



SAR | Securities Analytics Research

U.S. Securities Litigation Risk Report

January 31, 2025



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Our Mission

To deliver **independent and high-quality public company risk management data analytics solutions** to protect Directors & Officers by enhancing transparency in the securities class action arena.

U.S. Securities Litigation Risk Report – January 2025

The analytical tabulations presented herein provide dedicated risk managers and investment professionals with robust transparency on the frequency and severity of **Adverse Corporate Events** to identify dispositive corporate disclosure trends that increase the likelihood of private securities-fraud litigation or enforcement actions brought by the Securities and Exchange Commission (“SEC”) against directors and officers and companies listed on the NYSE or NASDAQ. Analytical results on disclosure-specific information are based on close-to-close stock price performance relative to the general market and industry sector factors. SAR provides unique, verifiably independent, and factual data-driven insights on how equity investors react to company-specific information. Our semi-annual publication of this data provides industry-leading practitioners with the securities litigation risk of U.S.-listed companies based on the frequency and severity of the observed **Adverse Corporate Events** to enhance the profitability of their mission.

Adverse Corporate Events (“ACEs”). SAR categorizes *ACEs* that have materialized during a standard two-year period prior to the evaluation date into three *mutually exclusive categories* based on the application of single firm event study analysis to test stock price performance of all corporate disclosures for any single issuer. All *ACEs* identified by SAR exhibit a close-to-close stock price decline that is statistically significant at the 95% confidence standard after accounting for the economic impact of the S&P 500 Total Return Index and an appropriate industry sector index based on the target company’s Global Industry Classification Standard (“GICS”).

TYPE I ACE:

- Stock price fell by a statistically significant amount at the 95% confidence standard over the close-to-close event window impacted by company-specific news.
- Company issues a public statement via a press release, or a representative discloses information at a press event or earnings call.

TYPE II ACE:

- Stock price fell by a statistically significant amount at the 95% confidence standard over the close-to-close event window impacted by company-specific news.
- Company made filings with the Securities and Exchange Commission (“SEC”), and no other relevant company news was identified.

HIGH-RISK ACE:

- Stock price fell by a statistically significant amount at the 95% confidence standard over the close-to-close event window impacted by company-specific news.
- Company issues a public statement via a press release, or a representative discloses information at a press event or earnings call.
- Company made filings with the SEC.

U.S. Securities Litigation Risk Quantification. SAR quantifies the potential securities litigation risk of an issuer according to the frequency and severity of *High-Risk ACEs*. The estimate is equal to an issuer’s cumulative market capitalization losses on all *High-Risk ACEs* identified during the corresponding two-year evaluation period.

The quantification of securities litigation risk presented herein is based on the economic impact of a public company’s corporate disclosures on the price of common stock traded in the NYSE or NASDAQ and does not constitute potential litigation exposure, aggregate damages, or liability that may be claimed by private investor plaintiffs or regulatory agencies that may file securities claims or actions against the issuer or individual defendants.

SAR Risk ScoreSM. The *SAR Risk ScoreSM* is a proprietary score assigned to every public company listed on the NYSE or NASDAQ according to the frequency and severity of *High-Risk ACEs* during a two-year period from the designated evaluation date. The *SAR Risk ScoreSM* is equal to the market capitalization losses observed on *High-Risk ACEs* divided by the issuer’s market capitalization as of the preceding trading day. For example, company ABC, Inc.’s market capitalization is \$500 million. SAR identified three *High-Risk ACEs* during the preceding two years that amounted to \$100 million in market capitalization losses. The *SAR Risk ScoreSM* for ABC, Inc. is 20%. SAR caps risk scores at 100% for issuers whose market capitalization losses on *High-Risk ACEs* exceed the company’s current market capitalization.

Analytical Tabulation. This report presents tabulated summary analytics on the three categories of *ACEs* for eleven (11) industry sectors based on the GICS classification for Large Cap, Mid Cap, and Small Cap companies according to the historical compositing market capitalization range of the S&P 500 Index for Large Caps, the S&P MidCap 400 Index for Mid Caps, and the S&P Small Cap 600 Index for Small Caps.

All new data and analysis presented herein is based on corporate disclosures disseminated to investors between the close of trading on January 3, 2023 to the close of trading on December 31, 2024.

Securities Litigation Risk of U.S. Public Companies

The securities litigation risk of U.S. public companies is driven by the *frequency* and *severity* of *ACEs* from corporate disclosures disseminated over the preceding two years and each had a material impact on stock price performance during the corresponding trading day.

Frequency: Number of High-Risk ACEs

Independent, single-firm event study results on 4,605 U.S. public companies indicate remarkable consistencies on the overall and average frequency of material corporate disclosures that exhibited a negative statistically significant impact on stock price at the 95% confidence standard. The sample of companies analyzed exhibited on average 4.23 *ACEs* per company, nearly the same as observed during the two-year evaluation period ending Sept. 2024.

The three sectors with the highest average number of *High-Risk ACEs* are *Industrials*, *Information Technology* and *Consumer Discretionary*. The maximum number of *High-Risk ACEs* per issuer ranges between 7 and 19 across all sectors. Eight of the 11 sectors averaged at least two *High-Risk ACEs* per issuer. None of the sectors averaged fewer than 1.5 *High-Risk ACEs* during the two-year period.

As presented in the subsequent Tables 2-12, Large Caps exhibited the highest frequency of *High-Risk ACEs* in six out of the 11 sectors. Small Caps had the lowest frequency of *High-Risk ACEs* in six out of 11 sectors.

Figure 1a: Market Capitalization Losses on High-Risk ACEs

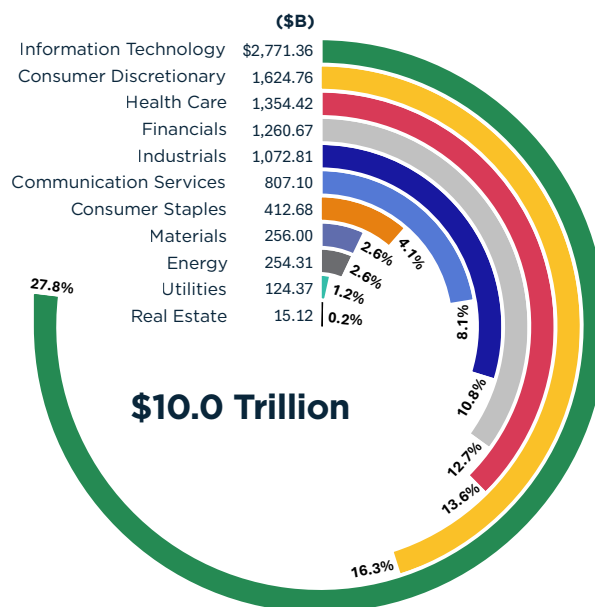
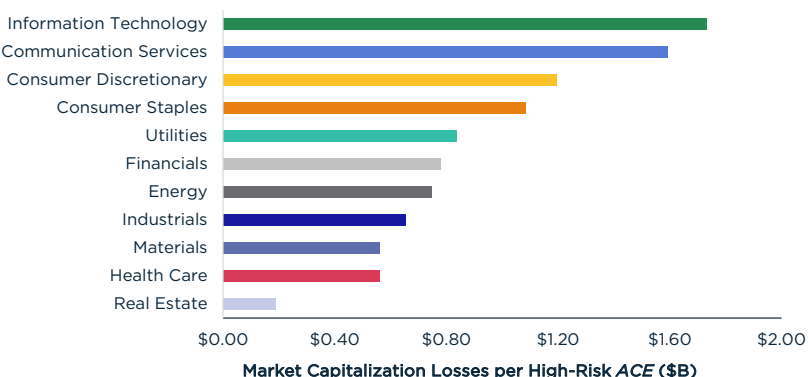


Figure 1b: Market Capitalization Losses per High-Risk ACE

Severity: Market Capitalization Losses on High-Risk ACEs

The magnitude of severity amounts to the cumulative market capitalization declines observed during the close-to-close event windows on *High-Risk ACEs* during the preceding two years. Figure 1a ranks the 11 sectors according to the magnitude of market cap. losses on trading days impacted by observed *High-Risk ACEs*. At approximately \$2.8 trillion in market cap. losses, issuers in *Information Technology* exhibit the highest level of sector-specific market cap. losses, comprising 27.8% of the global quantum. *Consumer Discretionary* and *Health Care* exhibited the second and third greatest amount of market cap. losses, respectively.

Figure 1b presents market cap. losses per *High-Risk ACE* for each industry sector. *Real Estate* exhibited the lowest market cap. losses per *High-Risk ACE* at \$0.19 billion. *Information Technology* exhibited the greatest amount of market cap. losses per *High-Risk ACE* at \$1.7 billion. *Consumer Discretionary* and *Information Technology* are in the Top 3 in both Figures 1a and 1b. *Health Care*, on the other hand, had a greater magnitude of sector-wide securities litigation risk, but is the second-to-least riskiest according to market cap. losses per *High-Risk ACE*. This dynamic is due in part to the high frequency of *High-Risk ACEs* that Small Caps exhibit in the *Health Care* sector and is another trend that has persisted since Sept. 2024.



