



Most Attractive Stocks for April 2021

20 Large/Mid Cap and 20 Small Cap Stocks

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- **Figure 1** shows 28 new stocks that make our April lists.
- **The Most Attractive Stocks portfolio (+8.5%) outperformed the S&P 500 (+6.8%) last month.**
- **Figure 4** shows the 20 stocks that outperformed from March's report.
- **See Appendix C** for data on returns, volatility and portfolio turnover for our Most Attractive Stocks Portfolio
- **Most Attractive Stocks** have high and rising returns on capital (ROIC) and low market expectations for future profits.
- This [paper](#) compares our analytics on a mega cap company to other major providers. The Appendix details exactly how we stack up.
- Our Robo-Analyst technology, [featured by Harvard Business School](#), enables analysis of financial footnotes at unprecedented scale.
- Our research utilizes more reliable & [proprietary](#) fundamental data, proven in [The Journal of Financial Economics](#) and [studies](#) from the public & private sectors.

Figure 1: Additions for April

Large Cap Additions		Small Cap Additions	
Ticker	Company Name	Ticker	Company Name
AZO	AutoZone Inc.	BGFV	Big 5 Sporting Goods
BBY	Best Buy	BKE	The Buckle
BOH	Bank Of Hawaii Corp	BXC	BlueLinx Holdings
CADE	Cadence Bancorp	COWN	Cowen, Inc.
CWH	Camping World Holdings	HBCP	Home Bancorp
DKS	Dick's Sporting Goods	HEAR	Turtle Beach Corp
EBAY	eBay Inc.	HMST	HomeStreet, Inc.
ERIC	Ericsson	HVT	Haverty Furniture Companies
FHI	Federated Hermes Inc.	IEA	Infrastructure And Energy
OMF	OneMain Holdings Inc	NATR	Nature's Sunshine Products
TNET	TriNet Group Inc	NLS	Nautilus Group
USNA	USANA Health Sciences	PZN	Pzena Investment Management
VNT	Vontier Corporation	SMP	Standard Motor Products
		WSBF	Waterstone Financial
		ZUMZ	Zumiez Inc.

Sources: New Constructs, LLC

Please see Appendix B for explanations of additions and deletions to the large and small cap lists.

The 20 Most Attractive Large/Mid Cap Stocks for April

We recommend that investors equal-weight holdings in all 20 Large/Mid Cap Most Attractive Stocks.

Figure 2: 20 Most Attractive Large/Mid Cap Stocks for April

Ticker	Company Name	Sector	As of Last Twelve Months			as of 04/05/21			Market Value (\$mm)
			Positive Economic EPS	Rising ROIC (% point increase)	High-Ranking ROIC (by Quintile)	Positive Free Cash Flow Yield	Low Price-to-Economic Book Value	Short Market-Implied GAP (years)	
OMF*	OneMain Holdings Inc	Financials	\$4.76	1%	Top Quintile	14%	0.5	Less than 1	\$7,408
DKS*	Dick's Sporting Goods	Consumer Cyclical	\$5.95	6%	2nd	14%	0.5	Less than 1	\$7,192
BBY*	Best Buy Co, Inc.	Consumer Cyclical	\$6.15	7%	Top Quintile	13%	0.8	Less than 1	\$29,503
MTH	Meritage Homes Corp	Consumer Cyclical	\$8.12	6%	2nd	13%	0.4	Less than 1	\$3,531
CWH*	Camping World Holdings	Consumer Cyclical	\$7.22	11%	Top Quintile	12%	0.7	Less than 1	\$3,263
VIRT	Virtu Financial Inc	Financials	\$8.56	47%	Top Quintile	10%	0.1	Less than 1	\$3,933
ERIC*	Ericsson	Technology	\$0.59	16%	Top Quintile	10%	0.8	Less than 1	\$44,678
VNT*	Vontier Corporation	Industrials	\$1.94	1%	Top Quintile	10%	0.7	Less than 1	\$5,297
LPX	Louisiana-Pacific Corporation	Basic Materials	\$2.87	17%	Top Quintile	9%	0.9	2	\$6,351
BCC	Boise Cascade Company	Basic Materials	\$4.39	11%	Top Quintile	8%	0.6	Less than 1	\$2,506
BOH*	Bank Of Hawaii Corp	Financials	\$4.20	1%	Top Quintile	7%	0.8	Less than 1	\$3,638
ALL	Allstate Corp	Financials	\$16.32	8%	Top Quintile	7%	0.3	Less than 1	\$35,585
CADE*	Cadence Bancorp	Financials	\$1.45	5%	Top Quintile	6%	0.5	Less than 1	\$2,624
USNA*	USANA Health Sciences	Consumer Non-cyclicals	\$5.26	13%	Top Quintile	6%	0.7	Less than 1	\$2,073
APAM	Artisan Partners Asset Management	Financials	\$5.14	20%	Top Quintile	6%	0.9	Less than 1	\$4,267
MCY	Mercury General Corp	Financials	\$4.87	3%	Top Quintile	6%	0.4	Less than 1	\$3,409
FHI*	Federated Hermes Inc.	Financials	\$2.34	2%	Top Quintile	6%	0.6	Less than 1	\$3,125
AZO*	AutoZone Inc.	Consumer Cyclical	\$81.36	2%	Top Quintile	6%	0.6	Less than 1	\$31,201
TNET*	TriNet Group Inc	Industrials	\$3.50	8%	Top Quintile	6%	1.1	1	\$5,276
EBAY*	eBay Inc.	Technology	\$2.88	6%	Top Quintile	6%	0.7	Less than 1	\$43,338

