



Focus List Stocks: Short Model Portfolio's Long-Term Outperformance Through 3Q25

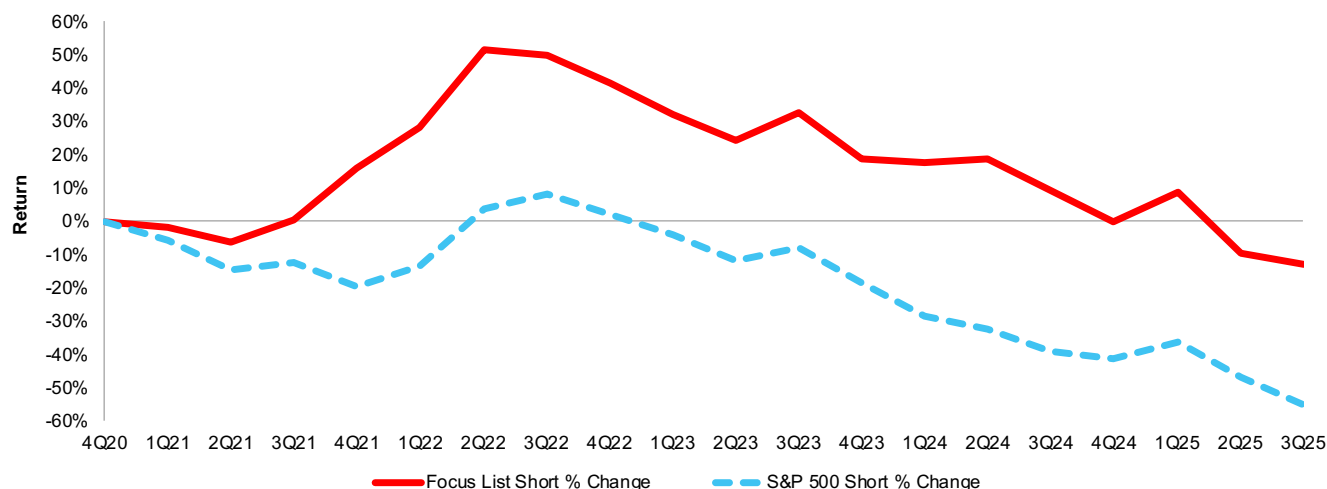
Our [Focus List Stocks: Short Model Portfolio](#)¹, the best of our [Danger Zone](#) picks, has beaten shorting the S&P 500 by 42% since the start of 2021 through the first nine months of 2025. See Figure 1. This outperformance underscores how important reliable fundamental research is.

Through the first nine months of 2025, however, the Model Portfolio underperformed the S&P 500 as a short by 4.6% (-17.1% vs. -12.5% for the S&P 500). See Figure 2.

