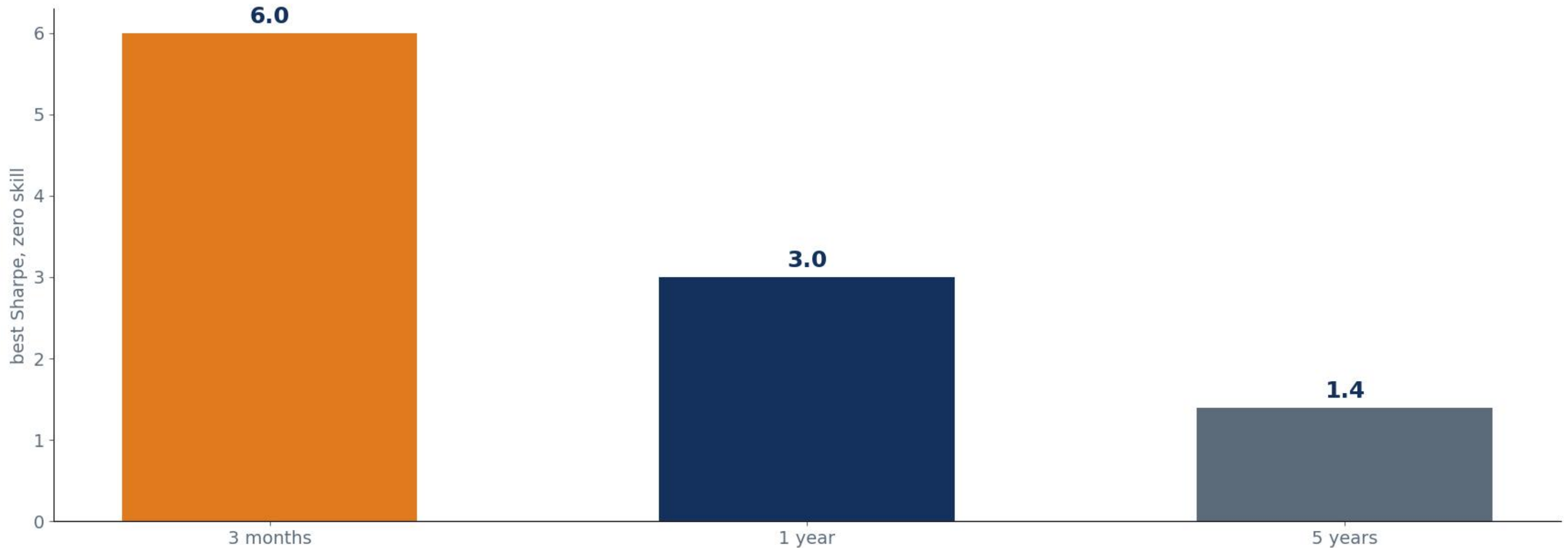


FINZDATA RESEARCH · OCTOBER 2026

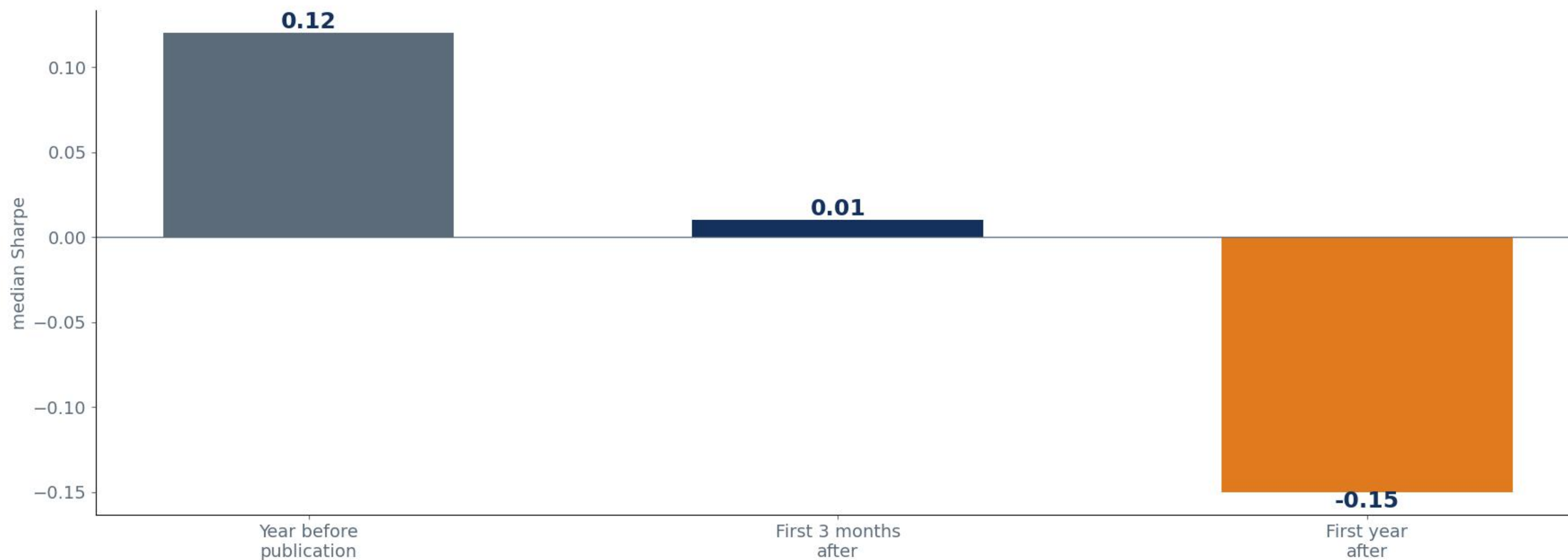
Why most backtests lie, and how FinzData keeps them honest

