

The Summer 2026 Loss and the Rule That Replaced It

A research report on the Nexus Trader strategy — extended history through 3 September 2026

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Study	The Summer 2026 Loss and the Rule That Replaced It
Generated	2026-09-06 Eastern Daylight Time (revision of the report first generated 2026-09-04 23:19)
History tested	2021-06-01 to 2026-09-03 — the published corpus extended by fifteen scanner weeks (71 trading days); the ten-year check of section 11 runs 2016-05-31 to 2026-09-03
Engine	The strategy's own backtesting engine. Its build changed during the study; every change was additive and off by default, so an unmodified run reproduces identically on any of them.
Configurations tested	55 runs — 51 in the study of 4 September, plus 4 path re-runs of the adopted configuration added on 6 September (section 7.5); the two ten-year runs of section 11 (adopted and previous configuration) are additional and are not in the appendix table
Status	FINAL - 51 configurations; conclusion issued; three independent audits applied; path re-runs of the adopted configuration added 6 September; ten-year check added 6 September (section 11)
Edition	Public edition, published 2026-09-05 and revised twice the same day (first: the 0.4%-ceiling rule of 4 September is named the interim rule throughout, and the previous configuration's figures in section 4.1 are marked as retired; second, after a reader audit: the report was retitled because the previous title read as a promise about the size of future falls, section 1 no longer equates the replayed loss with the live one, and the conclusion no longer describes the still-open 2026 decline as staying inside the line). Revised again 2026-09-06: the adopted configuration was re-run at \$12,000, \$25,000 and \$40,000 — the three starting amounts the conclusion said should precede publication — together with a same-size anchor on the newer data; the four runs appear in sections 2, 6 and 7.5 and in the conclusion, and a "Data vintage" note in section 3 explains why the study's exact inputs can no longer be reproduced. Revised once more on 2026-09-06: a ten-year check of the adopted configuration (June 2016 to September 2026), with the previous configuration run on the same command for comparison, was added as section 11; the ten-year row on the website derives from it. Identical in every number, table and conclusion to the internal report of 2026-09-04 as revised 2026-09-06; only the framing, internal identifiers and reproduction details differ.

Preface to the public edition

This document is the research study behind the performance and risk figures published on the Nexus Trader website. It was written for the operator of the strategy in September 2026 and is published here so that anyone reading a figure such as "worst fall –19.78%" can see where it came from, what was tried and rejected on the way to it, and what its limits are.

Everything in it is **simulated**. The results come from running the strategy's rules over recorded market prices from June 2021 to 3 September 2026, not from an actual account. Simulated results do not include every cost and friction of real trading, and a strategy that was chosen because it did well on a particular history has, by construction, not yet been tested on any other. Section 7.5 and the conclusion say how much weight the numbers can bear.

The configuration this study recommends is the one the operator adopted on 2026-09-05 and the one the website describes; it is referred to below as **the configuration adopted on 5 September**. The rule it replaces — a 0.4% risk ceiling on its own, chosen by the operator on 4 September as a stop-gap while this study was being finished — is referred to throughout as **the interim rule (the 0.4% ceiling chosen on 4 September)**, or "the interim rule" for short. It was never offered to customers and is not the configuration the website describes.

1. What this study was for

The live account lost about a quarter of its value over the summer of 2026. An earlier investigation established that the software did what it was supposed to do — a replay of the strategy's rules over the same weeks showed a loss of similar size, which pointed the investigation at the strategy's sizing rules rather than at the software. That comparison covers those nine weeks only; simulated results do not in general match live results. So the question stopped being "what broke?" and became "how do we change the strategy so a stretch like this cannot hurt this much?"

On 2026-09-04 the operator set the condition that the worst fall must not exceed 25%, measured over the whole history, and that giving up some performance to get there is acceptable. That condition is the primary one.

That gives a single pass mark: the worst peak-to-bottom fall should be 25% or less, measured over the whole history including this summer, and losing some return to get there is acceptable. Every backtest here therefore runs through September 2026, not through May as the published ones did.

One caution that governs how to read everything below. Almost every configuration tested reaches its worst fall on the very last day of the data and is still falling there. These are floors, not limits — the number says how bad it had got by 3 September, not how bad it gets. Section 7.5 measures how much that matters, and the answer is: enough that small differences between configurations should not decide anything.

2. The short version

What caused the damage. The bot decides how many shares to buy from a percentage of the account, not from how much money it would lose if the trade goes wrong. So a stock whose stop-loss sits far below the entry price costs far more when it fails than one whose stop sits close. In 2026 stop-losses sat about 40% further away than usual, so the bot risked about 60% more money per trade, and nothing in the code noticed. This is the largest single lever found, and acting on it removes about ten of the thirty-six points of the fall.

What fixes it, partly. A ceiling on the money risked per trade, applied where it is actually being exceeded. The operator chose one as an interim rule on 2026-09-04: risk no more than 0.4% of the account on a trade whose stop-loss is more than 3% below the entry price. It takes the worst fall from 35.9% to 25.7% and costs about a fifth of the growth rate.

Be clear that this lands just outside the operator's own line. 25.74% is not 25% or less. At a \$7,000 account it is 25.86%, across five different starting amounts it ranges from 25.54% to 26.18%, and if every gapped stop-loss fills at the opening price it is 27.87%. Several configurations do get inside 25%; section 8 prices each of them and the conclusion names the one to adopt.

What does not fix it. Borrowing less makes the fall slightly worse. A tighter trailing stop makes it much worse. Reacting to a fall once it starts barely helps. Predicting bad periods in advance does not work, though that finding is carried over from the earlier investigation rather than retested here.

What the study recommends. Shrink every position in proportion to its stop distance using the 2.8% historical reference, and keep the 0.4% ceiling beyond 3%. Of the configurations tested on all three counts — the reference account, a \$7,000 account, and bad fills — it is the only one inside 25% on all three: 19.78%, 20.05% and 21.26%. Re-run after the study at \$12,000, \$25,000 and \$40,000, it stayed inside 25% on every path (18.87%, 20.10% and 20.52%; section 7.5). Its worst fall was set in a completed 2022-to-2023 episode, and its own 2026 decline, 19.76% and still open, sits nearly as deep but well inside the line. It costs about four points of growth a year against the interim rule. The full case, with its limits, is in the conclusion after section 8.

What looked better and is not. Shrinking at a 2.2% reference beats the interim rule on paper, 30.9% growth at a 24.91% fall. Sections 5.2, 7.4 and 7.5 show that lead is smaller than the spread produced by starting capital alone, that two of its five paths land outside 25%, and that the setting has no reasoning behind it.

