



Here for You – When It Matters Most

The health and well-being of our employees, clients, investors, and partners are our first priorities. We hope that you are all well and safe.

Despite all the disruptions, New Constructs is fully operational and here for you when you (and your portfolios) need us most.

We've seen a drastic shift from the risk-on mentality that pervaded for the last decade. In risk-off markets, our research is even more valuable. Accurate fundamental analysis is of paramount importance now.

We continue to work hard to give you [the most accurate fundamental analysis](#) in the business. In just the past four weeks, we've parsed over 1,800 10-Ks and 10-Qs and updated our models as we work our way through [Filing Season](#). In addition, we're publishing special reports to help investors navigate these tough markets. See below:

1. [Three Safe Stocks in a Stormy Market](#)
2. [Two Especially Risky Stocks in a Volatile Market](#)
3. [Seek Strong ROIC in Turbulent Markets](#)
4. [Avoid Bad ROIC Stocks in Risk-Off Markets](#)

Our thoughts are with you and your families in this trying time. We appreciate your business and look forward to continuing to provide you with superior fundamental research.

Please contact us at support@newconstructs.com if you have any questions.

Diligence matters – especially now,

David Trainer, Founder & CEO

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Disclosure: David Trainer, Kyle Guske II, and Matt Shuler receive no compensation to write about any specific stock, sector, style, or theme.

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Footnotes adjustments matter. We are the ONLY source.

We provide ratings, models, reports & screeners on U.S. 3,000 stocks, 700 ETFs and 7,000 mutual funds.

HBS & MIT Sloan research reveals that:

- **Markets are inefficiently assessing earnings because no one reads the footnotes.**
- **Corporate managers hide gains/losses in footnotes to manage earnings.**
- **Our technology brings the material footnotes data to market for the first time ever.**

Combining human expertise with NLP/ML/AI technologies ([featured by Harvard Business School](#)), we shine a light in the dark corners (e.g. footnotes) of hundreds of thousands of financial filings to unearth critical details.

The HBS & MIT Sloan paper, [Core Earnings: New Data and Evidence](#), shows how our superior data drives uniquely comprehensive and independent debt and equity research.

This [paper](#) compares our analytics on a mega cap company to other major providers. The Appendix details exactly how we stack up.

[Learn more.](#)

Quotes from HBS & MIT Sloan professors on our research:

Get better research:

“...the NC dataset provides a novel opportunity to study the properties of non-operating items disclosed in 10-Ks, and to examine the extent to which the market impounds their implications.” – page 20

Pick better stocks:

“Trading strategies that exploit cross-sectional differences in firms’ transitory earnings produce abnormal returns of 7-to-10% per year.” – Abstract

Avoid losses from using other firms’ data:

“...many of the income-statement-relevant quantitative disclosures collected by NC do not appear to be easily identifiable in Compustat...” – page 14

Build better models:

“Core Earnings [calculated using New Constructs’ novel dataset] provides predictive power for various measures of one-year-ahead performance...that is incremental to their current-period counterparts.” – page 4

Exploit market inefficiencies:

“These results ... suggest that the adjustments made by analysts and Compustat to better capture core earnings are incomplete. Moreover, the non-core items identified by NC produce a measure of core earnings that is incremental to alternative measures of operating performance in predicting an array of future income measures.” – page 26

Fulfill fiduciary duties:

“An appropriate measure of accounting performance for purposes of forecasting future performance requires detailed analysis of all quantitative performance disclosures detailed in the annual report, including those reported only in the footnotes and in the MD&A.” – page 33-34



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