Your Account Is Moving to Market Proxy

A strategy built for today's market — broad participation, with income.

What's changing

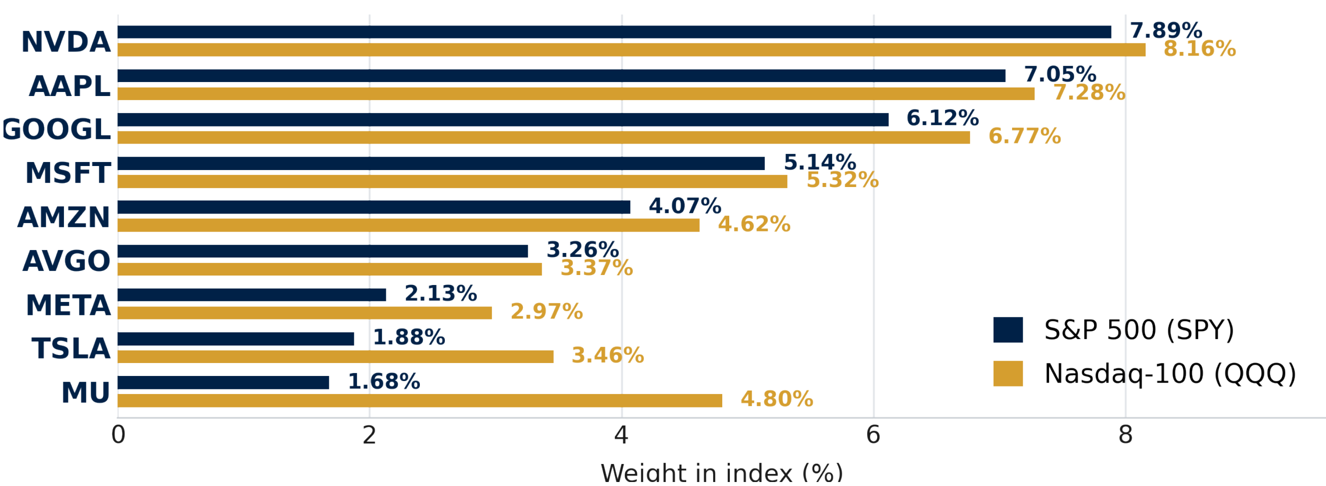
Here is what is changing — and, just as important, **why**. We are retiring our **Growth & Income (GI)** program and moving your allocation into **Market Proxy (MP)**, one of CB3's two core client programs. The reasons are below; your money stays invested through the transition, and we handle the mechanics for you.

Why Growth and Income (GI) can no longer deliver its mandate

- **The market's gains have narrowed to a handful of names.** A dozen mega-caps now drive the S&P 500 — and, as the chart below shows, the same names dominate both the S&P 500 and the Nasdaq-100. Technology alone is 38.5% of the S&P 500.
- **GI was built to diversify and to hedge.** By design it spreads risk and limits downside, which means it cannot concentrate into the few names carrying the index. In a market this top-heavy, that structure cannot keep pace with a growth-and-income goal. GI served us well for years, but it is a structurally insufficient strategy for today's markets.
- **This move is structural — not a bad stretch or a broken signal.** A diversified, hedged book and a mega-cap-led index pull in opposite directions, so we are moving you to a strategy built for the current 2026 market structure and reality.

The Same Mega-Caps Dominate Both the S&P 500 and the Nasdaq-100

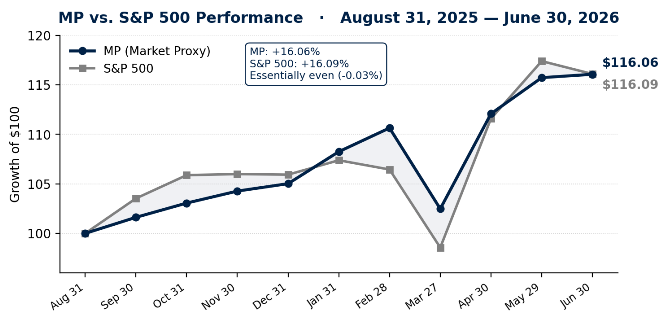
Technology: 38.5% of the S&P 500 vs 58.8% of the Nasdaq-100   Semiconductors: 18.3% vs 32.8%



*All nine of these mega-caps sit in the top tier of **both** indexes — and the Nasdaq-100 holds most of them in even heavier doses. MP is broad and cap-weighted, so it owns these leaders directly and closely tracks the market.*

How CB3 Market Proxy is Performing

Since launching in August 2025, MP has drawn essentially even with the S&P 500 — +16.06% versus +16.09% — while carrying *materially less risk*: about 70% of the market's volatility and nearly double the risk-adjusted return.

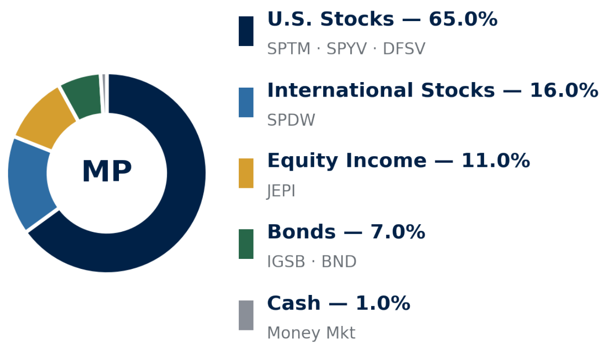


The risk-adjusted picture

	MP	S&P 500
Since Inception	**+16.06%**	+16.09%
Annualized Vol.	**9.4%**	13.1%
Sharpe Ratio	**1.65**	0.92
Beta to S&P	**0.78**	—
Max Drawdown	**-7.4%**	-7.4%

The takeaway: essentially the market's full return at about 70% of its risk — exactly what a growth-and-income client wants.

What it holds, and how it fits your portfolio



Nitrogen Risk 68. A balanced, growth-leaning core — a modeled range of **-14% to +23%** in 95% of years. The recent de-risking step **improved** the Nitrogen risk/reward grade to 3.9.

- Pairs with **Discretionary Strategies (DS)**, our aggressive growth program. MP is the steadier core that keeps your overall household balanced.
- An **optional downside-protection sleeve** (a SPY put-spread) is available for clients who want a defined cushion against sharp declines, without capping upside.

What you need to do

Nothing. We manage the transition inside your account. To talk through how MP fits your goals — or whether the optional protection sleeve is right for you — contact us at any time.

Thank you for your continued confidence in CB3 Financial.

It is our privilege to manage your portfolios, and we are always here to talk through your goals.

Charles Brown III, CMT
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