3. The words used in this report

Stop-loss distance. How far below the entry price the automatic sell order sits, as a percentage. Buy at \$100 with a stop at \$97 and the distance is 3%. A jumpy stock needs a wider distance so ordinary noise does not trigger it; a calm stock can use a tighter one.

Risk on a trade. The money lost if that stop-loss is hit, as a share of the whole account. Buy \$10,000 of a stock in a \$50,000 account with the stop 3% away and the loss is \$300 if it fails, which is 0.6% of the account. That 0.6% is the risk, not the \$10,000.

Worst fall, or maximum drawdown. The largest drop from a high point to a later low point. Reach \$50,000, drop to \$37,500, then recover, and the worst fall is 25%. This is the number the operator capped.

Growth per year. The steady annual rate that would produce the same end result. 30% means roughly \$10,000 becoming \$13,000 in a year, \$17,000 in two, \$22,000 in three.

Worst two months. The largest loss over any 44 trading days, about two calendar months. It answers a different question from the worst fall: not "how deep did it ever get" but "how bad can a couple of months feel".

Realised loss versus paper loss. A realised loss happens when a position is sold and the money is gone. A paper loss is a position still held that is worth less than it was. Both lower the account value; only one is final.

Give-back. A position that was showing a large gain, and gives part of it back before being sold. It is a third category, and the distinction matters in section 4.3.

The big winners. A few trades a year produce most of the profit. In the baseline the best 5% of trades made about eight times the starting account. Anything that shrinks positions shrinks those trades too, so this report tracks them alongside the fall: losing them is the hidden cost of every safety measure.

2026 fall from peak. The deepest drop from the running high between 11 May and 3 September 2026, measured the same way as the worst fall. An earlier draft used the change from 26 May to 3 September point-to-point, which starts before most configurations' June peak and understates the fall; that measure is no longer used.

Bad fills, or gap-through. A stop-loss is an instruction to sell at a price, but if a stock opens far below that price after overnight news, the sale is filled at the lower open price instead. Runs marked "bad fills" assume this happens every time, which is deliberately pessimistic.

Data vintage. The company-filings data that feeds the fundamental screen is refreshed every Saturday by the weekly build, so a backtest run in one week does not read exactly the same files as the same backtest run the next week; the study's runs read the data of 30 August 2026, which no longer exists in that form. Runs made after 5 September 2026 read a frozen copy of that day's data so they can be repeated exactly.

4. What actually went wrong

4.1 The previous configuration's risk figure was measured on too short a window

The previous configuration (no longer offered) was validated on data ending 2026-05-22 and reported a 23.4% worst fall. Adding the live weeks of June through August, and running the model continuously from 2021 so it enters the summer holding the positions it really held, moves that number by half.

Measured through	Total return	Worst fall	Worst two months
Previous configuration (no longer offered), measured through 2026-05-22	+622%	–23.4%	–20.1%
2026-09-03, extended	+416%	–35.9%	–31.9%

The +622% / –23.4% / –20.1% row describes the retired configuration; those figures are historical context for this study only and are not published elsewhere. The extended run is still at its low on the final day, so –35.9% is where it had reached, not where it stopped. The previous configuration's 23.4% was one sample, not a limit — and it was set back in March 2023, nearly three years before that window ended.

4.2 The cause: position size comes from account percentage, not from risk

When the bot decides how many shares to buy, several rules compete and the smallest answer wins. One is a risk budget: "do not risk more than X% of the account on this trade." The others are percentage-of-account ceilings — "no single position larger than 15% of the account" — and a borrowing limit.

We can see which rule actually decided each purchase, because the backtester re-runs the sizing calculation with each rule switched off in turn. Across the 818 purchases the extended run actually made:

Which rule set the position size	Share of purchases
Percentage-of-account ceilings	60% to 83%, depending on the year
Borrowing limit	13% to 36%
The risk budget	about 4%

The risk budget almost never decides anything, and that has a direct consequence. If position size is fixed at, say, 12% of the account regardless of the stock, the money lost when a stop is hit depends entirely on how far away that stop was.

Worked example. Account \$50,000. The bot buys \$6,000 of each stock, because that is what the percentage rule allows. Stock A is calm, stop 2% below entry. If it fails the loss is \$120, which is 0.24% of the account. Stock B is jumpy, stop 6% below entry. If it fails the loss is \$360, which is 0.72% of the account. Same position size, three times the loss, and nothing in the code treats these differently.

The real data matches the example closely:

Stop-loss distance, tightest to widest fifth	tightest	second	third	fourth	widest
Typical stop distance	1.75%	2.27%	2.83%	3.53%	4.82%
Typical money risked, share of account	0.23%	0.30%	0.42%	0.47%	0.75%

Then 2026 happened. Stocks became jumpier, so stop-losses had to sit further away. Measured across the purchases the run actually made, typical stop distance rose about **41%** between the 2021-to-2025 period and 2026, and typical money risked per trade rose about **60%**.

The bot took more risk precisely when the market became more dangerous, which is the opposite of what it should do, and nothing existed to stop it. That is a design flaw, not bad luck. It is not the whole story either: acting on it removes about ten of the thirty-six points of the fall, so most of the fall remains.

4.3 What the fall was actually made of

The obvious assumption is that a 36% fall means a stream of losing trades. The opposite assumption — that it was all paper losses on positions still held — is the one this report originally made, and it was wrong. Here is the decomposition that reconciles exactly to the account change, with no residual.

Baseline, 11 May to 3 September, account down \$53,392:

Component	Amount	Share
Realised losses on trades both bought and sold inside the fall (63 round trips: 5 winners, 8 break-even, 50 losers)	– \$35,761	67%
Give-back on the 10 positions carried over the peak, measured against their 11 May values	– \$18,450	35%
Open gain on the one position bought during the fall and still held	+\$819	–2%

With the interim rule, 22 June to 3 September, account down \$25,284: –\$12,647 of realised losses, –\$13,515 of give-back, +\$878 still open. Roughly half and half.

So **two thirds of the baseline fall was genuinely new losing trades**, bought and sold during the decline. That matters, because it is exactly what a buy-side rule can act on, and it explains why the sizing ceiling worked and why the sell-side ideas in section 5.4 did not.

One popular story does not survive either. The give-back was not "three big May winners handing it all back": nine of the ten positions carried over the peak were bought in April, the three largest give-backs (INTC, CIEN, ENTG) total \$18,794, which is 35% of the decline rather than most of it, ENTG was not a winner at all, and two of the carried positions, SNDK and LSCC, actually **added** \$4,128 and \$1,162 after the peak.