Buy the Focus List Stocks: Short Model Portfolio

Figure 1: Focus List Stocks: Short Performance Since Beginning of 2021

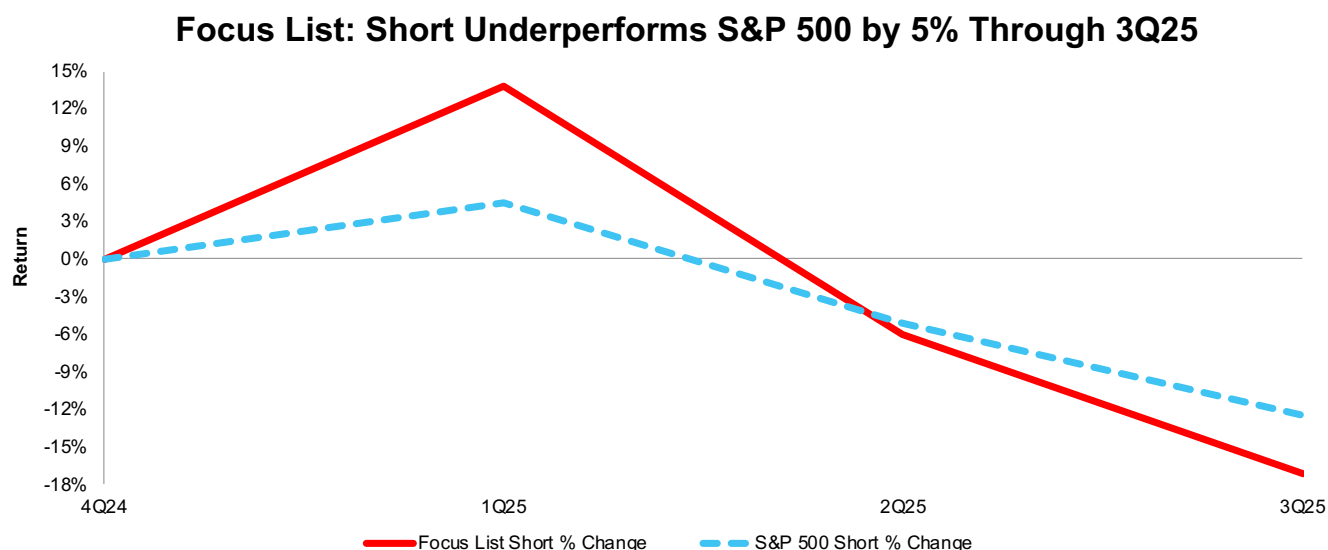
Focus List Stocks: Short Outperforms by 42% Since Start of 2021



Sources: New Constructs, LLC

As a short portfolio, the Model Portfolio's return increases when the underlying stocks go down.

¹ Stocks are in the Focus List Model Portfolios for different periods of time as we open and close positions during the year. When measuring outperformance of the Focus List Model Portfolios, we compare each stock's return to the S&P 500's return for the time each is in the Focus List Model Portfolios. This approach provides more of an apples-to-apples comparison of how each stock performed vs. the S&P 500.

**Figure 2: Focus List Stocks: Short vs. S&P 500 in First Nine Months of 2025**

Sources: New Constructs, LLC

Figure 3 details the Model Portfolio's performance, which includes all stocks present in the Model Portfolio at any point in the first nine months of 2025.

Figure 3: First Nine Months of 2025 Performance of the Focus List Stocks: Short Model Portfolio

Number of Stocks	Number of Outperforming Shorts	Number of Underperforming Shorts	Short Return	S&P 500 Short Return	Outperformance as Shorts
45	24	21	-17.1%	-12.5%	-4.6%

Sources: New Constructs, LLC

Performance includes stocks in the Model Portfolio in the first nine months of 2025 as well as those removed during the same time (3).

[Professional](#) and [Institutional](#) members get real-time updates and can track all Model Portfolios on our site. The Focus List Stocks: Short Model Portfolio leverages superior fundamental data, which provides a [new source of alpha](#).

We're here to help you navigate these turbulent times. Our [uniquely rigorous fundamental research](#) consistently earns [#1 rankings](#) in several categories on SumZero.

