



ENHANCED GROWTH

BUY THE DIP

Volatility Targeted

S&P500 Index Investment

July 2026

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Maximum loss is 17% of notional, which is 100% of invested capital

investors should consider their risk tolerance and capacity to absorb losses before investing. Past performance is not a reliable indicator of future performance.

Buy the Dip

S&P500 Index Investment | 6m Lookback Entry | 5.8× Leveraged Upside

INVESTMENT TERM

5.8x

Months

LEVERAGE

5.8x

Approximate leverage range

MAXIMUM RETURN

∞

Uncapped, index gains

MAX DOWNSIDE

-17%

Of Notional Exposure

100% cash invested

INVESTMENT THESIS

Hindsight Entry: Optimise your S&P 500 Entry Price, No Timing Required

This "Buy the Dip" strategy is engineered to deliver the optimal entry into the S&P 500 over the next six months while providing powerful upside participation and strict downside protection over a full three-year horizon.

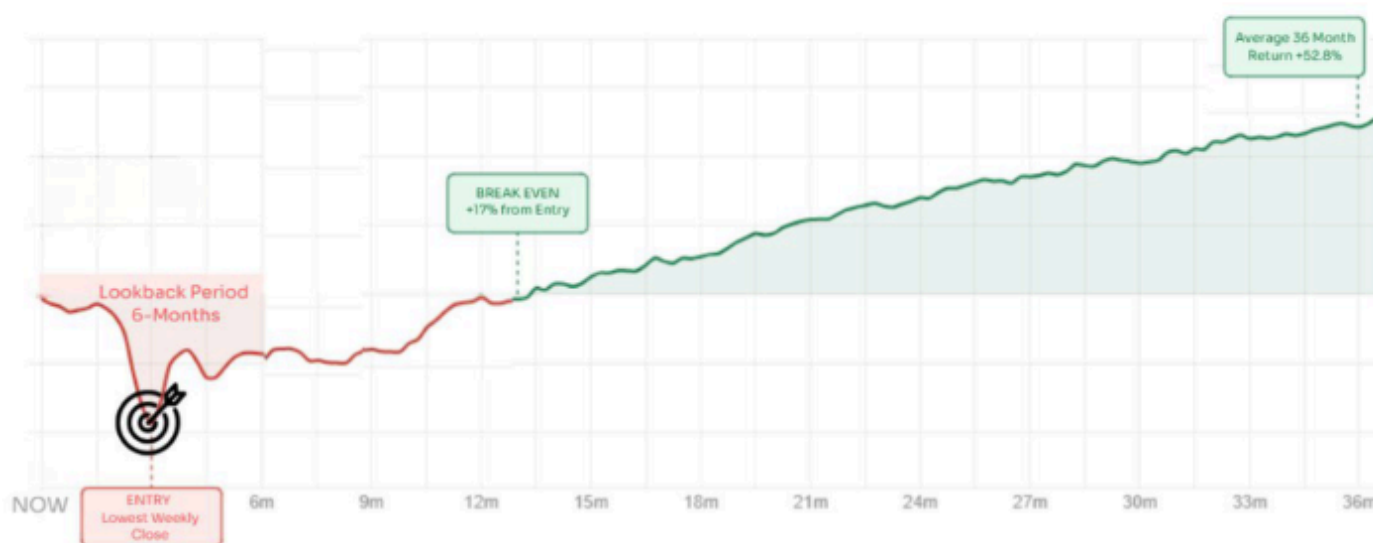
The core mechanism is a lookback entry feature: the investor's effective entry price is automatically set at the lowest Monday settlement price of the S&P 500 observed during the entire six-month window (May–October 2026). Every Monday close is monitored, and the single lowest price becomes your entry level, **no market timing required**.

Once the lookback period closes, the position converts to **5.8× leveraged upside exposure** on any gains above +17% from that optimal entry level. The maximum loss is strictly capped at 17% of the notional amount (100% cash invested).

Index returns: The S&P 500 has returned 10% p.a. over 100 years, 12.6% annualised over the last decade, and 10.3% over 30 years. A 3-year holding period has produced positive returns in 83 out of 100 rolling windows.

