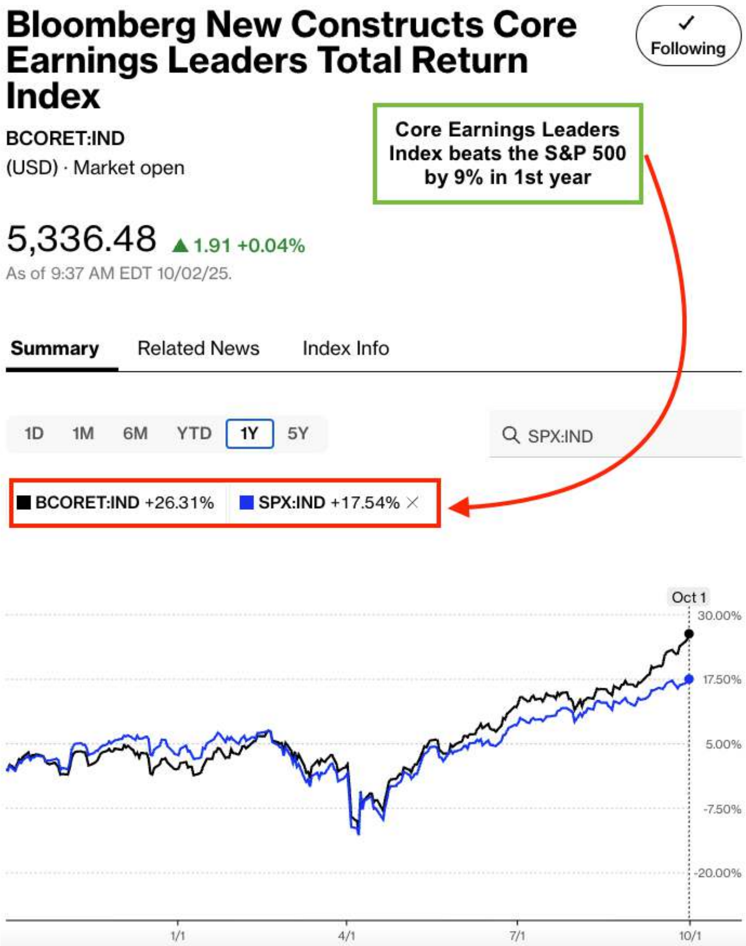
Happy Birthday to The Core Earnings Leaders Index: Beats the S&P 500 by 9% in 1st Year

The Bloomberg New Constructs Core Earnings Leaders Index (ticker: BCORET:IND) turned 1-year old on October 1, 2025. Its performance over the past year is impressive, to say the least. The Core Earnings Leaders Index, which invests in stocks based on Earnings Capture and Core Earnings, leverages the same AI-driven research that powers our new AI-Agent for Investing that we built with Google Cloud.

The performance of The Core Earnings Leaders Index speaks for itself. The Index beat the S&P 500 by over 9% in its first year! The Index was up 26% while the S&P 500 was up 18%. That's no small feat!

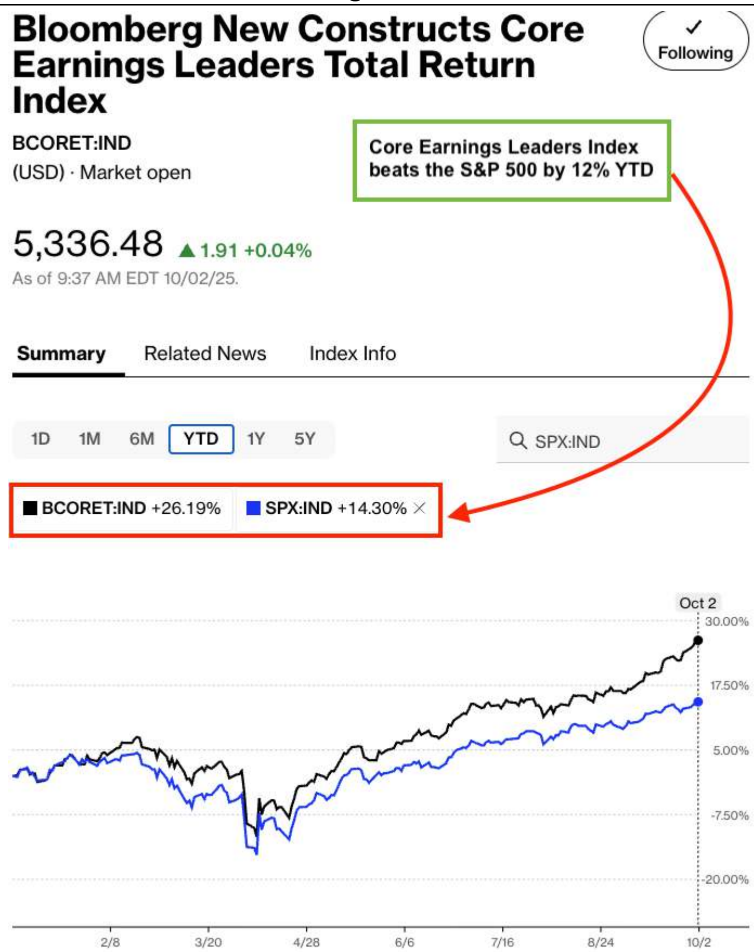
Figure 1: Bloomberg New Constructs Core Earnings Leaders Index Vs. S&P 500: 1 Year Performance



Sources: Bloomberg as of October 1, 2025
Note: Past performance is no guarantee of future results.

The Core Earnings Leaders Index performs even better year-to-date (YTD) and beats the S&P 500 by 12%. The Index is up 26% while the S&P 500 is up 14% YTD through October 2, 2025.

Figure 2: Bloomberg New Constructs Core Earnings Leaders Index Vs. S&P 500: YTD Through 10/2/25



Sources: Bloomberg as of October 2, 2025
Note: Past performance is no guarantee of future results.

The outperformance of the Core Earnings Leaders Index is a strong proof point in the SLM vs. LLM argument. SLMs concentrate on more narrow, well-defined domains, where human experts can carefully curate high-quality datasets and build deterministic rules that produce reliable human-expert-level insights.

We're able to empirically prove the accuracy and reliability of our SLM because it is based on:

- Publicly available data in financial filings,
- Systematically gathering data into proprietary taxonomies that support an ontology that produces
- Metrics and signals whose accuracy can be measured objectively by stock market performance.

For more details on why SLMs perform much better than large language models (LLMs) on tasks that require subject matter expertise, read our report Thinking Small Drives Big Leaps in AI.

Note that these indices are not available to the public. The only way to take advantage of our industry leading SLM AI that achieves this kind of outperformance is to be a New Constructs member.

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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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