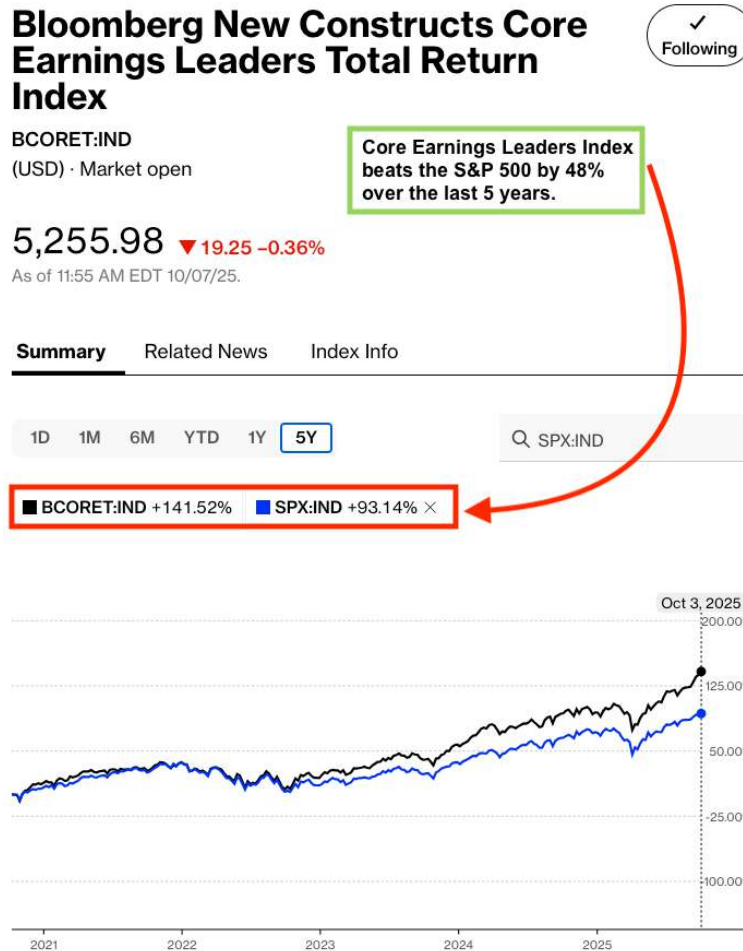
While we're writing about how our Focus List Stocks: Long Model Portfolio finds winning stocks, we should highlight the indices we've developed with Bloomberg's Index Licensing Group. All three have outperformed the S&P 500 over the past five years. See Figures 4-6.

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

The Bloomberg New Constructs Core Earnings Leaders Index, which allocates based on Earnings Capture and Core Earnings, beat the S&P 500 by over 48% over the past five years. The Index (ticker: [BCORET:IND](#)) was up 142% while the S&P 500 was up 93%.



Figure 4: Bloomberg New Constructs Core Earnings Leaders Index Outperforms S&P 500: Last 5 Years



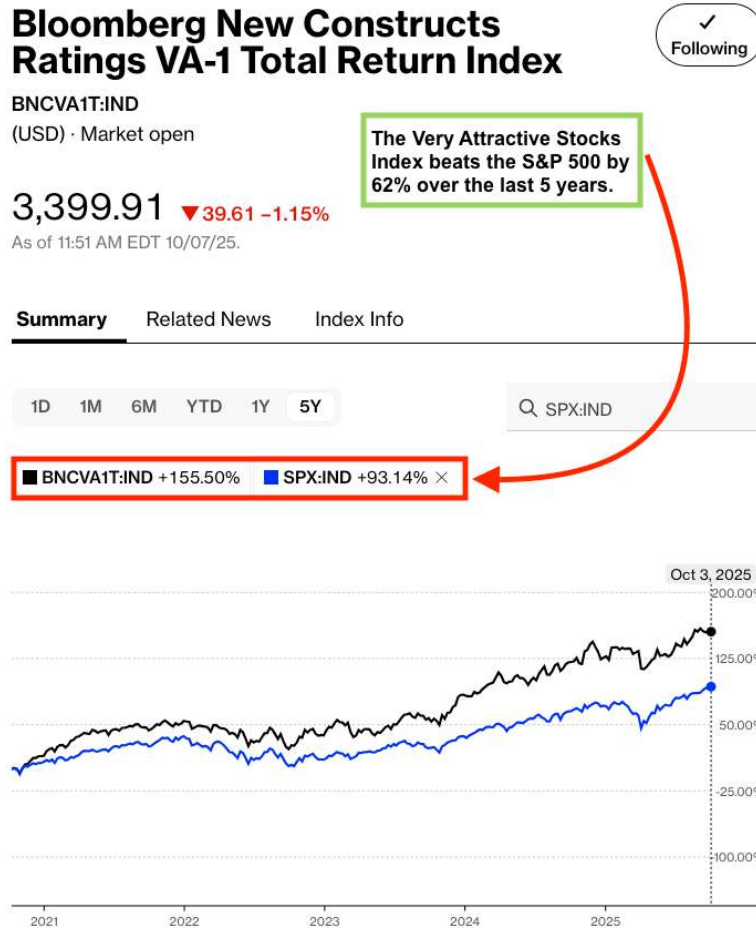
Sources: [Bloomberg](#) as of October 3, 2025

Note: Past performance is no guarantee of future results.

