Performance Report January 2026

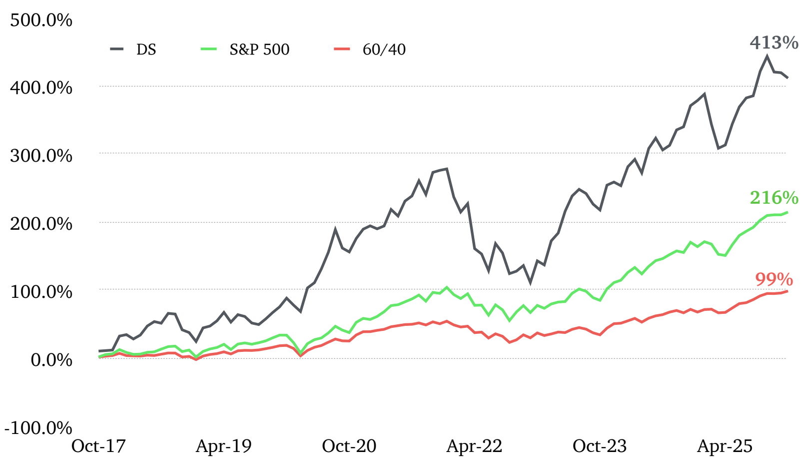
586 Crescent Blvd. Suite #501, Glen Ellyn, IL 60137
312-513-7486
cb3@cb3.com
www.cb3financial.com

The Discretionary Strategies (DS) Overview:

DS utilizes a systematic and quantitative rules-based trading approach that aims to capitalize on trends in the so-called "Magnificent Seven" group of stocks, the Quantum Computing space and leading Artificial Intelligence (A.I.) stocks. DS's focus is on generating aggressive growth, buffered by institutional-level options and spreading risk to adjust for downside protection in adverse market conditions.

Cumulative Return & Key Statistics

Oct 2017 — Jan 2026



	DS	S&P 500	60/40
Recent Results			
MTD	-1.3%	1.5%	1.9%
YTD 2026	-1.3%	1.5%	1.9%
1-Year	5.0%	16.3%	16.3%
5-Year	73.9%	101.0%	43.5%
Since Inception			
Total Return	412.8%	215.8%	99.8%
Annualized Return	21.7%	14.8%	8.7%
Annualized Volatility	25.6%	16.2%	10.7%
Max Drawdown	-44.1%	-23.9%	-20.1%
Sharpe	0.85	0.92	0.81
Sortino	1.66	1.62	1.37
Beta to S&P 500	1.29	-	0.64

Past performance does not indicate future results

January Performance Review

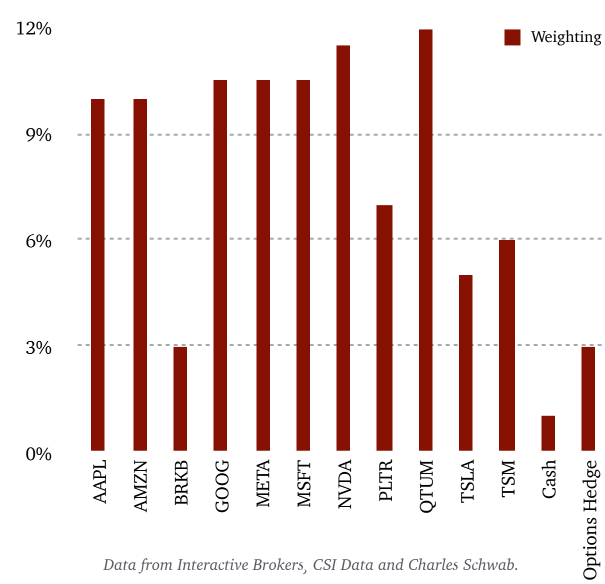
3-DS began 2026 slightly lower, finishing January slightly under the S&P 500 due to elevated volatility across its discretionary and tactical equity themes. This early weakness prompted several changes to the asset allocation in 3-DS. The program's ability to capitalize on short- and intermediate-term opportunities while maintaining disciplined risk control will be enhanced by our FEB 2026 rebalancing.

Unlike CG and GI, which now use **SPY as their Core, 3-DS did not undergo structural changes or alter its Core allocation**. The strategy continues to anchor itself to the **MAG 7 leadership group**, which has always served as the effective Core for 3-DS. This preserves the strategy's intentionally active, high-conviction mandate. Importantly, **our CB3 3-DS allocations remain unique**, maintaining the distinct role of each strategy within the CB3 ecosystem.

