



## New AI Partnership: Chata.ai - Alpha Alerts

We are excited to announce (press release [here](#)) our partnership with Artificial Intelligence (“AI”) leader, [Chata.ai](#), to bring the truth about earnings and valuation to more investors via the [Alpha Alerts](#) platform. The Alpha Alerts AI pushes very sophisticated signals and answers to clients instead of requiring them to enter a prompt or a question. These customized signals can support sophisticated trading strategies based on our [proven-superior](#) fundamental research.

This cutting-edge AI platform delivers customized alerts for changes in our:

1. [Earnings Distortion Scores](#)
2. [Stock Ratings](#)
3. [ETF & Mutual Fund Ratings](#)

Every investor deserves access to reliable fundamental research, and the goal of Alpha Alerts is to equip more retail investors with our [proven-superior](#) fundamental research.

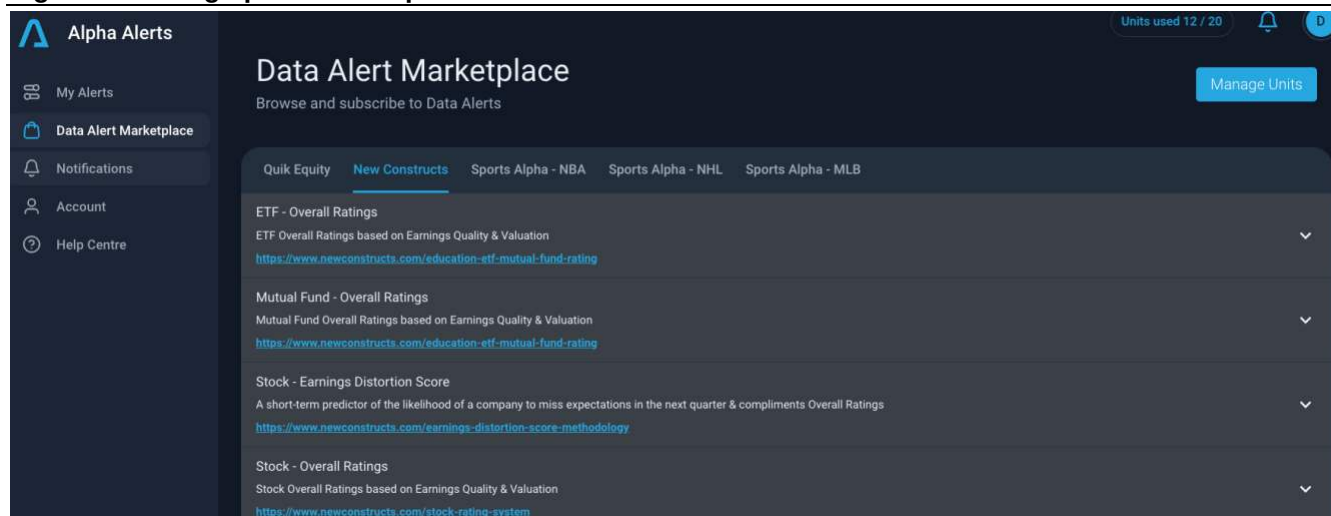
We’re leveling the information playing field and changing the game for the growing retail segment.

This partnership signifies a paradigm shift in the availability and accessibility of professional-grade investment data for the retail investor.

"Our mission is to democratize data analytics and make it accessible to everyone, not just the institutional players," said [Kelly Cherniwchan](#), CEO of Chata.ai. "By exposing signals from New Constructs' financial insights into Alpha Alerts, we're not just offering data; we're serving you directly on your device and you don't have to go searching for it."

See Figure 1 for a brief overview of the Alpha Alerts offering.

**Figure 1: Setting up Chata.ai Alpha Alerts for New Constructs Metrics**



Sources: Chata.ai

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*Disclosure: David Trainer, Kyle Guske II, and Hakan Salt, 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, 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**

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, 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 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, 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](#).



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