



## New Feature for All Subscribers: Create Your Own Fund

Our “Create Fund” tool gives clients the ability to create a custom basket of stocks, ETFs and/or mutual funds weighted according to traditional and our proprietary factors. This valuable tool is now available to all [Gold-and-higher members](#) at no additional cost.

**How to Find It:** Access the Create Fund tool on the Portfolios page, as seen in Figure 1.

**Figure 1: New Constructs Website: Create Fund Button**

The screenshot shows the New Constructs website interface. At the top, there is a navigation bar with the following links: Education, Research, **Portfolios** (highlighted with a red box), Ratings, Screeners, and Data. Below the navigation bar, there is a section for creating a portfolio. On the left, there is a dropdown menu for the portfolio name (currently 'My Fund') and a text input field labeled 'Enter tickers here.' with an 'Add' button below it. To the right of the input field, there are several icons: Institutional Membership (50 Portfolios Unlimited Tickers), Edit/Create, Alert Emails, Download CSV, Print All, and **Create Fund** (highlighted with a red arrow).

Ticker	Name	Type	Sector / Style	Mkt Val / AUM <sup>1</sup>	Div Yield	Risk/Reward Rating ▲	ROIC	FCF Yield	Price to EBV	GAP	Analyst Notes <sup>2</sup>	Earnings Distortion Score <sup>3</sup>
INTC	Intel Corporation	Stock	Technology	\$183,795	2.9%	Very Attractive	18%	8%	0.6	< 1	Nov 03, 2020	Miss
SPG	Simon Property Group, Inc.	Stock	Real Estate	\$19,880	8.0%	Attractive	10%	6%	0.5	< 1	Aug 25, 2020	In-Line
ROGSX	Oak Associates Funds: Red Oak Technology Select Fund	Mutual Fund	Technology	\$577	-	Attractive	33%	3%	2.5	20	Oct 12, 2020	NA
SPY	State Street SPDR S&P 500 ETF Trust	ETF	Large Cap Blend	\$277,589	1.6%	Attractive	23%	1%	2.9	25		NA
QQQ	Invesco QQQ Trust, Series 1	ETF	Large Cap Growth	\$128,305	-	Neutral	36%	1%	4.4	36		NA
SQ	Square, Inc.	Stock	Industrials	\$70,171	-	Neutral	18%	-0%	-1936.7	> 100		Miss
FGDMX	Fidelity Select Portfolios: Fidelity Advisor Communication Services Fund	Mutual Fund	Consumer Cyclical	\$711	-	Unattractive	19%	1%	3.5	25	Oct 12, 2020	NA
TSLA	Tesla Inc	Stock	Consumer Cyclical	\$401,815	-	Unattractive	7%	0%	32.9	> 100	Oct 27, 2020	In-Line
BBQ	BBQ Holdings Inc.	Stock	Consumer Cyclical	\$41	-	Very Unattractive	-5%	-54%	-0.3	4	Nov 03, 2020	Strong Miss

Sources: New Constructs, LLC and company filings.

**How to Use It:** Figure 2 shows where to access key features on the “Create Fund” page:

1. Enter any investment amount – our system automatically adjusts your order form for the amount of money you wish to allocate.
2. Choose the weighting methodology – we offer 10+ factors, including market cap, dividend yield, our proprietary [Core Earnings](#) and return on invested capital ([ROIC](#)), as well as custom weightings.
3. Enter current shares – enter the number of shares you already own and they’ll be deducted automatically for what you need to order to achieve the Target Shares.
4. Download Order Form – get a CSV file with every order needed to create the portfolio on the page. Click [here](#) for a sample.



**Figure 2: How to Use the “Create Fund” Tool**

Support | Tour | Dashboard | Logout

New Constructs® Upgrade Education Research Portfolios Ratings Screeners Data

Create Your Own Fund: \_Technology (default)

Tell us (1) how much money you want to put into your fund and (2) how to weight the holdings and we'll create an order form for you.

Take The Tour Download CSV Print Download Order Form

← Back to portfolio 1. Investment: \$ 10000

2. Equal Weighting Market Cap (Millions) Dividend Yield ROIC NOPAT (Millions) Core Earnings (Millions) Economic Earnings (Millions) FCF (Millions) FCF Yield Economic Book Value (Millions) Custom Weighting\*

3. Current Shares

Ticker	Name	Type	Sector/Style	Price	Risk/Reward Rating	Exclude	Weight	Target Position Value	Target Shares	Current Shares	Order Shares
VNQ	Vanguard Specialized Funds: Vanguard Real Estate Index Fund; ETF Shares	ETF	Real Estate	\$103.91	Very Unattractive	<input type="checkbox"/>	0.79%	\$79.41	0.7643	0	0.7643
TWTR	Twitter, Inc.	Stock	Technology	\$34.62	Unattractive	<input type="checkbox"/>	0.82%	\$82.31	2.3774	0	2.3774
TSLA	Tesla Inc	Stock	Consumer Cyclical	\$879.89	Neutral	<input type="checkbox"/>	3.41%	\$340.50	0.3870	0	0.3870
SPY	State Street SPDR S&P 500 ETF Trust	ETF	Large Cap Blend	\$437.89	Attractive	<input type="checkbox"/>	5.65%	\$564.88	1.2900	0	1.2900
EVER	Everest Re Group,	Stock	Financial	\$222.00	Very	<input type="checkbox"/>	0.33%	\$222.00	0.3774	0	0.3774

Sources: New Constructs, LLC and company filings.

