Focus List Stocks Long/Short Long-Term Outperformance Through 2025
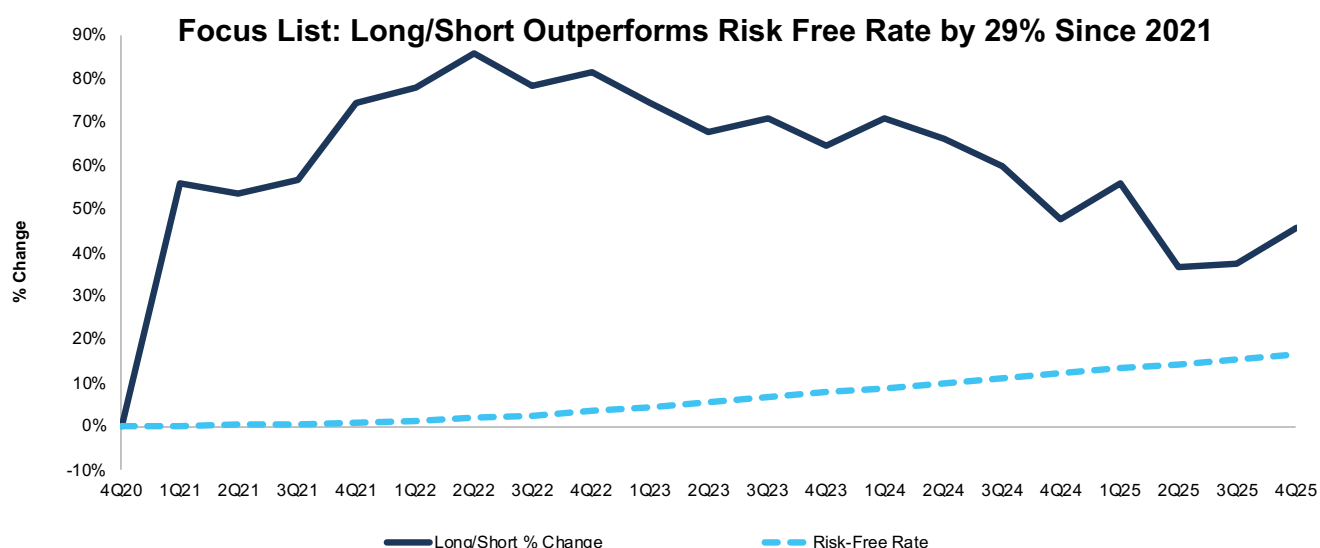
Our Focus List Stocks: Long Model Portfolio, the best of our Long Ideas, and our Focus List Stocks: Short Model Portfolio, the best of our Danger Zone picks, beat the Risk Free Rate (RFR)[1] as a long/short portfolio by 1.8% in 2025. See Figure 2.

From the start of 2021 through 2025, the Model Portfolio outperformed as a long/short portfolio by 29%. See Figure 1. This outperformance underscores how important reliable fundamental research is.

