Specialized Opportunities (Spec Opp)

STRATEGY BROCHURE & FACT SHEET · V2.6

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

August 1, 2026

To Prospective Investor:

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.

THE PROBLEM

An investor seeking 4–6% income today is usually forced into one of two trades: reach for yield by taking on duration and credit risk in bonds, or sell uncovered options and accept open-ended, unbounded downside. **Spec Opp refuses that choice.** It is built to generate an equity-uncorrelated income stream with downside that is defined in advance — not managed after the fact.

OUR STRUCTURE

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. The Treasury ladder holds ~98% of net liquidating value; the options overlay is written against it, encumbering roughly 15–20% of capital as margin at any time. Every structure carries purchased outer wings that bound its loss — there are no uncovered short options in the program — and every position is exited at a pre-set band of 0.50–0.75% of NLV, well before expiration math becomes operative. Put simply: **we sell insurance only when the market overpays for it, using the same vol-complex signals that dealers use to hedge.**

THE PROOF

Through July 31, 2026, the program has compounded **+16.41%** net since inception (December 1, 2025) against **+9.94%** for the S&P 500, at roughly 0.27 beta and a −2.39% maximum drawdown over the period. I would draw your attention to a stretch of sessions that captures the design better than any statistic. On July 23 the program took the largest single-trade loss in its history — a −$3,510 stop on a TSLA iron condor. It was *not* absorbed that day. The account traded below its prior high for seven consecutive sessions, never came within 9% of its Warning floor, and bottomed on July 29 — the index's worst session of the month, −1.52%. Two sessions later it closed July at a new lifetime high of $449,158. That is the risk-titration construction working as intended, on the timescale it actually works: not a single lucky session, but a mechanical recovery through a written framework.

I would stress that this is an early-stage, 8-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 program requires **Options Approval Level 3 and Portfolio Margin** on the client account. 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 December 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, nor a client composite. When the program opens to outside investors on December 1, my family's capital remains invested alongside yours. I would not ask you to hold risk I do not carry myself.

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
July 2026 Month-End Update · performance data as of July 31, 2026 (settled close)

> **THE TRADE SPEC OPP REFUSES**
>
> Investors seeking 4–6% yield are forced into duration risk or uncovered options. **Spec Opp refuses that trade.** We sell insurance only when the market overpays for it — using the same vol-complex signals dealers use to hedge — and we buy the outer wings that cap every loss before the trade is placed.

What the Program Does

The strategy harvests the volatility risk premium through **defined-risk** option structures, collateralized by a Treasury ladder. The Treasury ladder holds **~98%** of net liquidating value; the options overlay is written against it, encumbering roughly **15–20%** of capital as margin at any time. Three structures carry the overlay:

XDTE Iron Condors
Multi-day theta harvesting on SPX (Mon–Fri and Wed–Wed cycles).

SPX Extreme Butterflies (XBFs)
Monthly income structures with purchased outer wings and vertical call hedges.

Tri-Monthly Single-Name ICs
NVDA, TSLA, and AAPL iron condors — defined-risk, event-aware.

Every structure includes purchased wings that act as hard loss floors — there are no uncovered short options in the program, and each position is sized to a published maximum-loss band, recomputed daily.

ACCOUNT NET LIQ (7/31)	SINCE INCEPTION (NET)	ANNUALIZED VOLATILITY	BETA VS S&P 500
$449,158	**+16.41%**	**7.23%**	**0.27**

Program Terms & Capacity

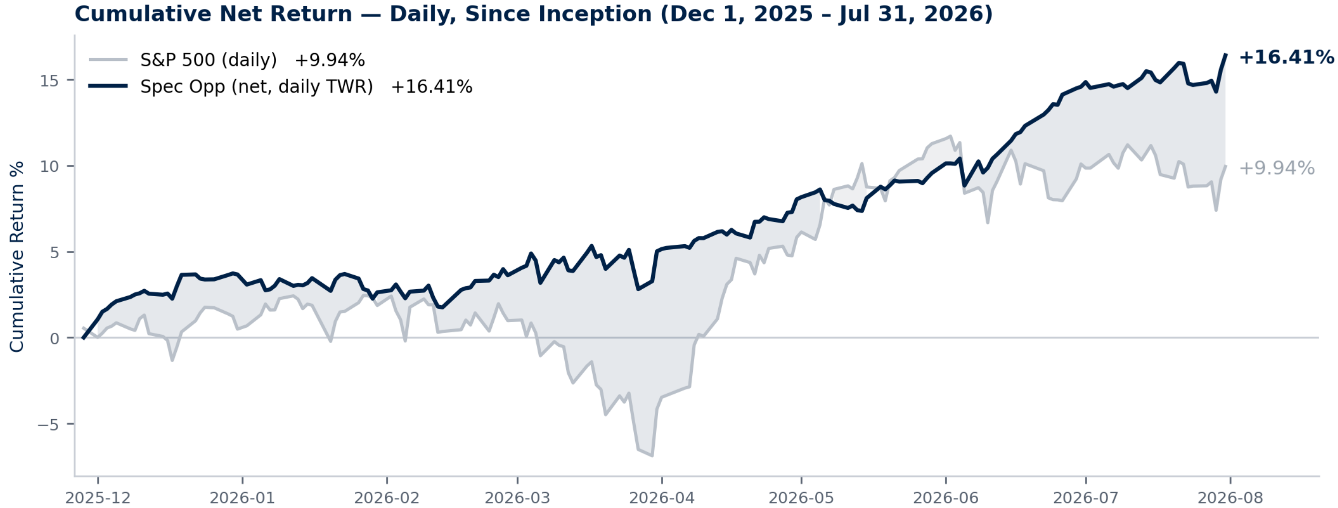
Minimum investment	**$450,000 (one lot)**
Scaling increment	**Whole lots — e.g., $900,000 = two lots**
Account requirements	**Options Approval Level 3 + Portfolio Margin**
Opening to select clients	**December 1, 2026**
Track-record inception	**December 1, 2025 (proprietary / family-office)**
Estimated program capacity	**≈ $150 million** (see note)
Custodian	**Charles Schwab**

