



## How We Made AI Real for Investors: The Story Behind FinSights

New Constructs recently announced its partnership with Google Cloud, with whom we built FinSights (see [press release](#)). It is the first truly reliable AI for investing. Allow me to prove it to you.

### Thought Leaders on AI – Long Before It Was Popular

Back in 2003, long before Wall Street discovered “AI”, New Constructs built proprietary Robo-Analyst technology to teach machines to perform complex tasks, like reading 10-Ks and 10-Qs. We’ve developed many cutting-edge systems to deliver superior data, financial models, and research to clients over the last 20+ years.

I’ve championed the importance of data to the success of AI for a long time. I [wrote in April of 2018](#) and [more recently](#) that high-quality training data is the single most important ingredient in building AI that can perform expert-level work. In [Thinking Small Drives Big Leaps in AI](#), I explain how we carefully curated a dataset and ontology with the specific goal of endowing machines with real subject matter expertise. In [Forget Chips, AI Firms Need Higher Quality Data to Win](#), I explain how we endow machines with experience and expertise not found in books so they can perform tasks with comparable skill to human experts.

In short, we’ve been dedicated to delivering our clients the best that machines can offer for decades.

### See FinSights AI in Action: Live Demo

Before we explain more about how we built FinSights, let us show you with this live demo.

[Watch the FinSights Demo](#)

### FinSights Vs the Competition

We’re way ahead. Allow me to explain.

AI Agents for Investing are following this evolutionary path:

*General LLM Search —> Curated Datasets (MCPs) —> Financial Models/Metrics —> Insights*

That path is intuitive, and I think we see it playing out in broad daylight right now. Insights come from analyzing lots of data, we use models to analyze data, and the models only work when fed good data.

New Constructs delivers insights empirically-proven to give clients alpha, which, at the end of the day, is the most important thing in the investing business.

With FinSights, we “did the hard part first” by building an agent that delivers real insights. But, we could do that only by curating a pristine dataset to power an ontology that creates meaningful outputs.

Our competition still has a lot of work to do to get the data and the models/ontologies right before they can deliver insights that produce alpha like ours. Anyone familiar with financial analysis knows how difficult getting machines to analyze financial filings is. It’s a very [hard problem](#) to solve. We know because we solved it. Based on my experience and what I see our competition doing, I think it will take them a long time to catch up.

### The Most Important Thing: Grounding In Alpha-Producing Data

Everything we do at New Constructs is centered around collecting and curating the [best fundamental dataset in the world](#) because we know that’s what’s required to beat the market. And, here’s the empirical evidence that our data produces real alpha: three live-traded indices that continue to out-perform the S&P 500.

First, I submit the [Bloomberg New Constructs Core Earnings Leaders Index \(BCORET:IND\)](#), which recently [turned 1-year old](#), is beating the S&P 500 by more than 900 basis points so far in 2025. See Figure 1.

Over the last 5 years, the index (up 142%) outperforms the S&P 500 (up just 95%) even more strongly and beats it by 4,700 basis points.

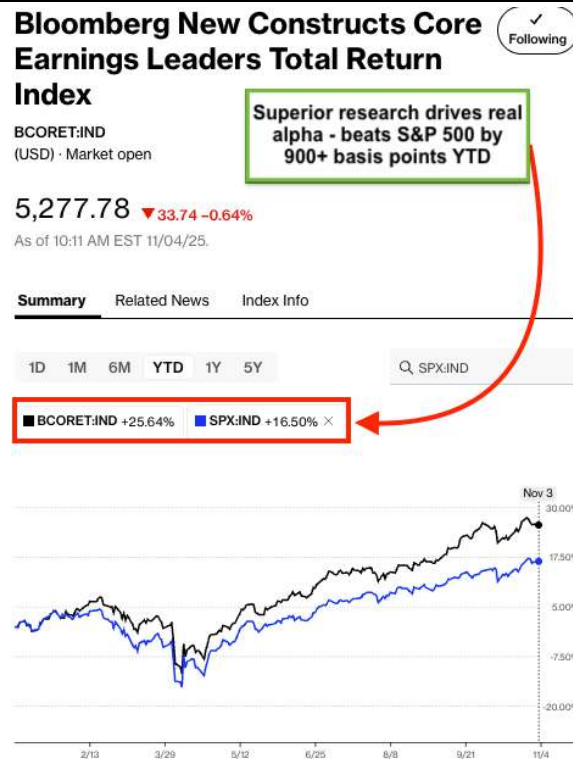
Next, I want to introduce you to the [Bloomberg New Constructs 500 Total Return Index \(B500NCT:IND\)](#). Think of it as an enhanced version of the S&P 500 because it weights the top 500 stocks based on Core Earnings instead



of market cap. As perhaps the purest demonstration of alpha in our data, it also beats the S&P 500 in the long and the short term.

Last but not least, the Very Attractive Stocks Index, officially known as the [Bloomberg New Constructs Ratings VA-1 Index](#) (ticker: [BNCVA1T:IND](#)), strongly outperforms as well.

**Figure 1: The Core Earnings Leaders Index Strongly Outperforms the S&P 500**



Sources: [Bloomberg](#) as of November 4, 2025

Note: Past performance is no guarantee of future results.

