

INDEX DRAWDOWNS & LEAPS

One-Page Historical Reference Guide

SPY | QQQ | IWM | DIA

Price drawdowns from prior record highs

1 HISTORICAL UNDERLYING ETF OUTCOMES

Actual observed ETF prices through August 27, 2026

ENTRY	12M SAMPLE	12M MEDIAN	12M POSITIVE RETURN	24M SAMPLE	24M MEDIAN	24M POSITIVE RETURN
ORDINARY DAY	28,152	+12.82%	78.0%	27,144	+24.71%	81.6%
-5% DRAWDOWN	107	+9.92%	72.9%	103	+15.74%	68.9%
-10% DRAWDOWN	50	+14.72%	74.0%	47	+21.52%	66.0%
-15% DRAWDOWN	26	+9.95%	65.4%	23	+29.96%	65.2%
-20% DRAWDOWN	20	+17.82%	70.0%	19	+45.52%	63.2%

KEY TAKEAWAY The -20% entries had the strongest 24-month median recovery (+45.52%) - but only 63.2% finished above 0%.

2 MODELLED LEAPS TAIL RISK

Percent losing at least 50% of premium by 21 months

ENTRY	75 DELTA	60 DELTA
Ordinary day	17.3%	Not shown
After -5%	28.3%	35.4%
After -10%	29.5%	38.6%
After -15%	39.1%	39.1%
After -20%	31.6%	42.1%

75 delta cost more, but generally reduced tail risk.

3 BEFORE BUYING LEAPS IN A CRASH

- 1 Is the underlying ETF attractive at this price?
- 2 How much has long-dated implied volatility risen?
- 3 What percentage of spot does the premium cost?
- 4 Does the delta match the risk you want?
- 5 How much premium can you actually afford to lose?

A cheaper index does not necessarily mean a cheap option.

READ THIS CORRECTLY Median is not average. 'Positive return' is a historical frequency, not a guaranteed probability.

ETF results are observed history. LEAPS results are Black-Scholes model estimates, not historical option fills.

The ordinary-day pool is composition-weighted by eligible ETF history, not an equal-weight portfolio. Deep-drawdown samples are small and correlated.