



4Q24 Footnotes Season Recap: Created \$2.1 Million in Value

During 4Q24 Footnotes Season (February 11 – March 15), our [Robo-Analyst](#) collected 264,431 data points. This data led to 38,492 Core Earnings, balance sheet, and valuation [adjustments](#) with a combined dollar value of \$21.8 trillion. The adjustments were applied as follows:

- 15,652 income statement adjustments with a total value of \$1.3 trillion
- 14,905 balance sheet adjustments with a total value of \$9.0 trillion
- 7,935 valuation adjustments with a total value of \$11.5 trillion

Figure 1: Footnote Diligence for 2024 10-K Footnotes Season: Feb-Mar 2025

	Data Points Collected	# of Adjustments	Total Value of Adjustments (\$Billions)
Week 1	34,090	4,470	\$4,629
Week 2	71,203	11,485	\$7,731
Week 3	102,097	15,399	\$7,520
Week 4	30,880	3,983	\$1,060
Week 5	26,161	3,155	\$905
Total	264,431	38,492	21,845

Sources: New Constructs, LLC and company filings.

This diligence created \$2,106,000 of value for clients. See Figure 2.

Footnotes Seasons give our [Robo-Analyst technology](#)¹ an opportunity to shine as it enables us to produce [proven-superior research](#) with unrivaled speed and scale. Every year from mid-February through early March, we parse and analyze over 2,000 10-Ks and 10-Qs to update our [models](#) for companies with 12/31 and 1/31 fiscal year ends.

¹ Harvard Business School features the powerful impact of our research automation technology in [New Constructs: Disrupting Fundamental Analysis with Robo-Analysts](#).



Figure 2: Putting a \$ Value on Our Parsing Work for Clients: 4Q24 Footnotes Season

Date	Day	# of FTEs* to Match our Work	Filings Parsed & Models Updated	FTEs Cost per day	Cumulative \$ Savings
2/11/25	Tuesday	108	96	\$86,400	\$86,400
2/12/25	Wednesday	41	36	\$32,400	\$118,800
2/13/25	Thursday	63	56	\$50,400	\$169,200
2/14/25	Friday	127	113	\$101,700	\$270,900
2/15/25	Saturday	0	0	\$0	\$270,900
2/16/25	Sunday	0	0	\$0	\$270,900
2/17/25	Monday	0	0	\$0	\$270,900
2/18/25	Tuesday	74	66	\$59,400	\$330,300
2/19/25	Wednesday	138	123	\$110,700	\$441,000
2/20/25	Thursday	115	102	\$91,800	\$532,800
2/21/25	Friday	187	166	\$149,400	\$682,200
2/22/25	Saturday	153	136	\$122,400	\$804,600
2/23/25	Sunday	0	0	\$0	\$804,600
2/24/25	Monday	0	0	\$0	\$804,600
2/25/25	Tuesday	90	80	\$72,000	\$876,600
2/26/25	Wednesday	179	159	\$143,100	\$1,019,700
2/27/25	Thursday	189	168	\$151,200	\$1,170,900
2/28/25	Friday	243	216	\$194,400	\$1,365,300
3/1/25	Saturday	287	255	\$229,500	\$1,594,800
3/2/25	Sunday	0	0	\$0	\$1,594,800
3/3/25	Monday	0	0	\$0	\$1,594,800
3/4/25	Tuesday	127	113	\$101,700	\$1,696,500
3/5/25	Wednesday	37	33	\$29,700	\$1,726,200
3/6/25	Thursday	57	51	\$45,900	\$1,772,100
3/7/25	Friday	89	79	\$71,100	\$1,843,200
3/8/25	Saturday	25	22	\$19,800	\$1,863,000
3/9/25	Sunday	0	0	\$0	\$1,863,000
3/10/25	Monday	43	38	\$34,200	\$1,897,200
3/11/25	Tuesday	43	38	\$34,200	\$1,931,400
3/12/25	Wednesday	57	51	\$45,900	\$1,977,300
3/13/25	Thursday	65	58	\$52,200	\$2,029,500
3/14/25	Friday	77	68	\$61,200	\$2,090,700
3/15/25	Saturday	19	17	\$15,300	\$2,106,000

Sources: New Constructs, LLC

* FTEs = Full Time Employees at \$100/hour for 8 hours a day.

Indeed, the work we do during footnotes season would cost our clients multiples more time and money than what we charge to replicate what we deliver.

The savings in Figure 2 are likely very conservative estimates because they do not account for the cost of any management or training of analysts. Nor, do they count the cost of building the financial models to house the data or tracking accounting rule changes to make sure those models remain accurate.



Even with these conservative assumptions, it is clear that we create tremendous value for all of our clients, from [Stock Tracker 50](#) to [Professional](#) and [Institutional members](#).

