CB3 Financial, Inc. · Registered Investment Adviser · 586 Crescent Boulevard, Suite 501 · Glen Ellyn, Illinois 60137

July 6, 2026

To Prospective Investors:

Thank you for your interest in **Specialized Opportunities ("Spec Opp")**, the systematic premium-selling income program I run within CB3 Financial. Enclosed is the current strategy brochure and a two-page performance fact sheet, prepared as a general overview of the strategy.

**Spec Opp is, at its core, an income-generating program built on an uncommon pairing: a disciplined, defined-risk book of equity-index and single-name options set directly against a ladder of U.S. Treasury bills. At any time, 12–16% of capital is exposed to the options overlay; the remaining ~80% sits in the Treasury ladder, earning risk-free income whether or not the overlay is active.** Every options structure carries purchased (long) outer wings that act as hard loss floors — there are no uncovered short options in the program — and every position is sized to a published maximum-loss band, recomputed daily against closing equity.

Through June 30, 2026, the program has compounded **+14.58%** net since inception (December 1, 2025) against **+10.09%** for the S&P 500, at roughly 0.26 beta and a -2.39% maximum drawdown over the period. I would draw your attention to a single session that captures the design better than any statistic: on June 30, the program absorbed its largest single-trade loss to date — a −$3,140 volatility-hedge stop — and the account still closed at a new lifetime high the same day, because the systematic income core more than offset it. The hedge is built to lose when the core gains; that session is the risk-titration construction working as intended. Individual sessions will differ, and a hedge loss will not always be absorbed within a day.

I would stress that this is an early-stage, seven-month live track record that has not yet been tested by a severe volatility event or a 30-VIX environment; the enclosed materials plainly disclose that fact. The appropriate audience today is family offices and qualified individuals comfortable taking measured early-stage manager risk in exchange for a defined-risk, low-beta income profile.

The program opens to select clients on October 1, 2026, with a $450,000 minimum. I would welcome the chance to walk you through the enclosed brochure and answer any questions. Before any investment, please request and review the firm's Form ADV Part 2A.

One point matters above the numbers: the record enclosed is my own family's capital, traded in this exact strategy since inception — not a hypothetical, a back-test, or a client composite. When the program opens to outside investors on October 1, my family's capital remains invested alongside yours. I would not ask you to hold risk I do not carry myself.

This letter and its enclosures are for informational purposes only and do not constitute an offer to sell or a solicitation of an offer to buy any security or investment advisory service. Past performance does not guarantee future results; all investments carry risk of loss.

Sincerely,

CB3

**Charles Brown, III, CMT**

President, CB3 Financial, Inc. · Portfolio Manager, Specialized Opportunities

# Specialized Opportunities (Spec Opp)

CB3 Financial, Inc. · Registered Investment Adviser · 586 Crescent Boulevard | Suite 501 · Glen Ellyn, Illinois 60137
Second-Quarter 2026 (2Q26) End-of-Quarter Report · performance data as of June 30, 2026 (settled close)

> Spec Opp is a systematic premium-selling income program. We are neither chart readers nor direction forecasters. We are institutional-grade risk titrators: position sizing, entry discipline, and exit thresholds are governed by vol-complex signals — dealer-gamma regime, vol term structure, and implied-versus-realized divergence — whose lens maps to the hedging flows of market makers that move the S&P 500 intraday. The premium we harvest is the persistent gap between the volatility the options market prices in and the volatility that is subsequently realized; sellers of that insurance are paid to absorb risk that, on most days, does not materialize. Our edge is not a forecast but a discipline — enter only when the volatility complex favors the seller, size every position to a hard, pre-published loss band, and exit mechanically at a target or a stop rather than on conviction.

## What the Program Does

The strategy harvests the volatility risk premium through **defined-risk** option structures, collateralized by a Treasury ladder. At any time, **12–16%** of capital is exposed to the options overlay for capital efficiency; the remaining **~80%** anchors the book in risk-free Treasuries that generate independent yield. Three structures carry the overlay:

- **XDTE iron condors** — multi-day theta harvesting on SPX (Monday–Friday and Wednesday–Wednesday cycles).
- **SPX Extreme Butterflies (XBFs)** — monthly income structures with purchased outer wings and vertical call hedges.
- **Tri-monthly single-name iron condors** — NVDA, TSLA, and AAPL, defined-risk.