Tuned parameters · no stress test · light costs · survivorship bias
A high Sharpe is not an edge. Luck looks exactly like skill.

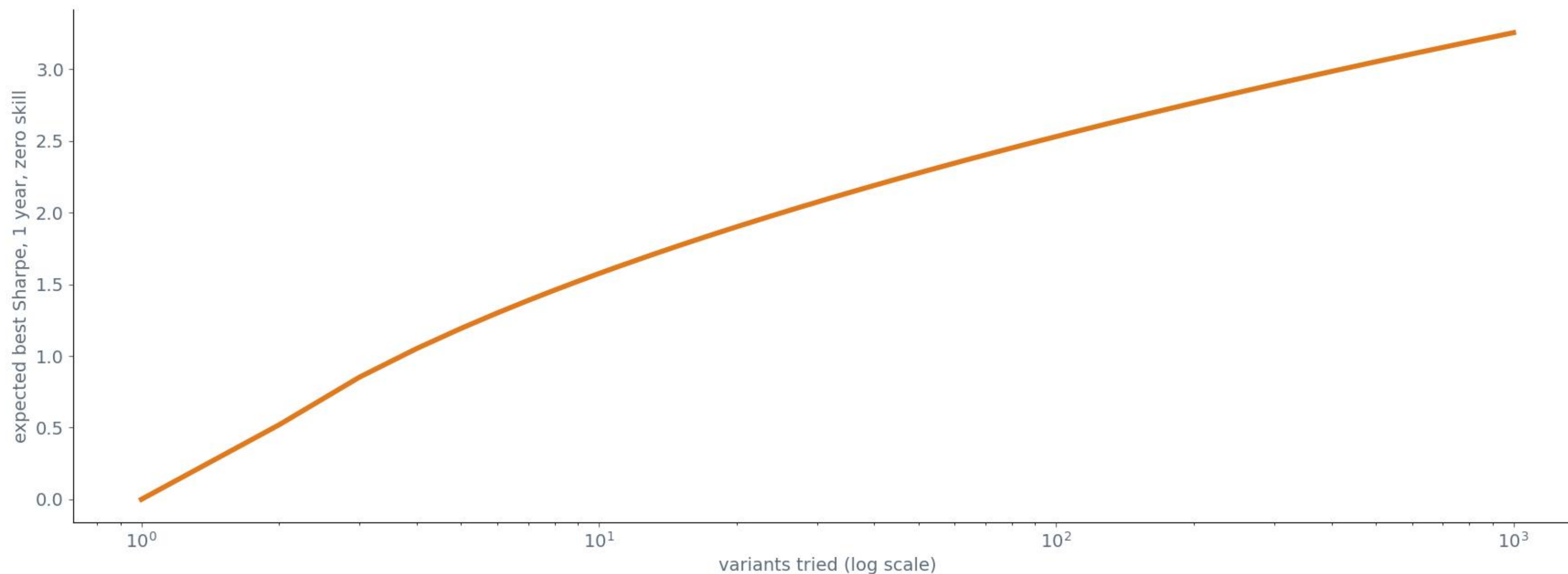
546 strategies, zero skill: luck alone posts a best Sharpe near 6



