

# Sector Peer Spread Reversion Rank

Relative reversion evidence across sector peer price dislocations.

FAMILY	UNIVERSE	RESEARCH HORIZON
Relative-value equity	Broad equity universe	63d

## Executive Summary

Sector Peer Spread Reversion Rank tests whether sector-peer dislocations contain useful relative-return information. The 63d horizon is the clearest row in the current validation set.

Preferred horizon	63d
Rank spread	0.01%
Rank IC	0.029
Long-leg return	5.15%
Average turnover	not reported

### Observations

- 1 Evidence is concentrated around the immediate horizon.
- 2 The spread is modest but directionally consistent in the preferred row.
- 3 The signal is best used as a peer-relative diagnostic rather than a standalone ranking product.

## Data and Research Setup

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

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### Universe

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

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### Inputs

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

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### Horizons

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

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### Exclusions

Instrument sets 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

### Peer-spread measurement

The signal compares issuer behavior against sector peers to identify relative dislocation.

## STEP 2

### Cross-sectional ranking

Names are ranked by the research score within the broad equity comparison panel.

## STEP 3

### Intermediate horizon review

Forward windows test whether relative dislocations tend to compress over time.

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

## Results and Horizon Context

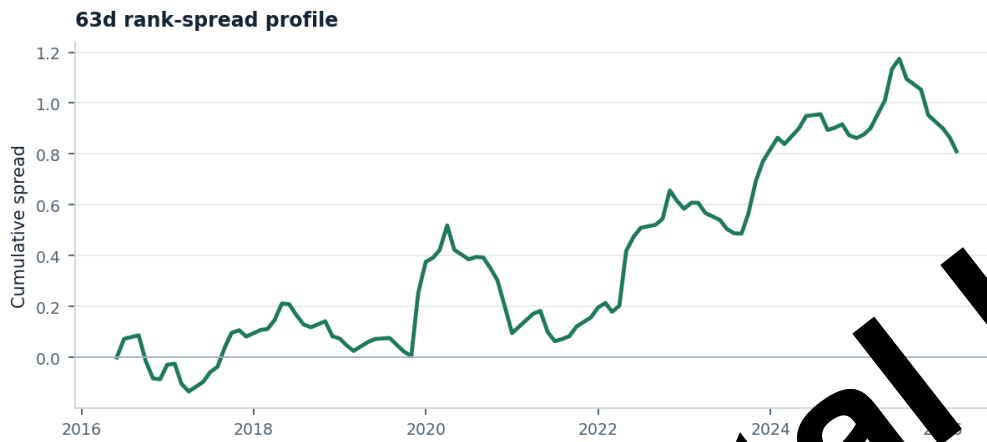


Figure 1. Cumulative 63d top-minus-bottom rank-spread contribution. Long-horizon forward series (as opposed to the series) should be read as a ranking diagnostic, not as a standalone return path.

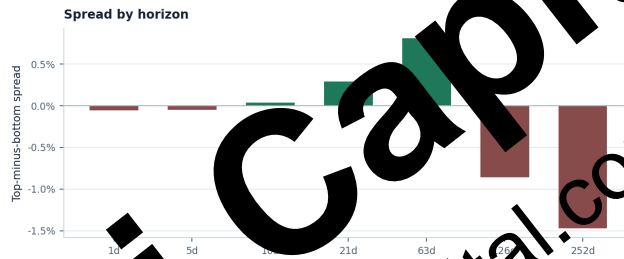


Figure 2. Top-minus-bottom spread across test horizons using the same signal family and comparison setup.

HORIZON	SPREAD	RANK IC	LONG-LEG RETURN	TURNOVER
1d	-0.05%	-0.008	0.28%	not reported
5d	-0.05%	0.009	0.60%	not reported
10d	0.04%	0.013	1.02%	not reported
21d	0.29%	0.024	1.95%	not reported
63d	0.81%	0.029	5.15%	not reported
252d	-1.47%	-0.008	19.89%	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.

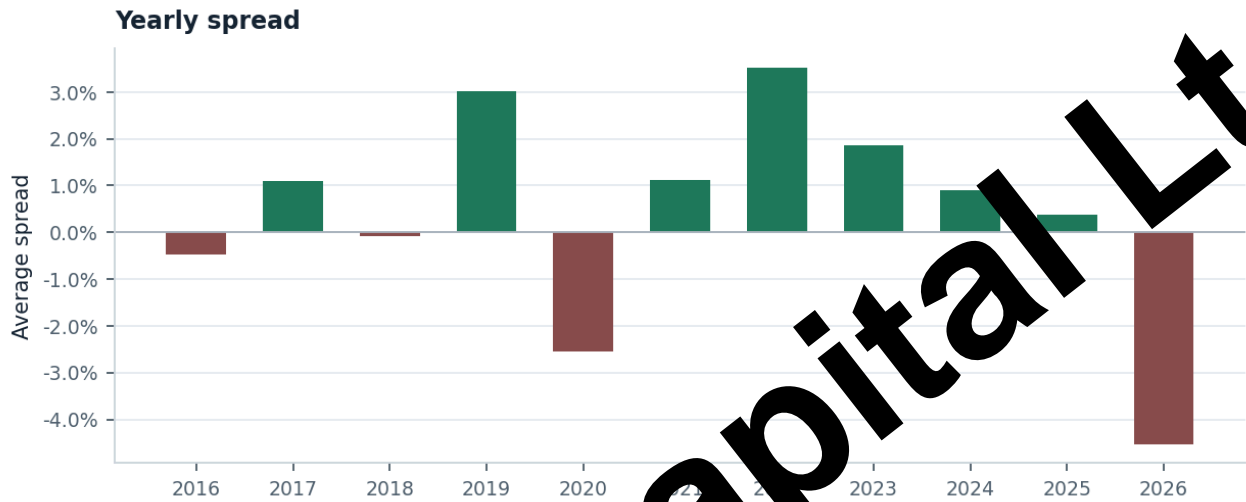


Figure 3. Yearly average 63d rank-spread contribution for the preferred horizon

YEAR	AVG SPREAD	AVG IC	PERIODS
2018	-0.07%	0.015	11
2019	3.02%	0.055	10
2020	-2.55%	-0.033	11
2021	1.12%	0.026	9
2022	3.53%	0.071	11
2023	1.87%	0.051	10
2024	0.91%	0.063	10
2025	0.39%	0.018	10
2026	-4.52%	-0.023	2

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.

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### Role in library

Relative-value filter and reversion diagnostic.

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### Captures

Potential mean reversion after sector-peer dislocation.

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### Where useful

Useful as a peer-aware filter alongside momentum, valuation, and quality ranks.

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### Known limitations

Peer definitions and sector regimes can change, and reversion signals can be vulnerable during persistent trends.

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