SIGNAL RESEARCH NOTE

Volatility Upshift Risk Rank

Volatility-upshift ranking evidence across broad listed equities.

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FAMILY	UNIVERSE	RESEARCH HORIZON
Volatility forecast proxy	**Broad listed-equity research panel**	**63d research horizon**

Executive Summary

Volatility Upshift Risk Rank evaluates whether recent volatility upshifts carry cross-sectional ranking information. The result is weak but positive, so it is kept as a secondary diagnostic rather than a core signal.

Preferred horizon	**63d**
63d rank spread	**1.10%**
Rank IC	**0.023**
Long-leg return	**5.92%**
Average turnover	**not estimated**

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Observations

1. The medium-term row is positive but modest.
2. The result is weaker than the pair-reversion variants in the same intake.
3. The signal is best read as a diagnostic risk-ranking lens.

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 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.

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Signal Methodology

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

STEP 1

Risk-state measurement

The construction measures changes in volatility conditions at a conceptual level.

STEP 2

Cross-sectional ranking

Securities 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.

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Results and Horizon Context

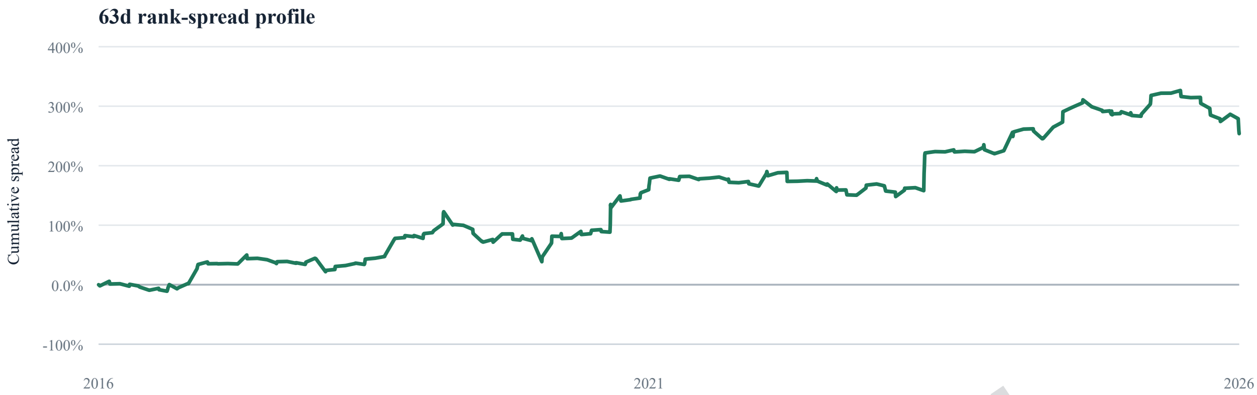

Figure 1. Cumulative 63d top-minus-bottom rank-spread contribution, normalised to zero at the first valid research observation. Forward observations overlap, so the series should be read as a ranking diagnostic, not as a standalone return path.

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

Horizon	Rank spread	Rank IC	Long-leg return	Turnover
21d	0.57%	0.011	2.17%	not estimated
63d	**1.10%**	**0.023**	**5.92%**	**not estimated**

The preferred 63d row shows 1.10% rank spread and 0.023 rank IC. Metrics are historical research diagnostics under the source run.

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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.

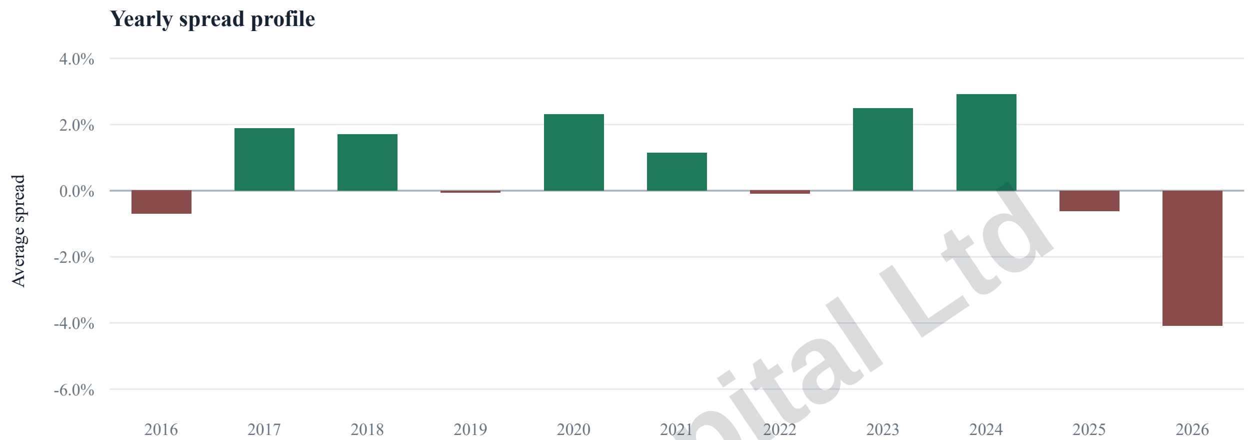

Figure 3. Average rank-spread contribution by calendar year.

Year	Average spread
2016	-0.70%
2017	1.88%
2018	1.70%
2019	-0.06%
2020	2.31%
2021	1.14%
2022	-0.09%
2023	2.48%
2024	2.91%
2025	-0.62%
2026	-4.07%

Yearly average spread is positive in 6 of 11 calendar-year buckets. That is a stability diagnostic, not evidence of a standalone return path.

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Research Interpretation

Volatility Upshift Risk Rank is retained in the research library as secondary evidence.

ROLE

Secondary research candidate.

CAPTURES

Relative risk information from changes in realised volatility conditions.

RATIONALE

Volatility shifts can persist or reprice gradually when risk appetite and positioning adjust over time.

USE

Secondary diagnostic or filter candidate, not a standalone allocation rule.

LIMITATIONS

The note does not disclose thresholds, current issuer ranks, model settings or execution assumptions.

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