All Industry Sectors

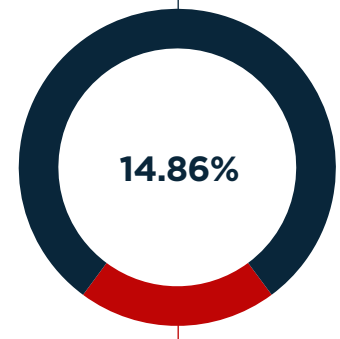
U.S. Securities Litigation Risk

Aggregate Market Capitalization Losses Amount to **\$10.0 Trillion**

Key Takeaways

- The aggregate securities litigation risk footprint of companies that trade on the NYSE and NASDAQ exhibit approximately \$10.0 trillion in market cap. losses as of Dec. 31, 2024. This quantum is derived from the cumulative, statistically significant stock price declines on High-Risk *Adverse Corporate Events* (“ACEs”) exhibited over the preceding two years.
- The median *SAR Risk Score*SM for U.S.-listed companies, as of Dec. 31, 2024, amounts to 17.93%. Health Care exhibits the highest median *SAR Risk Score*SM at 29.11%. This is 24.14 percentage points greater than Utilities, which has the lowest median score, at 4.97%.
- Single firm event study analyses on 10,536 ACEs of 4,605 U.S. public companies indicate that *High-Risk ACEs* continue to exhibit the highest frequency among SAR’s three categories. Frequency and severity of *High-Risk ACEs* increased by 6.0% and 7.0%, respectively, relative to the two-year period ending Sept. 2024.

Aggregate Market Cap (\$B)

\$66,994.41

Market Cap Losses on High-Risk ACEs (\$B)

\$9,953.58

Table 1: Frequency and Severity of Adverse Corporate Events by Industry Sector

Market Cap Sector Category [1]	U.S. Public Companies [2]	Frequency [3]			Severity
		Type I ACEs (Avg. No.) [4]	Type II ACEs (Avg. No.) [5]	High-Risk ACEs (Avg. No.) [6]	Market Cap. Losses on High-Risk ACEs (\$B) [7]
Energy	210	0.89	0.60	1.62	\$254.31
Materials	222	1.12	0.59	2.05	256.00
Industrials	638	1.26	0.73	2.57	1,072.81
Consumer Discretionary	548	0.94	0.51	2.48	1,624.76
Consumer Staples	189	0.92	0.54	2.02	412.68
Health Care	1,060	1.61	0.83	2.27	1,354.42
Financials	737	1.07	0.75	2.20	1,260.67
Information Technology	620	1.47	0.65	2.58	2,771.36
Communication Services	248	1.24	0.59	2.04	807.10
Utilities	83	1.05	0.55	1.80	124.37
Real Estate	50	0.74	0.74	1.60	15.12
TOTAL:	4,605				\$9,953.58
AVERAGE:		1.12	0.64	2.11	

[1] The Global Industry Classification Standard (“GICS”) is a widely used industry taxonomy developed by MSCI and S&P Dow Jones Indices. All issuers are categorized into 11 major industry sectors.

[2] SAR analyzes the actively trading common stock and ADR issuances of every public company on the NYSE or NASDAQ with sufficient data to perform a robust event study analysis that applies court-accepted statistical standards using a uniform two-year evaluation period and assigns a *SAR Risk Score*SM. This column displays the number of analyzed issuers in each industry sector.

[3] *Adverse Corporate Events* (“ACEs”) are statistically significant negative single-trading day stock price movements corresponding to company-specific news identified by SAR. There are three types of ACEs. Type I are company-originating news that do not include regulatory filings (i.e., press releases, earnings calls, corporate statements). Type II relate to corporate disclosures made via filings with the SEC. High-Risk are both company-originating news and regulatory filings made with the SEC.

[4] The average number of Type I ACEs identified among the sector.

[5] The average number of Type II ACEs identified among the sector.

[6] The average number of High-Risk ACEs identified among the sector.

[7] The cumulative quantum of market capitalization losses on identified *High-Risk ACEs* for issuers during the preceding two years as of December 31, 2024.

U.S. Securities Litigation Risk

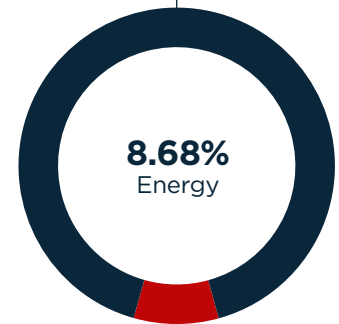
Sector Market Capitalization Losses Amount to **\$254.3 Billion**

Key Takeaways

- The Energy sector's securities litigation risk footprint decreased relative to Sept. 2024, as evidenced by a reduction in market cap. losses of 23.8%, or approx. \$79.6 billion.
- Market cap. losses per *High-Risk ACE* decreased relative to Sept. 2024 across all three market cap. categories.
- Average market capitalizations in the sector decreased by \$350 million.
- The median *SAR Risk Score*SM of the 210 constituent companies in the Energy sector is 8.95%. The Large, Mid, and Small Cap Median *SAR Risk Score*SM are 6.46%, 9.53%, and 15.53%, respectively.

Sector Market Cap (\$B)

\$2,931.32



Market Cap Losses on High-Risk ACEs (\$B)

\$254.31

Table 2: Energy — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Energy	70	0.63	0.49	1.66	\$234.38
Mid Cap Energy	42	0.74	0.50	1.57	13.26
Small Cap Energy	98	1.14	0.71	1.62	6.67
TOTAL:	210				\$254.31

Figure 2a: Frequency of ACEs

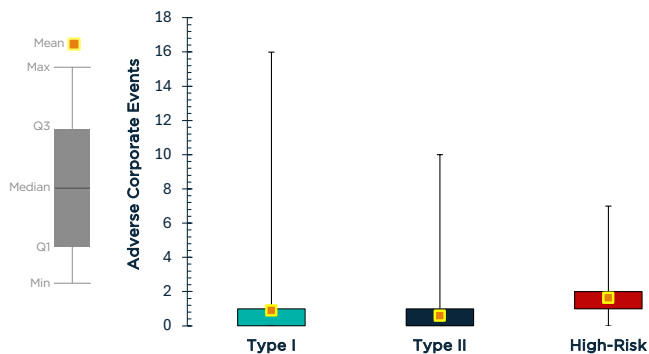
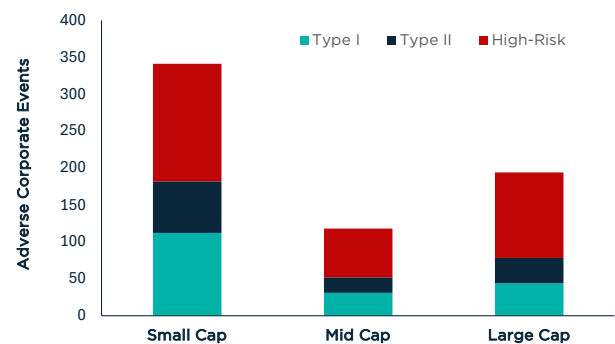


Figure 2b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.04B

\$0.20B

\$2.02B

Market Cap Losses per High-Risk ACE

Materials

U.S. Securities Litigation Risk

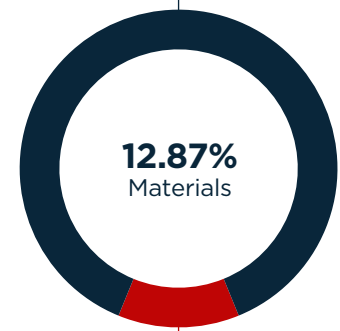
Sector Market Capitalization Losses Amount to \$256.0 Billion

Key Takeaways

- The Material sector's securities litigation risk footprint exhibited a modest increase relative to Sept. 2024. Market cap. losses increased by 8.9%, or \$21.01 billion.
- Observed maximum count of each category of *ACE* for constituent companies of the materials sector is greater than or equal to those observed in Sept. 2024.
- The median *SAR Risk ScoreSM* of 222 constituent companies in Materials is 13.08%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 8.12%, 16.88%, and 22.48%, respectively.
- The median *SAR Risk ScoreSM* for Materials increased by a modest 0.2 percentage points.

Sector Market Cap (\$B)

\$1,989.71



Market Cap Losses on High-Risk ACEs (\$B)

\$256.00

Table 3: Materials — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Materials	85	1.21	0.40	1.89	\$217.55
Mid Cap Materials	41	1.00	0.61	2.71	25.71
Small Cap Materials	96	1.09	0.76	1.91	12.75
TOTAL:	222				\$256.00

Figure 3a: Frequency of ACEs

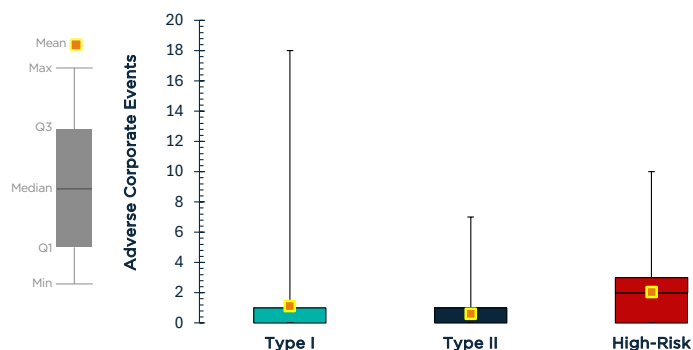
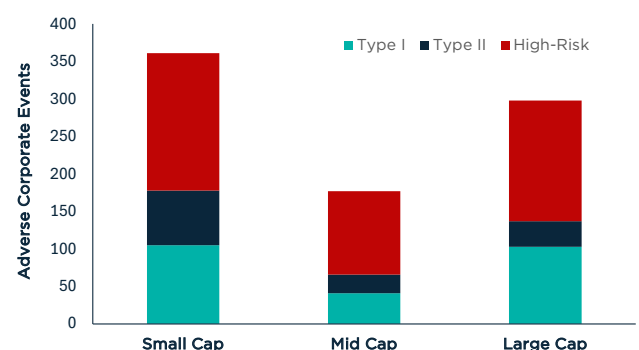


Figure 3b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.07B

\$0.23B

\$1.35B

Market Cap Losses per High-Risk ACE

U.S. Securities Litigation Risk

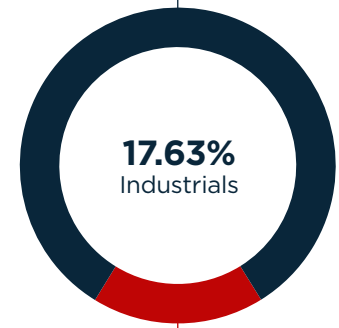
Sector Market Capitalization Losses Amount to \$1.1 Trillion

Key Takeaways

- The Industrial sector's securities litigation risk footprint increased relative to Sept. 2024 driven by a 18%, or \$163.05 billion, uptick in market cap. losses.
- Market cap. losses per company in the Industry Sector increased from \$1.41 billion to \$1.68 billion, or 19.2%.
- The median *SAR Risk ScoreSM* of 638 constituent companies in Industrials is 18.92%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 15.42%, 26.00%, and 29.00%, respectively.
- The median *SAR Risk ScoreSM* of constituent companies in the industrials sector increased by 2.1 percentage points since Sept. 2024.