Drawdown recovery: Historical data across 8 major corrections (1998 LTCM through 2022 bear market) shows average drawdowns of ~22% over 4.2 months followed by +41% rebounds over 24 months. Post-2015, rebounds averaged +41% with breakeven in just 127 days.

US Earnings resilience: US earnings continue to show long-term resilience, with S&P 500 Q1 earnings growth of ~21% year-on-year (vs ~12.8% expected), revenue growth ~10.4%. Positive pre-announcements (63 vs 48 negative) remain at the highest levels since 2021. However, elevated oil prices and recession risks now threaten near-term momentum.



**Based on historical market behaviour. Past performance is not an indicator of future gains. MPC Markets.*

STRATEGIC COMPARISON

Buy the Dip vs. Owning an S&P 500 ETF

The MPC 'Buy the Dip' (BTD) strategy exploits a well-documented seasonal pattern: the S&P 500 historically pulls back from its May high through to mid-October, averaging a -10% decline in normal years and -17% in mid-term election years. Rather than using all of your capital holding an Index ETF, this approach deploys only \$17,000 of your capital and uses leverage to gain the same \$100,000 exposure to the index. This leaves you with 83% of your capital to invest in interest-bearing investments,

The result: Capped downside, potential for higher total returns.

Deployed in SPY ETF

\$100,000

Same starting amount for all scenarios

DEPLOYED INTO Buy The DIP (BTD)

\$17,000

Only 17% of notional invested goes into the S&P 500 at the trough

EARNs INTEREST

\$83,000

Remaining cash works at 4% or 10% p.a.

3-YEAR TOTAL RETURN COMPARISON BASED ON \$100,000 INVESTED

Scenario	Cash Deployed	3-Year Total	vs ETF
SPY ETF (Buy & Hold)	\$100,000	37% \$137,000	
Dip (Avg Yr) + 4%pa cash	\$17K+ \$83K @4%pa	41% \$140,554	+4%
Dip (Avg Yr) + 10%pa cash	\$17K+ \$83K @ 10%pa	58% \$157,663	+21%
BTD (Mid-term) + 4% cash	\$17K+ \$83K @4%pa	47% \$147,064	+10%
BTD (Mid-term) + 10% cash	\$17K+ \$83K @ 10%pa	64% \$164,173	+27%

(avg yr, 11.2% p.a.)

KEY INSIGHTS

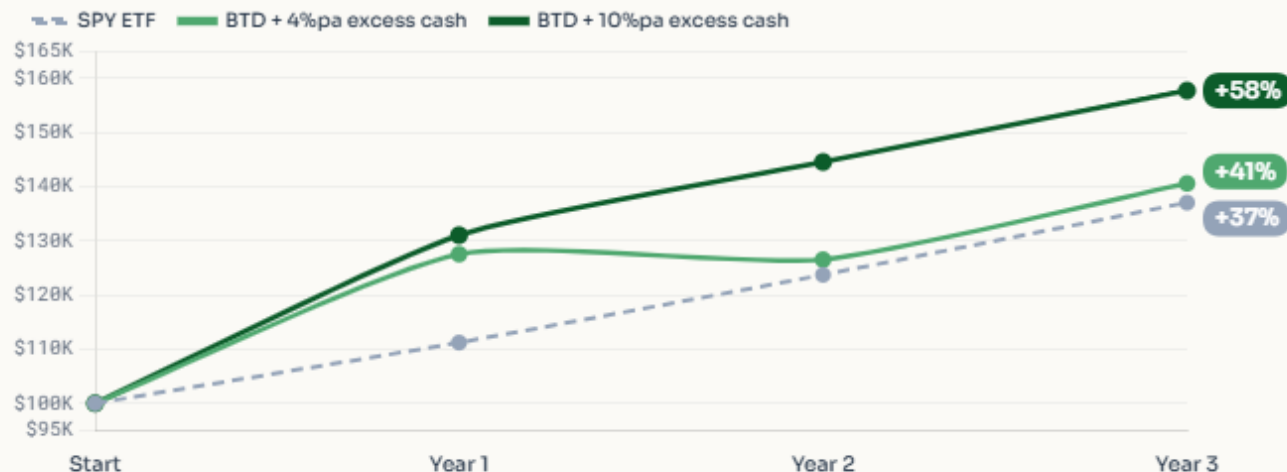
Seasonal Dip Pattern-Consistent Over 40+ Years

The S&P 500 averages a 10.2% drawdown between May 15 and October 15 in normal years, rising to 16.7% in mid-term election years-a reliable, repeatable re-entry window for disciplined investors each calendar year.

