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DILIGENCE PAYS
9/12/25

Special Bloomberg Webinar Showcases the Alpha of the Core Earnings Leaders Index

Bloomberg hosted a special webinar with its Senior Global Equity Product Manager Mike Pruzinsky and Index & ESG Research Analyst Steve Hou, as well as New Constructs CEO David Trainer. Key topics:

- a better approach to value investing
- how New Constructs uncovers hidden value
- the Bloomberg New Constructs Core Earnings Leaders Index (ticker: BCORET:IND),
- and more.

This special webinar offers an in-depth look at how New Constructs research uncovers hidden value in financial statements, most importantly through the use of footnotes data, how and why the Core Earnings Leaders Index was created, and details on how this index incorporates Core Earnings to generate alpha.

Watch the Replay of the Bloomberg Webinar

See the Slides of the Bloomberg Webinar

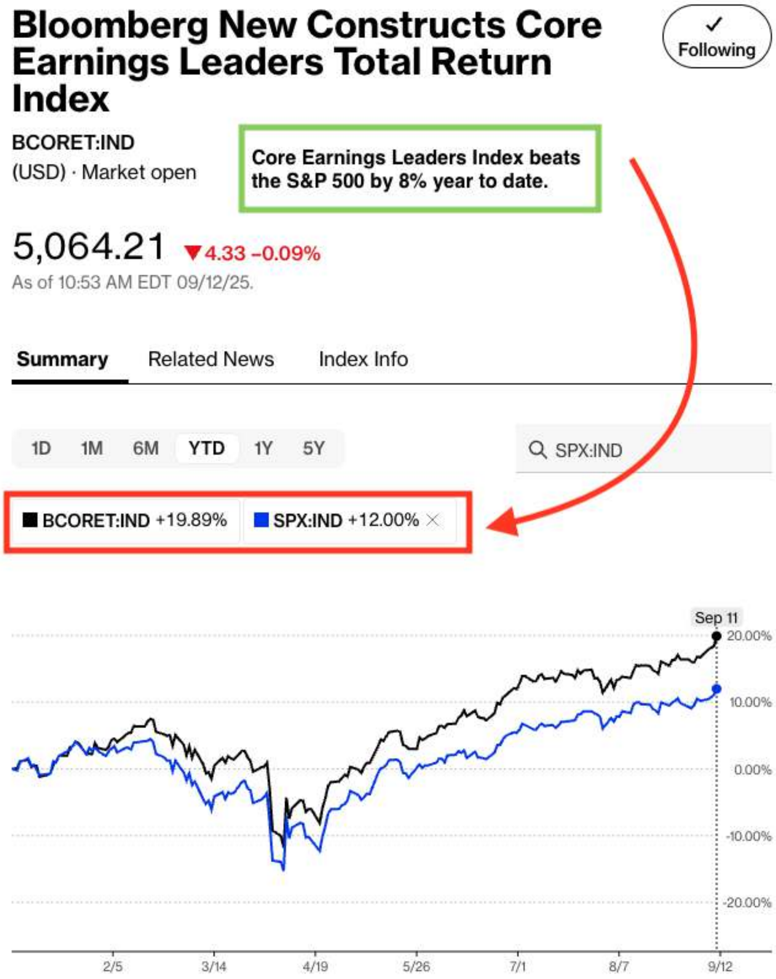
Core Earnings provides a superior earnings measure because it removes unusual items that distort reported and consensus earnings. It is a much cleaner and more accurate earnings metric.

You don't have to take our word for it either.

1. This paper from Harvard Business School and MIT Sloan professors, which was featured in The Journal of Financial Economics, empirically proves the idiosyncratic alpha in our proprietary measure of Core Earnings.
2. The outperformance of the Core Earnings Leaders Index further proves the alpha our Core Earnings metric generates. See Figures 1 and 2.

The Bloomberg New Constructs Core Earnings Leaders Index, which allocates based on Earnings Capture and Core Earnings, beats the S&P 500 by 7.9% year-to-date (YTD). The Index (ticker: BCORET:IND) is up 19.9% while the S&P 500 is up 12%.

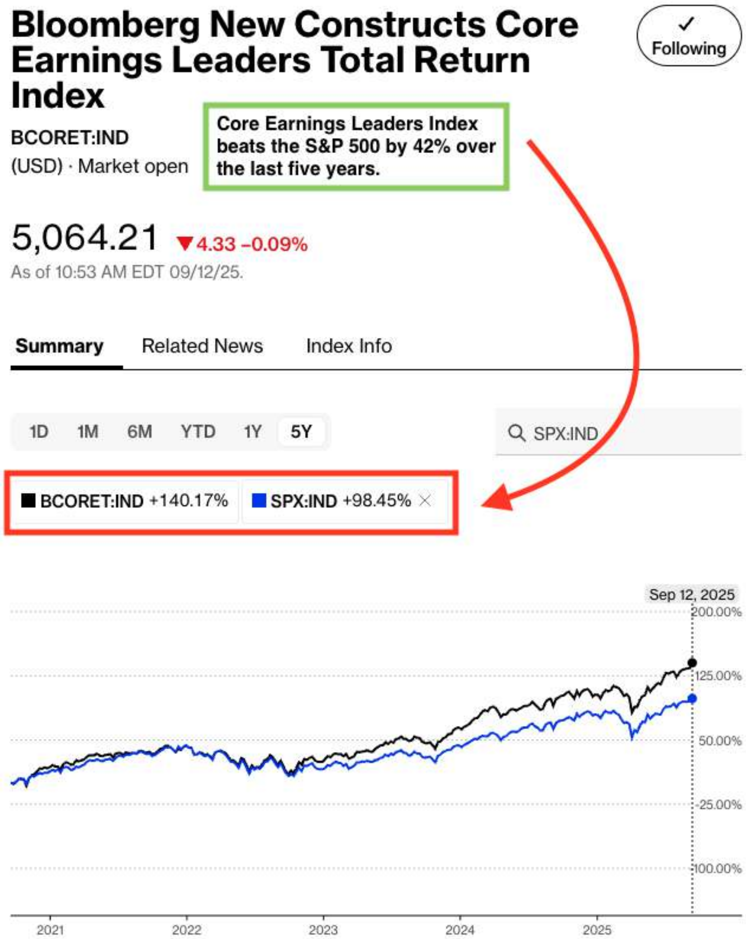
Figure 1: Bloomberg New Constructs Core Earnings Leaders Index Outperforms S&P 500: YTD



Sources: [Bloomberg](#) as of September 11, 2025
Note: Past performance is no guarantee of future results.

The Core Earnings Leaders Index beat the S&P 500 by 42% over the last five years. Figure 2 shows it is up 140% while the S&P 500 is up 98%.

Figure 2: Bloomberg New Constructs Core Earnings Leaders Index Outperforms S&P 500: Last 5 Years



Sources: Bloomberg as of September 12, 2025
Note: Past performance is no guarantee of future results.

Note that this index is not available to the public. The only way to build strategies that achieve this kind of outperformance based on superior fundamental data is to be a New Constructs member.

This article was originally published on September 12, 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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