* Addition to the Large/Mid Cap Most Attractive list in April

Most Attractive Stocks are sorted by Risk/Reward rating

Sources: New Constructs, LLC

The 20 Most Attractive Small Cap Stocks for April

We recommend that investors equal-weight holdings in all 20 Small Cap Most Attractive Stocks.

Figure 3: 20 Most Attractive Small Cap Stocks for April

Ticker	Company Name	Sector	High-Quality Earnings			Cheap Valuation			Market Value (\$mm)
			As of Last Twelve Months			as of 04/05/21			
			Positive Economic EPS	Rising ROIC (% point increase)	High-Ranking ROIC (by Quintile)	Positive Free Cash Flow Yield	Low Price-to-Economic Book Value	Short Market-Implied GAP (years)	
PZN*	Pzena Investment Management	Financials	\$2.69	25%	Top Quintile	29%	0.2	Less than 1	\$185
COWN*	Cowen, Inc.	Financials	\$5.50	13%	Top Quintile	22%	0.3	Less than 1	\$1,025
ZUMZ*	Zumiez Inc.	Consumer Cyclical	\$2.19	2%	2nd	16%	0.6	Less than 1	\$1,109
HVT*	Haverty Furniture Companies	Consumer Cyclical	\$1.13	2%	3rd	16%	0.8	Less than 1	\$694
NLS*	Nautilus Group	Consumer Cyclical	\$2.34	38%	Top Quintile	15%	0.3	Less than 1	\$490
IMKTA	Ingles Markets,	Consumer Non-cyclical	\$8.73	7%	2nd	15%	0.2	Less than 1	\$1,243
BKE*	The Buckle, Inc.	Consumer Cyclical	\$2.28	6%	Top Quintile	15%	0.7	Less than 1	\$1,976
BGFV*	Big 5 Sporting Goods	Consumer Cyclical	\$1.34	7%	2nd	13%	0.5	Less than 1	\$371
NTGR	Netgear Inc.	Technology	\$1.33	8%	2nd	12%	0.8	Less than 1	\$1,277
HMST*	HomeStreet, Inc.	Financials	\$2.89	8%	2nd	11%	0.4	Less than 1	\$934
CASH	Meta Financial	Financials	\$3.03	5%	Top Quintile	10%	0.6	Less than 1	\$1,520
NATR*	Nature's Sunshine Products	Consumer Non-cyclical	\$0.52	1%	2nd	10%	1.1	2	\$392
SMP*	Standard Motor Products	Consumer Cyclical	\$2.40	1%	2nd	9%	0.5	Less than 1	\$957
BXC*	BlueLinx Holdings	Consumer Cyclical	\$6.24	11%	2nd	9%	0.3	Less than 1	\$402
SAFT	Safety Insurance Group	Financials	\$6.76	6%	Top Quintile	8%	0.4	Less than 1	\$1,268
IEA*	Infrastructure And Energy	Industrials	\$2.12	7%	Top Quintile	6%	0.3	Less than 1	\$325
WSBF*	Waterstone Financial	Financials	\$3.07	11%	Top Quintile	6%	0.2	Less than 1	\$523
HBCP*	Home Bancorp	Financials	\$1.80	2%	2nd	6%	0.5	Less than 1	\$322
VALU	Value Line, Inc.	Industrials	\$1.55	4%	Top Quintile	6%	0.9	Less than 1	\$308
HEAR*	Turtle Beach Corp	Technology	\$2.33	16%	Top Quintile	6%	0.5	Less than 1	\$425

