

Table 3: Economic Performance of the Minsky Hedge (1987–2025)
Performance statistics computed from daily returns over the 1987–2025 sample. The Unlevered strategy switches to 10-Year Treasuries when structural fragility is detected ($Z > 1.5$). The Levered strategy applies 1.5x leverage during structurally safe regimes. The Minsky Hedge demonstrates superior risk-adjusted returns (Sharpe Ratio) and drastically reduced volatility compared to the benchmark.

Metric	S&P 500 (Benchmark)	Minsky Hedge (Unlevered)	Minsky Levered (1.5x Target)
Annualized Return	8.9%	7.4%	8.9%
Annualized Volatility	19.2%	11.9%	17.8%
Sharpe Ratio	0.26	0.29	0.28
Max Drawdown	-56.8%	-26.0%	-39.6%