

# You Can't Buy the Past (Performance)

Most investors are buying based on past performance thinking that the future will replicate the past. Take for example, cryptocurrency: Bitcoin wasn't very appealing to the masses at \$1 in recent years, but when it started trading in the 5,000 -10,000 range it attracted many new entrants. The new entrants are most likely buying because they think the future will mimic the past.

**The same holds true for the stock market.** Many speculators buy only after a good upward move on the stock market because it did well in the recent past. When the DOW goes from 18,000 to 25,000 — it looks more appealing.

When you invest, **you can't buy *past* performance — you can only buy *future* performance.** So many try to grab what worked in the past, but the past can't be purchased. You have to buy a belief system and VIA IV believes that investing globally with factors (size, value, momentum, and profitability) will increase your wealth over time.

Given that time machines don't exist, we can only know what will work well in the future by using financial science to guide our investments. This won't prevent disappointing periods of performance, but this will give us the conviction to remain in the markets at all times (according to our risk profile).

We keep our costs low and utilize Nobel Prize-winning science and empirical data to construct portfolios. Since you are buying the future, why not put data and science on your side rather than randomness and speculation?