* Addition to the Small Cap Most Attractive list in April

Most Attractive Stocks are sorted by Risk/Reward rating

Sources: New Constructs, LLC



Most Attractive Stocks: Monthly Updates

The Most Attractive Stocks portfolio (+8.5%) outperformed the S&P 500 (+6.8%) last month. 20 stocks from our March Most Attractive Large Cap and Small Cap lists outperformed the S&P 500, and 35 stocks had positive returns. See Figure 4 for details. For updates on the performance of all of last month's Most Attractive stocks, see Appendix A. The performance is based on closing prices from March 3, 2021 to April 5, 2021.

See our quarterly [Model Portfolio Performance reports](#) for updates on performance since inception and other longer periods of time.

Figure 4: 35 Stocks with Positive Returns From March's Report

Large Cap			Small Cap		
Ticker	Company Name	Change From 03/03/21	Ticker	Company Name	Change From 03/03/21
LEN	Lennar Corporation	29.7%	HOV	Hovnanian Enterprises	30.1%
LPX	Louisiana-Pacific Corporation	26.3%	JOUT	Johnson Outdoors Inc.	16.2%
BCC	Boise Cascade Company	23.1%	HIBB	Hibbett Sports, Inc.	13.6%
PHM	PulteGroup Inc.	21.6%	ECPG	Encore Capital Group Inc	13.3%
VIRT	Virtu Financial Inc	19.5%	IMKTA	Ingles Markets, Inc.	10.2%
APAM	Artisan Partners Asset Management	13.7%	AAWW	Atlas Air Worldwide Holdings	9.5%
MTH	Meritage Homes Corp	13.2%	GHL	Greenhill & Co. Inc	8.8%
HSY	The Hershey Company	10.4%	VALU	Value Line, Inc.	8.4%
MC	Moelis & Co	8.0%	NTGR	Netgear Inc.	8.2%
CTXS	Citrix Systems, Inc.	7.8%	S&P 500	S&P 500	6.8%
NVR	NVR Inc.	7.7%	GWB	Great Western Bancorp	5.8%
S&P 500	S&P 500	6.8%	SBSI	Southside Bancshares	5.4%
BAH	Booz Allen Hamilton	6.4%	CASH	Meta Financial	5.0%
ALL	Allstate Corp	5.6%	HZO	MarineMax Inc.	3.8%
STX	Seagate Technology	4.3%	SAFT	Safety Insurance Group	3.5%
TROW	T. Rowe Price Group	4.1%	CLW	Clearwater Paper Corp	3.1%
GPI	Group 1 Automotive	3.6%	PJT	PJT Partners	2.9%
MCY	Mercury General Corp	1.5%	PETS	PetMed Express, Inc.	1.1%
FIZZ	National Beverage Corp	0.5%			

Sources: New Constructs, LLC

Note: Gain/Decline performance analysis excludes transaction costs and dividends.



Most Attractive Stocks: Methodology

Stocks make our Most Attractive list because they have:

1. **High-Quality Earnings** based on:

- a. Returns on Invested Capital that are rising; and
- b. Economic Earnings/Cash Flows that are positive.

AND

2. **Cheap Valuations** based on:

- a. *Free-Cash Flow Yields*¹ that are positive;
- b. *Price-to-Economic Book Value (EBV)*² ratios that are relatively low; and
- c. *Growth Appreciation Periods*³ (GAP) that are relatively low.

The above characteristics also qualify stocks for a ‘Very Attractive’ or ‘Attractive’ Rating, according to our Risk/Reward Rating system. Figure 5 shows our Risk/Reward Rating analysis, which we apply to the 3000+ companies that we cover. Stocks get a grade of 1 to 5 for each criterion, 5 being the worst and 1 being the best score. The overall score is based on the average score of all five criteria. Stocks must get an average score of 1.4 or below to be rated Very Attractive.

Figure 5: New Constructs Risk/Reward Rating for Stocks

Risk/Reward Rating ⑦	Quality of Earnings		Valuation		
	Econ vs Reported EPS ⑧	ROIC ⑧	FCF Yield ⑧	Price to EBV ⑧	GAP ⑧
Very Unattractive	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50
Unattractive	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50
Neutral	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20
Attractive	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10
Very Attractive	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3

Sources: New Constructs, LLC

¹ Free-Cash Flow Yields measure the % of the total value of the firm for which the Free Cash Flows of the firm account. The formula is FCF/Current Enterprise Value.