Figure 1: Focus List Stocks: Long/Short Performance vs. RFR: 2021 Through 2025

Focus List: Long/Short Outperforms Risk Free Rate by 29% Since 2021
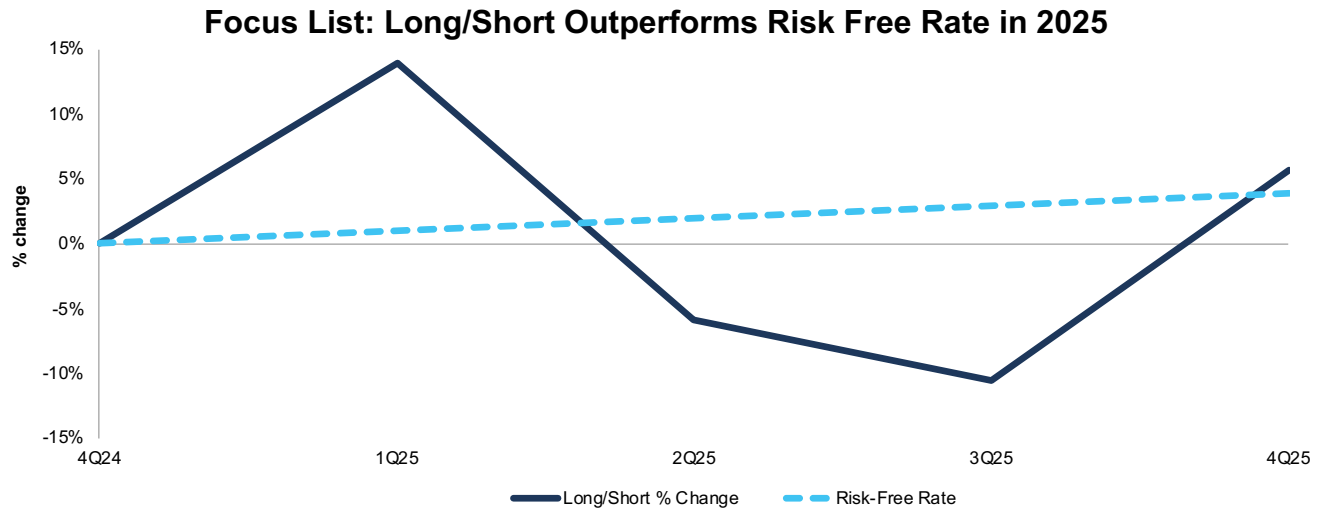
Sources: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-month T-bill.

Buy the Focus List Stocks: Short Model Portfolio

Buy the Focus List Stocks: Long Model Portfolio

The long portfolio was up ~12% while the short portfolio was down ~6% and outperformed as a short for a net return of 5.7% compared to the Risk-Free Rate at +3.9% in 2025. Note that short portfolios outperform when they fall more than the benchmark.

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[1] The Risk-Free Rate is based on the 3-month T-bill.

Figure 2: Focus List Stocks: Long/Short Performance vs. Risk-Free Rate: 2025

Focus List: Long/Short Outperforms Risk Free Rate in 2025

Sources: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-month T-bill.

Figure 3 provides more details on the Model Portfolios' performance, which includes all stocks present in the Model Portfolios at any point in 2025.

Figure 3: 2025 Long/Short Performance of Stocks in the Focus List Model Portfolios

Number of Stocks	Number of Outperformers	Number of Underperformers
99	51	48

Sources: New Constructs, LLC

The Focus List Stocks: Long and Short Model Portfolios leverage superior fundamental data, which provides a novel alpha. Professional and Institutional members get real-time updates and can track all Model Portfolios on our site.

We're here to help you navigate any market cycle. Our uniquely rigorous fundamental research consistently earns #1 rankings in several categories on SumZero.

