Price Risk: The Largest And Most Popular Stocks Often Provide the Greatest Disappointments

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Equity Risk Sciences, LLC

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<u>ERS's "Price Risk" defined:</u>

The risk that a stock's price may be too high to provide a future profit.

Do the 4 charts illustrate the points below?

Even though a company's revenue and earnings growth may be nothing short of fantastic, their stock price often does fails to provide meaningful shareholder profits

1) Even the largest, most respected and fastest growing companies may produce very significant investor losses
2) Even companies that Wall Street's best and most trusted analysts recommend may produce very significant investor losses
3) The masses determine the price of every stock; a stock which relatively very few investors pay attention to may be both undervalued and safe while companies that the vast majority of investor insist on owning, may be tremendously over-priced, precisely *because there are so many more buyers than sellers.*
4) ERS employs proprietary big-data analytic technology to evaluate and rate a company's price risk. ERS Price Risk Ratings are generally reliable and often protect investors from purchasing stocks that eventually decline very substantially.
5) Put the "Price Risk Rating" on ALL charts, on many dates of the chart.

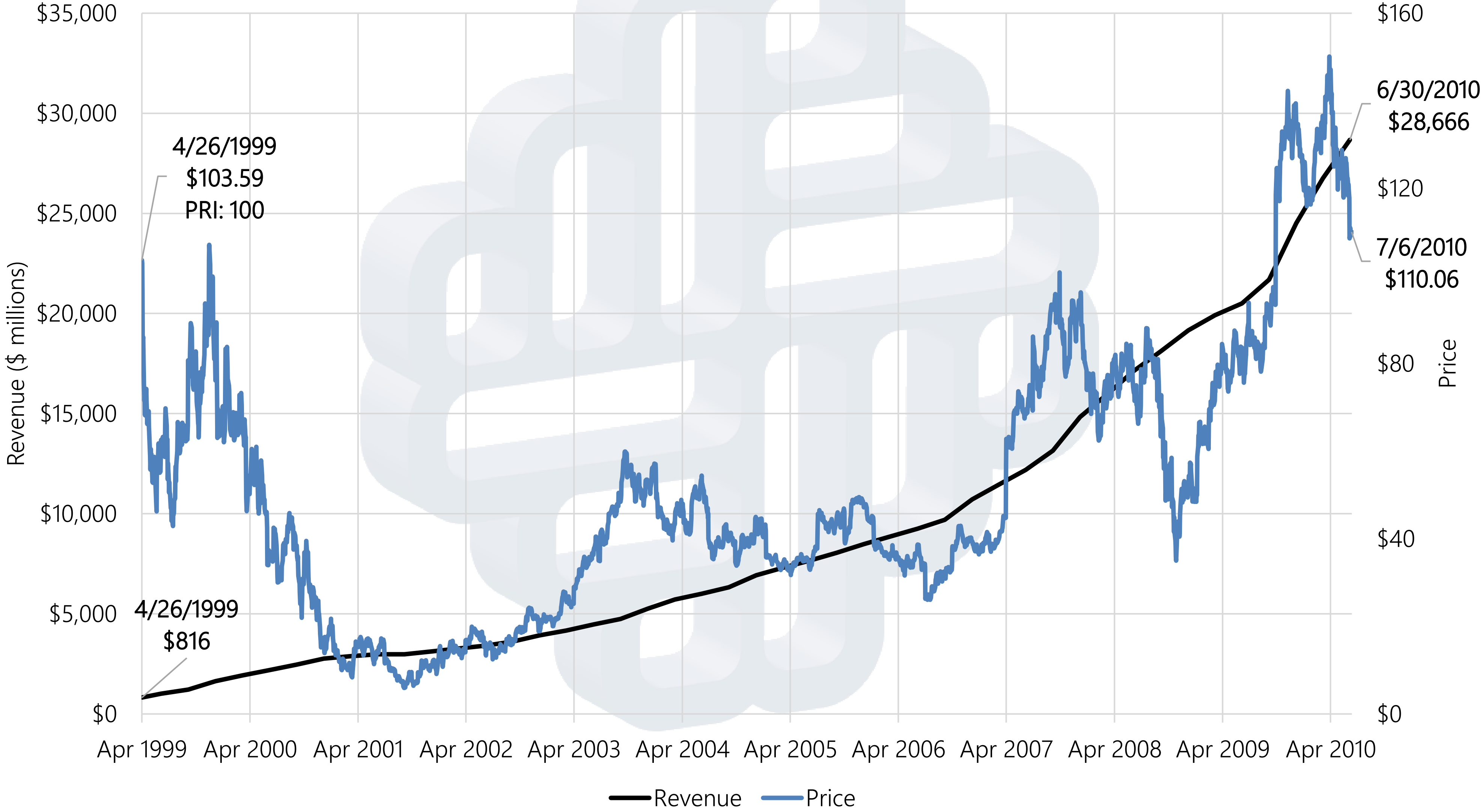
What additional points can we make about "Price Risk" to stimulate/disturb the reader?

