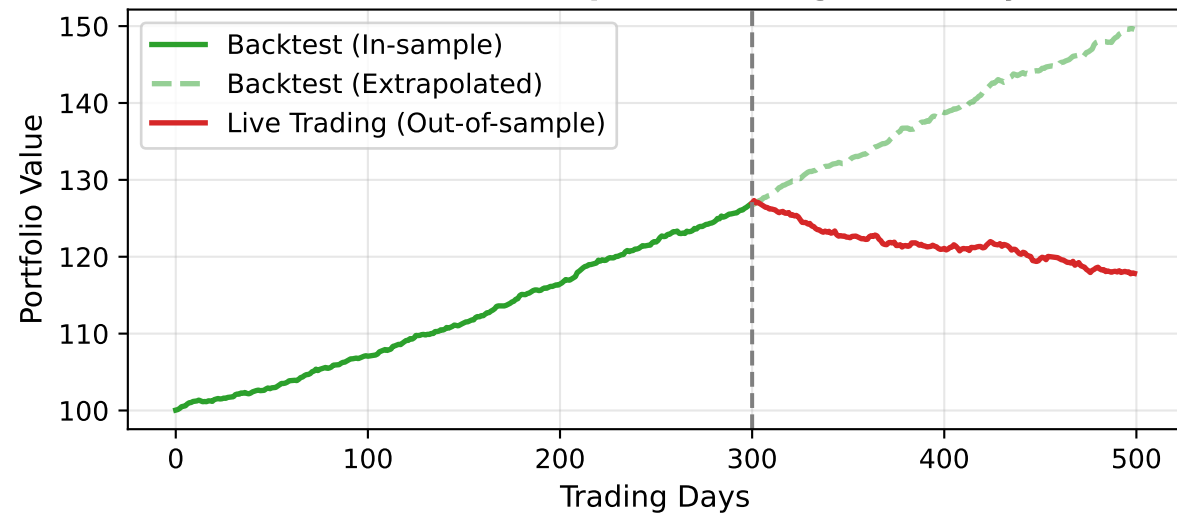


Go Live

## The Backtest Trap: Overfitting to History



## Common Causes of Backtest Overfitting

### 1. Look-ahead bias

Using future data in decisions

### 2. Survivorship bias

Only testing on surviving stocks

### 3. Data snooping

Testing many strategies, reporting best

### 4. Transaction costs ignored

**Solution:**  
Walk forward  
validation  
Out-of-sample  
testing