Sector Market Cap (\$B)

\$6,085.66



Market Cap Losses on High-Risk ACEs (\$B)

\$1,072.81

Table 4: Industrials — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Industrials	226	0.89	0.30	2.66	\$956.10
Mid Cap Industrials	102	1.12	0.43	2.80	72.55
Small Cap Industrials	310	1.58	1.14	2.42	44.15
TOTAL:	638				\$1,072.81

Figure 4a: Frequency of ACEs

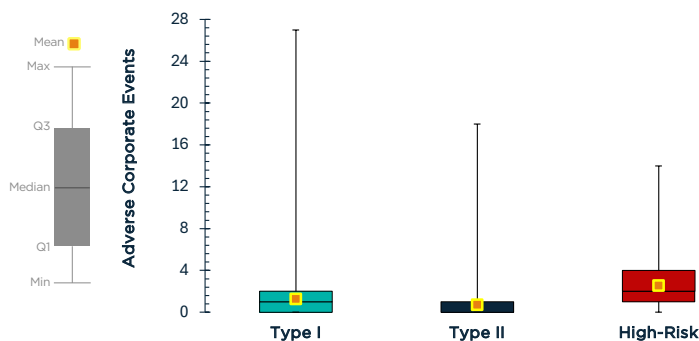
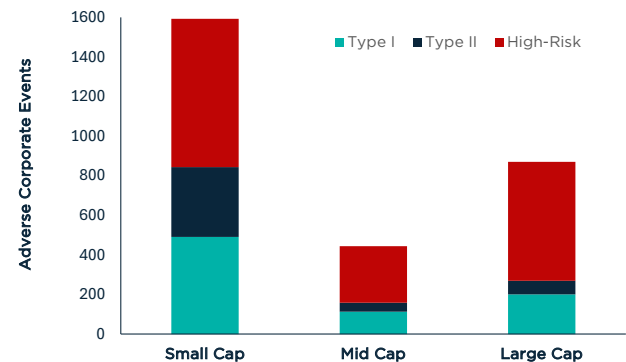


Figure 4b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.06B

\$0.25B

\$1.59B

Market Cap Losses per High-Risk ACE

Consumer Discretionary

U.S. Securities Litigation Risk

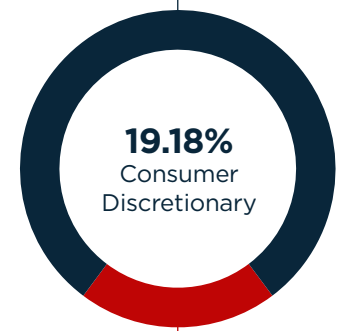
Sector Market Capitalization Losses Amount to \$1.6 Trillion

Key Takeaways

- The securities litigation risk footprint has remained stable relative to Sept. 2024. Market cap. losses increased by \$117.97 billion to \$1.6 trillion, or 7.8%.
- The frequency of *High-Risk ACEs* increased from 2.23 to 2.48. This represents an increase of 11.03% relative to Sept. 2024 and accounts for the highest percentage increase across all 11 sectors.
- The median *SAR Risk ScoreSM* of 548 constituent companies in Consumer Discretionary is 24.21%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 17.26%, 23.40%, and 34.29%, respectively.
- Market capitalizations per company in the Consumer Discretionary sector exhibited the highest relative increase across all sectors; from \$13.3 to \$15.7 billion, or 15.8%. The median *SAR Risk ScoreSM* increased by 1.03 percentage points.

Sector Market Cap (\$B)

\$8,469.64



Market Cap Losses on High-Risk ACEs (\$B)

\$1,624.76

Table 5: Consumer Discretionary — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Cons. Discr.	171	0.74	0.34	2.49	\$1,515.98
Mid Cap Cons. Discr.	80	0.99	0.33	2.85	62.16
Small Cap Cons. Discr.	297	1.03	0.65	2.37	46.61
TOTAL:	548				\$1,624.76

Figure 5a: Frequency of ACEs

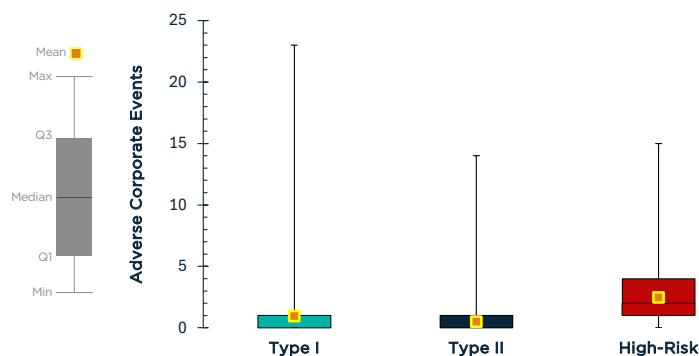
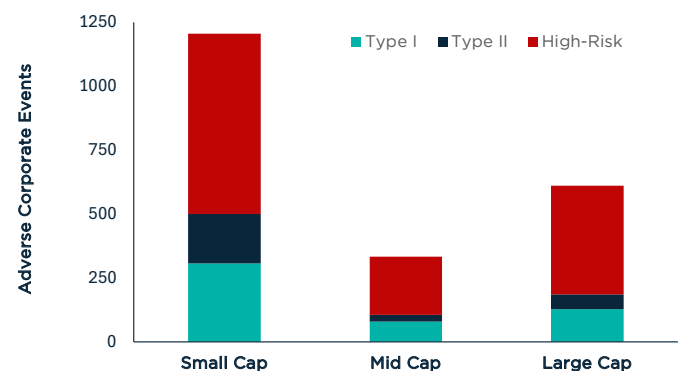


Figure 5b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.07B

\$0.27B

\$3.57B

Market Cap Losses per High-Risk ACE

Consumer Staples

U.S. Securities Litigation Risk

Sector Market Capitalization Losses Amount to \$412.7 Billion

Key Takeaways

- Consumer Staples exhibits a stable securities litigation risk footprint with lower market capitalizations and lower market cap. losses relative to Sept. 2024. Market cap. losses decreased by \$13.1 billion, or -3.1%.
- Both frequency and the total number of *High-Risk ACEs* in the sector decreased by 1.7% and 6.6%, respectively.
- The median *SAR Risk ScoreSM* of 189 constituent companies in Consumer Staples is 16.89%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 11.20%, 14.32%, and 25.28%, respectively.
- Market capitalizations per company in the Consumer Staples sector decreased, on average, by \$600 million, or -2.84% relative to Sept. 2024.

Sector Market Cap (\$B)

\$3,873.81

10.65%
Consumer
StaplesMarket Cap Losses on
High-Risk ACEs (\$B)

\$412.68

Table 6: Consumer Staples — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Consumer Staples	69	0.87	0.17	2.17	\$393.78
Mid Cap Consumer Staples	26	0.54	0.23	2.12	10.00
Small Cap Consumer Staples	94	1.05	0.90	1.87	8.91
TOTAL:	189				\$412.68

Figure 6a: Frequency of ACEs

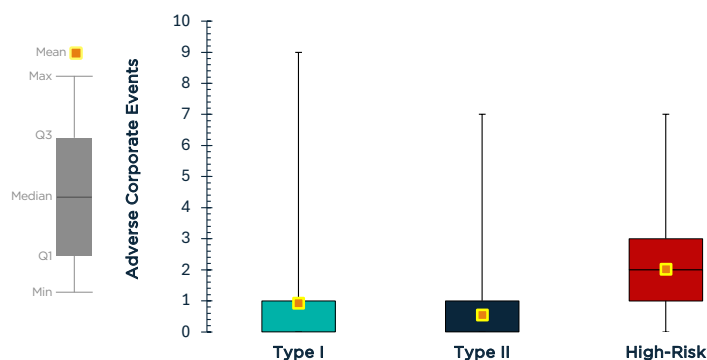
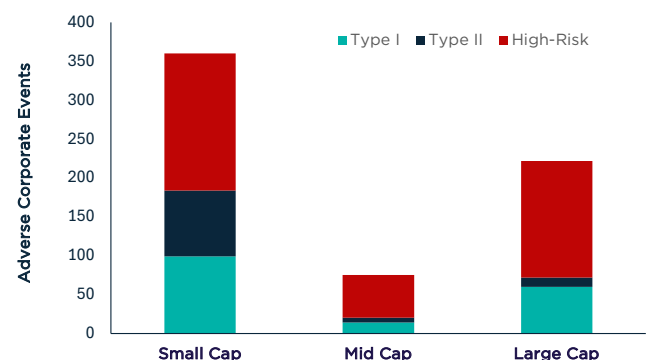


Figure 6b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.05B

\$0.18B

\$2.63B

Market Cap Losses per High-Risk ACE

Health Care

U.S. Securities Litigation Risk

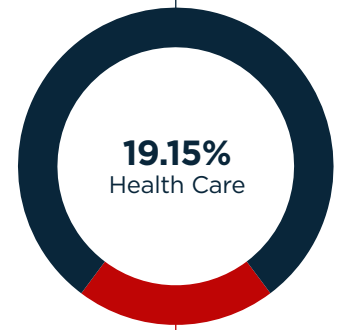
Sector Market Capitalization Losses Amount to \$1.4 Trillion

Key Takeaways

- The securities litigation risk footprint in the Health Care sector exhibited a notable increase driven by an increase in market cap. losses of 18.41%, or \$210.5 billion, relative to Sept. 2024.
- The sector's aggregate market capitalizations exhibited a marked decline of 16.6% relative to Sept. 2024 amounting to \$7.1 trillion.
- The median *SAR Risk Score*SM of 1,060 constituent companies in Health Care is 29.11%. The Large, Mid, and Small Cap Median *SAR Risk Score*SM are 17.64%, 18.64%, and 40.08%, respectively.
- Market capitalizations per company in the Health Care sector exhibited a substantial decrease of 14.2%, or \$1.1 billion. The median *SAR Risk Score*SM increased by 4.11 percentage points, which equates to the single largest increase in median score across all sectors.