² Economic Book Value (EBV) measures the no-growth value of the business based on its annual after-tax cash flow. The Formula for EBV is: (NOPAT / WACC) + Excess Cash + Non-operating assets – Debt (incl. Operating Leases) - Value of Outstanding Stock Options – Minority Interests.

³ Growth Appreciation Period measures the number of years, implied by the market-price, that a company will grow its economic earnings. This measure assigns a numerical value to the width of the moat around a firm’s business.



Appendix A – Performance of Stocks in March’s Report

Figure 6: Performance of All Stocks Since March’s Report

Large Cap			Small Cap		
Ticker	Company Name	Change From 03/03/21	Ticker	Company Name	Change From 03/03/21
LEN	Lennar Corporation	29.7%	HOV	Hovnanian Enterprises	30.1%
LPX	Louisiana-Pacific Corporation	26.3%	JOUT	Johnson Outdoors Inc.	16.2%
BCC	Boise Cascade Company	23.1%	HIBB	Hibbett Sports, Inc.	13.6%
PHM	PulteGroup Inc.	21.6%	ECPG	Encore Capital Group Inc	13.3%
VIRT	Virtu Financial Inc	19.5%	IMKTA	Ingles Markets, Inc.	10.2%
APAM	Artisan Partners Asset Management	13.7%	AAWW	Atlas Air Worldwide Holdings	9.5%
MTH	Meritage Homes Corp	13.2%	GHL	Greenhill & Co. Inc	8.8%
HSY	The Hershey Company	10.4%	VALU	Value Line, Inc.	8.4%
MC	Moelis & Co	8.0%	NTGR	Netgear Inc.	8.2%
CTXS	Citrix Systems, Inc.	7.8%	SPX	S&P 500	6.8%
NVR	NVR Inc.	7.7%	GWB	Great Western Bancorp	5.8%
SPX	S&P 500	6.8%	SBSI	Southside Bancshares	5.4%
BAH	Booz Allen Hamilton	6.4%	CASH	Meta Financial	5.0%
ALL	Allstate Corp	5.6%	HZO	MarineMax Inc.	3.8%
STX	Seagate Technology	4.3%	SAFT	Safety Insurance Group Inc	3.5%
TROW	T. Rowe Price Group	4.1%	CLW	Clearwater Paper Corp	3.1%
GPI	Group 1 Automotive	3.6%	PJT	PJT Partners	2.9%
MCY	Mercury General Corp	1.5%	PETS	PetMed Express, Inc.	1.1%
FIZZ	National Beverage Corp	0.5%	ODC	Oil-Dri Corporation Of America	-2.8%
AX	Axos Financial Inc.	-0.2%	ESSA	Essa Bancorp	-4.8%
UMPQ	Umpqua Holdings Corp	-1.0%	WRLD	World Acceptance Corp	-5.3%
Large Cap Portfolio Return		10.3%	Small Cap Portfolio Return		6.8%
Combo (Large and Small Cap) Return		8.5%			

Sources: New Constructs, LLC

Note: Gain/Decline performance analysis excludes transaction costs and dividends.



Appendix B – Additions and Deletions

Most Attractive Large/Mid Cap Stocks

Deletions:

- LEN - Stock price increased 29.7% since March report.
- PHM - Stock price increased 21.6% since March report.
- HSY - Stock price increased 10.4% since March report.
- MC - Stock price increased 8.0% since March report.
- CTXS - Stock price increased 7.8% since March report.
- NVR - Stock price increased 7.7% since March report.
- BAH - Stock price increased 6.4% since March report.
- STX - Stock price increased 4.3% since March report.
- TROW - Stock price increased 4.1% since March report.
- GPI - Stock price increased 3.6% since March report.
- AX - Displaced by improved rank of other stocks.
- FIZZ - Displaced by improved rank of other stocks.
- UMPQ - Displaced by improved rank of other stocks.

Additions:

- CADE - Stock price decreased 1.4% since March report.
- USNA - Stock price decreased 1.0% since March report.
- AZO - Addition by decrease in rank of other stocks.
- BOH - Addition by decrease in rank of other stocks.
- CWH - Addition by decrease in rank of other stocks.
- EBAY - Addition by decrease in rank of other stocks.
- FHI - Addition by decrease in rank of other stocks.
- OMF - Addition by decrease in rank of other stocks.
- TNET - Addition by decrease in rank of other stocks.
- VNT - Addition by decrease in rank of other stocks.
- BBY - New filing data on 03/19/21.
- DKS - New filing data on 03/24/21.
- ERIC - New filing data on 03/25/21.

