

SAR Trends

U.S. Securities Litigation Risk

September 8, 2025

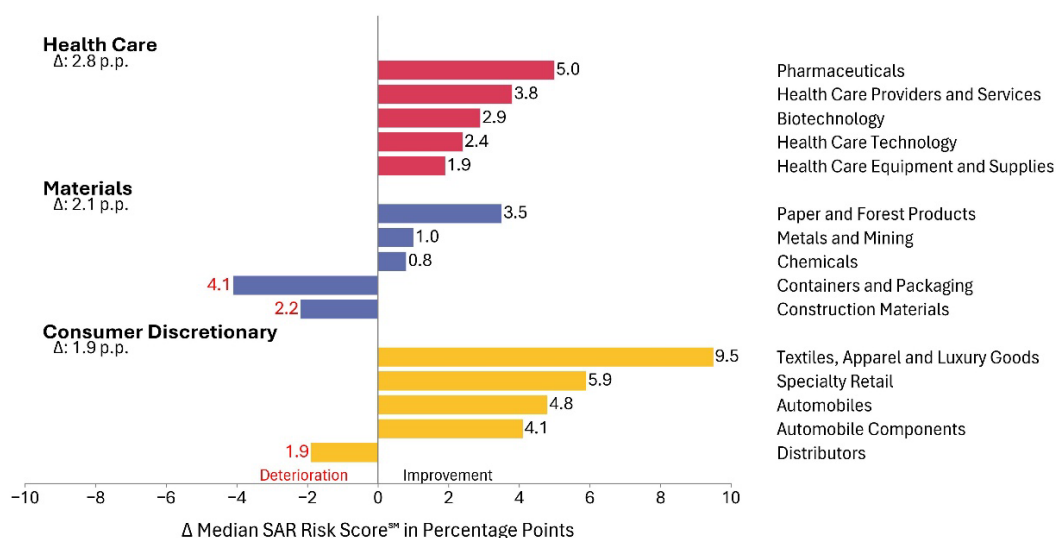
August U.S. Equity Market Performance Demonstrates Risk Stabilization, *For Now...*

In August, U.S. securities litigation risk demonstrated overall stabilization due to the upward trend in U.S. equity markets, with the median *SAR Risk ScoreSM* exhibiting risk improvement by an average of 0.5 percentage points (p.p.). Only four sectors recorded absolute median score changes that exceeded one percentage point. The Health Care sector led the risk improvement with a 2.8 p.p. decline in its median *SAR Risk ScoreSM*. Materials and Consumer Discretionary followed, with improvements of 2.1 p.p. and 1.9 p.p., respectively. At the industry level, *Containers and Packaging* experienced the highest risk deterioration among the top three sectors with an increase in the *SAR Risk ScoreSM* from 16.80% to 20.94% over a one-month period.

Table 1: Top Three Sectors with Greatest Absolute Change in Median *SAR Risk ScoreSM*

Sector [1]	n [2]	SAR Risk Score™ (Median)		Score Delta [3]	Industry	n	SAR Risk Score™ (Median)		Score Delta
		7/31/2025	8/29/2025				7/31/2025	8/29/2025	
Health Care	1000	32.35%	29.52%	-2.84	Pharmaceuticals	176	30.27%	25.30%	-5.0
					Health Care Providers and Services	92	24.08%	20.26%	-3.8
					Biotechnology	493	32.27%	29.34%	-2.9
					Health Care Technology	28	35.33%	32.94%	-2.4
					Health Care Equipment and Supplies	162	37.34%	35.41%	-1.9
Materials	221	16.57%	14.51%	-2.06	Containers and Packaging	20	16.80%	20.94%	+4.1
					Paper and Forest Products	8	15.29%	11.79%	-3.5
					Construction Materials	12	3.78%	5.98%	+2.2
					Metals and Mining	104	10.81%	9.80%	-1.0
					Chemicals	77	28.05%	27.26%	-0.8
Consumer Discretionary	545	26.11%	24.16%	-1.95	Textiles, Apparel and Luxury Goods	44	42.97%	33.50%	-9.5
					Specialty Retail	115	35.67%	29.81%	-5.9
					Automobiles	33	38.71%	33.92%	-4.8
					Automobile Components	42	23.67%	19.55%	-4.1
					Distributors	15	16.17%	18.10%	+1.9

Data on Table 1 is based on the median *SAR Risk ScoreSM*. The score accounts for market capitalization losses on corporate disclosures disseminated by U.S. public companies that are classified as High-Risk Adverse Corporate Events during the preceding two-year period relative to each company's market capitalization at present day. For more details on the estimation of the *SAR Risk ScoreSM*, see our latest U.S. Securities Litigation Risk Report at <https://www.sarlit.com/us-securities-litigation-risk-report>.



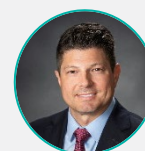
[1] Sectors and Industries are based on the company's Global Industry Classification Standard (GICS).

[2] Number of companies in each sector or industry as of August 29, 2025.

[3] Percentage point difference in the median *SAR Risk ScoreSM* during the corresponding month. A +1.0 (deterioration) implies that sector or industry's median *SAR Risk ScoreSM* during the corresponding month increased by one percentage point relative to the preceding month. A -1.0 (improvement) implies a reduction.

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