5. Everything we tried

5.1 Put a ceiling on the money risked per trade — the interim rule

The rule: never risk more than 0.4% of the account on a trade whose stop-loss sits more than 3% below the entry price. Trades with tighter stops are left alone.

Worked example. Account \$50,000, so the ceiling is \$200 of risk. A stock with its stop 5% away would normally get a \$6,000 position, risking \$300. The rule cuts it to \$4,000, so the risk becomes \$200. A stock with its stop 2% away is untouched: \$6,000 with a 2% stop only risks \$120, already under the ceiling.

Result: the worst fall goes from 35.9% to 25.7%, and growth from 36.6% to 29.8% a year.

Rule	Growth per year	Worst fall
0.6% ceiling, stops beyond 4%	32.1%	–33.63%
0.4% ceiling, stops beyond 4%	31.9%	–30.16%
0.4% ceiling, stops beyond 2.5%	29.9%	–25.65%
0.4% ceiling, stops beyond 3% — the interim rule	29.8%	–25.74%
0.4% ceiling, every trade	29.1%	–25.84%
0.35% ceiling, stops beyond 3%	27.2%	–24.64%
0.3% ceiling, stops beyond 3%	26.2%	–22.68%

Both dials matter, and on this evidence the trigger matters slightly more: tightening the ceiling from 0.6% to 0.4% bought 3.5 points of safety, while moving the trigger from 4% to 3% bought 4.4. Between 2.5% and 3% the results are flat, so the exact trigger is not delicate; only the step to 4% is, because it misses about 40% of the 2026 trades.

Why exempt tight-stop trades? Not because they are already safe — about a third of them already risk more than 0.4% of the account, so the exemption is a real choice rather than a formality. The reason is empirical: applying the ceiling to every trade was tested and gives 29.1% growth at a 25.84% fall, against 29.8% and 25.74% — within the noise band of section 7.5, the two are indistinguishable. The exemption is kept for its stated reason, that the ceiling is aimed at where sizing overshoots, not because the evidence prefers it.

5.2 Shrink every position in proportion to its stop distance

Instead of a hard ceiling, scale each position down by how much wider its stop is than a chosen reference distance. The same idea as 5.1 without the cliff edge.

Worked example, reference 2.8%. A stock with its stop 2.8% away or closer is bought at full size. One with its stop 5.6% away is bought at half size. One at 8.4% gets a third. The money at risk ends up roughly the same on every trade, whatever the stock's character.

Reference distance	Growth per year	Worst fall	Best 5% of trades
2.0%	31.1%	−24.74%	5.03× the account
2.2%	30.9%	−24.91%	5.30×
2.4%	30.7%	−26.80%	5.46×
2.5%	28.6%	−26.66%	5.12×
2.8%, the typical 2021–2025 stop	31.5%	−26.42%	5.69×

For every row the worst fall is the 2026 fall: this family's deepest decline is the summer, in every setting.

Read the table as a whole rather than picking its best row. Moving the reference from 2.2% to 2.4% — a change of two tenths of a point in the setting — deepens the worst fall by 1.9 points while growth barely moves, and the 2.4% run's worst fall begins on a different date entirely. Growth sits between 28.6% and 31.5% across the family; the worst fall jumps around inside it. That is not what a real dial looks like. It is what a family of results driven by which trades happened to get rounded up or down looks like. The 2.2% and 2.0% settings do reach 25% (24.91% and 24.74%); the 2.2% setting holds at \$7,000 (23.91%) but not under bad fills (26.91%), and the 2.0% setting was not tested on either. **No setting in this family can be chosen on the evidence, because the evidence does not distinguish between them.** Section 7.5 puts a number on that.

5.3 Borrow less

The bot may hold up to one and a half times the account in stock. On the day of the May peak it held 1.37 times. Cutting the limit to one times, meaning no borrowing at all, seemed an obvious response.

It made the fall slightly worse — 36.8% against 35.9% — for just under two thirds of the growth rate.

The reason is not that borrowing is harmless. It is that the account was **already** below one times for most of the decline: from June to 3 September it averaged 0.75 times, above 1.0 on a quarter of days, because positions were being closed out. A limit that was rarely binding during the fall could not prevent it. What the limit did do was reduce the number of positions held in the other years, from a typical 8 down to 6 over 2021 to 2025, turning 817 trades into 573 and raising the loss per failed trade as a share of the account.

5.4 Sell winners sooner

A tighter trailing stop, on its own, produced the worst result in the study: a 41.2% fall, five points worse than doing nothing, for a third less growth. It sells winners into ordinary weakness while the remaining positions still give back.

Selling half of each winner once it has doubled its risk does reach the target — a 22.69% fall — but growth drops from 36.6% to 22.0%, because it trims exactly the trades that make the year. Since the operator withdrew the return floor, this is a legitimate option and it appears in the menu.

The real surprise is combination. **Behind the risk ceiling, the same tighter trailing stop reaches 25% with room to spare:** 28.3% growth at a 23.01% fall, and 29.6% at 21.79% at a \$7,000 account. But it is fragile in exactly the way that matters for real money: under bad fills its growth collapses from 28.3% to **19.3%**, the largest such fall of any candidate, because a tight trail plus poor exits means being stopped out of winners at bad prices repeatedly. A rule whose return depends that heavily on getting good fills is not one to put in front of customers. Stacking the trailing stop on the 2.2% shrink instead of the ceiling was worse still, at −28.52%.

5.5 React to a fall once it starts

Approach	Growth per year	Worst fall
Reduce exposure on a 10% or 15% decline	36.3%	−30.68%
Freeze and trim after five-day losses	35.0%	−35.59%
Halve new positions while 10% below the peak	22.3%	−33.28%
Halve new positions while below the peak, behind the risk ceiling	22.1%	−21.17%

Alone, none reaches the target: they react to a fall that has already happened, and the positions that go on to hurt are already owned. The first barely dents growth and cuts the worst two months from 31.9% to 21.5%, which is worth something. And once again the combination is what works — behind the risk ceiling, the equity throttle gives one of the shallowest falls in the study, at a heavy cost in growth.

5.6 Hold fewer or smaller positions

Cutting the largest allowed position from 15% to 10% of the account changed **nothing at all**: the results are identical to the baseline, because other rules were already binding first.