Most Attractive Small Cap Stocks

Deletions:

- HOV - Stock price increased 30.1% since March report.
- JOUT - Stock price increased 16.2% since March report.
- ECPG - Stock price increased 13.3% since March report.
- AAWW - Stock price increased 9.5% since March report.
- GHL - Stock price increased 8.8% since March report.
- GWB - Stock price increased 5.8% since March report.
- SBSI - Stock price increased 5.4% since March report.
- HZO - Stock price increased 3.8% since March report.
- CLW - Stock price increased 3.1% since March report.
- PJT - Stock price increased 2.9% since March report.
- PETS - Stock price increased 1.1% since March report.
- ESSA - Displaced by improved rank of other stocks.
- ODC - Displaced by improved rank of other stocks.
- WRLD - Displaced by improved rank of other stocks.
- HIBB - Displaced by improved rank of other stocks.



Additions:

- NLS - Stock price decreased 16.2% since March report.
- SMP - Stock price decreased 1.2% since March report.
- WSBF - Addition by decrease in rank of other stocks.
- BGFV - New filing data on 03/03/21.
- BKE - New filing data on 03/31/21.
- BXC - New filing data on 03/03/21.
- COWN - New filing data on 03/03/21.
- HBCP - New filing data on 03/09/21.
- HEAR - New filing data on 03/04/21.
- HMST - New filing data on 03/12/21.
- HVT - New filing data on 03/09/21.
- IEA - New filing data on 03/08/21.
- NATR - New filing data on 03/10/21.
- PZN - New filing data on 03/10/21.
- ZUMZ - New filing data on 03/15/21.



Explanation of Risk/Reward Rating System

Our Risk/Reward Rating System assigns a rating to every stock under our coverage according to what we believe are the 5 most important criteria for assessing the risk versus reward of stocks. See table that follows for details.

Risk/Reward Rating	The Risk/Reward Rating provides a final rating based on the equal-weighted average rating of each criterion.
Very Unattractive	FCF Yield is not included in the average.
Unattractive	FCF Yield is not included in the average.
Neutral	All criteria are equal-weighted in the average calculation.
Attractive	All criteria are equal-weighted in the average calculation.
Very Attractive	All criteria are equal-weighted in the average calculation.

Economic vs Reported EPS	Rates stocks based on how their Economic Earnings compare to their Reported Earnings. Values based on Latest Fiscal Year.
Very Unattractive	Negative and declining Economic Earnings despite positive and rising Reported Earnings
Unattractive	Same as above except Reported Earnings are not rising or Reported Earnings are not positive
Neutral	Negative Economic and Reported Earnings
Attractive	Economic Earnings are positive
Very Attractive	Economic Earnings are positive and rising

Return on Invested Capital (ROIC)	Rates stocks based on their ROIC. Values based on Latest Fiscal Year.
Bottom Quintile	Very Unattractive = < 4.8%
4th Quintile	Unattractive = 4.8% < 7.5%
3rd Quintile	Neutral = 7.5% < 10.5%
2nd Quintile	Attractive = 10.5% < 14.5%
Top Quintile	Very Attractive = > 14.5%

FCF Yield	Rates stocks based on their Free Cash Flow Yield. Values based on Latest Closing Stock price and Latest Fiscal Year.
<-5%	Very Unattractive = less than or equal to -5%
-5%<-1%	Unattractive = more than -5% but less than or equal to -1%
-1%<3%	Neutral = more than -1% but less than or equal to +3%
3%<10%	Attractive = more than +3% but less than or equal to +10%
>10%	Very Attractive = more than +10%



Price-to-EBV Ratio	Rates stocks based on their Price-to-Economic Book Value Ratio. Values based on Latest Closing Stock price and Latest Fiscal Year.
>3.5 or -1>0	Very Unattractive = greater than or equal to 3.5 or less than 0 but greater than -1
2.4>3.5 or <-1	Unattractive = greater than or equal to 2.4 but less than 3.5 and less than or equal to -1
1.6>2.4	Neutral = greater than or equal to 1.6 but less than 2.4
1.1>1.6	Attractive = greater than or equal to 1.1 but less than 1.6
0>1.1	Very Attractive = greater than or equal to 0 but less than 1.1

