



1Q25 Performance Update: Core Earnings-Weighted S&P 500 Index Beat the S&P 500 by 1%

The market is missing footnotes, and our research is the first and best at collecting footnotes data that delivers novel alpha – as proven by the performance of our live indices as well as [Core Earnings: New Data & Evidence](#), published in [The Journal of Financial Economics](#).

Is there a better way to prove the alpha in our research than a live, actively-traded index that outperforms the market?

That's exactly what happened in the first quarter of 2025 when this index beat the S&P 500 by 1%. Note the only difference between this index and the S&P 500 index is how the holdings are weighted. The Bloomberg New Constructs 500 index weights the holdings based on our proprietary [Core Earnings](#) while the legacy S&P 500 index weights based on market cap.

Consequently, it is fair to say that the performance of the two indices in the first quarter of 2025 suggests that weighting stocks based on Core Earnings adds alpha.

Details on this index:

The Bloomberg New Constructs 500 Index takes the top 500 stocks by market cap and tilts toward the companies with high Earnings Capture, based on our proprietary [Core Earnings](#) data. We like to think of this index as an enhanced version of the S&P 500, and it is enhanced by weighting the holdings based on Core Earnings instead of market cap.

Official docs: [Fact Sheet](#) and the [Index Methodology](#).

On the Bloomberg website or terminal, you can track performance with these tickers:

- Total Return Index [B500NCT:IND](#)
- Price Return Index [B500NCP:IND](#)
- Net Return Index [B500NCN:IND](#).

More details in Figures 1.



Figure 1: Proof Is In Performance in 1Q25: Bloomberg New Constructs 500 Beats S&P 500 by 1%

Bloomberg New Constructs 500 Total Return Index

B500NCT:IND
(USD) · Market closed

Core Earnings-Weighted S&P 500 Index
Beats Legacy S&P 500 by 1% in 1Q2025

✓
Following

4,037.20 ▲20.89 +0.52%

As of 4:15 PM EDT 03/31/25.

Summary

Related News

Index Info

1D 1M 6M YTD 1Y 5Y

Q SPX:IND

■ B500NCT:IND -3.63% ■ SPX:IND -4.59% ×



Sources: [Bloomberg](#) as of March 31, 2025.

Note: Past performance is no guarantee of future results.

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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, 1st 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, 2nd 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, 5th 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, 2nd 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, 3rd para.
- “Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts.” – pp. 20, 3rd 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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