Every structure includes purchased wings that act as hard loss floors. There are no uncovered short options in the program. Each position is sized to a published maximum-loss band, recomputed daily against closing equity.

| ACCOUNT NET LIQ (6/30) | SINCE INCEPTION (NET) | ANNUALIZED VOLATILITY | BETA VS S&P 500 |
|---|---|---|---|
| **$442,111** | **+14.58%** | **7.36%** | **0.26** |

## Program Terms & Capacity

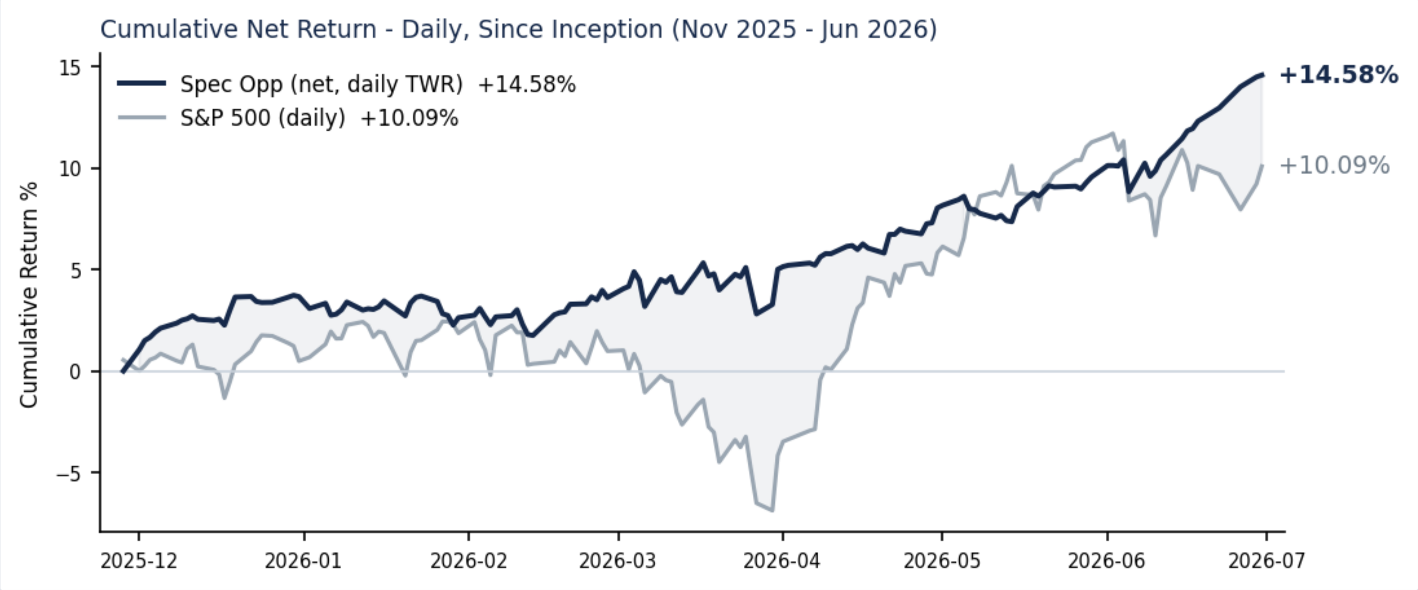
| | |
|---|---|
| Minimum investment | **$450,000 (one lot)** |
| Scaling increment | **Whole lots — e.g., $900,000 = two lots** |
| Account requirements | **Options Approval Level 3 + Portfolio Margin** |
| Opening to select clients | **October 1, 2026** |
| Track-record inception | **December 1, 2025 (proprietary / family-office)** |
| Custodian | **Charles Schwab** |

*Account requirements: because every position is a defined-risk structure, Options Approval Level 2 would be sufficient on its own — Level 3 is required only to obtain Portfolio Margin, which materially improves capital efficiency on the defined-risk book. Capacity: each option contract carries a 100-share (100×-index) multiplier, so capital is deployed in discrete whole-lot units. This integer-lot constraint — not a marketing decision — is the program's primary limit on scalability and is deliberately disclosed.*

## Live Track Record to Date

Across its first seven complete months (December 1, 2025 through June 30, 2026), the program compounded **+14.58%** net against **+10.09%** for the S&P 500 at roughly 0.26 beta, with maximum drawdown held to -2.39% and no risk-floor breach; six of the seven months closed positive. The record spans both calm and choppy tape but has not yet met a severe volatility event nor a 30-VIX environment — disclosed in full on the benchmarking page. It is proprietary and pre-launch, not a client composite.

