10d	0.00%	0.013	0.99%	102
21d	0.76%	0.024	1.91%	102
63d	0.99%	0.041	5.27%	100
252d	3.00%	0.051	23.57%	93

The result table summarizes historical rank evidence by horizon. Positive spread means the higher-ranked group exceeded the lower-ranked group over the measured forward window.

## Stability and Robustness

Stability is read through horizon coherence and date-level variation, not a single terminal row.

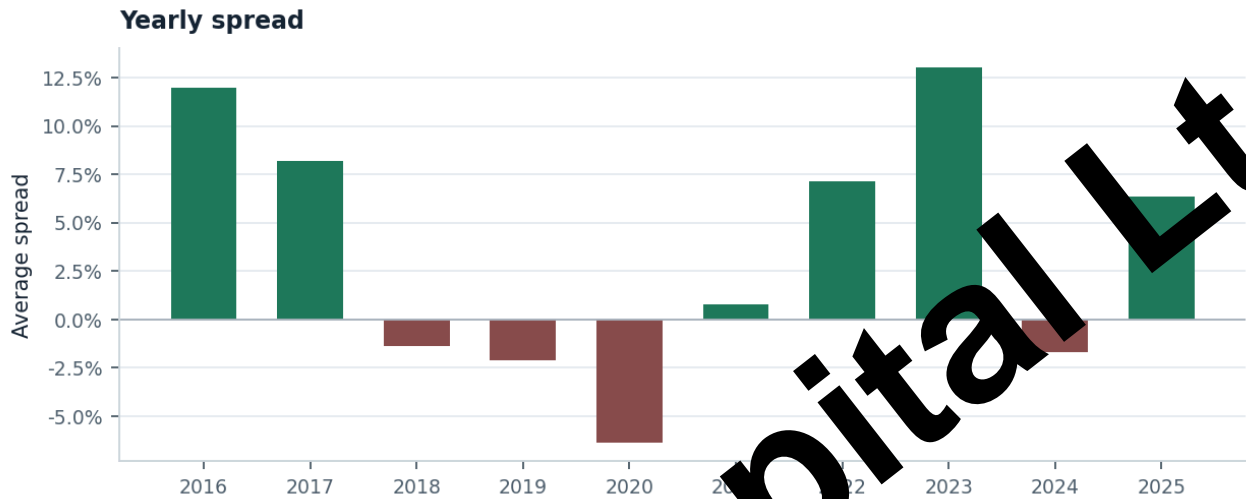


Figure 3. Yearly average 252d rank-spread contribution for the referent horizon

YEAR	Avg SPREAD	Avg C	PERIODS
2017	8.18%	0.114	10
2018	-1.39%	0.015	11
2019	-2.06%	0.028	10
2020	-6.34%	-0.005	11
2021	0.76%	0.000	9
2022	7.15%	0.046	11
2023	13.05%	0.135	10
2024	-1.67%	0.022	10
2025	6.37%	0.007	5

The profile is coherent across 63d, 126d, and 252d, with weaker near-term rows. That supports retaining the evidence as second-level research rather than treating it as a short-horizon signal.

## Research Interpretation

The conservative interpretation is to retain the evidence as research-library material, not as a standalone product claim.

### Role in library

Second-level fundamental quality research note.

### Captures

Improvement in fundamental value-creation characteristics across equities.

### Where useful

Useful as a candidate quality/value overlay in broader equity research comparisons.

### Known limitations

The evidence is horizon dependent and remains sensitive to validation choices.

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