**Benchmark the Quality of Your Fund:** Figure 3 shows how the Create Fund tool automatically compares the Stock Ratings allocation of your custom fund to one of 23 benchmarks. To select a benchmark, open the dropdown menu to the right of the “Ratings Allocation” table.

**Figure 3: Compare Stock Allocation to Benchmarks**



Sources: New Constructs, LLC and company filings.

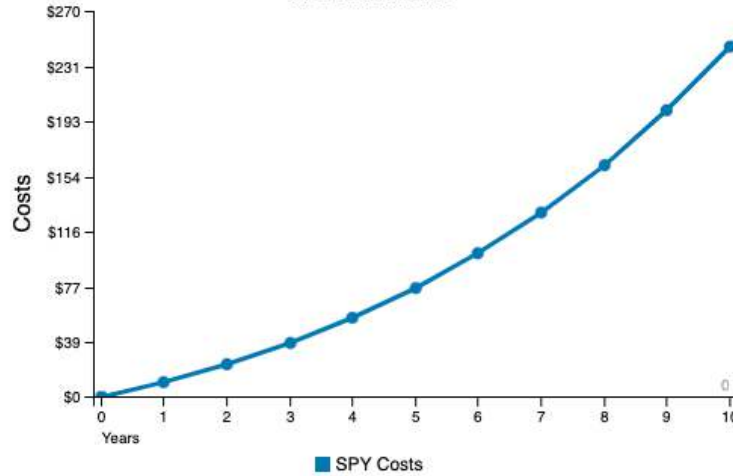
**Benchmark the Cost of Your Fund:** Figure 4 shows how the Create Fund tool automatically estimates your cost savings compared to investing in a chosen benchmark.



**Figure 4: Quantify Your Cost Savings Feature**

### Cost Savings

Creating your own fund saves you \$38 over 3 years and \$245 over 10 years in management fees compared to owning the benchmark ETF. These values assume a \$10,000 investment and a 10% annual return for the benchmark.



Sources: New Constructs, LLC and company filings.

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

*This article originally published on [March 4, 2022](#).*

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

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



## ***It's Official: We Offer 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. 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.

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](#).



## ***DISCLOSURES***

New Constructs®, LLC (together with any subsidiaries and/or affiliates, "New Constructs") is an independent organization with no management ties to the companies it covers. None of the members of New Constructs' management team or the management team of any New Constructs' affiliate holds a seat on the Board of Directors of any of the companies New Constructs covers. New Constructs does not perform any investment or merchant banking functions and does not operate a trading desk.

New Constructs' Stock Ownership Policy prevents any of its employees or managers from engaging in Insider Trading and restricts any trading whereby an employee may exploit inside information regarding our stock research. In addition, employees and managers of the company are bound by a code of ethics that restricts them from purchasing or selling a security that they know or should have known was under consideration for inclusion in a New Constructs report nor may they purchase or sell a security for the first two days after New Constructs issues a report on that security.

## ***DISCLAIMERS***

The information and opinions presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or solicitation of an offer to buy or sell securities or other financial instruments. New Constructs has not taken any steps to ensure that the securities referred to in this report are suitable for any particular investor and nothing in this report constitutes investment, legal, accounting or tax advice. This report includes general information that does not take into account your individual circumstance, financial situation or needs, nor does it represent a personal recommendation to you. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about any such investments or investment services.

Information and opinions presented in this report have been obtained or derived from sources believed by New Constructs to be reliable, but New Constructs makes no representation as to their accuracy, authority, usefulness, reliability, timeliness or completeness. New Constructs accepts no liability for loss arising from the use of the information presented in this report, and New Constructs makes no warranty as to results that may be obtained from the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information and opinions contained in this report reflect a judgment at its original date of publication by New Constructs and are subject to change without notice. New Constructs may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them and New Constructs is under no obligation to insure that such other reports are brought to the attention of any recipient of this report.

New Constructs' reports are intended for distribution to its professional and institutional investor customers. Recipients who are not professionals or institutional investor customers of New Constructs should seek the advice of their independent financial advisor prior to making any investment decision or for any necessary explanation of its contents.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would be subject New Constructs to any registration or licensing requirement within such jurisdiction.

This report may provide the addresses of websites. Except to the extent to which the report refers to New Constructs own website material, New Constructs has not reviewed the linked site and takes no responsibility for the content therein. Such address or hyperlink (including addresses or hyperlinks to New Constructs own website material) is provided solely for your convenience and the information and content of the linked site do not in any way form part of this report. Accessing such websites or following such hyperlink through this report shall be at your own risk.

All material in this report is the property of, and under copyright, of New Constructs. None of the contents, nor any copy of it, may be altered in any way, copied, or distributed or transmitted to any other party without the prior express written consent of New Constructs. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of New Constructs.

Copyright New Constructs, LLC 2003 through the present date. All rights reserved.