**ERS does not make price forecasts.*

Amazon (AMZN)

4/26/99 to 7/6/10

Over 11 years, Amazon's revenues grew from $816 million to $28.7 billion – a 35-times increase.
Yet, over this period, Amazon's stock price just increased by 6%!
Why - because investors paid too high a price for the stock. (*See* ERS's Price Risk Indicator)



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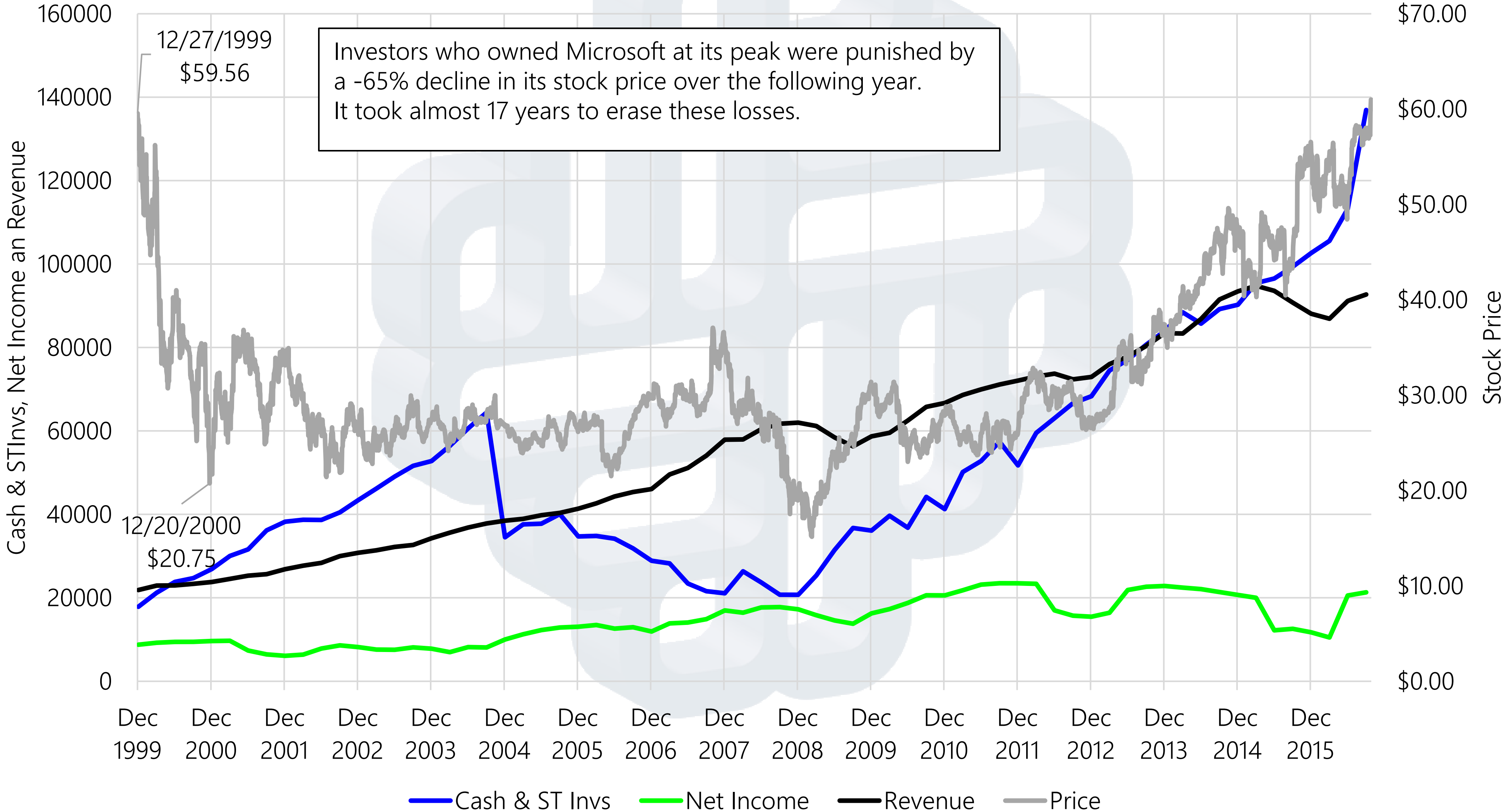
Microsoft (MSFT)

12/27/99 to 10/25/16

From 12/27/99 to 10/25/16, Microsoft's revenues grew from $22 billion to $93 billion, and its total cash and short-term investments increased from $17 billion to $137 billion.
Yet over the same period, Microsoft's stock price only increased by 2.4%!
Why? Because **investors paid too high a price for the stock**.