Sector Market Cap (\$B)

\$7,072.56



Market Cap Losses on High-Risk ACEs (\$B)

\$1,354.42

Table 7: Health Care — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Health Care	154	1.60	0.41	2.70	\$1,168.14
Mid Cap Health Care	120	1.13	0.37	2.03	80.94
Small Cap Health Care	786	1.69	0.99	2.23	105.34
TOTAL:	1,060				\$1,354.42

Figure 7a: Frequency of ACEs

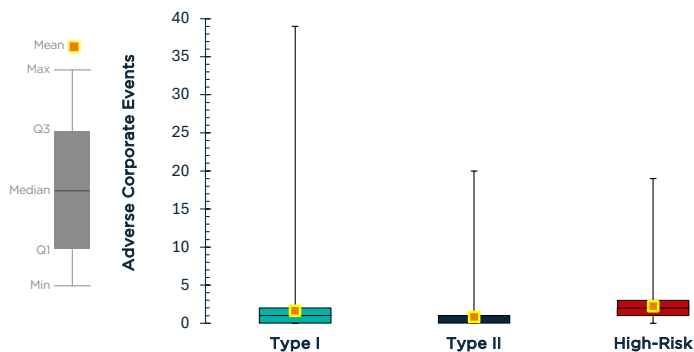
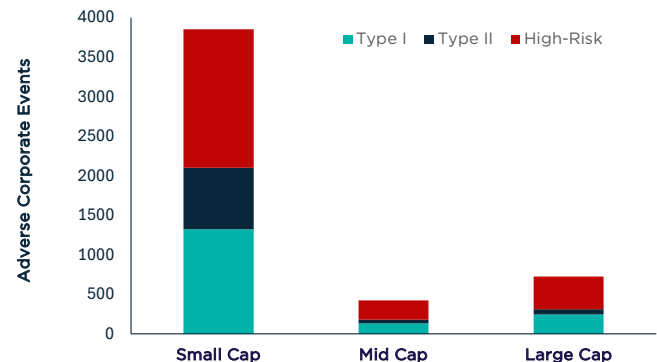


Figure 7b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.06B

\$0.33B

\$2.81B

Market Cap Losses per High-Risk ACE



U.S. Securities Litigation Risk

Sector Market Capitalization Losses Amount to \$1.3 Trillion

Key Takeaways

- Financials exhibited an increase in its securities litigation risk footprint relative to Sept. 2024. Market cap. losses increased by \$99.97 billion, or 8.61%.
- The increase in market cap. losses on *High-Risk ACEs* was driven by greater severity, or magnitude of stock price declines, relative to frequency. The frequency of *High-Risk ACEs* increased by 1.43% relative to Sept. 2024.
- The median *SAR Risk ScoreSM* of 737 constituent companies in Financials is 8.98%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 10.58%, 11.90%, and 7.00%, respectively.
- Market capitalizations per company increased, on average, by \$516 million, or 3.93% relative to Sept. 2024.



Table 8: Financials — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Financials	210	1.19	0.89	2.65	\$1,192.90
Mid Cap Financials	114	0.75	0.52	2.56	41.28
Small Cap Financials	413	1.10	0.74	1.86	26.48
TOTAL:		737			\$1,260.67

Figure 8a: Frequency of ACEs

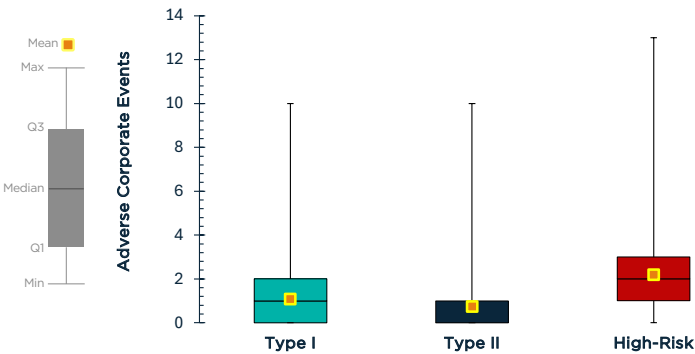
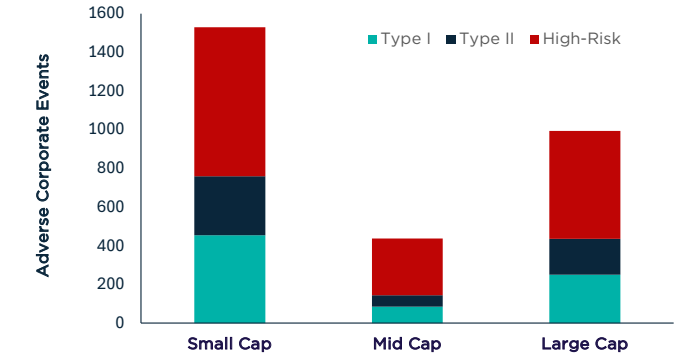


Figure 8b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication
Type II: Securities and Exchange Commission (SEC) Filings
High-Risk: Corporate Press Release/Communication and SEC Filings



Information Technology

U.S. Securities Litigation Risk

Sector Market Capitalization Losses Amount to \$2.8 Trillion

Key Takeaways

- The Information Technology sector continues to be the greatest contributor of market cap. losses on *High-Risk ACEs* at \$2.8 trillion, an increase of approx. \$0.8 trillion relative to Sept. 2024. IT leads across all 11 sectors with a greater share of aggregate market cap. losses, from 22.5% in Sept. 2024 to 27.8% as of Dec. 31, 2024.
- The sector has the highest market cap. losses per High-Risk *ACE* at \$1.73 billion. Losses per *High-Risk ACE* increased by \$0.36 billion, or 26.7%, relative to Sept. 2024.
- The median *SAR Risk ScoreSM* of 620 constituent companies is 25.44%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 20.47%, 27.61%, and 32.84%, respectively.
- Market capitalizations in the sector increased, on average, by \$2.64 billion, or 9.3% per company. The median *SAR Risk ScoreSM* decreased slightly by 0.9 percentage points compared to Sept. 2024.

Sector Market Cap (\$B)

\$19,196.68
14.44%
Information
Technology
Market Cap Losses on
High-Risk *ACEs* (\$B)**\$2,771.36**

Table 9: Information Technology — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I <i>ACEs</i> (Avg. No.)	Type II <i>ACEs</i> (Avg. No.)	High-Risk <i>ACEs</i> (Avg. No.)	Market Cap. Losses on High-Risk <i>ACEs</i> (\$B)
Large Cap IT	198	1.54	0.24	2.72	\$2,641.26
Mid Cap IT	95	0.89	0.47	2.67	76.05
Small Cap IT	327	1.60	0.94	2.47	54.06
TOTAL:	620				\$2,771.36

Figure 9a: Frequency of ACEs

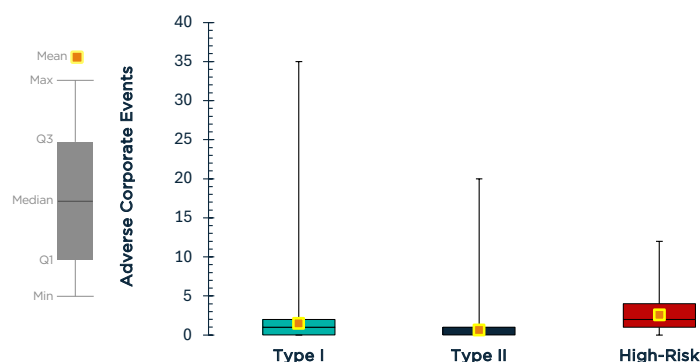
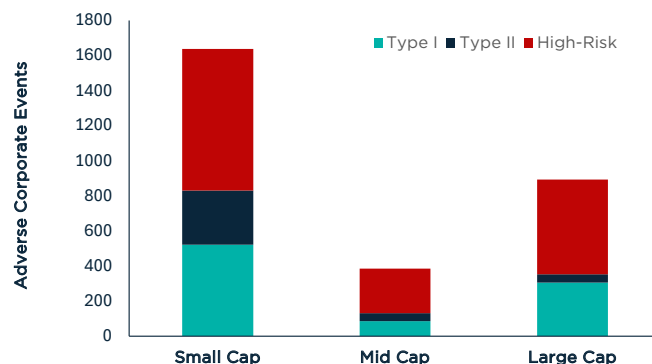


Figure 9b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.07B**\$0.3B****\$4.9B**

Market Cap Losses per High-Risk *ACE*

Communication Services

U.S. Securities Litigation Risk

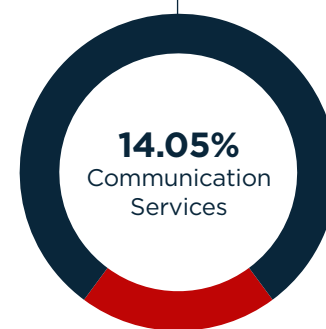
Sector Market Capitalization Losses Amount to \$807.1 Billion

Key Takeaways

- The Communication Services securities litigation risk footprint had a substantial reduction relative to Sept. 2024. Market cap. losses decreased by 23.1%, from \$1.0 trillion to \$807.1 billion as of Dec. 31, 2024.
- Market cap. losses per *High-Risk ACEs* decreased by 25.4%, or \$.54 billion relative to Sept. 2024. Notwithstanding, Communication Services remains the sector with the second greatest market cap. losses per *High-Risk ACE*.
- The median *SAR Risk Score*SM of 248 constituent companies in Communication Services is 19.06%. The Large, Mid, and Small Cap Median *SAR Risk Score*SM are 15.03%, 23.67%, and 20.24%, respectively.
- Average market capitalizations in the Communication Services sector increased by 11.06%, or \$2.31 billion.

