

# What Is Evidence-Based Investing?

(Hint: It's the **Evidence** That Counts)

## EVIDENCE-BASED INVESTING

Long-term market history  
Peer-reviewed academic evidence  
Practical application  
Patient participation

## TRADITIONAL ACTIVE INVESTING

Near-term market forecasting  
"Expert" opinions  
Speculative venture  
Rapid reaction

VS.

## How Do Evidence-Based (EB) & Traditional Active (TA) Investors Differ?

EB investors understand near-term market swings are unpredictable; they ignore the "noise."

EB investors assume that time is on their side; they give their plan time to grow.

EB investors are guided by peer-reviewed academic inquiry (for "steady as she goes" resolve).

EB investors define success as being able to comfortably fund their personal financial goals.

EB investors manage market risk factors (and their expected returns) and diversify away concentrated risks.

EB investors focus on minimal trading, understanding that the costs involved are among the biggest drags on their end returns.

EB investors participate in the market to earn expected long-term returns according to time-tested academic evidence, their personal goals and individual risk tolerances.

THEY SEE THE  
FUTURE  
DIFFERENTLY

THEY  
WORK ON  
DIFFERENT  
TIMELINES

THEY ARE  
GUIDED BY  
DIFFERENT  
DETERMINANTS

THEY DEFINE  
"SUCCESS"  
DIFFERENTLY

THEY USE  
RISK  
DIFFERENTLY

THEY  
CONSIDER  
COSTS  
DIFFERENTLY

**Bottom Line**  
**EVIDENCE-BASED  
INVESTORS APPROACH  
INVESTING  
DIFFERENTLY**

TA investors believe they can successfully predict when and how to trade on breaking news.

TA investors feel a sense of urgency to make the "right" calls to beat the market.

TA investors act on "expert" opinions (which are vulnerable to biases, blind spots and changeable conditions).

TA investors define success as outperforming others or making a lot of money.

TA investors don't distinguish between *market* risks (factors that are expected to yield extra returns) and *concentrated* risks (which just add more risk).

TA investors focus on cleverly timed trades over the costs, commissions and taxes they incur.

TA investors try to **beat** the market through clever stock-picking and market-timing.

That's why, when it comes to your time, your money, your future AND YOUR FAMILY...  
**WE CHOOSE EVIDENCE-BASED INVESTING**