## Cumulative Net Return




*Spec Opp net daily time-weighted return vs S&P 500 price return, anchored to the inception window. External contributions are flow-adjusted out of the return series.*

## Recent Results

| Period | Spec Opp | S&P 500 |
|---|---|---|
| Jun 2026 | +4.60% | -1.06% |
| May 2026 | +1.41% | +5.15% |
| Apr 2026 | +2.88% | +10.42% |
| Mar 2026 | +1.34% | -5.09% |
| Feb 2026 | +0.96% | -0.87% |
| Jan 2026 | -1.00% | +1.37% |
| Dec 2025 (Since Inception) | +3.67% | +0.49% |
| YTD 2026 | +10.53% | +9.55% |
| Since Inception | +14.58% | +10.09% |

## Key Metrics

| Metric | Spec Opp | S&P 500 |
|---|---|---|
| Alpha (since inception) | +4.50% | — |
| Volatility (annualized) | 7.36% | 13.43% |
| Beta (comparative volatility) | 0.26 | 1.00 |
| Correlation to S&P 500 | 0.50 | 1.00 |
| Max drawdown | -2.39% | -9.10% |
| Sharpe (daily) | 2.63 | 0.70 |
| Sortino (daily) | 4.11 | 1.01 |
| Profit factor | 2.18 | — |
| Win rate | 70.59% | — |
| Expectancy / trade | $381.98 | — |

*Reading the metrics: lower is more favorable for volatility, beta, and maximum drawdown; higher is more favorable for Sharpe and Sortino.*

## Monthly Net Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2026** | -1.00 | +0.96 | +1.34 | +2.88 | +1.41 | +4.60 | -- | -- | -- | -- | -- | -- | **+10.53** |
| **2025** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | +3.67 | **+3.67** |

*Values in %. Net of commissions and exchange fees ($3,249.28 YTD, trade-only); the program charges no management fee.*

***On risk ratios — plainly stated.*** *Sharpe (2.63) and Sortino (4.11) are computed from daily returns over the daily-verified window (Nov 28 2025–Jun 26 2026; rf 4%, Sortino MAR 4%, 252-day annualization); the Jun 19–30 daily series is being backfilled and will refresh these ratios. Institutional allocators typically evaluate these on a monthly basis; daily-computed ratios for short-dated options programs tend to run higher because of theta smoothing and short-horizon autocorrelation. Monthly-basis ratios are deferred pending a longer track record. We report this difference rather than obscure it.*

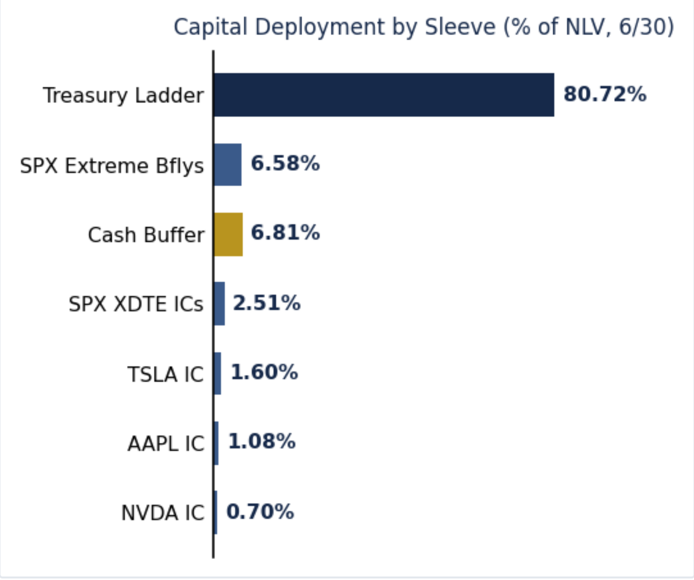
## Risk Management Bands

**Risk is titrated, never estimated. Every position carries a hard, pre-defined maximum loss expressed as a percentage of net liquidating value and recomputed after each trading session against closing equity.** The word is deliberate: a titration is a controlled, measured addition, and that is exactly how exposure is built here — never in a single large commitment, but in small, deliberate increments whose downside is known before the trade is placed. Because the bands are expressed as a percentage of NLV rather than a fixed dollar figure, they scale automatically as the account compounds or draws down per diem.