Sector Market Cap (\$B)

\$5,745.61



Market Cap Losses on High-Risk ACEs (\$B)

\$807.10

Table 10: Communication Services — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Comm. Serv.	58	1.74	0.40	2.31	\$758.54
Mid Cap Comm. Serv.	37	1.16	0.59	2.41	30.97
Small Cap Comm. Serv.	153	1.07	0.66	1.86	17.59
TOTAL:	248				\$807.10

Figure 10a: Frequency of ACEs

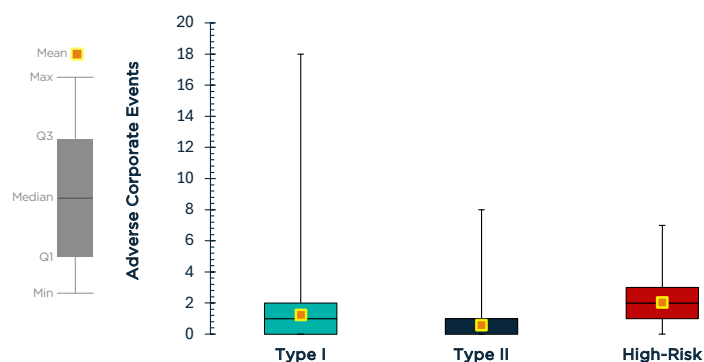
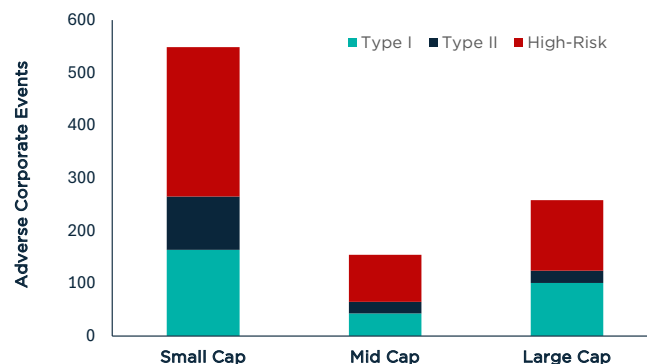


Figure 10b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.06B

\$0.35B

\$5.66B

Market Cap Losses per High-Risk ACE

U.S. Securities Litigation Risk

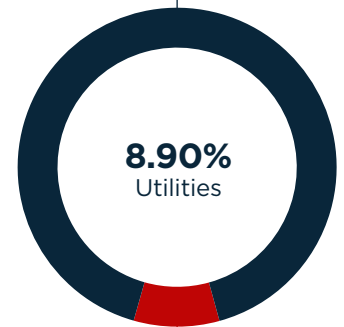
Sector Market Capitalization Losses Amount to \$124.4 Billion

Key Takeaways

- The securities litigation risk footprint in the Utilities sector increased relative to Sept. 2024, driven by a 13.9% increase in market cap. losses, or \$15.1 billion.
- The increase in securities litigation risk for Utilities companies was driven by an increase of 20.7% in severity, or magnitude of market cap. losses per *High-Risk ACE*, and not by the modest decline in the total number of *High-Risk ACE* relative to Sept. 2024.
- The median *SAR Risk ScoreSM* of 83 constituent companies in Utilities is 4.97%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 4.70%, 2.83%, and 9.44%, respectively.
- Market capitalizations in the sector increased, on average, by 2.2% per company, or \$366 million. The sector's median *SAR Risk ScoreSM* increased by 0.15 percentage points since Sept. 2024.

Sector Market Cap (\$B)

\$1,396.96



Market Cap Losses on High-Risk ACEs (\$B)

\$124.37

Table 11: Utilities — Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Utilities	52	1.04	0.56	1.88	\$118.41
Mid Cap Utilities	16	1.06	0.69	1.44	3.33
Small Cap Utilities	15	1.07	0.40	1.87	2.64
TOTAL:	83				\$124.37

Figure 11a: Frequency of ACEs

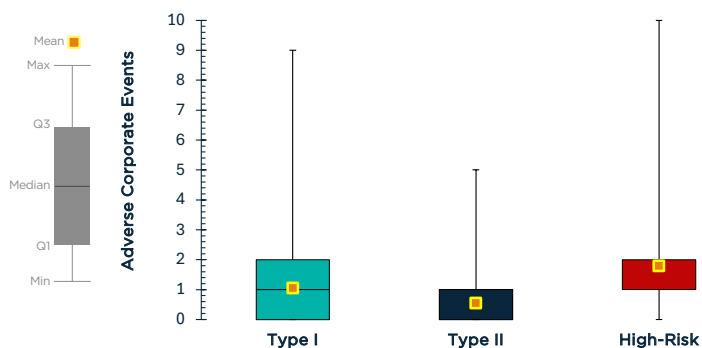
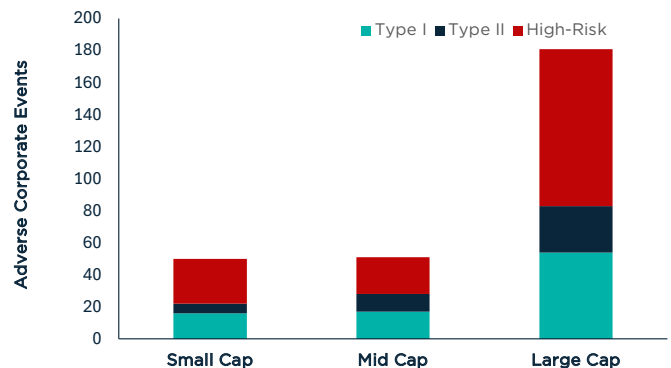


Figure 11b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings

\$0.09B

\$0.14B

\$1.21B

Market Cap Losses per High-Risk ACE



Real Estate

U.S. Securities Litigation Risk

Sector Market Capitalization Losses Amount to \$15.1 Billion

Key Takeaways

- The securities litigation risk footprint in the Real Estate sector remains stable relative to Sept. 2024. The sector continues to be the lowest contributor of market cap. losses on *High-Risk ACEs*, amounting to a mere 0.2% of the global quantum.
- The sector had the lowest market cap. losses per *High-Risk ACE* for Large Caps across all sectors at \$0.91 billion, 24.9% less than Utilities, the second lowest sector.
- The median *SAR Risk ScoreSM* of 50 constituent companies in Real Estate is 8.98%. The Large, Mid, and Small Cap Median *SAR Risk ScoreSM* are 4.14%, 15.35%, and 9.26%, respectively.
- Market capitalizations per company increased by \$126 million.



Table 12: Real Estate— Frequency and Severity of Adverse Corporate Events

Market Cap Sector Category	U.S. Public Companies	Frequency			Severity
		Type I ACEs (Avg. No.)	Type II ACEs (Avg. No.)	High-Risk ACEs (Avg. No.)	Market Cap. Losses on High-Risk ACEs (\$B)
Large Cap Real Estate	9	0.44	0.22	1.22	\$9.98
Mid Cap Real Estate	8	1.38	0.75	2.13	2.76
Small Cap Real Estate	33	0.67	0.88	1.58	2.37
TOTAL:	50				\$15.12

Figure 12a: Frequency of ACEs

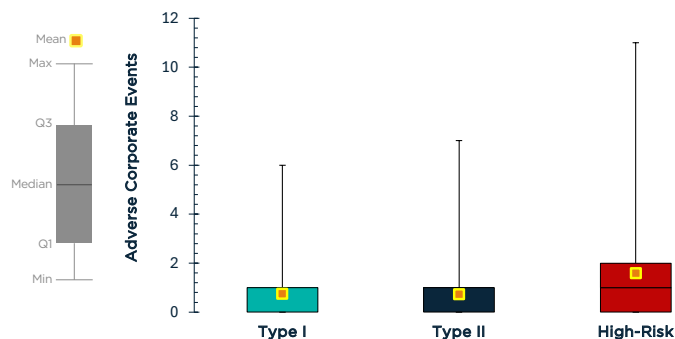
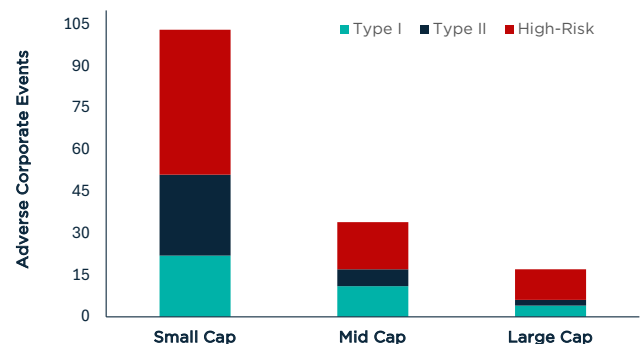


Figure 12b: Total ACEs by Market Cap



Adverse Corporate Events are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news.