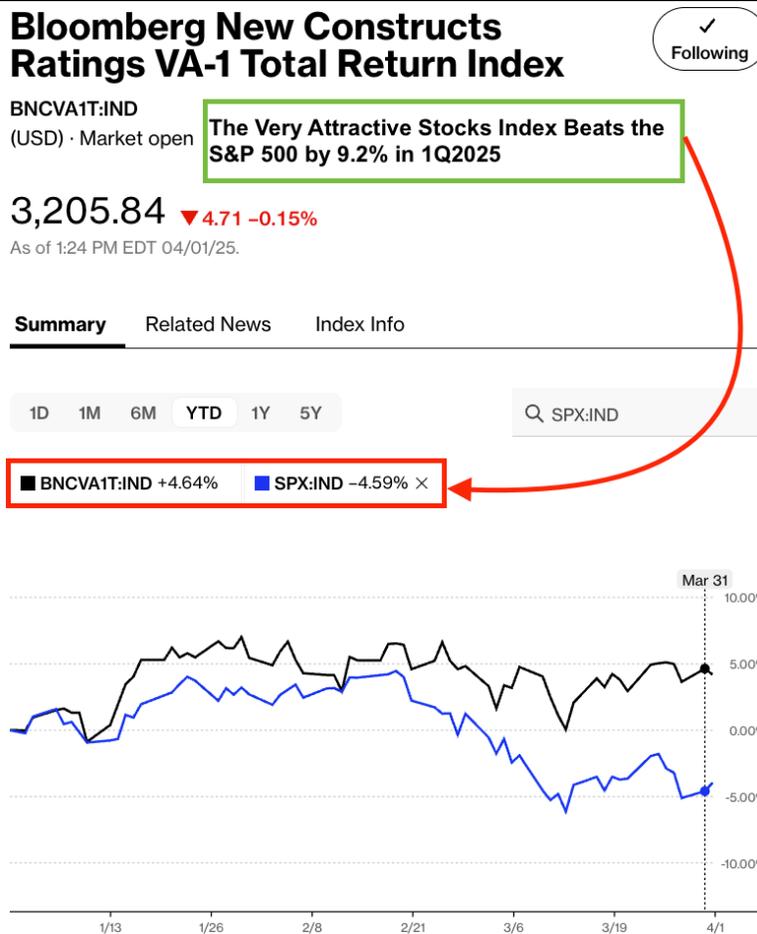
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Proprietary Footnotes Data Drives Alpha

While we're explaining the diligence required to calculate Core Earnings and generate proven-superior Stock Ratings, we want to show you how both deliver alpha. We've developed multiple indices for tracking the performance of portfolio strategies based on Core Earnings and our Stock Ratings. All are outperforming the S&P 500 this year. See Figures 3 and 4.

Figure 3 compares the performance of the Very Attractive Stocks Index, managed by Bloomberg, to the S&P 500. In 1Q25, the Bloomberg New Constructs Ratings VA-1 Index (ticker: BNCVAT1T:IND) was up 4.6% while the S&P 500 was down 4.6%.

Figure 3: Very Attractive-Rated Stocks Strongly Outperform the S&P 500 in 1Q25



Sources: [Bloomberg](#)

Note: Past performance is no guarantee of future results.

Figure 4 compares the performance of the Bloomberg New Constructs 500 Total Return Index, managed by Bloomberg, to the S&P 500. In 1Q25, the Bloomberg New Constructs 500 Total Return Index (ticker: BNCVAT1T:IND) was down 3.6% while the S&P 500 was down 4.6%.



Figure 4: Bloomberg New Constructs 500 Index Strongly Outperforms the S&P 500 in 1Q25

Bloomberg New Constructs 500 Total Return Index

✓ Following

B500NCT:IND
(USD) · Market closed

Core Earnings-Weighted S&P 500 Index
Beats Legacy S&P 500 by 1% in 1Q2025

4,037.20 ▲ 20.89 +0.52%

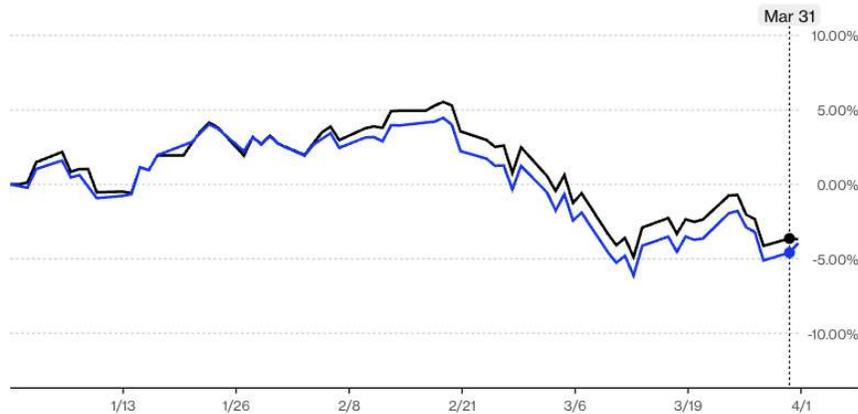
As of 4:15 PM EDT 03/31/25.

Summary Related News Index Info

1D 1M 6M YTD 1Y 5Y

SPX:IND

■ B500NCT:IND -3.63% ■ SPX:IND -4.59% ×



Sources: [Bloomberg](#)

Note: Past performance is no guarantee of future results.

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Disclosure: David Trainer, Kyle Guske II, and Hakan Salt receive no compensation to write about any specific stock, sector, style, or theme.

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It's Official: We Deliver 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. The stock market is missing footnotes – and only we have that critical data.
2. Legacy fundamental datasets suffer from significant inaccuracies, omissions, and biases.
3. Our proprietary drives novel alpha. Our measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

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

Ernst & Young 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 Harvard Business School. 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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