During January, the **3-DS Satellite sleeve** was refined through normal monthly signal activity. Several positions were adjusted or resized to maintain meaningful 3–7% allocations and reinforce exposure to themes such as AI infrastructure, cloud data, financial leadership, industrial innovation, and selective growth disruptors. We also **maintained our QQQ put-spread hedge at 3%**, providing targeted downside protection aligned with the strategy's NASDAQ-tilted risk profile.

3-DS now enters 2026 more focused, more tactically aligned, and better positioned to capture evolving market opportunities.

Current Positions



Data from Interactive Brokers, CSI Data and Charles Schwab.

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DS Monthly Net Returns

Net of all fees and expenses

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2026	-1.33%												**-1.33%**
2025	1.96%	-9.05%	-7.97%	1.19%	7.49%	5.60%	2.84%	0.68%	7.41%	4.16%	-4.26%	-0.20%	**8.48%**
2024	-1.52%	7.90%	2.85%	-5.08%	9.66%	3.70%	-4.09%	1.67%	5.50%	1.02%	7.07%	1.60%	**33.36%**
2023	15.01%	-2.46%	14.91%	4.23%	11.33%	7.03%	2.90%	-1.77%	-4.53%	-2.65%	11.46%	1.31%	**69.83%**
2022	-10.87%	-6.60%	3.92%	-20.21%	-3.02%	-9.60%	17.32%	-5.15%	-11.93%	1.63%	3.63%	10.52%	**-44.11%**
2021	1.69%	-1.47%	1.42%	8.25%	-3.02%	7.09%	2.26%	6.63%	-5.56%	9.48%	0.81%	0.56%	**30.58%**
2020	7.27%	-5.46%	-5.24%	20.50%	3.80%	9.67%	10.52%	13.01%	-9.42%	-2.14%	7.70%	4.95%	**64.99%**
2019	16.03%	1.87%	5.27%	8.01%	-8.58%	7.18%	-1.66%	-5.92%	-1.51%	5.54%	5.97%	4.98%	**40.91%**
2018	18.35%	1.64%	-4.78%	4.49%	9.94%	4.41%	-1.56%	9.60%	-0.63%	14.07%	-2.83%	-9.56%	**11.22%**
2017	-	-	-	-	-	-	-	-	-	10.60%	0.63%	0.72%	**12.10%**

CB3 Financial Investing Details

Overview. All CB3 trading programs remain 100% invested in the market at all times. Thus, CB3 utilizes 100% of client assets that have been allocated to us as the portfolio manager for our clients' benefit. In unfavorable markets, the options hedging can be increased and equity allocation decreased. It is CB3 Financial's position to be fully invested at all times, even when our target allocation may become more conservative.

Strategy Specifics. Ultra-Aggressive A.I, Quantum, Computing and Mag 7 or Mag 8 (including Berkshire Hathaway): 96% equities, 2-2.5% options hedging, 1.0-1.5% cash; 8-15 holdings, monthly trading signals (for portfolio adjustments) and 3-15% weightings per holding.

Minimum Investment. $125,000.

Annual Management Fees per Investable AUM, assessed monthly in advance. $125,000 - $500,000: 1.5%; $500,000 - $1,000,000: 1.25%; $1,000,000 - $3,000,000: 1.0%; $3,000,000 - $5,000,000: 0.9% and $5,000,000+: 0.85%.

About Us

Company Background. CB3 Financial Group, Inc. was founded in 2006 by Charles and Alice Brown. We are a boutique firm, investing for our family office and on behalf of a small group of select clients. We offer three strategies, of which DS (Discretionary Strategies) is the most aggressive, followed by CG (Capital Growth), and GI (Growth and Income). All three programs utilize institutional-level advanced Put-Options Hedging at Charles Schwab. These strategies are designed to protect against harsh downside market moves that can happen very suddenly in today's trading environment.

Portfolio Manager, Charles Brown, III, CMT. Mr. Brown has been trading commodities and stocks for 30+ years. He is a member of the CMT Association and has been awarded the Chartered Market Technician (CMT) designation. Prior to CB3, he previously had a successful career trading commodities with his boutique Commodity Trading Advisor (CTA) firm, TST Capital. He is a sought-after lecturer and commentator on financial topics and economic news, is recognized for his "accessible and easily-understandable" approach to explaining complex topics in his "everyman" conversational style. YouTube.com/cb3live is the firm's YouTube channel. Mr. Brown is also an accomplished musician, performing at Carnegie Hall in NYC at the age of 17. He continues to compose and perform today. He is a graduate of the Cincinnati Conservatory of Music.