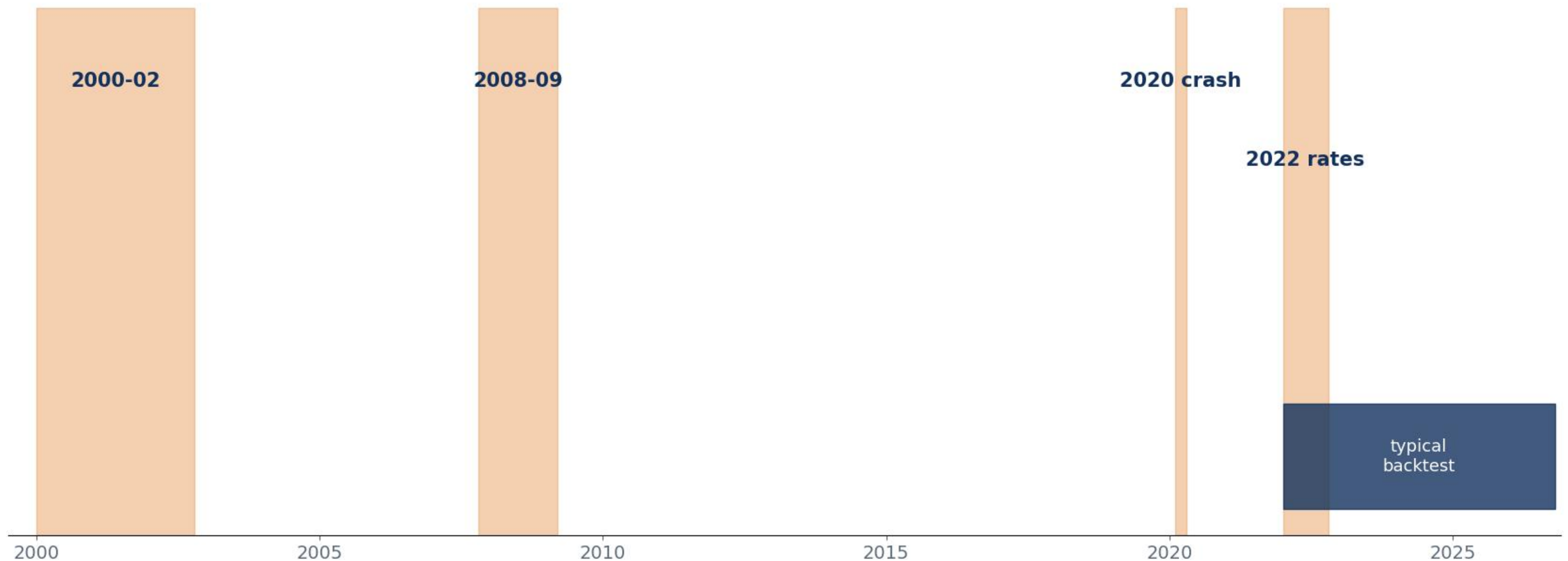
546 published strategies: median Sharpe fades to nothing