Type I: Corporate Press Release/Communication

Type II: Securities and Exchange Commission (SEC) Filings

High-Risk: Corporate Press Release/Communication and SEC Filings



Market Cap Losses per High-Risk ACE

Industry-Sector Securities Litigation Risk Footprint

The securities litigation risk footprint of each industry sector is driven by the relative proportion of the frequency and severity of *ACEs*, aggregate Sector Market Capitalization, and the aggregate Market Cap. Losses stemming from *High-Risk ACEs*. The securities litigation risk footprint at the industry sector level is well demonstrated by the ratio of a sector's market cap. losses on *High-Risk ACEs* to its current aggregate market capitalization.

Figure 13a displays the change in the ratio of market cap. losses to each sector's current aggregate market capitalization. Between the two-year period ending in Sept. and Dec. 2024, this ratio *decreased* across four sectors: Energy, Consumer Discretionary, Communication Services and Real Estate. On average, the sectors that experienced a reduction in their ratio decreased by 2.58 percentage points. Communication Services had the most notable decrease. The ratio of market cap. losses to aggregate market capitalization decreased from 20.28% to 14.05% (-6.24 percentage points), driven primarily by a substantial reduction in market cap. losses. Conversely, Health Care suffered the highest percentage point increase relative to all sectors. The ratio increased from 13.48% to 19.15%, an uptick of 5.67 percentage points. The increase is attributed to both a decrease in market capitalizations and an increase in market cap. losses.

Figure 13a: Change in Ratio of Market Cap. Losses to Sector Market Cap.

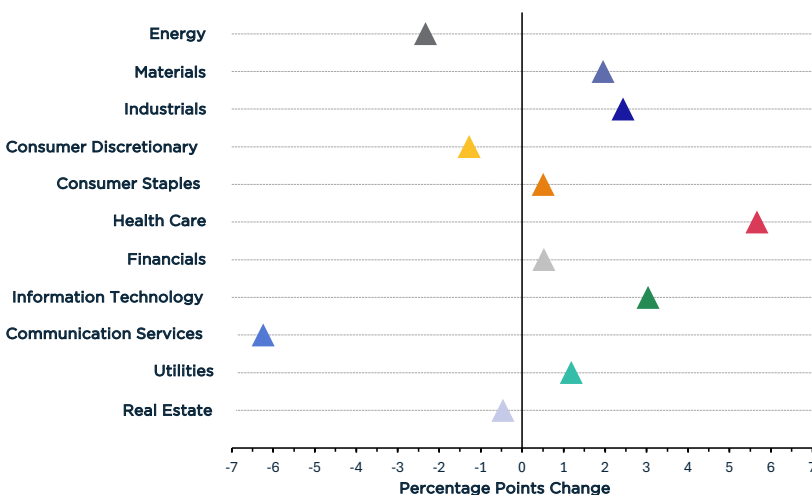
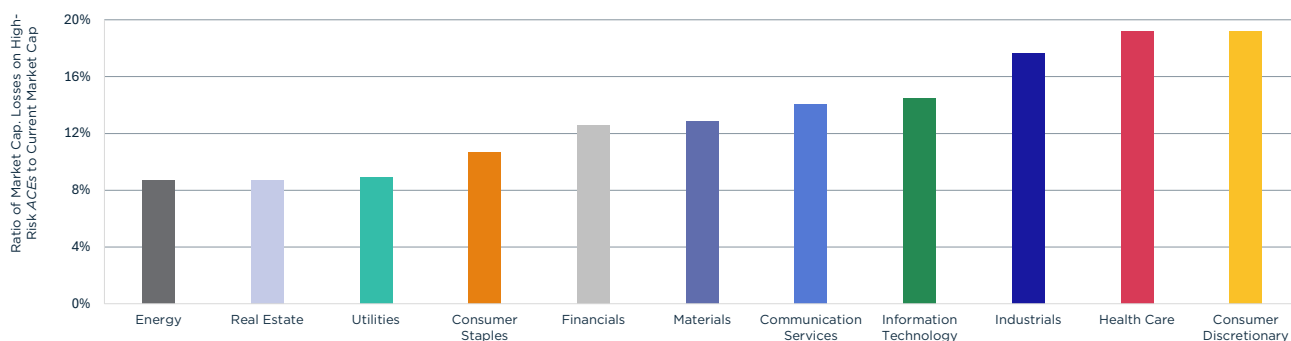


Figure 13b ranks each sector by the ratio of market cap. losses to each sector's aggregate market capitalization as of Dec. 2024. The range spans from 8.68% (Utilities) to 19.18% (Consumer Discretionary). This ratio highlights the potential magnitude of securities litigation risk for each sector by accounting for the cumulative material impact on stock price performance when constituent companies issued corporate statements and filed documents with the SEC.

Figure 13b: U.S. Securities Litigation Risk by Industry Sector



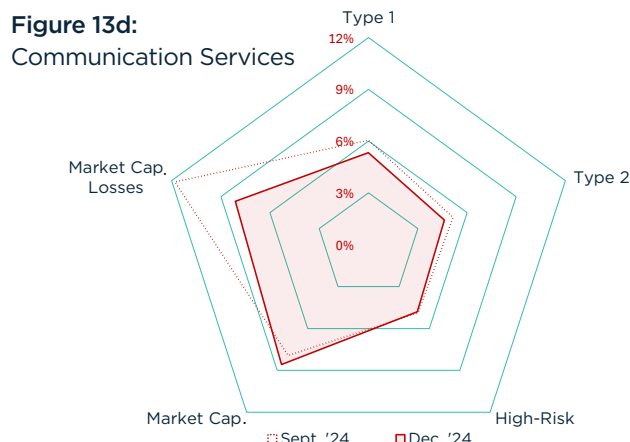
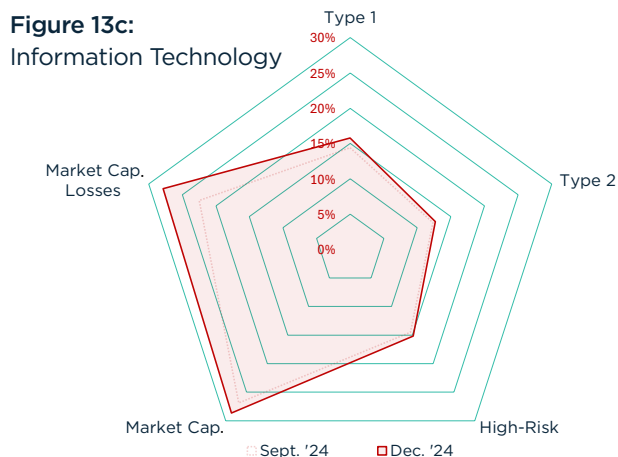
The ratio of market cap. losses to aggregate market capitalizations may or may not differ from a sector's median *SAR Risk Score*SM. While the average difference between both measures across all eleven sectors is only about -2.89 percentage points, some sectors have considerable variations in both measures according to the number of companies in the sector and fluctuations in market capitalizations relative to market cap. losses. The sector-specific median *SAR Risk Score*SM is most appropriately applied to assess company-specific risk in a near-real time basis. Its value empowers the risk manager and investment professional to understand the relative risk of a particular constituent company with respect to the median constituent. On the other hand, a sector's ratio of market cap. losses to each sector's aggregate market capitalization is most fittingly understood as a measurement of absolute risk. It provides a metric that quantifies a sector's overall securities litigation risk based on the magnitude of market cap. losses triggered by material corporate disclosures issued via press releases and filings made with the SEC.

SAR quantifies the *SAR Risk Score*SM at the sector, group, industry and sub industry level. **See Appendix 1** for a breakdown across all sectors.

SAR employs a two-step process to evaluate trends in the securities litigation risk footprint of each industry sector. First, we graph the relative proportion of Type I, Type II, and *High-Risk ACEs*, together with Sector Market Capitalization and Market Cap. Losses, where each variable represents a single point in a polar coordinate system. Second, we calculate the geometrical area formed by the five points. Internally, SAR iterates this process on a near-real time basis and for purposes of this report, we evaluate the change between Sept. and Dec. 2024. The change in a sector's footprint is based on the absolute difference between these two areas.

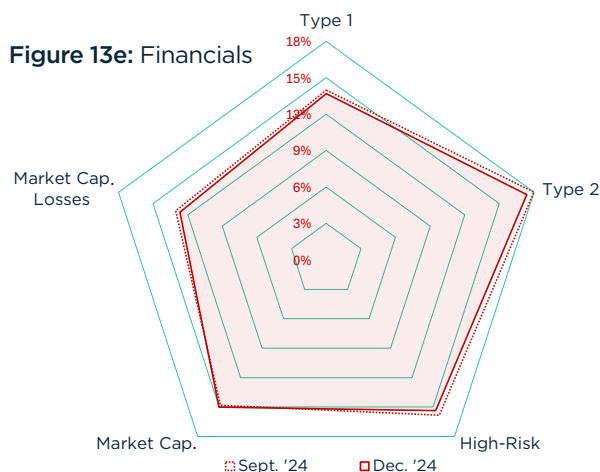
Based on this methodology, the industry sectors whose footprints exhibited the greatest change along the aforementioned 5-factors were Information Technology, Communication Services and Financials. These metrics at the time of the Inaugural Report (Sept. 2024) and as of the two-year period ending Dec. 31, 2024, are depicted in the figures below.

Information Technology. The sector with the greatest change in the securities litigation risk footprint was Information Technology. Market cap. losses associated with *High-Risk ACEs* constituted approx. 22.5% as of the two-year period ending Sept. 2024 and increased to 27.8% by Dec. 2024. Figure 13c shows that each of the 5-factors increased in the Information Technology sector. Market capitalization losses increased the most with 5.4 percentage points. The sector's market capitalization relative to the overall U.S. equity markets increased by 1.8 percentage points. Type I, Type II and *High-Risk ACEs* increased by 1.4, 0.3 and 0.7 percentage points, respectively.