| Structure | Max Loss | Per Position | Role |
|---|---|---|---|
| XDTE structures | 0.50% | $2,211 | Short-cycle theta |
| Monthly ICs, XBFs, and SPX vertical call hedges | 0.75% | $3,316 | Core monthly income |

*Bands shown at 6/30 equity ($442,111). Stop-loss debits are recalculated every session from current equity and contract count. Floors off the 6/30 lifetime closing high: Warning $397,900 / Hard Stop $389,058.*

## Capital Deployment




## Treasury Ladder

| | |
|---|---|
| Rungs deployed | **6** |
| Cost basis | **~$437.6K** |
| Blended yield | **~3.66%** |
| Cash buffer | **~$30,106** |
| Nearest rung | **$50K · Aug 15** |
| Target basis | **$650K (Jan 2027)** |

*The Treasury ladder is the program's ballast: it secures the option overlay as collateral and produces independent risk-free income, so that >80% of capital appreciates whether or not the overlay is active.*

## Why the Structure Caps (Limits) Tail Risk

- **Treasury anchor.** With only 12–16% of capital exposed to options at any time, absolute dollar risk is inherently bounded; the bulk of the book is risk-free collateral.
- **Purchased wings.** Iron condors and extreme butterflies include purchased (long) outer legs that act as hard floors, converting open-ended short-gamma exposure into bounded, knowable risk — overnight gaps cannot produce margin calls or unlimited loss.
- **Stop bands.** Each position is capped at 0.50%–0.75% of NLV and exited on a pre-set trigger rather than discretion. On rare occasions, losses may exceed these levels due to gap risk.
- **Re-entry at elevated IV.** After a stoploss is hit, the program systematically redeploys; richer premiums in stressed tape can offset prior stops over subsequent cycles.

*Formal historical stress simulations are available under separate cover during due diligence; such material is hypothetical, model-based, and not presented here.*

## Closed-Trade Statistics

| | | | |
|---|---|---|---|
| Closed trades | **119 (84W / 35L)** | Average win | **$989.72** |
| Win rate | **70.59%** | Average loss | **-$1,184.31** |
| Profit factor | **2.18** | Best Trade Result | **+$2,760 (Jun 23, 2026)** |
| Profit / loss ratio | **0.83 : 1** | Worst Trade Result | **-$3,140 (Jun 30, 2026)** |
| Expectancy | **$381.98** | Max consecutive W / L | **9W / 3L** |
| Kelly criterion | **39.40%** | Commissions & fees (YTD, trade-only) | **$3,249.28** |

*Win/loss counts are TraderSync-canonical; per-trade gross dollars and commissions are Schwab-verified through June 30, 2026. Commissions are trade-only (bond accrued interest excluded). The program charges no management fee; figures are gross of any advisory fee a future client account would bear.*

A 70% win rate with average loss modestly larger than average win is the classic, expected signature of disciplined theta harvesting — the program earns frequent small premiums and defends the occasional larger loss with its bands, rather than making directional bets.

## The Spec Opp Profile Under Stress — Second Quarter 2026

The quarter compounded **+9.11%** (April 1 through June 30), carrying net liquidating value to a lifetime high of **$442,111**; net gain over contributed capital ($386,576) stands at **+$55,535**. The quarter's signature was behavior under stress — and the clearest illustration came on its final session of 2Q26. *On June 30 the program took its largest single-trade loss to date, a −$3,140 volatility-hedge stop, and the account still closed at a new lifetime high the same day, because the systematic income core (SPX put butterflies and monthly index/single-name condors) more than offset it. That is not luck; it is the construction.* The volatility hedge is designed to lose when the core gains — it is the same structure whose January stops first drove the build of the purchased-wing income core — and six months later that core absorbed the hedge's worst hit inside a single day. A hedge loss will not always be offset within a day; the -2.39% maximum drawdown shown above is the honest record of the losing stretches the program has already had. Muted participation in the index's declines, steady accrual in calm — that asymmetry is precisely what a premium-selling income book is built to produce.