Growth Appreciation Period (yrs)	Rates stocks based on their Market-Implied Growth Appreciation Period. Values based on Latest Closing Stock price and Default Forecast Scenario.
>50	Very Unattractive = greater than or equal to 50 years
20>50	Unattractive = at least 20 years but less than 50
10>20	Neutral = at least 10 years but less than 20
3>10	Attractive = at least 3 years but less than 10
0>3	Very Attractive = at least 0 years but less than 3

Appendix C – Portfolio Metrics

Figure 7: Performance and Risk Metrics

Portfolio	Portfolio Returns			Volatility (Annualized)			Sharpe Ratio			Beta		
	1 year annualized	3 year annualized	Since Inception	1 year annualized	3 year annualized	Since Inception	1 Year	3 Year	Since Inception	1 Year Average	3 Year Average	Average Since Inception
Most Attractive Large	63%	5%	8%	26%	27%	21%	2.4	0.2	0.4	1.0	1.1	1.0
Most Attractive Small	98%	15%	11%	34%	32%	25%	2.9	0.5	0.4	0.87	0.89	0.92
Most Attractive Small and Large	80%	10%	10%	29%	29%	22%	2.7	0.4	0.5	0.94	0.98	0.96
S&P 500	51%	13%	8%	15%	19%	16%	3.3	0.7	0.5			
Russell 2000	106%	13%	8%	22%	28%	22%	4.7	0.5	0.4			

Source: New Constructs, LLC

Figure 8: Portfolio Turnover

Portfolio	Monthly Turnover		
	1 Year Average	3 Year Average	Average Since Inception
Most Attractive Large	44%	42%	33%
Most Attractive Small	40%	41%	35%
Most Attractive Small and Large	42%	41%	34%

Source: New Constructs, LLC



It's Official: We Offer the Best Fundamental Data in the World

Many firms claim their research is superior, but none of them can prove it with independent studies from highly-respected institutions as we can. Three different papers from both the public and private sectors show:

1. Legacy fundamental datasets suffer from significant inaccuracies, omissions and biases.
2. Only our “novel database” enables investors to overcome these flaws and apply [reliable](#) fundamental data in their research.
3. Our proprietary measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

Forthcoming in [The Journal of Financial Economics](#), a top peer-reviewed journal, [Core Earnings: New Data & Evidence](#) proves our Robo-Analyst technology overcomes material shortcomings in legacy firms’ data collection processes to provide superior [fundamental data](#), [earnings](#) models, and [research](#). More [details](#).

Key quotes from the paper:

- “[New Constructs’] *Total Adjustments* differs significantly from the items identified and excluded from Compustat’s adjusted earnings measures. For example... 50% to 70% of the variation in *Total Adjustments* is not explained by *S&P Global’s (SPGI) Adjustments* individually.” – pp. 14, 1st para.
- “A final source of differences [between New Constructs’ and S&P Global’s data] is due to data collection oversights...we identified cases where Compustat did not collect information relating to firms’ income that is useful in assessing core earnings.” – pp. 16, 2nd para.

Superior Models

A top accounting firm features the superiority of our ROIC, NOPAT and Invested Capital research to Capital IQ & Bloomberg’s in [Getting ROIC Right](#). See the [Appendix](#) for direct comparison details. Key quotes from the paper:

- “...an accurate calculation of ROIC requires more diligence than often occurs in some of the common, off-the-shelf ROIC calculations. Only by scouring the footnotes and the MD&A [as New Constructs does] can investors get an accurate calculation of ROIC.” – pp. 8, 5th para.
- “The majority of the difference...comes from New Constructs’ machine learning approach, which leverages technology to calculate ROIC by applying accounting adjustments that may be buried deeply in the footnotes across thousands of companies.” – pp. 4, 2nd para.

Superior Stock Ratings

Robo-Analysts’ stock ratings outperform those from human analysts as shown in this [paper](#) from Indiana’s Kelley School of Business. Bloomberg features the paper [here](#).

Key quotes from the paper:

- “the portfolios formed following the buy recommendations of Robo-Analysts earn abnormal returns that are statistically and economically significant.” – pp. 6, 3rd para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3rd para.

Our mission is to provide the best fundamental analysis of public and private businesses in the world and make it affordable for all investors, not just Wall Street insiders.

We believe every investor deserves to know the whole truth about the profitability and valuation of any company they consider for investment. More details on our cutting-edge technology and how we use it are [here](#).



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