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Is This Time Different?

Every market cycle arrives with a story.

And every story arrives with the same message: *This time is different.*

I've heard those words for more than thirty years. I've heard them from individual investors. I've heard them from Wall Street strategists. I've heard them from hedge fund managers who should have known better.

The details change. Human nature does not.

In the late 1990s, investors convinced themselves that profits no longer mattered. The internet had changed everything. Traditional valuation methods were obsolete. Companies could lose money forever and somehow become more valuable with each passing quarter.

Then reality arrived.

A decade later, housing prices could only go up. New lending standards made old concerns irrelevant. The economy had evolved. Once again, investors believed the old rules no longer applied.

Then reality arrived.

More recently, we've seen speculative frenzies in everything from cryptocurrencies to SPACs to meme stocks. Each came wrapped in a different package. Each was supported by intelligent people making sophisticated arguments. Yet beneath the surface, the story was remarkably familiar. Fear. Greed. Optimism. Overconfidence. The same emotions that have driven markets for generations.

When I started working in forensic accounting, I saw a similar pattern. The accounting tricks changed. The language became more sophisticated. New regulations were introduced. Executives found creative ways to explain away concerns. But the underlying behavior remained the same. People wanted results faster than reality could deliver them, so they looked for ways to bridge the gap.

Different decade. Same mistake.

One of the most comforting lessons I've learned as an investor is that markets are far less unpredictable than they appear. Prices can be unpredictable. Headlines can be unpredictable. Human nature is remarkably predictable.

People become overly optimistic near market tops. People become overly pessimistic near market bottoms. Investors chase what has already gone up and abandon what has already gone down. They assume recent events will continue indefinitely into the future. And when enough people begin to believe it, someone inevitably declares that this time is different.

There's another reason those four words persist through every market cycle.

The financial media rewards certainty. Television rewards confidence. A thoughtful investor who says, "I don't know what happens next, but I trust my process," doesn't make for a very exciting headline.

A forecaster who confidently predicts exactly where the market will be six months from now is far more likely to attract attention.

The problem is that attention and accuracy are not the same thing.

The market is a complex system influenced by countless variables. Even the smartest investors in the world are wrong with surprising frequency. Yet every day we're presented with a steady stream of forecasts, predictions, and bold opinions delivered with complete confidence.

As investors, it's important to remember that a prediction is not a process.

Years ago, I became friends with a professional gambler named Maury. He's one of the smartest people I've ever met. What makes Maury remarkable isn't that he won a few big bets. Lots of people get lucky for a while. Maury made a living as a professional gambler for more than fifty years. In his business, that's almost unheard of.

Most people assume success like that comes from intelligence alone. Maury would probably tell you otherwise.

His success came from process.

He understood probabilities. He managed risk. He remained disciplined when others became emotional. Most importantly, he never confused a good outcome with a good decision or a bad outcome with a bad decision.

A single bet tells you very little. Thousands of bets tell you everything.

Investing is much the same way.

The investors who survive and prosper over long periods of time are rarely the ones making the boldest predictions. More often, they're the ones following a repeatable process while everyone around them is reacting to the latest headline.

Predictions come and go. Headlines come and go. Expert opinions come and go.

A sound investment process is what remains when the predictions inevitably prove imperfect.

Those words—*this time is different*—should make investors more cautious, not more confident.

The reality is that the fundamental principles of investing haven't changed very much. Cash flows matter. Valuation matters. Risk matters. Quality matters. Discipline matters. Markets evolve. Technology evolves. New industries emerge. But the forces that drive investor behavior remain largely unchanged.

That's one reason I continue to trust systematic, evidence-based approaches. Not because they predict the future. They don't. No process does. But a good process acknowledges a timeless truth: human beings are emotional, markets are emotional, and the future will always surprise us.

It always has.

That is also why I believe investors should stick with a sound process, especially when it feels most difficult to do so. Every successful investment approach experiences periods of frustration. There are stretches when nothing seems to work. There are times when the headlines make your strategy look foolish. The temptation to abandon discipline and chase whatever is working in the moment can be overwhelming.

But history suggests that the greatest rewards often go to those who remain patient when patience is hardest.

The future will surprise us. It always does. What doesn't surprise me is how investors respond when it happens. I've seen that movie before. The names change. The charts change. The headlines change. But the script remains remarkably familiar.

Which is why, whenever I hear someone confidently explain why this time is different, I pay closer attention. History may not repeat exactly, but it rhymes often enough to make those four words among the most dangerous in investing.

The older I get, the less interested I become in predicting the future. I'd rather understand the things that never change. Human nature is one of them. And if there's comfort to be found in investing, it's knowing that while markets will always test our patience, the principles that lead to long-term success remain remarkably constant.

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