

Evidence-Based vs. Active Investing

- Advice reliant on academic and practitioner research
EVIDENCE-BASED
- Outperforming the market is difficult
- Factor tilts offer the most reliable way to outperform the overall market
- Maintaining a low-cost portfolio is important
- Alternative strategies should be used with caution

- Advice based upon firm's beliefs about markets
ACTIVE
- | Outperforming the market is easy
- | Hiring a manager that can pick stocks is the most reliable way to outperform the market
- | Costs are of secondary importance
- | Alternative strategies should compose a large portion of a portfolio