

Table 3: Final Economic Results: Minsky Hedge Strategies
Performance comparison across different investment strategies. Benchmark and Minsky strategies (Smart/Bond and Levered) cover the 1990–2025 period. Benchmark represents a passive investment in the S&P 500. Minsky Hedge strategies switch to defensive assets when structural fragility is detected. The Levered strategy applies 1.5x leverage during structurally safe regimes. Max Drawdown represents the maximum peak-to-trough decline. CAGR (Compound Annual Growth Rate) measures annualized returns.

Strategy	Max Drawdown	CAGR
Benchmark (S&P 500)	-56.8%	8.7%
Minsky (Cash Hedge)*	-27.2%	6.8%
Minsky (Smart/Bond)	-24.4%	8.2%
Minsky (1.5x Levered)	-37.9%	9.3%
Risk Reduction vs Benchmark	-29.6%	—

*Cash Hedge strategy covers 2000–2025 period; all other strategies cover 1990–2025 period.