Check Out the Indices Based on New Constructs Research

While we're writing about how our Focus List Stocks Model Portfolios find 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 9% in 2025. The Index (ticker: BCORET:IND) was up 27% while the S&P 500 was up 18%.
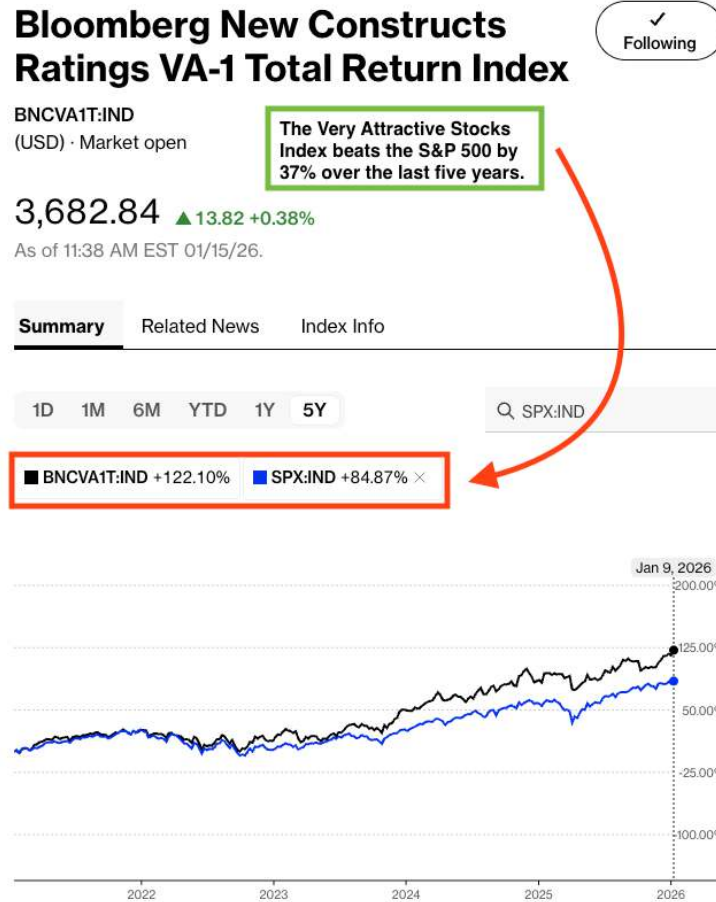
Figure 4: Bloomberg New Constructs Core Earnings Leaders Index Outperforms S&P 500 in 2025

Sources: Bloomberg as of December 31, 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 37% 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 122% while the S&P 500 was up 85%.

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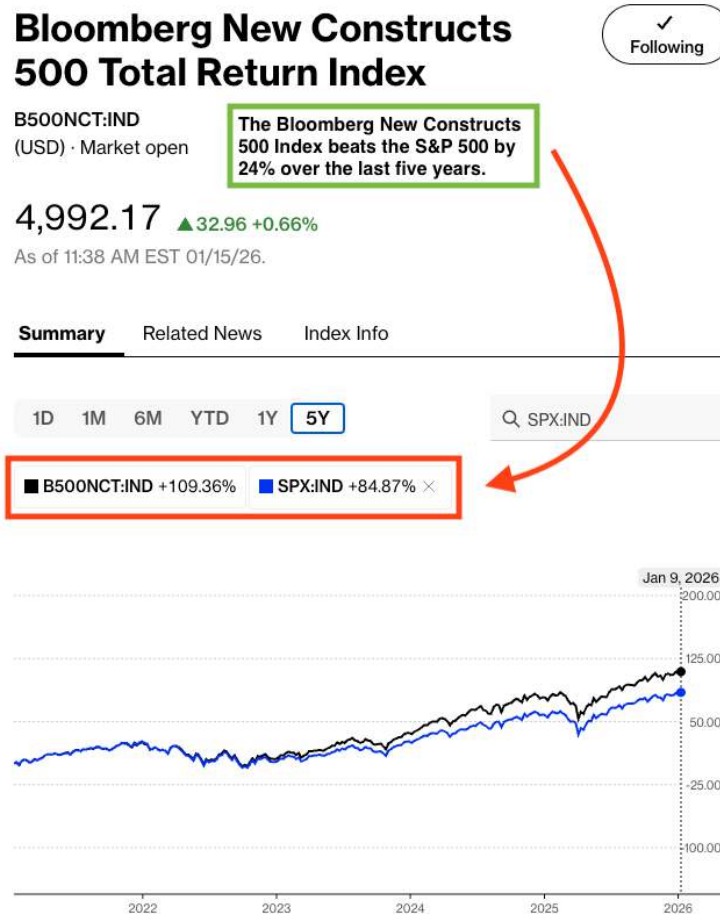

Sources: Bloomberg as of January 9, 2026
Note: Past performance is no guarantee of future results.

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 24% 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 109% while the S&P 500 was up 85%.

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

Sources: Bloomberg as of January 9, 2026
Note: Past performance is no guarantee of future results.

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Disclosure: David Trainer and Kyle Guske II 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.

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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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