Communication Services. Figure 13d displays the changes in Communication Services, which exhibited the second greatest change in securities litigation risk footprint. The deltas across the 5-factors are less pronounced compared to Information Technology. Market cap. losses associated with *High-Risk ACEs* in Communication Services constituted about 12% of the aggregate market cap. losses as of the two-year period ending Sept. 2024. It decreased to about 8% as of Dec. 2024. The sector's proportion of the aggregate U.S. equities market capitalization grew by 0.6 percentage points to approx. 9%. In total, all but one factor in the sector decreased between the two-year period ending in Sept. and Dec. 2024.

Financials. Figure 13e shows the variation in the securities litigation risk footprint for Financials across the 5-factors. It shows that Financials' market capitalization constitutes approx. 15% of the U.S. equities' aggregate market cap. in both two-year periods ending in Sept. and Dec. 2024. The relative proportion of all three types of *ACEs* and market cap. losses triggered by *High-Risk ACEs* decreased by a small margin as of Dec. 2024. Nevertheless, the absolute change in the area of the Financials sector securities litigation risk footprint ranks as the third highest across all sectors.





Securities Analytics Research

SAR is the leading data analytics company specialized in the securities litigation risk of public companies that trade on the NYSE or NASDAQ.

Our goal is to harmonize the application of event study analysis across the risk management industry by following the standards adopted by the Federal Judiciary and developed in academia to optimize executive and financial risk-transfer solutions through responsible innovation in technology and data science.

Our organization is focused on the proactive and uniform application of the court-accepted event study methodology to identify securities litigation risks more accurately and quantify the corresponding economic impact on the market capitalization of U.S.-listed companies. SAR delivers value through transparency by proactively monitoring corporate disclosures of U.S. and non-U.S. issuers to detect *Adverse Corporate Events* that have a material impact on stock price performance.

Our company empowers leading multinational insurance carriers, re-insurers, risk management executives, legal counsel and investment professionals with proven securities litigation risk analytics and high-quality data licensing solutions. We have high standards of raw data requirements and quality control to ensure the tried-and-true technologies of the *SAR PlatformSM* deliver superior data-driven advantages to better protect corporate directors and officers of companies that choose to trade in American stock exchanges — **the gold standard.**

Our analytics solutions apply highly specialized data science to identify and quantify the securities litigation risks that corporate directors and officers of public companies may face from company-specific disclosures that materially impact an issuer's stock price performance. SAR maintains two comprehensive industry-leading databases that comprise the knowledge bank of *SAR PlatformSM*. The *ACE Database* catalogues stock price performance data on all corporate disclosures that are disseminated via corporate press releases or announcements and filings made with the Securities and Exchange Commission. The *SCA Database* catalogues stock price performance data on all corporate disclosures that are claimed to be fraud-related by investor plaintiffs in private securities-fraud litigation. Documented standard operating procedures and assigned process owners in both data science and software engineering ensure that SAR remains at the forefront of responsible technological innovation backed by human accountability to deliver unmatched insights on the securities litigation risks facing directors and officers of public companies.

We invite you to learn more about SAR by taking the time to read our industry-leading thought leadership at sarlit.com/thought-leadership.

U.S. Securities Litigation Report Disclaimer

This independent research report presents SAR's quantification of the securities litigation risks of U.S. and non-U.S. issuers that trade on the NYSE or NASDAQ based on the proactive and uniform application of the court-accepted event study methodology. SAR continuously tests stock price performance over the corresponding close-to-close event window in response to corporate disclosures disseminated by issuers to more accurately identify *Adverse Corporate Events* categorized according to the issuers' applied corporate disclosure mechanism. All content published by SAR and presented in this report is based on securities analytics and research performed by professionals employed by the organization. SAR does not rely on any machine learning (ML) or artificial intelligence (AI) to produce the quantitative and statistical analyses presented herein or via the *SAR PlatformSM* and *ACE Alert* subscription service. SAR actively maintains two highly comprehensive databases that archive and categorize all *ACEs* of U.S. and non-U.S. issuers in addition to all alleged corporate disclosures that are claimed to be fraud-related by investor plaintiffs in private securities-fraud class action litigation. SAR ranks all public companies that trade on the NYSE or NASDAQ according to the *SAR Risk ScoreSM* on a near-real time basis and publishes summarized analytical tabulations and trends on a semi-annual basis.

Securities litigation risks for observed *Adverse Corporate Events* identified by SAR may or may not materialize into actual securities claims brought by allegedly harmed shareholders in common stock of the defendant issuers against the corporate directors and officers or the corresponding securities offering underwriters.

Securities claims may include, but are not limited to, securities class actions whereby investor plaintiffs allege violations of the federal securities laws under Section 11, Section 12(a)(2), and Section 15 of the Securities Act of 1933 ("Securities Act"), and under Section 10(b) and 20(a) of the Securities Exchange Act of 1934 and Securities Exchange Commission ("SEC") Rule 10b-5 promulgated thereunder ("Exchange Act"). Securities litigation risks may also materialize from enforcement actions filed in federal court by the SEC for alleged violations of the antifraud provisions of the securities laws of the Exchange Act, Securities Act, or the Investment Advisors Act of 1940. The economic impact of securities litigation risks presented in this equity research report amounts to the cumulative market capitalization declines over close-to-close event windows on High-Risk **ACEs** identified by SAR's application of the court-accepted event study methodology.

SAR Risk Report Event Study Application Disclosure

The results of the analyses presented in this report apply the use of a court-accepted event study methodology to identify **ACEs**. **ACEs** are identified by estimating statistically significant, single-trading day negative stock price movements that coincide with company-specific news. For each analyzed issuance, statistically significant price movements are detected by applying the results of a single-firm control regression with a minimum of 100 trading day observations and controls for general market and industry-specific factors. The general market factor in all cases is represented by the S&P 500 Total Return index. The industry-specific factors are represented by indices that correspond to the analyzed company's GICS classification. The applied event study methodology is performed post close of trading on the issues of public companies that trade on the NYSE or NASDAQ over a two-year retroactive evaluation period from the applied evaluation date and to test stock price performance in response to all company-specific corporate disclosures. Economic estimates by SAR are only estimates or projections, and actual results may vary, and may vary substantially, from those estimates or projections, which are based on many variables, assumptions, and forecasts, many of which are beyond the control of SAR and any of which may present differences with estimates that are quantified using different techniques that may or may not be submitted by officers of court for review by the Federal Judiciary. **No fraud or wrongdoing of any kind is alleged or implied by any such results derived by SAR and presented herein in this equity research report.**

Sources: SAR ACE Database as of December 31st, 2024, FINRA, Securities and Exchange Commission, S&P Global Market Intelligence, S&P Down Jones Indices

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Appendix 1: SAR Risk ScoreSM (Median), by GICS Classification

The following tables provide the median *SAR Risk Score*SM by Group, Industry and Sub Industry, as defined by the Global Industry Classification Standard (“GICS”). The median scores are based on our sample of 4,605 companies. The last column provides the percentage points difference in median *SAR Risk Score*SM between September 2024 and December 2024. A **+1.0** implies that a sub industry’s median *SAR Risk Score*SM in December 2024 increased by one percentage points relative to September 2024 while **-1.0** implies a reduction.

ENERGY						
Industry Group(s)	<i>SAR Risk Score</i> SM (Median)	Constituent Industries	<i>SAR Risk Score</i> SM (Median)	Sub Industries	<i>SAR Risk Score</i> SM (Median)	Score Delta
Energy	8.95%	Energy Equipment and Services	17.20%	Oil and Gas Drilling	15.86%	+6.60
				Oil and Gas Equipment and Services	17.27%	+1.13
				Integrated Oil and Gas	5.32%	-3.64
		Oil, Gas and Consumable Fuels	7.25%	Oil and Gas Exploration and Production	7.44%	-0.55
				Oil and Gas Refining and Marketing	19.22%	+3.95
				Oil and Gas Storage and Transportation	2.64%	-1.08
				Coal and Consumable Fuels	9.04%	-7.19

MATERIALS						
Industry Group(s)	<i>SAR Risk Score</i> SM (Median)	Constituent Industries	<i>SAR Risk Score</i> SM (Median)	Sub Industries	<i>SAR Risk Score</i> SM (Median)	Score Delta
Materials	13.08%	Chemicals	25.29%	Commodity Chemicals	40.45%	+17.50
				Diversified Chemicals	14.42%	-11.05
				Fertilizers and Agricultural Chemicals	22.22%	-5.34
				Industrial Gases	31.58%	+2.16
				Specialty Chemicals	15.67%	+0.26
		Construction Materials	3.65%	Construction Materials	3.65%	-0.91
		Containers and Packaging	14.82%	Metal, Glass and Plastic Containers	13.00%	-7.03
				Paper and Plastic Packaging Products and Materials	19.74%	-2.58
		Metals and Mining	8.09%	Aluminum	7.81%	-2.62
				Diversified Metals and Mining	10.71%	-2.27
				Copper	0.00%	0.00
				Gold	1.13%	+0.02
				Precious Metals and Minerals	40.15%	+22.49
				Silver	30.45%	+14.28
				Steel	9.51%	-0.81
		Paper and Forest Products	0.00%	Forest Products	0.00%	0.00
				Paper Products	18.48%	+2.83