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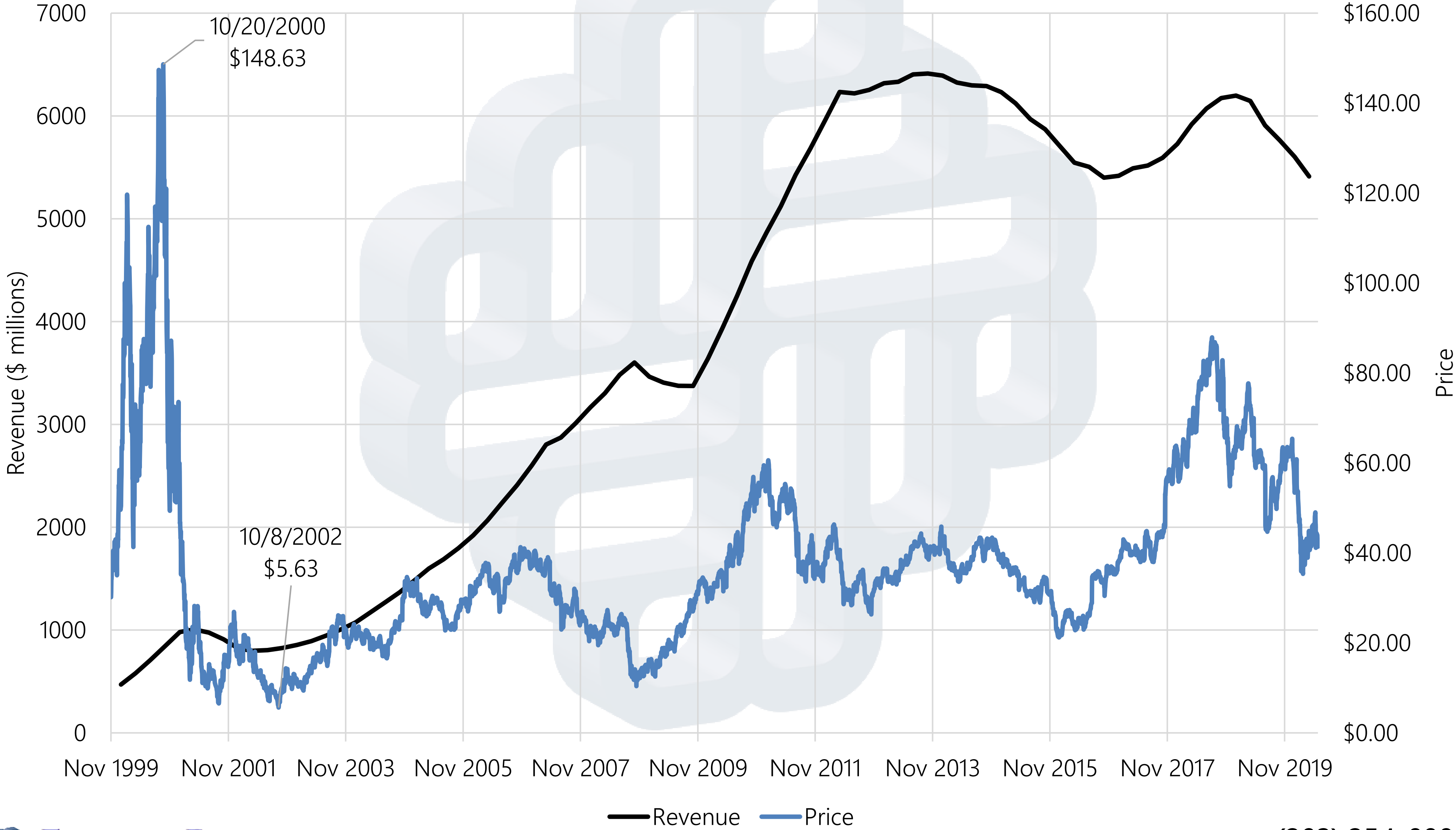
NetApp (NTAP)

4/26/99 to 7/6/10

NetApp's revenues increased from $470 million on 1/31/00 to $6.4 billion on 10/31/13.
However, NetApp's stock price fell from $148.63 on 10/20/00 to $5.63 on 10/8/02 – a **-96%** decline!
Why? Because **investors paid too high a price for the stock**.