Cash Yield Is the Multiplier

The strategy's edge compounds when idle cash earns a meaningful return. At 4% p.a. Outperformance over buy-and- hold is 4-10%. At 10% p.a. (private credit / structured notes). outperformance extends to 21-27% over three years.

3-YEAR PORTFOLIO GROWTH PATH — \$100,000 STARTING CAPITAL



WHY WAIT?

RECESSION / STAGFLATION RISK

VALUATION ALERT

5 of 5

Beyond Overvalued Threshold

35%–45%

15%-25%

*analyst estimate

TRUMP FIRST TERM

67%

S&P500 Return over 4 yr term

At MPC Markets we believe we are looking at a textbook setup for patient investors. The S&P 500 is currently trading at some of the richest valuations in decades — Shiller CAPE above 40, trailing P/E above 30, forward P/E above 20 and the Buffett Indicator at 235.6%. These stretched valuations have historically delivered only low-single-digit three-year returns when you buy at the peak.

Layered on top of that is a genuine cluster of near-term risks (MPC estimates):

renewed Iran escalation (30–35% probability), oil and gasoline prices staying structurally higher (55–60%), tariff escalation (40%), and recession or stagflation odds now sitting at 35–45%. When extremely rich valuations collide with this kind of risk cluster, the result is often a sharp, fast drawdown, especially during the seasonally weak May - October window.

The encouraging part? Markets that get this stretched and then face these pressures rarely stay down for long. Recoveries have historically been swift and powerful once the excess is cleared out.

"In our view, a little patience through the weaker seasonal stretch could turn out to be one of the higher-conviction opportunities of 2026."

Mark Gardner - CEO MPC Markets

Adding a meaningful tailwind is the continuing Trump administration. With a President who has repeatedly shown that a strong stock market is central to his legacy, the so-called "Trump Put" — through deregulation, energy dominance and lower interest rates — is likely to act as a powerful policy backstop for the rebound over the remainder of the term.

This is exactly the environment our Buy the Dip strategy was built for. It automatically locks in the lowest Weekly close on the nominated day, during the May–October lookback period, then delivers 5.8× leveraged participation in the recovery. While 100% of cash invested is at risk, the maximum loss is capped at 17% of notional, with no margin calls.

WHY BUY THE DIP

- ▶ Valuations at multi-decade highs — entry price matters more than ever
- ▶ Clustered geopolitical risks raise probability of a May–Oct dip
- ▶ Lookback automatically captures a low price — no timing required
- ▶ 5.8× leverage turns a moderate recovery into outsized returns
- ▶ Trump policy backstop supports a powerful post-dip rebound
- ▶ Maximum loss strictly capped at cash invested, no margin calls

INDICATOR	CURRENT VALUE	TYPICAL OVERVALUED THRESHOLD	SIGNAL
Shiller CAPE	41.97	> 20	● Overvalued
Trailing P/E	32.44	> 20	● Overvalued
Forward P/E	20.4	> 18–20	● Overvalued
Buffett Indicator	235.6%	> 150%	● Severely Overvalued
P/S Ratio	3.647	> 2	● Overvalued

Values as of 6 July 2026. Sources: Shiller CAPE & Trailing P/E- multpl.com; Forward P/E-FactSet Earnings Insight; Buffett Indicator & P/S Ratio - GuruFocus. For informational purposes only.

"Markets at top of the range valuations have historically experienced at least one 10%+ drawdown within the following 12 months in over 70% of cases. The question is not whether a dip will come — it's whether you'll be positioned to buy it."

