



## Credit Ratings on Your Portfolio Page

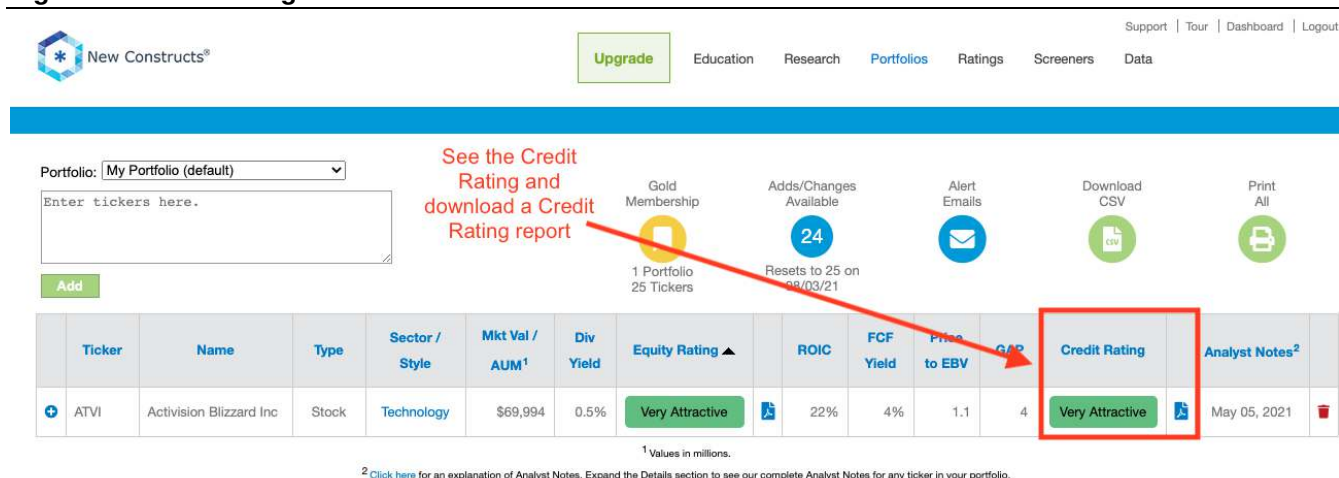
We're excited to announce that all [members](#) now get our [Credit Ratings](#) on their Portfolio page(s) without the need to expand the rating details.

Per the image below, we've made it easier to:

- View Credit Ratings for all stock tickers in a Portfolio
- Download a firm's Credit Rating report

Previously, these capabilities required multiple steps and the new Portfolio page provides more streamlined access.

**Figure 1: Credit Ratings Available in Your Portfolio**



Sources: New Constructs, LLC and company filings

As a result of this update, we removed [Earnings Distortion Scores](#) from the standard Portfolio page view. However, members can still access the Earnings Distortion Score for all tickers in their Portfolio by expanding the rating details using the “+” button in the first column of the Portfolio page. The Earnings Distortion tab, previously below the rating details table, is now only available to [Institutional](#) members.



**Figure 2: Earnings Distortion Scores Available By Expanding Rating Details**

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Ticker	Name	Type	Sector / Style	Mkt Val / AUM <sup>1</sup>	Div Yield	Equity Rating ▲	ROIC	FCF Yield	Price to EBV	GAP	Credit Rating	Analyst Notes <sup>2</sup>
<b>-</b> ATVI	Activision Blizzard Inc	Stock	Technology	\$69,994	0.5%	Very Attractive	22%	4%	1.1	4	Very Attractive	May 05, 2021

Stock Ratings Methodology

**Activision Blizzard Inc (ATVI)**  
 Closing Price: \$90.08 (May 05, 2021)  
 Market Value: \$70.0 Billion  
 Dividend Yield: 0.5%  
 Sector: Technology

**Earnings Distortion Score : In-Line**

Switch to Credit Rating

Analyst Notes : Upgraded from Attractive 5/5/21 | Cause: Lower Market Expectations | New 10-Q & Forecast 5/5/21

Sources: New Constructs, LLC and company filings

Please contact us at [support@newconstructs.com](mailto:support@newconstructs.com) if you have any questions.

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

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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. Legacy fundamental datasets suffer from significant inaccuracies, omissions and biases.
2. Only our “novel database” enables investors to overcome these flaws and apply [reliable](#) fundamental data in their research.
3. Our proprietary measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

### **Best Fundamental Data in the World**

Forthcoming 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**

A top accounting firm 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 Indiana’s Kelley School of Business. 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.

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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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