## Process & Discipline

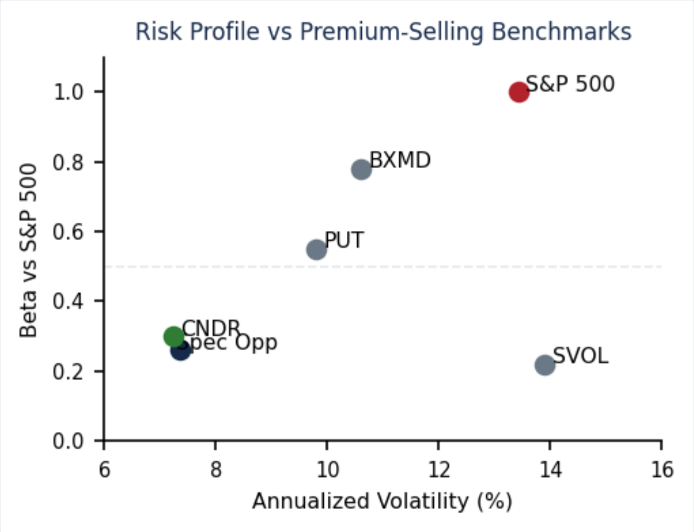
Consistency is a product of process, not prediction. Entries, exits, and sizing follow a written framework, not discretion: stop thresholds are recomputed every session from current equity, and a position closes only at its profit target or its pre-defined stop. Each day is gated through a stability, volatility, and dealer-gamma checklist before any new structure opens, capped at two new opening trades. The program will also simply not trade — around binary catalysts (a jobs report, a Fed decision, a quarterly expiration) new positions are vetoed by calendar rule and the book stands aside until the event clears. Every figure reported is reconciled to the settled custodial statement first.

## Key Terms

| | |
|---|---|
| **Titrator** | An options trader who scales into income positions using small, mathematically sized increments with strict maximum-loss limits. |
| **Beta** | Comparative volatility — how far the program moves relative to the S&P 500 (0.26 ≈ a quarter of the market's move). |
| **Volatility** | The annualized size of the program's return swings in absolute terms. |
| **Sharpe ratio** | Return earned per unit of total risk (higher is better). |
| **Sortino ratio** | Like Sharpe, but counting only downside risk (higher is better). |
| **Alpha** | Return above what the market delivered over the same period. |

## Choosing a Fair Comparison

What sets Spec Opp apart is its own signature — a long-delta XBF tilt via put placement, single-name positions held through earnings, and short-dated XDTE cycles — so no public index is a clean mirror of it. Of the institutional premium-selling benchmarks, the Cboe S&P 500 Iron Condor Index (CNDR) is nonetheless the nearest cousin: it is delta-neutral, sells OTM SPX puts and calls, and buys further-OTM wings for protection — the same defined-risk architecture as the program's core.




## Spec Opp vs CNDR

| Metric | Spec Opp | CNDR |
|---|---|---|
| Volatility (annualized) | 7.36% | 7.23% |
| Beta vs S&P | 0.26 | 0.30 |

*Volatility and beta compared on the same annualized basis — lower is more favorable for both. On those two measures the programs are near-identical, which is the point: CNDR's roughly three-decade record is the closest public proxy for how a delta-neutral, defined-risk SPX condor book behaves through a full range of regimes. Long-run CNDR Sharpe (~0.48, monthly, 29.5-yr) is deliberately not set beside Spec Opp's daily Sharpe; see methodology note.*

## Where CNDR Is Not a Mirror

- **Long-delta tilt.** The XBF sleeve carries embedded long delta via put placement; CNDR is delta-flat. Spec Opp is not purely market-neutral.
- **Single-name idiosyncratic risk.** The AAPL / NVDA / TSLA iron condors are held through earnings — concentrated, event-driven exposure that a broad SPX index carries none of.
- **Tenor.** The XDTE sleeve trades multi-day cycles; CNDR rolls monthly. Short-dated gamma behaves differently from a monthly roll.

***Methodology — daily vs monthly.*** *Spec Opp's Sharpe and Sortino are computed from daily returns over seven months; the Cboe indices and the SVOL ETF report monthly ratios over 5–32 years. These are not directly comparable, so volatility and beta — both annualized on a consistent basis — are the fair comparison.*

## Track-Record Length

At seven full months, the live track record is early-stage. It has not yet been tested by a severe, sustained volatility event, and a -2.39% maximum drawdown is partly a function of a benign tape to date. We regard the short record as a fact to disclose, not to dress up: institutional consultants typically require a three- to five-year history spanning multiple market regimes — including a 30-VIX stress event — before committing capital, and Spec Opp does not yet clear that bar. What the record does establish is process: seven months of live, rules-based execution across both calm and choppy tape, with position risk held inside the published bands throughout and no breach of the program's drawdown floors. The conservative posture cuts both ways — the same discipline that produced a -2.39% drawdown in this benign tape is what will govern a future 30-VIX event, for which we both expect, and have planned for, larger drawdowns than the live record yet shows.

