



Free Stock Pick from our Dividend Growth Model Portfolio for June 2025

AI has been a hot topic for a few years now, yet we all struggle to distinguish truly reliable AI offerings from hallucinating agents. AI, like any model, is only as good as the data on which it is trained. It's safe to say that AI trained on the internet is not reliable, unless you think the internet is 100% reliable.

Nowhere is this issue more evident than in the realm of investing. Generating alpha is a formidable challenge, to say the least. Teaching an AI to generate alpha at scale is even more challenging.

But challenging doesn't mean impossible. We accepted that challenge many years ago and created an [AI agent for investing](#) that has consistently generated [real alpha](#) in the stock market.

And, we share it with you in many forms. We present our Dividend Growth Model Portfolio, which features companies that not only produce ample free cash flow to support their dividend payments, but also have a strong track record of consistently increasing their dividend payments over time.

Below is an overview of one of the stocks from the June edition of our Dividend Growth Model Portfolio. It is not an in-depth [Long Idea](#) report, but it will give you a good understanding of how our research combines fundamental research with expectations investing. It's also a great example of a good dividend stock.

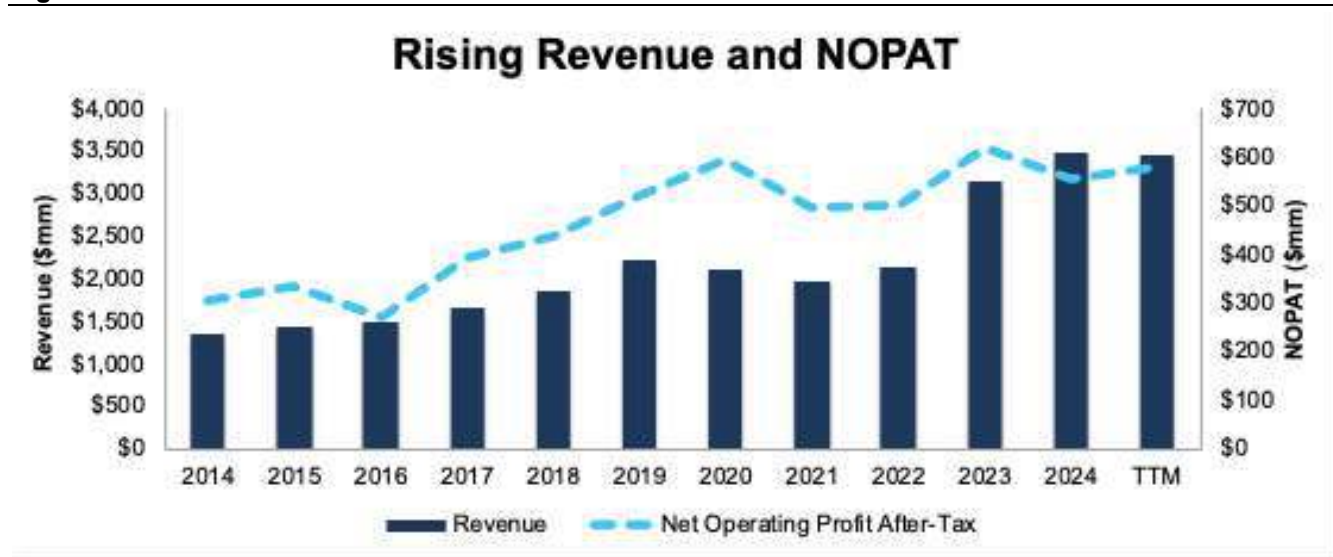
We hope you enjoy this free stock pick. Feel free to share this report with friends and colleagues.

We update this Model Portfolio monthly. June's [Dividend Growth Model Portfolio](#) was updated and published for clients on June 27, 2025.

Free Stock Pick: BOK Financial Corp (BOKF: \$101/share)

BOK Financial has grown revenue and net operating profit after-tax ([NOPAT](#)) by 9% and 6% compounded annually, respectively, since 2014. The company's NOPAT margin actually fell from 22% in 2014 to 17% in the TTM, while [invested capital turns](#) rose from 0.4 to 0.5 over the same time. Rising invested capital turns are enough to offset falling NOPAT margin and drive return on invested capital ([ROIC](#)) from 8.0% in 2014 to 8.4% in the TTM.

Figure 1: BOK Financial's Revenue & NOPAT Since 2014



Sources: New Constructs, LLC and company filings

**Free Cash Flow Exceeds Dividend Payments**

BOK Financial has increased its regular, quarterly dividend from \$0.50/share in 1Q19 to \$0.57/share in 2Q25. The quarterly dividend, when annualized, equals \$2.28/share and provides a 2.2% dividend yield.

More importantly, BOK Financial's cumulative free cash flow ([FCF](#)) easily exceeds its dividend payments. From 2019 through 1Q25, BOK Financial generated \$1.6 billion (23% of current [enterprise value](#)) in FCF while paying \$899 million in dividends. See Figure 2.

Figure 2: BOK Financial's FCF vs. Dividends Since 2019

Sources: New Constructs, LLC and company filings

Companies with FCF well above dividend payments provide higher-quality dividend growth opportunities. On the other hand, dividends that exceed FCF cannot be trusted to grow or even be maintained.

BOKF Is Undervalued

At its current price of \$101/share, BOK Financial has a price-to-economic book value ([PEBV](#)) ratio of 1.0. This ratio means the market expects BOK Financial's NOPAT to never grow from TTM levels. This expectation seems overly pessimistic given that BOK Financial has grown NOPAT by 2% and 6% compounded annually over the past five and ten years, respectively.

Even if BOK Financial's:

- NOPAT margin falls to 15% (below five-year average of 23% and TTM margin of 17%) and
- revenue grows 3% compounded annually (below the 9% CAGR over the last five and ten years) for the next decade,

the stock would be worth \$121/share today – a 20% upside. In this scenario, BOK Financial's NOPAT would grow 2% compounded annually through 2034. [Contact us for the math behind this reverse DCF scenario.](#)

Add in BOK Financial's 2.2% dividend yield and a history of dividend growth, and it's clear why this stock is in June's Dividend Growth Stocks Model Portfolio.

Critical Details Found in Financial Filings by Our [Robo-Analyst Technology](#)

Below are specifics on the adjustments we make based on Robo-Analyst findings in BOK Financial's 10-K and 10-Q:

Income Statement: we made over \$50 million in adjustments with a net effect of removing under \$40 million in [non-operating expense](#). Clients can see all adjustments made to the BOK Financial's income statement on the GAAP Reconciliation tab on the Ratings page on our website.



Balance Sheet: we made over \$1 billion in adjustments to calculate invested capital with a net increase of under \$800 million. The most notable adjustment was for [other comprehensive income](#). See all adjustments made to BOK Financial's balance sheet on the GAAP Reconciliation tab on the Ratings page on our website.

Valuation: we made over \$400 million in adjustments, all of which decreased shareholder value. The most notable adjustment to shareholder value was [total debt](#). See all adjustments to BOK Financial's valuation on the GAAP Reconciliation tab on the Ratings page on our website.

This article was originally published on [July 2, 2025](#).

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

Questions on this report or others? Join our [online community](#) and connect with us directly.



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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