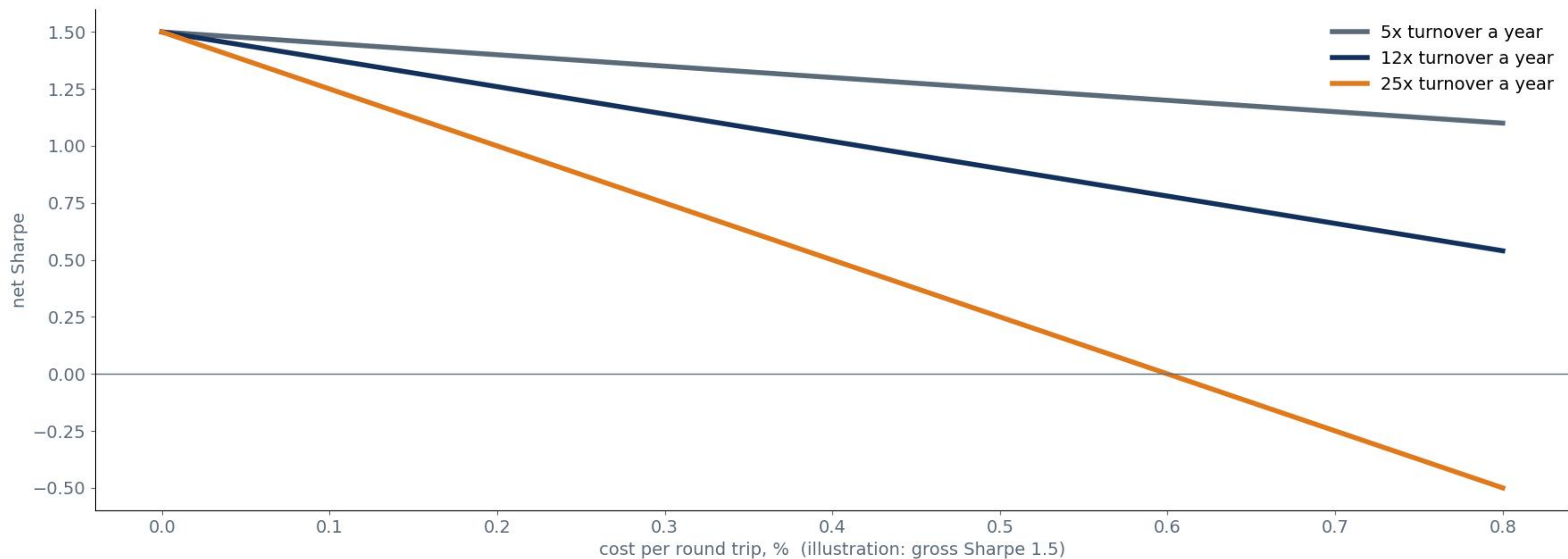
**Every variant is a lottery ticket.
Count them: demand $t > 3$, not 2**



A backtest that starts in 2022 has never met a crisis



Fast strategies give their edge back in costs



Test on today's list and the losers vanish before you start

- Use the universe as it stood on each date, delisted names included
- Earnings are known on the filing date, not the quarter end
- Revised economic data only after its revision
- Restated data is the quiet version of look-ahead

A record that is hard to fake, even by its own author

- 16,000+ US stocks since January 2000, delisted included, point in time
- survivorship_audit: your spec run on survivors vs the true universe
- Point-in-time fundamentals from SEC filings; as_of snapshot ids
- Trial ledger + deflated Sharpe on every result
- FinzData Verified: frozen, forward-scored, hash-chained
- Costs on every rebalance via costs_bps

Where FinzData still falls short

- Default costs are a flat 10 bps: set a higher costs_bps for small caps
- The trial ledger only sees FinzData runs
- Forward records take time: 63 sessions to rank, 252 for the top tier
- A clean backtest removes biases; only a forward record proves an edge

The eight-point checklist

- Point-in-time universe, delisted included
- Every input knowable at that day's close
- Hypothesis and pass bar written down first
- Every variant counted; deflated Sharpe
- Two cost levels, with turnover
- At least one crisis; worst drawdown + recovery
- Recent years sealed, read once
- Frozen before the forward record