Two further ways of holding less were tested on top of the interim rule, on the full history:

Configuration	Growth per year	Worst fall	Trades
Interim rule alone	29.8%	−25.74%	957
Interim rule + no more than 8 positions at once	25.7%	−22.60%	693
Interim rule + total risk allowance cut from 4% to 2.5%	21.6%	−23.70%	884

6. Every result

Configuration	Return	Growth per year	Worst fall	Inside 25%?	Worst two months	2026 fall from peak	Trades	Best 5% of trades
Adopted configuration (2.8% shrink + the 0.4% ceiling), path re-run at \$12,000	+212.5%	24.2%	−18.87%	yes	−17.1%	−18.82%	1017	3.55x
Stop-distance shrink 2.2% + the 0.4% ceiling	+173.2%	21.1%	−19.61%	yes	−15.4%	−16.92%	1068	2.97x
Stop-distance shrink 2.8% + the 0.4% ceiling	+232.7%	25.7%	−19.78%	yes	−18.0%	−19.76%	1017	3.87x
Adopted configuration (2.8% shrink + the 0.4% ceiling) at \$18,484, 5 September data vintage	+240.5%	26.2%	−20.01%	yes	−17.8%	−19.59%	1017	3.91x

Configuration	Return	Growth per year	Worst fall	Inside 25%?	Worst two months	2026 fall from peak	Trades	Best 5% of trades
Stop-distance shrink 2.8% + the 0.4% ceiling, at \$7,000	+204.3%	23.6%	-20.05%	yes	-17.0%	-18.68%	978	3.41x
Adopted configuration (2.8% shrink + the 0.4% ceiling), path re-run at \$25,000	+235.8%	25.9%	-20.10%	yes	-18.0%	-19.66%	1023	3.87x
Adopted configuration (2.8% shrink + the 0.4% ceiling), path re-run at \$40,000	+224.3%	25.1%	-20.52%	yes	-18.3%	-20.00%	1030	3.80x
Interim rule + halve new positions while 10% below the peak	+185.1%	22.1%	-21.17%	yes	-20.1%	-21.17%	1037	3.23x
Stop-distance shrink 2.8% + the 0.4% ceiling, bad fills	+155.6%	19.5%	-21.26%	yes	-19.2%	-21.25%	1009	3.16x
Interim rule + tighter trailing stop, at \$7,000	+291.6%	29.6%	-21.79%	yes	-20.2%	-21.79%	955	4.40x
Interim rule + no more than 8 positions	+232.4%	25.7%	-22.60%	yes	-20.4%	-22.60%	693	3.68x
0.3% ceiling beyond 3%	+239.9%	26.2%	-22.68%	yes	-20.8%	-22.68%	1002	3.98x
Half off at twice risk	+184.3%	22.0%	-22.69%	yes	-18.9%	-22.23%	1528	3.82x
Interim rule + tighter trailing stop	+270.4%	28.3%	-23.01%	yes	-21.4%	-23.01%	1005	4.24x
No borrowing + 0.4% ceiling on every trade	+185.4%	22.1%	-23.50%	yes	-21.6%	-23.50%	813	3.06x
Interim rule + total risk allowance 2.5%	+180.1%	21.6%	-23.70%	yes	-21.5%	-23.70%	884	3.36x
0.35% ceiling beyond 3%, at \$7,000	+278.4%	28.8%	-23.91%	yes	-21.9%	-23.91%	922	4.32x
Stop-distance shrink 2.2%, at \$7,000	+271.8%	28.4%	-23.91%	yes	-21.6%	-23.91%	969	4.67x
Stop-distance shrink 2.2%, path re-run at \$12,000	+282.2%	29.1%	-24.43%	yes	-22.4%	-24.43%	995	4.92x
0.35% ceiling beyond 3%	+254.9%	27.2%	-24.64%	yes	-22.6%	-24.64%	996	4.19x
Stop-distance shrink, reference 2.0%	+315.4%	31.1%	-24.74%	yes	-22.5%	-24.74%	1034	5.03x
Stop-distance shrink, reference 2.2%	+311.8%	30.9%	-24.91%	yes	-22.8%	-24.91%	1005	5.30x
Stop-distance shrink 2.2%, path re-run at \$25,000	+322.7%	31.6%	-25.08%	no	-23.0%	-25.08%	1010	5.46x

Configuration	Return	Growth per year	Worst fall	Inside 25%?	Worst two months	2026 fall from peak	Trades	Best 5% of trades
Stop-distance shrink 2.2%, path re-run at \$40,000	+297.6%	30.0%	-25.19%	no	-23.1%	-25.19%	1013	5.22x
Interim rule + half off at twice risk	+76.4%	11.4%	-25.48%	no	-13.1%	-15.53%	1772	1.67x
Interim rule + tighter trailing stop, bad fills	+153.2%	19.3%	-25.53%	no	-23.1%	-25.53%	1021	3.31x
Interim rule, path re-run at \$12,000	+279.2%	28.9%	-25.54%	no	-23.7%	-25.54%	955	4.46x
0.4% ceiling beyond 2.5%	+295.9%	29.9%	-25.65%	no	-23.8%	-25.65%	998	4.69x
Interim rule + per-name ceiling 10%	+294.7%	29.8%	-25.74%	no	-23.9%	-25.74%	957	4.64x
0.4% ceiling beyond 3% (the interim rule)	+294.7%	29.8%	-25.74%	no	-23.9%	-25.74%	957	4.64x
0.4% ceiling on every trade	+282.6%	29.1%	-25.84%	no	-24.0%	-25.84%	1012	4.44x
Interim rule at \$7,000	+301.2%	30.3%	-25.86%	no	-23.8%	-25.86%	909	4.67x
Interim rule, path re-run at \$25,000	+302.4%	30.3%	-26.05%	no	-24.2%	-26.05%	960	4.71x
Interim rule, path re-run at \$40,000	+310.8%	30.8%	-26.18%	no	-24.3%	-26.18%	965	4.82x
Stop-distance shrink, reference 2.8%	+322.1%	31.5%	-26.42%	no	-23.8%	-26.42%	931	5.69x
Stop-distance shrink, reference 2.5%	+274.6%	28.6%	-26.66%	no	-23.6%	-26.66%	979	5.12x
Stop-distance shrink, reference 2.4%	+308.5%	30.7%	-26.80%	no	-23.5%	-26.80%	978	5.46x
Stop-distance shrink 2.2%, bad fills	+225.9%	25.2%	-26.91%	no	-23.9%	-26.91%	994	4.45x
0.35% ceiling beyond 3%, bad fills	+184.6%	22.0%	-27.00%	no	-24.4%	-27.00%	979	3.61x
0.4% ceiling beyond 4% + no borrowing	+131.7%	17.3%	-27.09%	no	-23.5%	-27.09%	685	2.76x
Stop-distance shrink 2.5%, at \$7,000	+287.3%	29.4%	-27.25%	no	-22.5%	-27.25%	909	5.00x
Interim rule, bad fills	+201.5%	23.4%	-27.87%	no	-25.3%	-27.87%	951	3.80x
Stop-distance shrink 2.2% + tighter trailing stop	+201.2%	23.3%	-28.52%	no	-20.3%	-28.52%	1091	4.23x