## Portfolio Manager

**Charles Brown, III, CMT** has been trading stocks, options, commodities, and currencies for 35 years. He is a member of the CMT Association and holds the Chartered Market Technician (CMT) designation. Prior to CB3, he had a successful career trading commodities at his boutique CTA firm, TST Capital. Market commentaries are published at YouTube.com/cb3live.

## About the Firm

CB3 Financial, Inc. was founded in 2006 by Charles and Alice Brown. We are a boutique firm investing for our family office and select clients. Spec Opp launched in December 2025 and is the firm's flagship systematic income program.

| | |
|---|---|
| Structure | **State-Registered Investment Adviser (Illinois)** |
| Custodian | **Charles Schwab** |
| Minimum investment | **$450,000 (one lot)** |
| Account requirements | **Options Level 3 + Portfolio Margin** |
| Program opens to clients | **October 1, 2026** |
| Contact | **312-513-7486 · cb3@cb3.com** |

## Important Disclosures

This is the Second-Quarter 2026 (2Q26) End-of-Quarter Report with data as of June 30, 2026 (settled Schwab close). Past performance does not guarantee future results, and there is no assurance that any strategy will achieve its objectives or avoid loss. All investments carry risk of loss.

The performance shown reflects the firm's proprietary trading of the Spec Opp program in a single family-office account since inception (December 1, 2025); it is not a client composite and does not represent the experience of any outside client. The program opens to select clients on October 1, 2026; individual client results will differ based on timing of investment, account size, lot quantity, fees, and market conditions. Returns are net of commissions and exchange fees (the program charges no management fee) and reflect the reinvestment of all gains; no withdrawals were taken in 2026.

Returns are net daily time-weighted returns; external contributions are flow-adjusted from the return series. Net liquidating value and returns are reconciled to the settled Schwab daily statement. Commissions are trade-only, computed by excluding Treasury bond accrued interest from the Schwab activity record. The S&P 500 comparison reflects price return and is shown for general market context only; the index is unmanaged, cannot be invested in directly, and differs materially in composition, risk, and strategy from Spec Opp. Sharpe and Sortino ratios are computed from daily returns (rf 4%, Sortino MAR 4%, 252-day annualization) over the daily-verified window and are not directly comparable to monthly-basis ratios reported by long-run institutional indices; monthly-basis ratios are deferred pending a longer track record. Benchmark figures for the Cboe PUT, CNDR, BXMD, and SVOL strategies are drawn from third-party sources, cover differing historical periods, and are presented for contextual comparison only.

Maximum-loss bands are design parameters and targets, not guarantees; on rare occasions actual losses may exceed stated bands due to gaps, illiquidity, or execution conditions. CB3 Financial, Inc. is a State-Registered Investment Adviser in Illinois with notice-filing exemptions in AL, FL, GA, MI, MO, KS, SD, and WI. Performance and account data are sourced from Charles Schwab. This document is for informational purposes only, is intended for one-on-one presentation to a prospective qualified investor, and does not constitute an offer to sell or a solicitation of an offer to buy any security or investment advisory service. Please request and review the firm's Form ADV Part 2A brochure before investing.

> **The Spec Opp Difference. Spec Opp is, at its core, an income-generating program. Its distinctiveness lies in an uncommon pairing: a disciplined, defined-risk book of equity-index and single-name options set directly against the most conservative instrument available — U.S. Treasury bills.** The options overlay manufactures yield from the volatility risk premium; the Treasury ladder secures it. Most income strategies ask an investor to choose between yield and safety; Spec Opp is built to refuse that choice. For an investor seeking equity-uncorrelated income with explicitly bounded downside, that pairing is the entire point: a return stream engineered to quietly compound in calm markets, mechanically defend itself in stressed ones, and at no point depend on correctly forecasting the market's direction.

