



## The Growth Income Strategies (GI) Overview:

CB3 G.I. trades US based stocks, exchange traded funds (ETFs), and multi asset funds primarily, G.I. invest in individual equities of dividend producing companies. G.I. is generally a 60/40 strategy, although that weighting can vary according to market conditions risk management strategies are used to attempt to reduce losses in unfavorable market conditions. The primary risk management strategy is institutional level put option debit spreads in the S&P 500 options.

## Cumulative Return & Key Statistics

Jun 2017 — Jan 2026



### Recent Results

	GI	60/40
MTD	1.7%	1.9%
YTD 2026	1.7%	1.9%
1-Year	-3.1%	16.4%
5-Year	-21.2%	43.5%

### Since Inception

	GI	60/40
Total Return	30.2%	106.7%
Annualized Return	3.1%	8.7%
Annualized Volatility	21.3%	10.5%
Max Drawdown	-37.3%	-20.1%
Sharpe	0.15	0.83
Sortino	0.26	1.41
Beta to 60/40	1.50	-

Past performance does not indicate future results

## January Performance Review

2-GI began 2026 on a positive note, finishing January higher than the S&P 500. After a flat 2025, this early outperformance reflects improving conditions for income-oriented equities and the benefits of our recent structural upgrades.

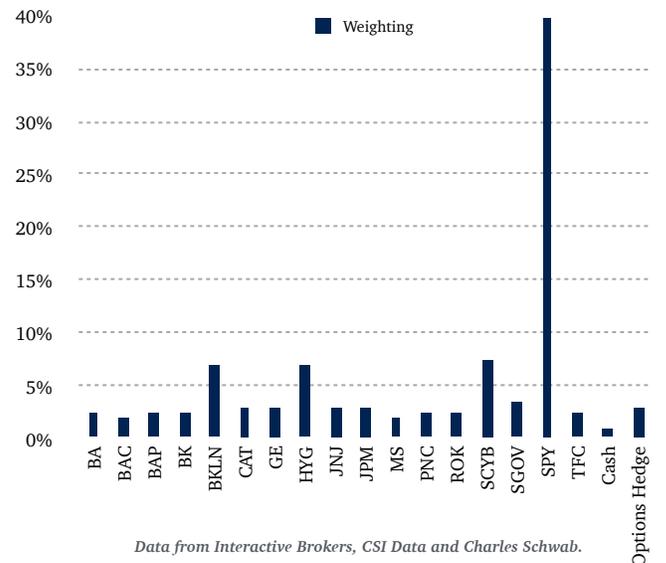
Following three months of beta-testing our enhanced Core-Satellite framework, we used January to implement a **significant structural upgrade** to 2-GI. The result is a more balanced and resilient portfolio designed to improve consistency while maintaining the income focus that defines the strategy.

The most important change is the introduction of a **40% Core allocation to the S&P 500 (SPY)** within the equity sleeve. A primary goal of this Core position is to **reduce benchmark drift driven by the outsized influence of the "MAG 7,"** which contributed roughly 62% of the S&P 500's total return last year. We also **increased our SPY put-spread hedge to 3% from 2.5%**, strengthening downside protection while remaining fully invested. Importantly, **our CB3 3-DS allocations remain unique**, preserving each strategy's distinct role.

The **2-GI Satellite sleeve** was refined to emphasize durable dividend payers, quality financials, and defensive growth. Several positions were removed or resized to maintain meaningful 3-7% allocations.

2-GI now enters 2026 **more opportunity-positioned, more income-focused, and significantly improved** in its risk-adjusted profile.

## Current Positions



Data from Interactive Brokers, CSI Data and Charles Schwab.



## GI Monthly Net Returns

Net of all fees and expenses

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2026	1.72%												1.72%
2025	3.09%	-0.95%	-3.61%	-3.85%	-2.09%	1.69%	-0.40%	2.15%	2.14%	-1.22%	-0.01%	1.54%	-1.80%
2024	3.35%	4.93%	5.10%	-3.84%	2.57%	-0.33%	0.52%	0.82%	0.94%	-0.46%	5.95%	-4.42%	15.55%
2023	2.69%	-2.94%	-5.47%	-0.15%	-2.21%	5.45%	2.18%	-1.40%	-3.15%	-2.46%	2.78%	2.04%	-3.17%
2022	-15.99%	-1.93%	4.56%	-8.14%	-2.91%	-9.75%	8.60%	-1.91%	-7.09%	5.03%	2.67%	-4.74%	-29.50%
2021	8.72%	3.33%	-3.31%	1.22%	-4.88%	3.03%	-0.91%	-0.50%	-5.32%	9.79%	1.17%	-2.71%	8.68%
2020	-0.33%	-6.45%	-14.94%	17.85%	10.90%	8.63%	9.09%	7.36%	0.21%	0.93%	15.13%	6.54%	63.58%
2019	11.57%	4.28%	-4.78%	0.03%	-7.73%	8.40%	2.07%	-2.86%	-3.56%	0.11%	5.10%	1.61%	13.33%
2018	3.44%	-7.94%	-0.46%	-1.79%	6.39%	2.78%	-3.14%	21.38%	1.51%	-17.13%	-3.41%	-12.14%	-20.26%
2017	-	-	-	-	-	-0.06%	-0.07%	-1.13%	8.16%	0.72%	-0.11%	-4.28%	2.84%

## 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.** G.I. trades US-based stocks and exchange-traded funds (ETFs) in equities and income strategies. Occasionally, G.I. will trade gold and other hard assets as an inflation hedge. G.I. primarily focuses on dividend-producing stocks with a somewhat lower beta than CG or DS. G.I. is generally a 70-30 strategy, which can vary due to market conditions. Risk management strategies are used to attempt to reduce losses in unfavorable market conditions. The primary risk management strategy is an institutional-level put option debit spread in S&P 500 options. We execute with Monthly Trading Signals.

**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](https://www.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.

### DISCLAIMER

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