Configuration	Return	Growth per year	Worst fall	Inside 25%?	Worst two months	2026 fall from peak	Trades	Best 5% of trades
Stop-distance shrink 2.5%, bad fills	+196.1%	22.9%	-29.39%	no	-25.1%	-29.39%	955	4.21x
0.4% ceiling beyond 4%	+328.2%	31.9%	-30.16%	no	-27.6%	-30.16%	924	5.61x
Reduce exposure on a 10% or 15% decline	+409.5%	36.3%	-30.68%	no	-21.5%	-30.68%	792	7.26x
Earlier profit-protection ratchet	+445.2%	38.1%	-32.30%	no	-28.5%	-32.30%	855	8.70x
Halve new positions while 10% below the peak	+188.2%	22.3%	-33.28%	no	-25.2%	-33.28%	958	4.86x
0.6% ceiling beyond 4%	+332.4%	32.1%	-33.63%	no	-30.9%	-33.63%	896	6.30x
Baseline at \$7,000	+415.9%	36.6%	-35.51%	no	-31.6%	-35.51%	758	7.67x
Freeze and trim after five-day losses	+383.8%	35.0%	-35.59%	no	-29.5%	-35.59%	822	7.56x
Baseline (the previous configuration, no longer offered)	+415.9%	36.6%	-35.89%	no	-31.9%	-35.89%	817	7.91x
Per-name ceiling 10% of equity	+415.9%	36.6%	-35.89%	no	-31.9%	-35.89%	817	7.91x
No borrowing (leverage 1.0x)	+196.4%	23.0%	-36.82%	no	-28.2%	-36.82%	573	4.30x
Tighter trailing stop, alone	+220.9%	24.8%	-41.15%	no	-27.8%	-41.15%	889	5.87x

7. Does the answer hold up?

7.1 Does it help in other years, or only in 2026?

Year	Baseline fall	With the interim rule
2021	-18.2%	-15.2%
2022	-14.2%	-16.3%
2023	-23.2%	-19.3%
2024	-20.3%	-16.7%
2025	-16.8%	-14.9%
2026	-35.9%	-25.7%

Better in five years out of six, and it trims the 2024 fall from -20.3% to -16.7%. This is the useful check, because the rule's settings were chosen by scoring them against a history that **includes** the summer; the other five years are the part of the argument that was not tuned.

7.2 Does it hold at a \$7,000 account?

At \$7,000 instead of \$18,484 the interim rule gives a 25.86% fall with 30.3% growth, against 25.74% and 29.8% — a difference of a tenth of a point. Across every pair tested, account size moved the worst fall by at most 1.2 points — 1.22 for the ceiling-plus-trailing-stop, 1.00 for the 2.2% shrink, 0.73 for the 0.35% ceiling, under 0.6 for the rest. In four of the seven pairs the smaller account fell less; in the other three — the interim rule, the 2.8% shrink with the ceiling, and the 2.5% shrink — it fell more, by 0.1 to 0.6 points. In no case was the difference enough to move a configuration across 25% in either direction. Two sizes on one history cannot prove size never matters, but nothing here suggests it does. It does mean that the figure the interim rule could honestly support is **about 26%**, since a customer would experience the worse of the two.

7.3 What if stop-losses fill badly?

Assuming every gapped stop fills at the opening price rather than the stop price, the interim rule gives 27.87% instead of 25.74%. **Bad fills add about two points**, and that belongs in what customers are told.

7.4 Is the 2.2% setting justified?

No — not because it performs worse, but because the evidence cannot separate it from the interim rule (section 7.5) and the setting itself has no reasoning behind it. The 2.8% reference has a reason behind it: it is the typical stop distance over 2021 to 2025, so it means "size every position as if its stop were the normal one." The 2.2% value has no such reason — it was a bracket in a sweep, sitting at the 30th percentile of historical stop distances. Its family does not behave like a real dial (section 5.2): the worst fall jumps 1.9 points between 2.2% and 2.4% while growth stays flat, and the 2.5% setting grows more slowly than both of its neighbours while its worst fall sits between them. From the common 22 June peak the 2.2% shrink and the interim rule fell almost identically, 24.91% against 25.74%. Its 0.83-point lead at \$18,484 is real arithmetic and not a real finding.

7.5 How much of this is noise?

Every figure in this report uses the full history through 3 September 2026; nothing is measured on a shortened window. But two facts about that history limit how finely configurations can be compared.

The strategy is still falling on the last day of the data. All but eleven of the 55 runs — five configurations: the 2.8%-plus-ceiling rule on all seven of its paths (five starting amounts, bad fills and the later data vintage), the 2.2%-plus-ceiling, half-off-at-twice-risk, the interim rule with take-profit, and the interim rule with the equity throttle — reach their worst point on 3 September and are still there. The account has not recovered and the decline has not ended, so every "worst fall" here is where the strategy had got to, not a limit it respects. The previous configuration's 23.4% failed for exactly this reason: it was a floor that had not yet been tested.

Each figure is one path. A backtest produces a single sequence of trades, and small changes in starting capital change share counts, which change every later position and therefore the whole path. To measure how much that alone moves the answer, the interim rule and its leading challenger — and, after the study, the adopted configuration — were each re-run at several starting amounts over the identical full history. The spread across those runs is the resolution limit: any gap between two configurations smaller than this spread is not a real difference.

Configuration	Starting capital	Growth per year	Worst fall
Interim rule — 0.4% ceiling beyond 3%	\$7,000	30.3%	-25.86%

Configuration	Starting capital	Growth per year	Worst fall
	\$12,000	28.9%	-25.54%
	\$18,484	29.8%	-25.74%
	\$25,000	30.3%	-26.05%
	\$40,000	30.8%	-26.18%
Stop-distance 2.2% reference	\$7,000	28.4%	-23.91%
	\$12,000	29.1%	-24.43%
	\$18,484	30.9%	-24.91%
	\$25,000	31.6%	-25.08%
	\$40,000	30.0%	-25.19%
Adopted configuration — 2.8% shrink + 0.4% ceiling	\$7,000	23.6%	-20.05%
	\$12,000	24.2%	-18.87%
	\$18,484	25.7%	-19.78%
	\$25,000	25.9%	-20.10%
	\$40,000	25.1%	-20.52%

Configuration	Paths	Worst fall, shallowest to deepest	Spread	Growth range
Interim rule — 0.4% ceiling beyond 3%	5	-25.54% to -26.18%	0.64 points	28.9% to 30.8%
Stop-distance 2.2% reference	5	-23.91% to -25.19%	1.28 points	28.4% to 31.6%
Adopted configuration — 2.8% shrink + 0.4% ceiling	5	-18.87% to -20.52%	1.65 points	23.6% to 25.9%

At \$18,484 the two rules differ by 0.83 points of worst fall. That gap is **smaller than** the 1.65-point spread that starting capital alone produces within a single rule, so **the two rules are not separable on this evidence**.

