

2-GI Performance Report



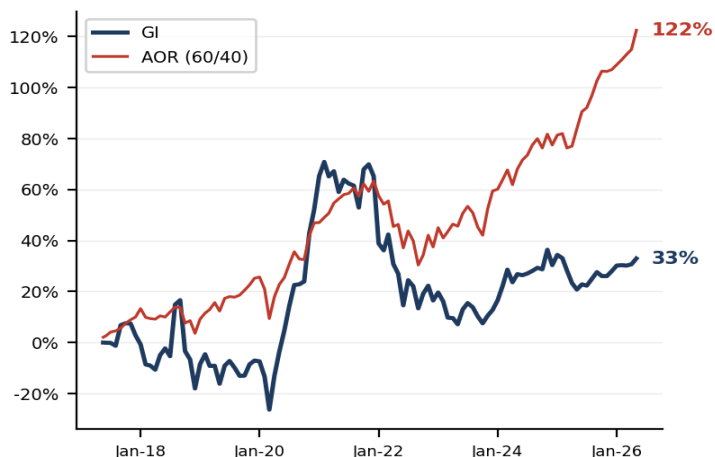
CB3 Financial is a Registered Investment Advisor (RIA)
Performance as of May 31, 2026 | Generated 0900 CST, June 1, 2026

The 2-GI (Growth and Income) Strategy Overview:

CB3 G.I. employs a Core-Satellite approach with a 43% S&P 500 (SPY) core allocation complemented by income- and quality-focused equity satellites and an investment-grade bond sleeve. G.I. is broadly an 80/20 equity-to-fixed-income strategy. Risk management utilizes institutional-level put-option debit spreads in S&P 500 options. Monthly trading signals drive all portfolio adjustments.

Cumulative Return & Key Statistics

Jun 2017 — May 2026



Recent Results (total return)

	GI	AOR
MTD (May)	1.7%	3.5%
YTD 2026	3.9%	7.4%
1-Year	10.1%	21.0%
5-Year	-16.4%	42.3%

Since Inception

	GI	AOR
Total Return	32.9%	122.4%
Annualized Return	3.2%	9.0%
Annualized Vol.	20.9%	10.4%
Max Drawdown	-37.3%	-20.1%
Sharpe	0.25	0.89
Sortino	0.38	1.19
Beta to AOR	1.48	—

Past performance does not indicate future results

May Performance Review

2-GI gained **+1.72%** in May as the S&P 500 rose ~+5.2% to record highs (~7,580) with the VIX near 15. The Core-Satellite book captured about half the index move; the bond sleeve and hedge tempered upside as designed. AOR (60/40) returned +3.52% (total return).

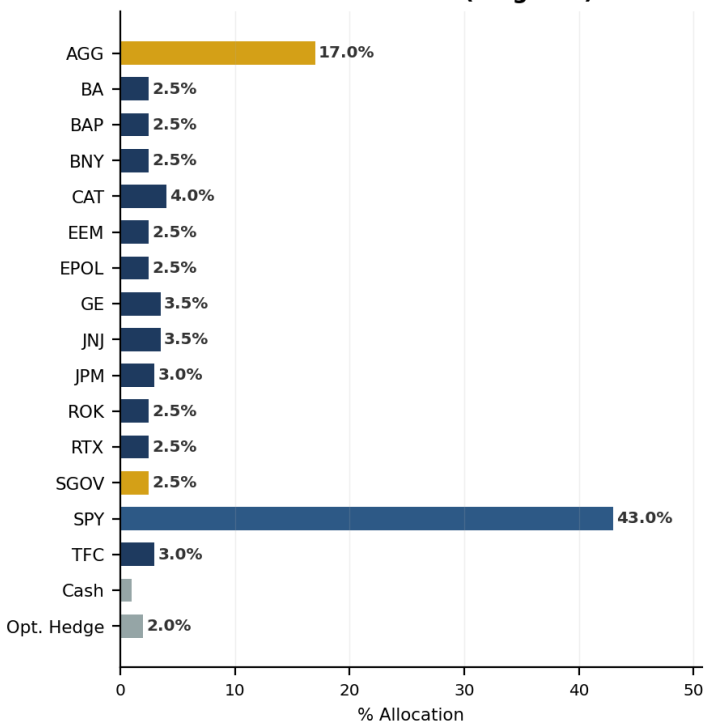
June 1 restructure (v180). The high-yield sleeve (BKLN/HYG/SCYB) is replaced with investment-grade aggregate bonds (AGG) and the SPY core is raised to 43%. The put-spread hedge is **retained**. High-yield behaves like equity in drawdowns; this restores a genuinely defensive bond sleeve at lower cost — a planned design improvement, not a signal trade.

Historical note. The cumulative gap to the benchmark reflects a portfolio that **no longer exists** — the un-hedged strategy that lost -20% (2018) and -30% (2022). Today's architecture, now with investment-grade ballast plus options hedging, is built to limit those drawdowns.

Signal Status:

- All 17 holdings confirmed on monthly BUY signals
- v180 restructure (HY→AGG, SPY 43%) executes June 1
- Put-spread hedge retained at 2%; cash 1%
- Next options review: July 2026

Current Allocation (Target %)



Portfolio Characteristics

Nitrogen Risk	64	Annual Range Midpoint	8.22%
Annual Dividend Yield	1.95%	95% Range (6 Mo.)	-13.48% to +21.54%
Weighted Expense Ratio	0.08%	Equity Allocation	77.5%
Riskalyze GPA	3.9	Number of Holdings	1 Core + 12 Satellites + 2 FI + Hedge

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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%	0.10%	-0.12%	0.40%	1.72%	-	-	-	-	-	-	-	3.86%
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 allocated to us as portfolio manager for our clients' benefit. In unfavorable markets, 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 becomes more conservative.

Strategy Specifics.Balanced growth-and-income Core-Satellite approach: 43% S&P 500 core, ~34% equity satellites (financials, industrials, healthcare, emerging markets), ~19.5% fixed income (investment-grade aggregate bonds and T-bills), 2% options hedging, 1% cash; 17 holdings, monthly trading signals and 2.5-43% 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 four strategies: DS (Discretionary Strategies) is the most aggressive, followed by CG (Capital Growth), GI (Growth and Income), and MP (Mini Portfolio). DS, CG, and GI 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 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, recognized for his accessible 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 age 17. He continues to compose and perform today. He is a graduate of the Cincinnati Conservatory of Music.

DISCLAIMER

Past performance does not guarantee future results. All investments and strategies carry the potential for both profit and loss. Different types of investments involve varying levels of risk. There is no guarantee that a specific investment or strategy will be suitable or profitable for an investor's portfolio. Asset allocation and diversification will not necessarily improve an investor's returns and cannot eliminate the risk of investment losses. CB3 Financial Group, Inc. is a State-Registered Investment Advisor in the State of Illinois, with registration exemptions in AL, FL, GA, MI, MO, KS, SD, and WI.