Mark Gardner - CEO MPC Markets

IMPORTANT RISK NOTICE

This investment thesis may not materialise. The S&P 500 may decline and remain below the entry level for the full 36-month term. Geopolitical scenarios are speculative. Past corrections and recoveries are not reliable indicators of future outcomes. **Maximum loss is 17% of notional which is 100% of Invested capital.** General advice only.

WHY THIS YEAR?

Midterm Year Drawdowns & Recoveries: 1950–2022

Buying the dip in the S&P 500 between May and October during a midterm election year has historically offered a statistical edge compared to the same period in non-midterm years. This stems from the well-documented presidential cycle pattern, where the second year (midterm year) tends to deliver higher volatility, deeper intra-year drawdowns, and a reliable post-low recovery, often concentrated around or after the November election.

AVG MAY - OCT PULLBACK

-10.1% All years Avg

-16.7% Midterm year Avg

1Y REBOUND FROM MAY - OCT LOW

+19.6% All Years Avg

+36.5% Midterm year Avg

YEAR LOW IN MAY-OCT PERIOD

15% All years

52% Midterm year

YEAR-BY-YEAR DATA

YEAR	PULLBACK	LOW DATE	1-YR RETURN
1950	-12.0%	17 Jul	+41.7%
1954	-4.4%	31 Aug	+51.1%
1958	-4.4%	25 Feb	+41.0%
1962	-26.4%	26 Jun	+37.5%
1966	-20.2%	7 Oct	+37.3%
1970	-25.0%	26 May	+48.9%
1974	-35.9%	3 Oct	+44.4%
1978	-12.8%	14 Nov	+18.1%
1982	-13.5%	12 Aug	+66.1%
1986	-9.4%	29 Sep	+44.3%
1990	-19.2%	11 Oct	+33.5%
1994	-8.5%	4 Apr	+18.5%
1998	-19.2%	31 Aug	+39.8%
2002	-33.0%	9 Oct	+36.1%
2006	-7.5%	13 Jun	+26.2%
2010	-15.6%	2 Jul	+33.6%
2014	-7.3%	15 Oct	+10.9%
2018	-19.4%	24 Dec	+39.9%
2022	-24.5%	12 Oct	+23.6%
AVG	-16.7%	—	+36.5%

WHY THE EDGE EXISTS

Data from 1950–2022 shows midterm years have produced an average intra-year pullback of **-16.7%**, with some analyses citing -18.2% when measuring the maximum drawdown in the 12 months leading into the election (back to 1926). The lows frequently occur between late spring and autumn, aligning with the May–October window.

Investors dislike uncertainty. Midterm elections bring debates on taxes, regulation and gridlock, weighing on markets in the first 9 to 10 months. After November votes, focus returns to fundamentals — creating deeper May–October drawdowns followed by outsized rebounds.

Midterm elections weigh on markets with tax, regulation, and policy uncertainty in the first 9–10 months.

Once votes are cast, focus returns to fundamentals

RECOVERY RANGE

WEAKEST RECOVERY

+10.9%

2014

STRONGEST RECOVERY

+66.1%

1982

In every midterm year 1950–2022, the S&P 500 rebounded strongly from its intra-year low. Even the weakest recovery (+10.9% in 2014) was positive, with stronger cycles delivering 40 to 66%.

Mark Gardner - CEO MPC Markets

Q4 midterm year positive rate: 86% since 1940. Source: S&P 500 historical data, MPC Markets Research. Past performance is not a reliable indicator of future performance.

WHY USE A LOOKBACK?

Planning Beats Reacting

When markets fall sharply, buying more feels genuinely dangerous. That is not weakness — it is how the human brain is wired. Loss registers as threat. The instinct to protect what you have overrides everything you know about long-term investing. In those moments, Warren Buffett's composure feels less like wisdom and more like a different species.

Most of us are not built that way. And that is fine, we just need to plan for it.

Seasonal patterns give us a framework to act before the fear arrives. History shows the S&P 500 pulls back an average of 9–14% between May and October, with the sharpest declines concentrated in midterm years along with the sharpest bounces. Pre-planning means the decision is never made under pressure. You set your level, you commit in advance, and when the panic hits — the plan executes.