PATH RE-RUNS OF THE ADOPTED CONFIGURATION

The adopted configuration had been run on three paths when the conclusion was issued — \$18,484, \$7,000 and bad fills — and the conclusion said the remaining three starting amounts should be run before publication. They were run on 6 September, after the study, together with a same-size anchor on the newer data. This table is generated from the run files.

Starting capital	Filings data read	Final	Total return	Growth per year	Worst fall	Peak → trough	Worst two months	Trades
\$7,000	2026-08-30 (440 files)	\$21,302	+204.3%	23.6%	-20.05%	2022-08-15 → 2023-04-25	-17.0%	978

Starting capital	Filings data read	Final	Total return	Growth per year	Worst fall	Peak → trough	Worst two months	Trades
\$12,000	2026-09-05 (456 files)	\$37,497	+212.5%	24.2%	-18.87%	2023-07-18 → 2023-11-06	-17.1%	1,017
\$18,484	2026-08-30 (440 files)	\$61,504	+232.7%	25.7%	-19.78%	2022-08-15 → 2023-04-25	-18.0%	1,017
\$25,000	2026-09-05 (456 files)	\$83,952	+235.8%	25.9%	-20.10%	2022-08-15 → 2023-04-25	-18.0%	1,023
\$40,000	2026-09-05 (456 files)	\$129,737	+224.3%	25.1%	-20.52%	2022-08-15 → 2023-04-25	-18.3%	1,030
\$18,484, re-run on the 5 September data	2026-09-05 (456 files)	\$62,940	+240.5%	26.2%	-20.01%	2022-08-15 → 2023-04-25	-17.8%	1,017

Every path stays inside 25%. The deepest, at \$40,000, sits roughly 4.5 points inside the line; the shallowest, at \$12,000, reaches its worst point in a different episode altogether, July to November 2023. Two things about these rows must be said. The data changed under them: the study's own runs read the company-filings data as it stood on 30 August 2026, and that data is refreshed every Saturday by the weekly build — on 5 September 16 files were added and 65 rewritten, so the study's exact inputs can no longer be reproduced (see "Data vintage" in section 3). The four runs of 6 September read a frozen copy of the 5 September data, and the anchor row — the study's \$18,484 path re-run on that copy — shows the refresh alone moved growth by +0.55 points and the worst fall by 0.23 points: small, but real, and it means the spread for this configuration in the table above mixes data-vintage noise with path noise. And the four runs were executed on the trading software after the rule had been built into it (the study's runs applied it as a separate step in the backtester); the check that the software with the rule built in reproduces the study's results byte for byte was still running when this revision was written.

8. The menu

Every configuration at the reference account, together with its \$7,000 and bad-fills variants where they were run, that reaches 25% or better on the full history, ranked by unrounded growth per year. The path re-runs of section 7.5 are not listed here; they measure noise rather than propose a rule. The interim rule is shown for comparison; it does not reach 25%. This table is generated from the run files.

Configuration	Growth per year	Worst fall	Inside 25%?	Note
Stop-distance shrink, reference 2.0%	31.1%	-24.74%	yes	same family; the family does not behave like a real gradient (5.2)
Stop-distance shrink, reference 2.2%	30.9%	-24.91%	yes	not separable from the interim rule (7.4, 7.5); setting has no reasoning behind it

Configuration	Growth per year	Worst fall	Inside 25%?	Note
Interim rule: 0.4% ceiling beyond 3%	29.8%	-25.74%	no	the interim rule chosen on 4 September; replaced by the configuration adopted on 5 September
Interim rule + tighter trailing stop, at \$7,000	29.6%	-21.79%	yes	the row above at a \$7,000 account
0.35% ceiling beyond 3%, at \$7,000	28.8%	-23.91%	yes	the 0.35% rule at a \$7,000 account
Stop-distance shrink 2.2%, at \$7,000	28.4%	-23.91%	yes	the 2.2% rule at a \$7,000 account
Interim rule + tighter trailing stop	28.3%	-23.01%	yes	holds at \$7,000; growth collapses to 19.3% under bad fills (5.4)
0.35% ceiling beyond 3%	27.2%	-24.64%	yes	
0.3% ceiling beyond 3%	26.2%	-22.68%	yes	
Stop-distance shrink 2.8% + the 0.4% ceiling	25.7%	-19.78%	yes	worst fall set in a completed 2022-23 episode; its 2026 fall is 19.76% and still open
Interim rule + no more than 8 positions	25.7%	-22.60%	yes	
Stop-distance shrink 2.8% + the 0.4% ceiling, at \$7,000	23.6%	-20.05%	yes	
No borrowing + 0.4% ceiling on every trade	22.1%	-23.50%	yes	same growth as the equity-throttle row with a deeper fall
Interim rule + halve new positions while 10% below the peak	22.1%	-21.17%	yes	the only equity-throttle variant that passes; not run at \$7,000 or under bad fills
Half off at twice risk	22.0%	-22.69%	yes	completed worst episode (2021-23); not run at \$7,000 or under bad fills
Interim rule + total risk allowance 2.5%	21.6%	-23.70%	yes	
Stop-distance shrink 2.2% + the 0.4% ceiling	21.1%	-19.61%	yes	also a completed 2022-23 episode; not run at \$7,000 or under bad fills
Stop-distance shrink 2.8% + the 0.4% ceiling, bad fills	19.5%	-21.26%	yes	

The 2.8%-plus-ceiling row deserves attention beyond its rank. Its deepest fall, 19.78%, was set in the 2022 to 2023 bear market and the account regained its previous high in July 2023; its 2026 fall from the 22 June peak is 19.76%, still open, so the summer came within two hundredths of the headline without exceeding it. It is the only row tested at \$7,000 and under bad fills that holds on both (20.05% and 21.26%); eight of the twelve configurations in this table were not tested on either. It costs about a seventh of the interim rule's growth rate, or nearly a third of the baseline's.

Conclusion and recommendation

Adopt the combination: shrink every position in proportion to its stop distance, using the 2.8% historical reference, and keep the 0.4% ceiling on trades whose stop sits beyond 3%. This is the configuration adopted on 5 September. Retire the ceiling-only interim rule. This is the one recommendation of the study. It rests on three grounds, each with its limits stated.

