Joseph A. Serdakowski, Ph.D., P.E., M.B.A.
2 Round Hill Court
East Greenwich, RI 02818
401.996.3631
joeserd@gmail.com

July 10, 2023

Mr. Ray Mullaney
Equity Risk Sciences
6828 Post Road, Suite 3E
N. Kingstown, RI 02852
(203) 254-0000

Topic: Independent backtesting of ERS's Portfolio Performance Model

ERS commissioned me to validate ERS's Portfolio Performance Model. I worked with Ray Mullaney in 2004 on a similar project and have developed my own method for picking stocks that are highly probable of outperforming the S&P 500 which I use to manage a portion of my personal portfolio.

After an initial review of ERS's source code I realized that validating the code by reviewing it on a line-by-line basis would be a very tedious and laborious task. I chose to start with a blank Excel workbook and build a separate model using the same assumptions communicated to me about ERS's model.

ERS has 4 proprietary metrics that are calculated for every stock on every trading day. I am not privy to those calculations, so I accept their word that these 4 metrics are calculated based on backward-looking properties of each stock and that the calculations are accurately stored in ERS's database.

ERS is reporting these results:

Portfolio	12/31/17 to 12/31/22 (5 Years)	12/31/12 to 12/31/22 (10 Years)
Enduring Portfolio™ using Independent Backtester	$27.47 (22.4%)	$63.97 (20.4%)
Enduring Portfolio™ using In-House Backtester	$28.69 (23.5%)	$62.14 (20.0%)
S&P 500	$15.69 (9.4%)	$32.65 (12.6%)

I wrote the "Independent Backtester". The two different backtesters achieve the same results within an acceptable difference. It short, *"This works!"*

Joseph A. Serdakowski, Ph.D., P.E., M.B.A.