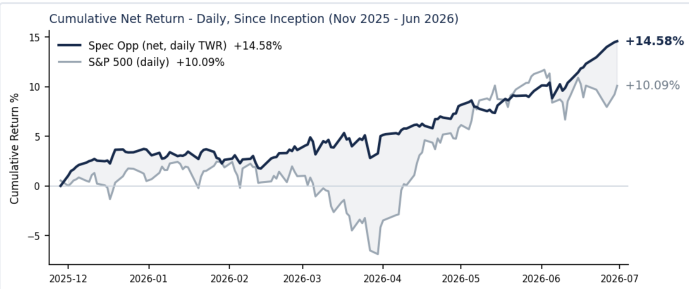
## What This Report Represents — and What Comes Next

This second-quarter report documents a live, proprietary track record built one disciplined session at a time — deliberately unembellished, with every figure reconciled to the settled custodial statement, the maximum drawdown shown beside the returns, and the record's short, untested tail stated rather than softened. The program opens to select clients on October 1, 2026 at a $450,000 minimum, capacity finite by the integer-lot constraint. For a family office or qualified individual seeking defined-risk, low-beta income that neither forecasts direction nor sells uncovered risk, the next step is a one-on-one conversation and a review of the firm's Form ADV Part 2A. We would welcome both.

*CB3 Financial is a Registered Investment Advisor (RIA)*
*Settled close · 2Q26 End-of-Quarter Report*

**The Spec Opp (Specialized Opportunities) Overview:** Spec Opp is a systematic premium-selling income program. We are neither chart readers nor direction forecasters. We are institutional-grade risk titrators: our position sizing, entry discipline, and exit thresholds are governed by vol-complex signals — dealer-gamma regime, vol term structure, implied-vs-realized divergence — whose lens maps to market makers' hedging flows that move SPX intraday.

## Cumulative Return & Key Statistics — Since Inception: December 1, 2025




| Recent Results | Spec Opp | S&P 500 |
|---|---|---|
| Jun (MTD) | +4.60% | -1.06% |
| May 2026 | +1.41% | +5.15% |
| Apr 2026 | +2.88% | +10.42% |
| Mar 2026 | +1.34% | -5.09% |
| Feb 2026 | +0.96% | -0.87% |
| Jan 2026 | -1.00% | +1.37% |
| Dec 2025 (Since Inception) | +3.67% | +0.49% |
| YTD 2026 | +10.53% | +9.55% |
| Since Inception | +14.58% | +10.09% |

| Key Metrics | |
|---|---|
| Alpha (SI) | +4.50% |
| Volatility (annualized) | 7.36% vs 13.43% |
| Beta vs S&P | 0.26 |
| Correlation to S&P | 0.50 |
| Max Drawdown | -2.39% vs -9.10% |
| Sharpe (daily) | 2.63 vs 0.70 |
| Sortino (daily) | 4.11 vs 1.01 |

## Key Statistics

| | |
|---|---|
| Account Net Liq | **$442,111.04** |
| Net Return (over capital) | **+$55,535** |
| Win Rate | **70.59% (84W / 35L)** |
| Profit Factor | **2.18** |
| Expectancy | **$381.98** |
| Best / Worst Result | **+$2,760 / -$3,140** |
| Closed / Open | **119 / 7** |
| Commissions (YTD, trade-only) | **$3,249.28** |

## Recent Performance Review

Through June 30, NLV set a new lifetime high of **$442,111.04** (up **+14.58%** since inception). The month's headline was robustness: on 6/30 the book took its largest single-trade loss to date (−$3,140, a vol-hedge stop) and still closed at a new high, as the income core more than offset it. Net gain over contributed capital ($386,576) stands at **+$55,535**; no withdrawals in 2026.

**Key Developments:**

- 6/30: NEW lifetime high $442,111.04 (+14.58% SI); best month in program history (+4.60%)
- 6/30: worst single-trade loss −$3,140 absorbed into a new high — the risk-titration thesis
- 2Q26 compounded +9.11% (Apr 1–Jun 30); max DD -2.39% vs index -9.10%
- Q2 income +$36,923.11 — 4.1× the $9K quarterly income benchmark
- Since-inception alpha +4.50% vs S&P 500, at 0.26 beta and -2.39% max drawdown
- Record: 84W / 35L, Win% 70.59%

## Risk Management Bands

| Risk Parameter | Max | Per Position |
|---|---|---|
| XDTE Structures | 0.50% | $2,211 |
| Monthly ICs & XBFs | 0.75% | $3,316 |

*Floors off 6/30 LCH: Warning $397,900 / Hard Stop $389,058.*

## 2Q26 Progress | NLV Compounding

| | |
|---|---|
| 2Q start (Mar 31 EOD) | **$405,187.93** |
| Current NLV | **$442,111.04** |
| 2Q26 Compound Gain | **+$36,923.11** |
| Quarter Return | **+9.11%** |
| Period | Apr 1 – Jun 30 |

