



100% Operational Despite COVID Lockdowns

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

Our Research Operations Remain 100% In Tact

COVID-19 is [not disrupting](#) our data collection and research. Our [Robo-Analyst](#) is more effective than ever. We cover more companies with more detailed models than any other research firm, as shown [by this HBS & MIT Sloan paper](#).

Our research platform leverages technology that allows our team to work from home without any disruption to our processes. We look forward to providing you with the [best earnings analysis](#) during the upcoming quarterly earnings season.

Other Research Firms Face Major Disruptions

However, COVID-19 is [seriously disrupting](#) our competitors in data collection and research.

FactSet (FDS) reported in its latest 10-K that its [“ability to gather content, may suffer”](#) due to COVID-19. We expect the same is true of other legacy data providers.

All of these firms rely heavily on offshore data collection centers to power their financial databases. [Serious](#) COVID-19-driven lockdowns in India and other countries that house offshore operations are forcing many of the world's largest banking and financial services institutions to shut down or onshore many core activities like data collection and support.

Disruptions Could Prevent Collection of and Research on 1Q20 Earnings Data

These lockdowns come at an inopportune time for financial markets. Companies start reporting earnings and filing their 1Q20 10-Qs this week.

Investors who rely on other research firms or data providers may not have access to updated data and will be unable to update their models with 1Q20 data.

Robo-Analyst Research Automation Is the Future

In his case study [New Constructs: Disrupting Fundamental Analysis With Robo-Analysts](#), Harvard Business School professor Charles Wang posits that our Robo-Analyst represents a superior approach to collecting financial data and building models. In [Core Earnings: New Data & Evidence](#), professors Charles Wang, Ethan Rouen and Eric So provide evidence that our Robo-Analyst, indeed, produces superior earnings analysis, which can also be used to make superior earnings estimates.

Find Opportunity In Adversity

A global pandemic like COVID-19 can simultaneously reveal weaknesses in traditional research operations and accelerate adoption of new technologies, like our Robo-Analyst.

Most investors take for granted that markets operate efficiently. The disruption in data collection operations could create inefficiencies and market volatility that our clients are uniquely positioned to survive and exploit.

We [stand ready](#) to continue to support you by providing the [most accurate fundamental research](#) in the business. In uncertain times like these, our diligence is of paramount importance.

Please contact me if you have any questions.

Diligence matters – especially now,
David Trainer, Founder & CEO

This article originally published on [April 14, 2020](#).



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

Follow us on [Twitter](#), [Facebook](#), [LinkedIn](#), and [StockTwits](#) for real-time alerts on all our research.



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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