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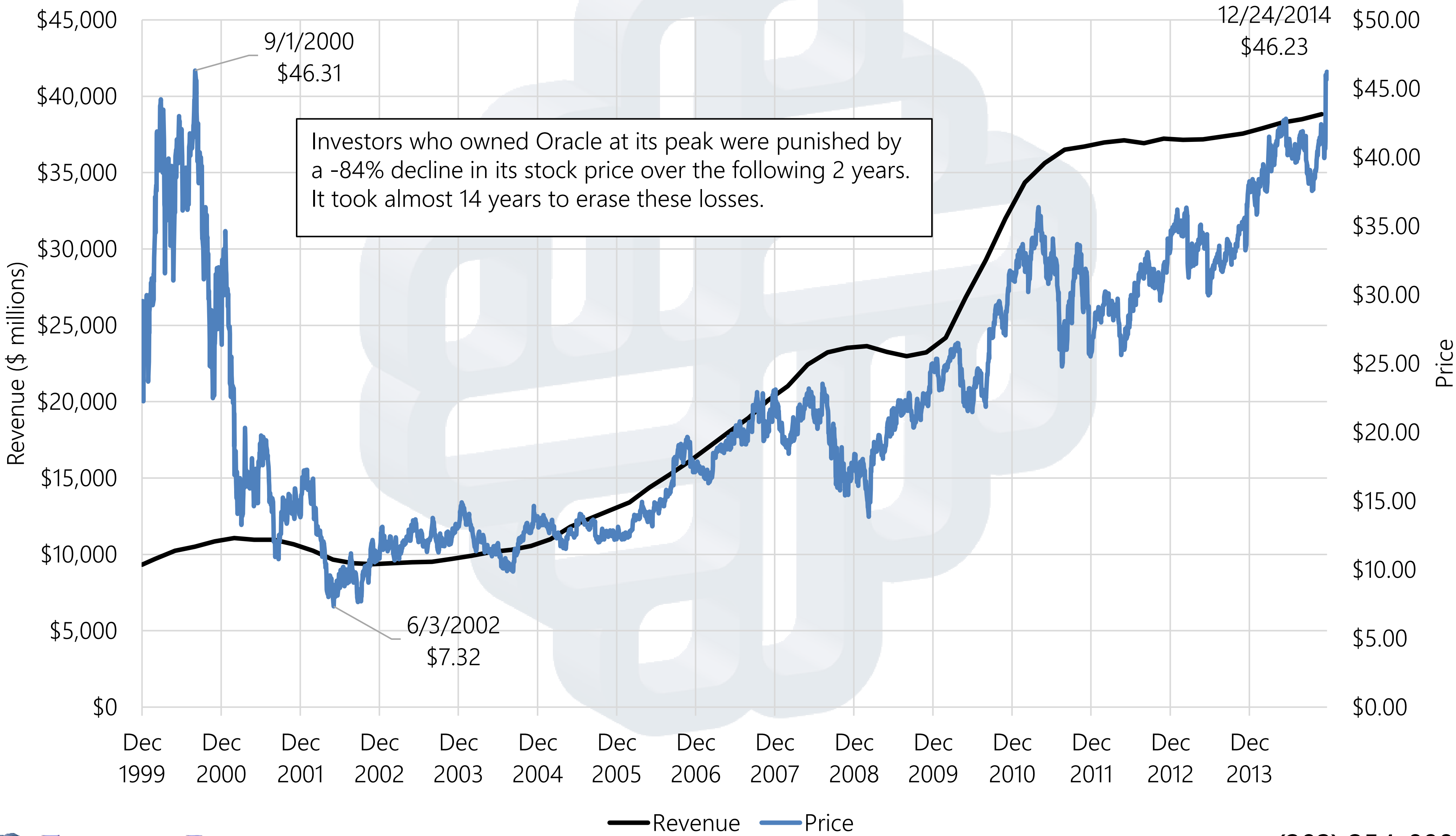
Oracle (ORCL)

9/1/00 to 12/24/14

From 9/1/00 to 12/24/14, Oracle's revenues grew from $10.5 billion to $38.5 billion.
Yet Oracle's stock price was almost the same at the end of this period of growth as it was at the beginning!
Why? Because **investors paid too high a price for the stock**.



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