*Withdrawals: NONE in 2026; all profits retained.*

# Spec Opp Performance Report — June 30, 2026

*Settled close · 2Q26 End-of-Quarter Report*

## Spec Opp Monthly Net Returns

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YEAR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2026** | -1.00 | +0.96 | +1.34 | +2.88 | +1.41 | +4.60 | -- | -- | -- | -- | -- | -- | **+10.53** |
| **2025** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | +3.67 | **+3.67** |

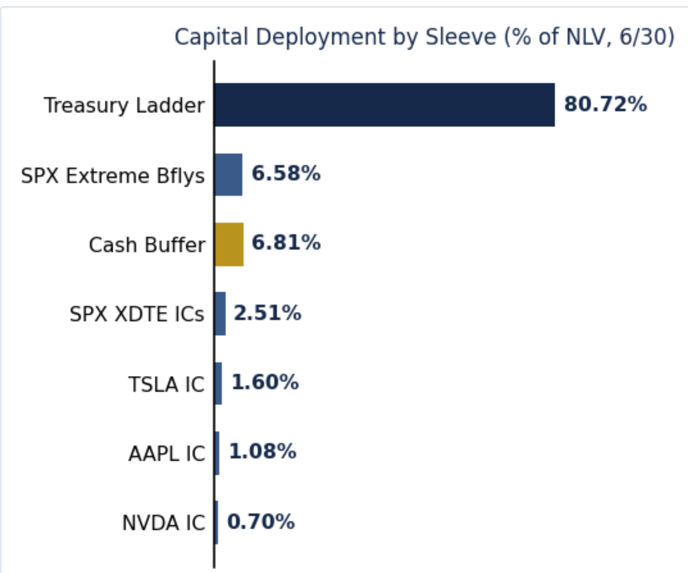
## 2Q26 Performance Commentary

The second quarter compounded **+9.11%** (April 1 through June 30), carrying Net Liquidating Value to a new lifetime high of **$442,111.04**. Net gain over contributed capital ($386,576) now stands at **+$55,535**, and June closed as the strongest month in the program's history (+4.60%).

The quarter's signature was behavior under stress, and its final session of 2Q26 plainly made the point. On June 30 the book absorbed its largest single-trade loss to date — a −$3,140 volatility-hedge stop — and still closed at a new lifetime high, because the systematic income core more than offset it. The hedge is built to lose when the core gains; it is the same structure whose losses early in the year first drove the build of the purchased-wing income core, and the mature book has now absorbed that structure's worst hit inside a single day. A hedge loss will not always be offset same-session; the -2.39% maximum drawdown is the honest record of the losing stretches already experienced. Participating in calm, rising tape while sidestepping the index's drawdowns is the premium-selling income profile operating as intended.

The same posture carries forward: with no withdrawals scheduled for 2026, every dollar of second-quarter gain remains in the book to compound. The Treasury ladder (six rungs, ~$437.6K basis, ~3.66% blended) is set to deepen toward a $650K cost basis via a planned January 2027 infusion, widening the risk-free base beneath the options overlay.

## Capital Deployment




## Trade Record

| | |
|---|---|
| Closed trades | **119 (84W / 35L)** |
| Win rate | **70.59%** |
| Profit factor | **2.18** |
| Expectancy / trade | **$381.98** |
| Average win | **$989.72** |
| Average loss | **-$1,184.31** |
| Best Trade Result | **+$2,760 (Jun 23, 2026)** |
| Largest stock IC | **+$2,320 (TSLA 6/1)** |
| Worst Trade Result | **-$3,140 (Jun 30, 2026)** |
| Commissions (YTD, trade-only) | **$3,249.28** |
| Open book | **3 monthly ICs + 4 SPX (7)** |

***T-Bill Ladder:*** *6 rungs (~$437.6K cost basis). Blended ~3.66%; cash buffer ~$30,106. Targeting $650K basis via $250K Jan 2027 infusion.*

## CB3 Spec Opp Strategy Details

**Overview.** Spec Opp is a premium-selling income strategy with 12–16% of capital exposed to option premium-selling structures at any time for maximum capital efficiency; excess capital is deployed into a Treasury ladder for additional risk-free income. **Strategy Specifics.** Multi-day theta harvesting via XDTE iron condors (MON–FRI and WED–FRI cycles), SPX Extreme Butterflies (XBFs) as monthly income structures, and tri-monthly NVDA/TSLA/AAPL iron condors. **Minimum Investment.** $450,000 (one lot).