



1Q25 Footnotes Season: Created \$2.5 Million in Value

During 1Q25 footnotes season, we parsed 2,805 10Q and 10K filings and created \$2,524,500¹ of value for clients. See details in Figure 1.

These filings tend to come in a large bunch, which we call [Filing Season](#). The 1Q25 Footnotes Season is mostly 10-Qs for first quarter earnings from companies with 12/31 fiscal year ends.

Footnotes Seasons give our [Robo-Analyst technology](#)² an opportunity to shine as it enables us to produce [proven-superior research](#) with unrivaled speed and scale.

Figure 1: Putting a \$ Value on Our Parsing Work for Clients: 1Q25 Footnotes Season

Date	Day	# of FTEs* to Match our Work	Filings Parsed & Models Updated	FTEs Cost per day	Cumulative \$ Savings
4/23/25	Wednesday	28	25	\$22,500	\$22,500
4/24/25	Thursday	50	44	\$39,600	\$62,100
4/25/25	Friday	102	91	\$81,900	\$144,000
4/26/25	Saturday	2	2	\$1,800	\$145,800
4/27/25	Sunday	0	0	\$0	\$145,800
4/28/25	Monday	66	59	\$53,100	\$198,900
4/29/25	Tuesday	37	33	\$29,700	\$228,600
4/30/25	Wednesday	120	107	\$96,300	\$324,900
5/1/25	Thursday	208	185	\$166,500	\$491,400
5/2/25	Friday	286	254	\$228,600	\$720,000
5/3/25	Saturday	203	180	\$162,000	\$882,000
5/4/25	Sunday	0	0	\$0	\$882,000
5/5/25	Monday	0	0	\$0	\$882,000
5/6/25	Tuesday	111	99	\$89,100	\$971,100
5/7/25	Wednesday	277	246	\$221,400	\$1,192,500
5/8/25	Thursday	313	278	\$250,200	\$1,442,700
5/9/25	Friday	396	352	\$316,800	\$1,759,500
5/10/25	Saturday	406	361	\$324,900	\$2,084,400
5/11/25	Sunday	0	0	\$0	\$2,084,400
5/12/25	Monday	0	0	\$0	\$2,084,400
5/13/25	Tuesday	180	160	\$144,000	\$2,228,400
5/14/25	Wednesday	119	106	\$95,400	\$2,323,800
5/15/25	Thursday	117	104	\$93,600	\$2,417,400
5/16/25	Friday	134	119	\$107,100	\$2,524,500

Sources: New Constructs, LLC

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

¹ Cumulative savings is calculated assuming it takes nine hours per filing and a full-time employee making \$100/hour to parse each.

² Harvard Business School features the powerful impact of our research automation technology in [New Constructs: Disrupting Fundamental Analysis with Robo-Analysts](#).



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 1 are likely very conservative estimates because they do not account for the cost of any management or training of analysts. Nor, do they account for 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](#).

Want access to our superior fundamental research? [Start your membership today](#).

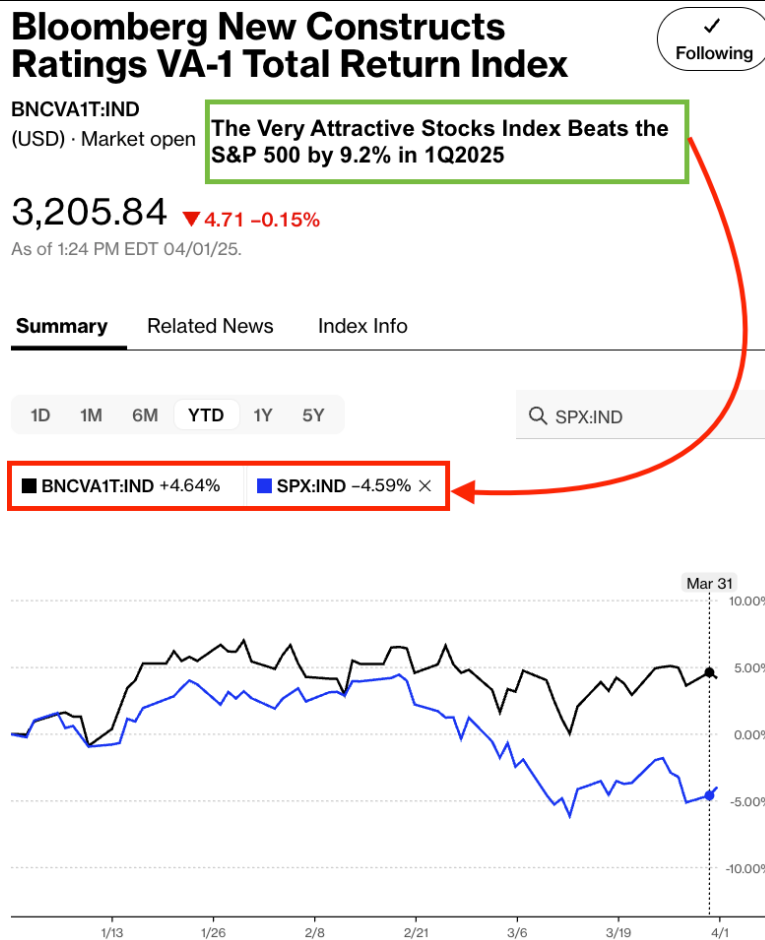
Proprietary Footnotes Season Data Drives Alpha

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 with Bloomberg's Index Licensing Group. Both are outperforming the S&P 500 this year. See Figures 2 and 3.

1. [Bloomberg New Constructs Ratings VA-1 Index](#) (ticker: [BNCVA1T:IND](#))
2. [Bloomberg New Constructs 500 Index](#) (ticker: [B500NCT:IND](#))

Figure 2 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: [BNCVA1T:IND](#)) was up 4.6% while the S&P 500 was down 4.6%.

Figure 2: Very Attractive-Rated Stocks Strongly Outperform the S&P 500 in 1Q25



Sources: [Bloomberg](#)

Note: Past performance is no guarantee of future results.



Figure 3 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: B500NCT:IND) was down 3.6% while the S&P 500 was down 4.6%.

Figure 3: Bloomberg New Constructs 500 Index Strongly Outperforms the S&P 500 in 1Q25

Bloomberg New Constructs 500 Total Return Index

B500NCT:IND
(USD) · Market closed

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

✓
Following

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

Q SPX:IND

■ B500NCT:IND -3.63%

■ SPX:IND -4.59% ×



Sources: [Bloomberg](#)

Note: Past performance is no guarantee of future results.

This article was originally published on [May 21, 2025](#).

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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