1. It is the only configuration tested on all three counts that stayed inside 25% on all three, not just the easy one.

Test	Worst fall	Growth per year
Full history, \$18,484	–19.78%	25.7%
Full history, \$7,000	–20.05%	23.6%
Full history, every gapped stop filled at the open	–21.26%	19.5%

Of the four other candidates that were run under bad fills, every one loses 25%: the interim rule goes to 27.87%, the 0.35% ceiling to 27.00%, the 2.2% shrink to 26.91%, the ceiling-plus-trailing-stop to 25.53%. Eight configurations that pass on normal fills — including the 2.2% shrink combined with the ceiling, at 19.61% — were not run under bad fills or at \$7,000, so they are untested rather than failed. A 25% figure that only holds if stops fill perfectly says little about live trading. In this simulation the adopted configuration stayed inside 25% by nearly four points even under the pessimistic fill assumption.

2. Its worst fall was set in a finished episode, and its 2026 decline had stayed inside the line as of 3 September. Its deepest decline, 19.78%, ran from 15 August 2022 to 25 April 2023, and the account regained its previous high on 17 July 2023. Its 2026 decline from the 22 June peak is 19.76%, still open on 3 September — within two hundredths of the headline, so the summer could yet become its worst period; at its deepest point so far it sat about five points inside 25%, and the decline had not ended when the data ended. The interim rule's 25.74%, the 2.2% shrink's 24.91% and the 0.35% ceiling's 24.64% are, by contrast, all where those configurations had got to on 3 September, still falling and at or beyond the line. The value of the completed episode is specific: it is the one candidate tested on all three counts whose headline was set on the 2021-to-2025 history that was not tuned on the summer, and on that history it is 19.78% against 20.10% for the ceiling alone and 23.40% for the baseline. Two other configurations also have completed worst episodes — the 2.2% shrink with the ceiling (19.61%) and half-off-at-twice-risk (22.69%) — but neither was tested at \$7,000 or under bad fills.

3. Both halves of it have a stated reason, and both help on their own. The 2.8% reference is the typical stop distance over 2021 to 2025, so the rule means "size every position as if its stop were a normal one." The 0.4% ceiling beyond 3% is a cap on money risked, placed exactly where percentage-of-account sizing overshoots. Each alone improves the worst fall against the baseline — the ceiling to 25.74%, the 2.8% shrink to 26.42% — though the shrink alone does not beat the interim rule and, on the 2021-to-2025 history, does not beat the baseline (23.87% against 23.40%). Together they take the fall below 20%. Be precise about where that comes from: on the 2021-to-2025 history the combination improves on the ceiling alone by 0.32 points, inside the noise band of section 7.5; the large gain is in the 2026 segment, where the pair reaches 19.76% against the ceiling alone's 25.74%. That is the opposite of the ceiling-plus-trailing-stop result, where one half is destructive alone and the pair works for reasons the study cannot explain, or of the 2.2% shrink, whose setting was a bracket in a sweep and whose family does not behave like a real dial.

One qualification on the second ground. This configuration carried smaller positions into the summer, so the summer was a lighter test for it than for the others. That is the rule working as intended, but it means its 25% credential rests as much on the 2022-to-2023 episode, which it went through at full exposure and recovered from, as on the summer.

What it costs. Growth of 25.7% a year against the interim rule's 29.8% and the baseline's 36.6% — about a seventh of the interim rule's rate, nearly a third of the original. The best 5% of trades shrink from 4.64 to 3.87 times the starting account, the largest single winner from \$6,204 to \$3,885, and the average winning trade from \$675 to \$516. Calendar years, each measured year-end to year-end: +13.7%, −4.1%, +20.6%, +19.1%, +47.4%, and +44.2% for 2026 to 3 September. The one losing year, 2022, at −4.1%, is slightly shallower than under the interim rule or the baseline, both −4.4%.

The limit of this choice. It was chosen as the best of 51 configurations on one history, and the summer that decided the choice is inside the figure. Two things soften that: its worst fall was set on the 2021-to-2025 history that was not tuned on the summer, and it has now been run on seven paths rather than three. The report of 4 September said the other three starting amounts of section 7.5 — \$12,000, \$25,000 and \$40,000 — should be run before publication. They were run on 6 September, after the study, together with a same-size anchor on the newer data, and every one stays inside 25%:

Starting capital	Final	Total return	Growth per year	Worst fall (peak → trough)	Worst two months	Trades
\$12,000	\$37,497	+212.5%	24.2%	−18.87% (2023-07-18 → 2023-11-06)	−17.1%	1,017
\$25,000	\$83,952	+235.8%	25.9%	−20.10% (2022-08-15 → 2023-04-25)	−18.0%	1,023
\$40,000	\$129,737	+224.3%	25.1%	−20.52% (2022-08-15 → 2023-04-25)	−18.3%	1,030
\$18,484 on the 5 September data	\$62,940	+240.5%	26.2%	−20.01% (2022-08-15 → 2023-04-25)	−17.8%	1,017

With the two paths already in the table above (\$18,484: 19.78% and 25.7%; \$7,000: 20.05% and 23.6%), all six sit inside 25% by roughly 4.5 points or more, with growth between 23.6% and 26.2% a year. Two caveats travel with the four new rows. First, the data changed under them: the study's own runs read the company-filings data as it stood on 30 August 2026, and that data is refreshed by the weekly build every Saturday — on 5 September 16 files were added and 65 rewritten, so the study's exact inputs can no longer be reproduced. The four new runs read a frozen copy of the 5 September data; the last row, the study's own \$18,484 path re-run on that copy, shows the refresh alone moved growth by +0.55 points and the worst fall by 0.23 points — small, but real, and part of the spread now shown in section 7.5. Second, the four runs were executed on the trading software after the rule had been built into it (the study's runs applied the rule as a separate step in the backtester), and the check that the software with the rule built in reproduces the study's results byte for byte had not finished when this revision was written.

What to publish. Worst fall about 20% on this history — the 2026 decline reached 19.8% on 1 September and has not ended — and about 21% if every stop gaps through. Growth about 24% to 26% a year on the five account sizes tested. One losing calendar year in six. Nothing in this report supports the old figures, and nothing supports describing the ceiling-only rule as a 25% strategy.

On the interim rule (the 0.4% ceiling chosen on 4 September). It is a good rule and the study confirms the mechanism behind it. It does not meet the condition the operator set: across five different starting amounts its worst fall ranged from 25.54% to 26.18%, outside 25% on every path, and 27.87% with bad fills. If the operator prefers its extra four points of growth, that is a legitimate choice — but it should be made knowing that the published worst fall would be about 26%, that the decline producing that number had not ended, and that with every gapped stop filled at the open the figure was about 28%.