The “Very Attractive Stocks” Index, which allocates to stocks that get a Very Attractive rating by our AI Agent for Investing, beat the S&P 500 by 62% over the last five years. Bloomberg’s official name for the index is Bloomberg New Constructs Ratings VA-1Index (ticker: [BNCVAT1T:IND](#)). Figure 5 shows it was up 156% while the S&P 500 was up 93%.



Figure 5: Very Attractive-Rated Stocks Strongly Outperform the S&P 500: Last Five Years



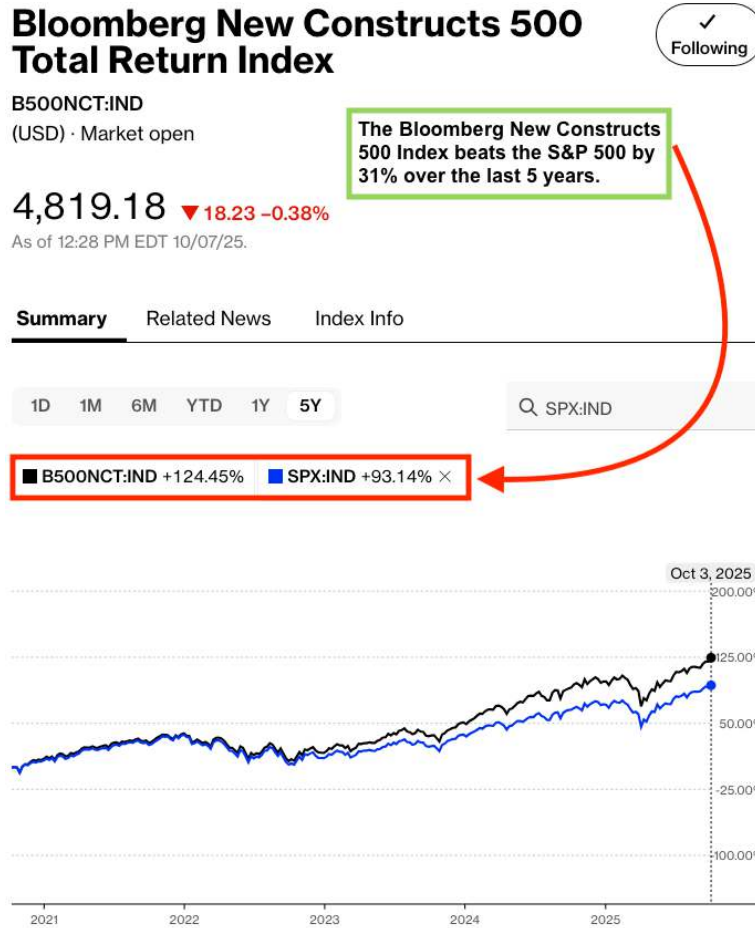
Sources: [Bloomberg](#) as of October 3, 2025

Note: Past performance is no guarantee of future results.

Our “Core-Earnings Weighted S&P 500” Index, which weights the largest 500 U.S. companies by Core Earnings instead of market cap, beat the S&P 500 by 31% over the past five years. Bloomberg’s official name for the index is Bloomberg New Constructs 500 Total Return Index (ticker: [B500NCT:IND](#)). Figure 6 shows it was up 124% while the S&P 500 was up 93%.



Figure 6: Bloomberg New Constructs 500 Index Strongly Outperforms the S&P 500: Last Five Years



Sources: [Bloomberg](#) as of October 3, 2025

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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