SIGNAL RESEARCH NOTE

Nearest-Peer Spread Reversion Rank

Log-spread reversion evidence across matched equity peers.

FAMILY	UNIVERSE	RESEARCH HORIZON
Pair spread reversion	**Matched equity peer-pair research panel**	**63d research horizon**

Executive Summary

Nearest-Peer Spread Reversion Rank evaluates whether divergence from a nearest peer contains short-to-medium horizon ranking information. The medium-term row has the strongest spread and rank IC.

Preferred horizon	**63d**
63d rank spread	**2.41%**
Rank IC	**0.087**
Long-leg return	**4.66%**
Average turnover	**not estimated**

Observations

1. The 63d row is stronger than the 21d row.
2. The result is based on a narrower peer-pair panel than the broad equity tests.
3. The signal is retained as secondary pair-reversion evidence.

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

Matched 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

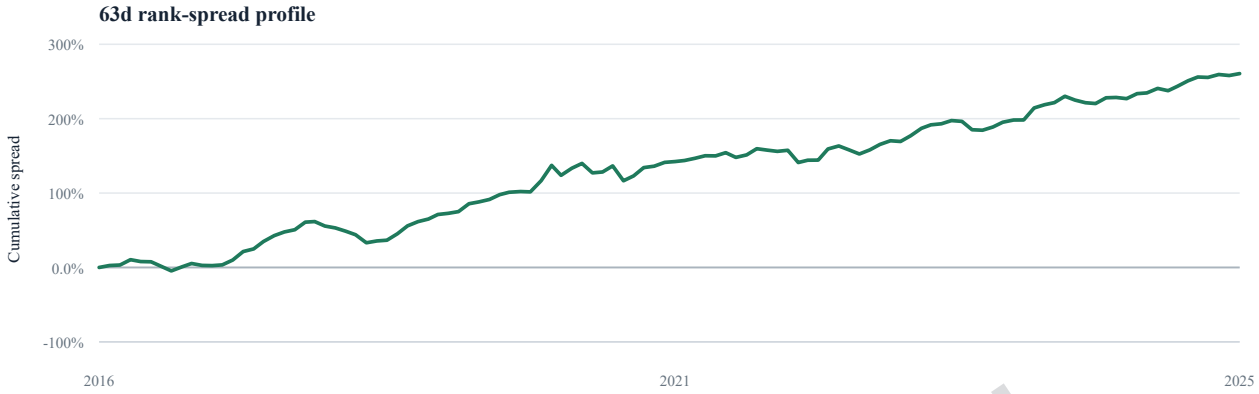

Figure 1. Cumulative 63d top-minus-bottom rank-spread contribution, normalised to zero at the first valid research observation. Forward observations overlap, so the series should be read as a ranking diagnostic, not as a standalone return path.

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

Horizon	Rank spread	Rank IC	Long-leg return	Turnover
21d	0.71%	0.041	1.32%	not estimated
63d	**2.41%**	**0.087**	**4.66%**	**not estimated**

The preferred 63d row shows 2.41% rank spread and 0.087 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.

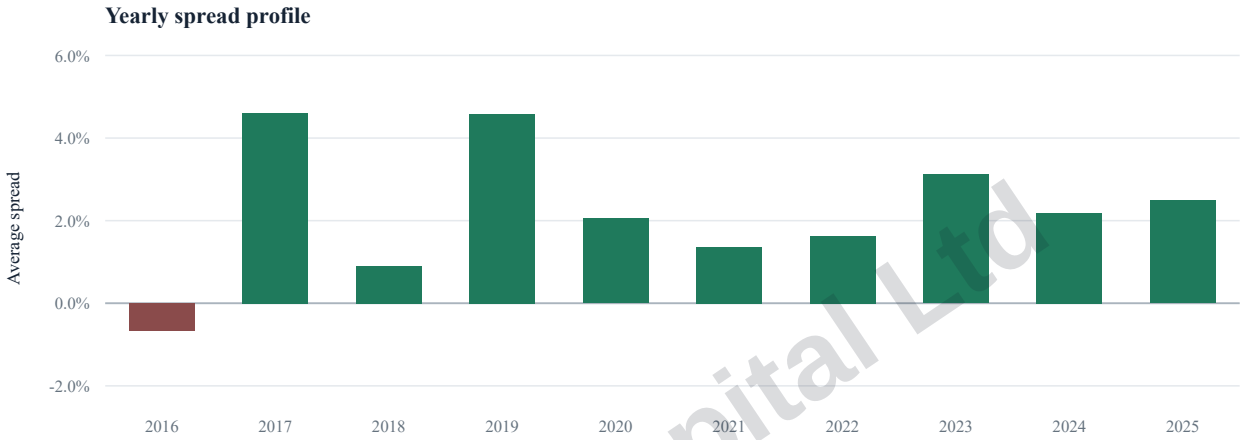

Figure 3. Average rank-spread contribution by calendar year.

Year	Average spread
2016	-0.66%
2017	4.61%
2018	0.91%
2019	4.59%
2020	2.05%
2021	1.36%
2022	1.63%
2023	3.11%
2024	2.19%
2025	2.49%

Yearly average spread is positive in 9 of 10 calendar-year buckets. That is a stability diagnostic, not evidence of a standalone return path.

Research Interpretation

Nearest-Peer Spread Reversion Rank is retained in the research library as secondary evidence.

ROLE

Secondary research candidate.

CAPTURES

Relative reversion after a stock diverges from a matched equity peer.

RATIONALE

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

USE

Secondary pair-reversion component or comparator.

LIMITATIONS

The note does not disclose peer-selection details, current pairs, issuer ranks or execution assumptions.