WIN RATE

83%

Positive returns across rolling 3-year windows since 1928

BREAK-EVEN

127 days

Average recovery from bear-market lows since 2015

AVG REBOUND

+41%

24-month bounce from trough across 8 major corrections

BEST MONTHS TO BE INVESTED

Nov · Dec · Apr

2026 MPC Markets. Historical only.

WEAKEST MONTHS — LOOKBACK WINDOW

May · Aug · Sep · Oct

The Market Recovers Quickly, But Emotion Gets in the Way

Every major sharemarket crash in the last 30 years has eventually recovered — and in most cases, recovered strongly. Investors who bought during the panic, rather than selling, were rewarded. This strategy is designed to do exactly that: automatically lock in your entry price at the lowest point over a six-month window, so you don't have to guess when the bottom is in.

MAJOR CORRECTIONS IN THE LAST 30 YEARS

CRISIS	MARKET FALL	GAIN OVER NEXT 2 YEARS
1998 Russia Crisis	−19%	+43%
2003 Iraq War / Recession	−14%	+33%
2011 European Debt Crisis	−19%	+37%
2015–16 China Slowdown	−12%	+38%
2018 Trade War Sell-Off	−20%	+45%
2020 COVID Crash	−34%	+75%
2022 Interest Rate Shock	−28%	+34%
2025 Tariff Fears*	−21%	+34%
Average (post-2015)	−22%	+41%

Past performance is not a reliable indicator of future performance. Historical returns are for illustrative purposes only.

Why the next 6 months?

History shows that the sharemarket tends to be weakest between May and October each year. August and September in particular are the two months most likely to produce losses, due to lower trading activity over the northern hemisphere summer, combined with uncertainty heading into the US reporting season.

This a long-running seasonal pattern, averaging a 10.19% drop from the high in the last 40 years and 16.7% drop in Mid-term election years

By running the lookback window from May through October, the strategy deliberately targets this weaker stretch — giving investors the best possible chance of capturing the market's lowest point before the traditional year-end rally in November and December.

May to October is historically weakest 6-month period of the year, averaging a 10.19% fall over the last 40 years

"You don't need to pick the bottom. The lookback does it for you, your entry price is the lowest Monday settlement price over the full six months."

MPC Markets Research

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Lookback Entry

A structural feature whereby the investor's effective entry price is set at the lowest Monday settlement price of the S&P 500 recorded during the six-month observation window (May–October 2026). This eliminates market timing risk and contractually locks in the best available entry point.

Monday Settlement Price

The official closing price of the S&P 500 Index recorded on each Monday during the lookback observation window. The lowest of these prices across the full six-month window becomes the investor's entry level.

Notional Exposure

The reference amount against which investment gains and losses are calculated. In this structure, the investor's cash outlay equals 100% of the notional amount. The maximum downside is expressed as a percentage of this notional amount.

5.8× Leverage

A structural feature whereby the investor receives 5.8 times participation in any S&P 500 gains above +17% from the lookback entry level. Leverage amplifies upside returns but does not increase the investor's maximum loss beyond the capped downside. The indicative leverage ratio will be confirmed in the Issuer's PDS.

Maximum Downside (–17%)

The maximum loss an investor can incur is 100% of the cash they invest. the -17% max downside is an expression of a percentage of the notional amount. This is a contractual feature

Seasonal Window (May–October)

The six-month period during which the lookback feature observes S&P 500 settlement prices. This window historically coincides with the weakest seasonal period for US equities (the "Sell in May" effect), increasing the probability of capturing a discounted entry.

Santa Rally

The well-documented pattern of strong S&P 500 performance in November through early January. November averages +2.08% — the strongest calendar month. The rally has delivered positive returns 79% of the time historically.

Rolling 3-Year Return

A method of measuring performance over overlapping three-year periods. The S&P 500 has delivered positive returns in approximately 83% of all rolling 3-year windows since 1928, making it one of the most reliable long-term instruments.

Risk of Loss

If the S&P 500 does not rise above the breakeven level from the lookback entry by maturity, an investor may lose up to the maximum downside of 17% of notional. Investors are not liable beyond their initial cash outlay.

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