INDUSTRIALS						
Industry Group(s)	<i>SAR Risk Score</i> SM (Median)	Constituent Industries	<i>SAR Risk Score</i> SM (Median)	Sub Industries	<i>SAR Risk Score</i> SM (Median)	Score Delta
Capital Goods	21.53%	Aerospace and Defense	15.84%	Aerospace and Defense	15.84%	+0.89
		Building Products	18.66%	Building Products	18.66%	+5.97
		Construction and Engineering	15.20%	Construction and Engineering	15.20%	+1.87
		Electrical Equipment	39.20%	Electrical Components and Equipment	39.67%	+3.33
				Heavy Electrical Equipment	22.10%	-6.01
		Industrial Conglomerates	18.92%	Industrial Conglomerates	18.92%	-0.29
		Machinery	21.29%	Construction Machinery and Heavy Transportation Equipment	32.02%	+1.26
				Agricultural and Farm Machinery	37.47%	-2.51
				Industrial Machinery and Supplies and Components	19.83%	+5.29
		Trading Companies and Distributors	24.05%	Trading Companies and Distributors	24.05%	+4.55

INDUSTRIALS						
Commercial and Professional Services	16.43%	Commercial Services and Supplies	14.74%	Commercial Printing	12.18%	+6.49
				Environmental and Facilities Services	16.04%	+3.82
				Office Services and Supplies	4.43%	+0.13
				Diversified Support Services	20.20%	-3.38
				Security and Alarm Services	0.00%	0.00
		Professional Services	20.51%	Human Resource and Employment Services	24.43%	-7.16
				Research and Consulting Services	19.82%	+7.99
				Data Processing and Outsourced Services	15.43%	-12.96
Transportation	15.69%	Air Freight and Logistics	19.58%	Air Freight and Logistics	19.58%	+9.82
		Passenger Airlines	41.14%	Passenger Airlines	41.14%	+5.27
		Marine Transportation	0.00%	Marine Transportation	0.00%	0.00
		Ground Transportation	15.90%	Rail Transportation	13.95%	-0.60
				Cargo Ground Transportation	15.90%	-1.36
				Passenger Ground Transportation	30.62%	-20.66
		Transportation Infrastructure	27.43%	Airport Services	33.48%	+0.97
				Marine Ports and Services	0.00%	0.00

CONSUMER DISCRETIONARY						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Automobiles and Components	34.09%	Automobile Components	29.02%	Automotive Parts and Equipment	29.07%	-8.46
				Tires and Rubber	0.00%	0.00
		Automobiles	37.09%	Automobile Manufacturers	34.15%	-5.42
				Motorcycle Manufacturers	48.51%	+18.30
Consumer Durables and Apparel	26.30%	Household Durables	21.21%	Consumer Electronics	51.83%	-0.39
				Home Furnishings	29.29%	+8.46
				Homebuilding	16.85%	+9.02
				Household Appliances	35.59%	+2.96
				Housewares and Specialties	14.29%	-37.38
		Leisure Products	25.05%	Leisure Products	25.05%	-6.05
		Textiles, Apparel and Luxury Goods	29.90%	Apparel, Accessories and Luxury Goods	30.98%	-3.42
				Footwear	22.67%	-7.34
Textiles	12.19%			+3.25		
Consumer Services	16.07%	Hotels, Restaurants and Leisure	17.38%	Casinos and Gaming	16.32%	+1.40
				Hotels, Resorts and Cruise Lines	11.17%	-0.36
				Leisure Facilities	35.81%	+10.19
				Restaurants	21.82%	+3.15
		Diversified Consumer Services	10.17%	Education Services	5.81%	-6.06
				Specialized Consumer Services	27.65%	+5.23
Consumer Discretionary Distribution and Retail	28.28%	Distributors	34.61%	Distributors	34.61%	+5.12
		Broadline Retail	28.95%	Broadline Retail	28.95%	+12.77
		Specialty Retail	27.97%	Apparel Retail	28.68%	+9.48
				Computer and Electronics Retail	5.33%	-5.62
				Home Improvement Retail	15.22%	-0.10
				Other Specialty Retail	34.95%	-7.06
				Automotive Retail	29.17%	+8.85
				Homefurnishing Retail	41.47%	+0.19

CONSUMER STAPLES						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Consumer Staples Distribution and Retail	14.04%	Consumer Staples Distribution and Retail	14.04%	Drug Retail	14.44%	-0.72
				Food Distributors	8.16%	+2.44
				Food Retail	0.00%	-6.05
				Consumer Staples Merchandise Retail	20.21%	+6.12
Food, Beverage and Tobacco	18.11%	Beverages	6.47%	Brewers	16.89%	+8.32
				Distillers and Vintners	15.32%	-22.91
				Soft Drinks and Non-alcoholic Beverages	6.22%	+1.64
		Food Products	20.82%	Agricultural Products and Services	20.77%	-9.37
				Packaged Foods and Meats	20.82%	+7.77
Household and Personal Products	16.94%	Tobacco	7.18%	Tobacco	7.18%	+0.23
		Household Products	13.67%	Household Products	13.67%	+0.34
		Personal Care Products	25.81%	Personal Care Products	25.81%	-7.34

HEALTH CARE						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Health Care Equipment and Services	29.16%	Health Care Equipment and Supplies	31.08%	Health Care Equipment	33.92%	-8.86
				Health Care Supplies	21.61%	-0.74
		Health Care Providers and Services	19.86%	Health Care Distributors	21.67%	+8.41
				Health Care Services	19.86%	-2.50
				Health Care Facilities	15.43%	+2.90
				Managed Health Care	33.59%	+20.34
		Health Care Technology	55.40%	Health Care Technology	55.40%	+1.68
Pharmaceuticals, Biotechnology and Life Sciences	29.11%	Biotechnology	29.68%	Biotechnology	29.68%	+6.36
		Pharmaceuticals	25.83%	Pharmaceuticals	25.83%	+8.61
		Life Sciences Tools and Services	29.05%	Life Sciences Tools and Services	29.05%	+0.97

FINANCIALS						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Banks	7.54%	Banks	7.54%	Diversified Banks	8.16%	-1.42
				Regional Banks	7.52%	-0.43
Financial Services	10.81%	Financial Services	16.61%	Diversified Financial Services	21.50%	+5.68
				Multi-Sector Holdings	0.00%	0.00
				Specialized Finance	18.64%	+2.10
				Commercial and Residential Mortgage Finance	12.03%	+7.16
				Transaction and Payment Processing Services	22.26%	-0.52
		Consumer Finance	15.15%	Consumer Finance	15.15%	-4.07
		Capital Markets	3.80%	Asset Management and Custody Banks	0.53%	+0.53
				Investment Banking and Brokerage	7.77%	-2.31
				Diversified Capital Markets	22.78%	-0.75
Insurance	12.93%	Insurance	12.93%	Financial Exchanges and Data	14.82%	-6.14
				Mortgage Real Estate Investment Trusts (REITs)	12.19%	-0.40
				Insurance Brokers	20.75%	+6.50
				Life and Health Insurance	14.65%	+2.75
				Multi-line Insurance	16.03%	+8.72
				Property and Casualty Insurance	12.17%	-1.60
				Reinsurance	6.63%	-7.45

INFORMATION TECHNOLOGY						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Software and Services	23.78%	IT Services	22.33%	IT Consulting and Other Services	15.45%	-4.60
				Internet Services and Infrastructure	40.89%	-0.63
		Software	24.38%	Application Software	23.62%	-0.15
				Systems Software	26.44%	-4.14
Technology Hardware and Equipment	26.69%	Communications Equipment	29.11%	Communications Equipment	29.11%	-13.66
				Technology Hardware, Storage and Peripherals	29.74%	+2.91
		Electronic Equipment, Instruments and Components	21.85%	Electronic Equipment and Instruments	21.85%	-3.27
				Electronic Components	17.82%	-7.50
				Electronic Manufacturing Services	26.39%	-1.59
Semiconductors and Semiconductor Equipment	29.66%	Semiconductors and Semiconductor Equipment	29.66%	Technology Distributors	22.77%	+4.91
				Semiconductor Materials and Equipment	27.85%	+3.07
				Semiconductors	30.79%	+4.65

COMMUNICATION SERVICES						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Telecommunication Services	12.98%	Diversified Telecommunication Services	22.45%	Alternative Carriers	40.36%	+24.07
				Integrated Telecommunication Services	16.55%	+4.84
		Wireless Telecommunication Services	4.72%	Wireless Telecommunication Services	4.72%	-1.79
Media and Entertainment	20.41%	Media	26.21%	Advertising	23.26%	-2.36
				Broadcasting	35.89%	-6.14
				Cable and Satellite	34.83%	-2.21
				Publishing	26.54%	+3.35
		Entertainment	11.95%	Movies and Entertainment	11.75%	-1.16
				Interactive Home Entertainment	13.17%	-5.37
		Interactive Media and Services	21.19%	Interactive Media and Services	21.19%	-3.40

UTILITIES						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Utilities	4.98%	Electric Utilities	5.61%	Electric Utilities	5.61%	+1.01
				Gas Utilities	4.65%	-3.20
				Multi-Utilities	3.77%	+0.34
				Water Utilities	5.69%	+1.92
		Independent Power and Renewable Electricity Producers	4.05%	Independent Power Producers and Energy Traders	2.21%	-2.12
				Renewable Electricity	16.11%	+5.81

REAL ESTATE						
Industry Group(s)	SAR Risk Score SM (Median)	Constituent Industries	SAR Risk Score SM (Median)	Sub Industries	SAR Risk Score SM (Median)	Score Delta
Equity Real Estate Investment Trusts (REITs)	6.59%	Office REITs	0.00%	Office REITs	0.00%	-0.00
		Specialized REITs	13.17%	Other Specialized REITs	13.17%	+5.06
Real Estate Management and Development	8.98%	Real Estate Management and Development	8.98%	Diversified Real Estate Activities	11.12%	+6.37
				Real Estate Operating Companies	2.72%	+1.51
				Real Estate Development	10.83%	+0.58
				Real Estate Services	10.90%	-3.40