What this study cannot decide. The 2.2% shrink is not separable from the interim rule: two of its five paths land outside 25%, its setting has no reasoning behind it, and its family jumps around instead of sloping. It is not chosen for those reasons, not because it performed worse — from the common June peak the two fell almost identically. Borrowing limits, tighter trailing stops on their own, reacting after a fall begins, and smaller position ceilings are all ruled out on the evidence in section 5.

Next steps, in order. Port the recommended configuration to the trading software and confirm it reproduces this study's numbers before anything else. Replace every published risk and return figure with the ones above. Only then revisit the customer release, and only under the gate already set out in the strategy plan. None of this touches the live account until the operator restarts it in a safe window; this report changes no running code.

9. What is ruled out, and why

- **Borrowing less** (5.3): worse fall, a third less growth, and the limit was barely binding during the decline.
- **A tighter trailing stop on its own** (5.4): the worst result in the study.
- **Smaller positions** (5.6): a 10% per-name ceiling changed nothing at all.
- **Applying the risk ceiling to every trade** (5.1): no measurable safety gain.
- **Predicting bad periods in advance.** Carried over from the earlier investigation of 2026-09-03, not retested here: 176 rules fitted on 2021 to 2025, none beating chance, and even pausing every purchase for the whole summer with hindsight still leaving a 16% fall.
- **A minimum account size:** across the pairs tested, size moved the worst fall by at most 1.2 points, in either direction — shallower at \$7,000 in four pairs, deeper by at most 0.6 points in three.

10. Appendix — how the runs were made

Every configuration was run on the same extended history with the same engine; the flag settings for each run are available on request. The engine changed during the study, so runs carry different build identifiers; every change was additive and switched off by default, so a run with no deviation from the baseline (the previous configuration) reproduces byte-identically on any of them. Each run pinned that baseline, the extended scanner history, the price data and the zone data, and disabled network price fetching so a missing price bar could never be silently refetched.

11. Ten-year check (added 6 September 2026)

After the path re-runs of section 7.5, the adopted configuration was run once more over the full ten years the previous configuration's retired figures had been published on, 31 May 2016 to 3 September 2026, on the same point-in-time company-filings basis as the published figures, with the filings data pinned to a frozen copy of its 30 August 2026 vintage so that the run can be repeated exactly. The previous configuration was run on the

same command for comparison: on the old published window (through 22 May 2026) it reproduces its retired ten-year figures to the cent, and extended to 3 September 2026 it ends at +937.2% with a worst fall of –35.81%. Every figure below was re-verified from the run's daily equity and closed-trade files. Growth per year is $(\text{final} \div \text{start})^{(365.25 \div \text{days})} - 1$ on the actual dates; the worst fall is the deepest drop of end-of-day equity from its running high; episode falls are the deepest drop from the running high inside the window; calendar years are year-end over prior year-end, 2016 from the start.

Window	Total return	Growth per year	Worst fall	Trades	S&P 500 (SPY, dividends included), same window
2016-05-31 → 2026-09-03 (10.26 years)	+710.3% (\$18,484 → \$149,771)	22.6%	–23.31% (peak 2019-05-03, trough 2019-12-03, prior high regained 2020-06-05; 274 trading days, about 13 months, under water)	1,900	≈ +334%

On the previous configuration's old published window, through 22 May 2026, the same run stands at +747.1% with growth of 23.9% a year and the same worst fall. The worst fall of the decade is not the summer of 2026 but a seven-month slide in 2019, in a market that rose (S&P 500 about +6% over the same months): 116 trades closed, 7.8% of them winners, 27 straight non-winners at the worst, and the account fell from \$31,587 on 3 May to \$24,225 on 3 December 2019 before regaining its prior high on 5 June 2020. The worst two months (44 trading days) were –18.40%, from 22 June to 21 August 2026. The 2026 decline from the 22 June peak reached –20.06% on 1 September and had not ended; on the last day of the data the account stood 20.02% below that peak.

How the rule behaved in past falls. The deepest drop from the running high inside each window, for the adopted configuration and for the previous configuration (no longer offered) on the same ten-year command:

Episode	Window	Adopted configuration	Previous configuration (no longer offered)
Late 2018	2018-09-20 → 2018-12-24	–14.33%	–16.47%
March 2020	2020-02-19 → 2020-03-23	–11.42%	–10.90%
2022	2022-01-03 → 2022-10-12	–13.35%	–14.24%
Summer 2026	2026-05-11 → 2026-09-03	–20.06%	–35.81%
The 2019 slide (worst fall of the decade)	2019-05-03 → 2019-12-03	–23.31%	–25.76%

In March 2020 the broad-market exits emptied the book in four sessions (21 to 26 February, ten positions to none) and the strategy sat in cash through the crash while the S&P 500 fell about 34%; it re-entered on 6 April. The "2022" row is the market's bear-market window; measured over the strategy's own 2022-to-2023 episode, 15 August 2022 to 25 April 2023, the window that sets the five-year run's –19.78%, the ten-year run fell –20.06%, close to the five-year figure but not the same path (caveat 4 below).

Calendar years, each measured year-end to year-end and 2016 from the start: +0.8% for June to December 2016, +23.1% for 2017, +11.0%, +8.2%, +51.5%, +22.7%, -4.1% for 2022, +20.9%, +19.5%, +45.1%, and +45.6% for 2026 to 3 September: one losing year. Trade quality: 1,900 trades; win rate 20.3%; average winner \$859 against -\$143 per losing trade; profit factor 1.65; biggest single win \$9,712, biggest single loss -\$1,008; the top ten winners carried 59% of net profit; median hold 7 calendar days; longest run without a winner 39 trades.

Four caveats travel with any ten-year figure:

1. **Universe look-ahead.** The scanner history stamps today's stock universe across the past because historical snapshots do not exist; about a fifth of the 2016-to-2018 names were chosen with knowledge that did not exist at the time. This inflates the ten-year return and matters little after 2021.
2. **The margin to 25% is thin.** 1.7 points, in one seven-month slide in 2019.
3. **One history, still in a fall on the last day.** The ten-year figures come from a single simulated path; the 2026 decline had not ended when the data ended, and a different decade, or the same decade with a few different fills, can produce a deeper fall.
4. **Not stitched to the five-year run.** The ten-year run passes through June 2021 with an account and open positions of its own (it held 13 positions that day), so its last five years are not the same path as the published five-year run; the two are not stitched together and neither is quoted as the other.