### Vetted and Validated By Prestigious Institutions

Before we had live-traded indices to demonstrate the alpha in our research, Harvard Business School (HBS) published a case study "[New Constructs: Disrupting Fundamental Analysis with Robo-Analysts](#)" that predicted how our proprietary machine-learning technology would supplant the need for manual fundamental research.

[More papers](#) from prestigious institutions followed:

1. MIT Sloan and HBS proved our fundamental data is more comprehensive and superior.
2. Ernst & Young proved our financial models are superior.
3. HBS proved our Robo-Analyst Stock Ratings beat human-analyst stock ratings.

### Not a Black Box: 100% Auditable Back to Source Data

Everything we do is 100% transparent. The Education section of our site shows the formulas behind every metric and the metrics behind every methodology, such as our [Stock Ratings](#), [Credit Ratings](#), [ETF & Mutual Fund Ratings](#), [Core Earnings](#), and [Earnings Distortion Scores](#).

Best of all, clients can [audit every data point](#) in our models back to the original financial filings from which we collected the data. Do you think prestigious institutions would publish papers about our research if they could not 100% audit every single input?

### See FinSights in Action

In addition to the demo video above, we want to share a few snippets of what FinSights can do.



First, we show you how FinSights can scan your portfolio and tell which stocks are at the highest risk of missing consensus earnings. See Figure 2. The Core Earnings and Earnings Distortion research that powers FinSights is the same as that which drives the outperformance of our indices, as detailed above.

### Figure 2: Prepare Your Portfolio for Earnings Season

Which stocks in my portfolio sector are most likely to miss earnings FI NOK V MA AAPL LLY PLTR AMZN NVDA AVGO GOOGL UAA MSFT TSLA ZG META JPM?

**F** FinSight 0.0.5

Here are the top 10 stocks in your portfolio most likely to miss earnings, based on their Earnings Distortion Total:

| Ticker | Fiscal Year | Fiscal Quarter | Period End Date | Forecasted Period End Date | Earnings Distortion Total | Distortion Per Share |  |  |
|--------|-------------|----------------|-----------------|----------------------------|---------------------------|----------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| AVGO   | 2025        | 3              | 2025-08-03      | 2025-10-28                 | \$4.42B                   | \$0.91               |                                                                                     |                                                                                     |
| JPM    | 2025        | 2              | 2025-06-30      | 2025-09-28                 | \$3.94B                   | \$1.41               |                                                                                     |                                                                                     |
| MSFT   | 2026        | 1              | 2025-09-30      | 2025-12-28                 | \$2.05B                   | \$0.27               |                                                                                     |                                                                                     |
| AAPL   | 2025        | 3              | 2025-06-28      | 2025-09-27                 | \$1.53B                   | \$0.10               |                                                                                     |                                                                                     |
| NVDA   | 2026        | 2              | 2025-07-27      | 2025-08-01                 | \$864.36M                 | \$0.04               |                                                                                     |                                                                                     |

Sources: [FinSights](#) as of November 4, 2025

Figure 3 shows how FinSights delivers a very specific list of stocks when you ask it to find the best stocks in a particular sector. See Figure 3. The Stock Rating system that powers FinSights is the same as that which drives the outperformance of our indices, as detailed above.

**Figure 3: Show the Best Stocks in the Consumer Cyclical Sector**

What are the best stocks in the consumer cyclical sector?

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Here are the best stocks in the Consumer Cyclical sector, based on an Overall Rating of 'Very Attractive':

| Ticker | Company Name                | Overall Rating  |
|--------|-----------------------------|-----------------|
| BBWI   | Bath & Body Works Inc.      | Very Attractive |
| COLM   | Columbia Sportswear Company | Very Attractive |
| CROX   | Crocs Inc.                  | Very Attractive |
| CRTO   | Criteo S.A.                 | Very Attractive |
| FLXS   | Flexsteel Industries, Inc.  | Very Attractive |
| FOXA   | Fox Corp                    | Very Attractive |

Sources: [FinSights](#) as of November 4, 2025

**Build with Us and Google Cloud**

Working with the Google Cloud team has been an honor and a privilege. They are some of the smartest and hardest working people that I've ever met. I cannot recommend them enough as a business partner. Together, we've garnered unrivaled experience in endowing machines with the subject matter expertise required to perform like human experts. If you want to do something similar, you will not find a more capable partner than Google Cloud.

While FinSights demonstrates the power of AI when using high quality data, the bigger vision has always been to include other datasets or Small Language Models (SLMs) like sentiment, insider buying/selling, and technical analysis. It's awesome that our fundamental signals generate alpha on their own, but there's no doubt that we can further enhance these signals by adding complimentary datasets and customizing FinSights to meet the goals of your organization.

**Get Access**

To learn more about New Constructs, our research and FinSights, be sure to join our mailing list [here](#).

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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***

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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, 1<sup>st</sup> 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, 2<sup>nd</sup> 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, 5<sup>th</sup> 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, 2<sup>nd</sup> 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, 3<sup>rd</sup> para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3<sup>rd</sup> 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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