Account permissions. *The program is run in a client account carrying Options Approval Level 3 and Portfolio Margin. Level 2 covers the defined-risk structures themselves; Level 3 is required to obtain Portfolio Margin, which materially improves capital efficiency on a defined-risk book. Both are prerequisites, not preferences.* ***Capacity*** *is bounded by the 100-share contract multiplier and whole-lot deployment — the ~$150M estimate is detailed on the benchmarking page.*

Live Track Record to Date

Across 8 months (Dec 1, 2025 – Jul 31, 2026), the program compounded **+16.41%** net against **+9.94%** for the S&P 500, with maximum drawdown held to −2.39% against the index's −9.10%, and no risk-floor breach; seven of eight completed months closed positive. It is proprietary and pre-launch, not a client composite, and has not yet met a 30-VIX event — disclosed in full on the benchmarking page.

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
Jul 2026	+1.59%	−0.13%
Jun 2026	+4.58%	−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	+12.29%	+9.41%
Since Inception	**+16.41%**	**+9.94%**

KEY METRICS

Metric	Spec Opp	S&P 500
Alpha (since inception)	+6.47%	—
Volatility (annualized)	7.23%	13.23%
Beta (comparative volatility)	0.27	1.00
Correlation to S&P 500	0.50	1.00
Max drawdown	−2.39%	−9.10%
Sharpe (daily)	2.65	0.78
Sortino (daily)	4.15	1.13
Profit factor	2.07	—
Win rate	71.64%	—
Expectancy / trade	$385.66	—

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	+4.58	+1.59	–	–	–	–	–	**+12.29**
2025	–	–	–	–	–	–	–	–	–	–	–	+3.67	**+3.67**

*Values in %. *July Values in %. Net of commissions and exchange fees ($3,657.88 YTD, trade-only); the program charges no management fee. Reading the metrics: lower is more favorable for volatility, beta, and maximum drawdown; higher is more favorable for Sharpe and Sortino.*

On risk ratios — plainly stated. *Sharpe (2.65) and Sortino (4.15) are computed from daily returns over the fully daily-verified window (Dec 1 2025 – Jul 31 2026; rf 4%, Sortino MAR 4%, 252-day annualization). 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 increments whose downside is known before the trade is placed. Because the bands are a percentage of NLV rather than a fixed dollar figure, they scale automatically as the account compounds or draws down.

Structure	Max Loss	Per Position	Role
XDTE structures	0.50%	$2,246	Short-cycle theta
Monthly ICs, XBFs, and SPX vertical call hedges	0.75%	$3,369	Core monthly income

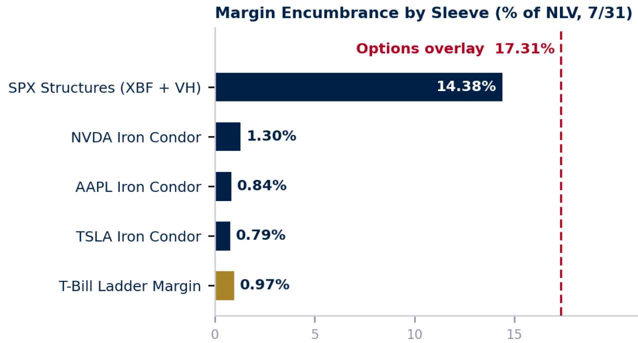
Bands shown at 7/31 equity ($449,158). Stop-loss debits are recalculated every session from current equity and contract count.

HARD STOP OFF THE 7/31 LIFETIME CLOSING HIGH

$395,259

If aggregate equity reaches this floor, the book goes flat. A Warning floor sits above it at **$404,242**. Both are re-struck each session off the current lifetime closing high — the program does not average down through them. Neither floor has ever been approached: the deepest decline in the record left the account more than 9% above the Warning line.

MARGIN ENCUMBRANCE



TREASURY LADDER

Rungs deployed	**6**
Cost basis	**~$437.6K**
Blended yield	**~3.66%**
Cash buffer	**~$44,873**
Nearest rung	**$50K · Aug 15**
Furthest rung	**$65K · Feb 15, 2027**

The Treasury ladder is the program's ballast: it secures the option overlay as collateral and produces independent risk-free income. At ~98% of net liquidating value, the ladder accrues whether or not the overlay is active.

Why the Structure Caps (Limits) Tail Risk

- **Treasury anchor.** With roughly 15–20% of capital encumbered as option margin at any time, the bulk of the book remains risk-free Treasury collateral that accrues independently of the overlay.
- **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.

WHAT "DEFINED RISK" DOES — AND DOES NOT — MEAN

Each structure's loss is bounded by its purchased wings, but the bound is not small. The SPX butterflies are deliberately broken-winged — long 5600/5700/5800 puts against short bodies 300 points higher — so theoretical maximum loss at expiration across the open book is a material fraction of the account. That figure is not the operative risk. Every position is exited at its 0.50–0.75% band, and the butterfly short strikes sit roughly 21% below spot; the program has never held a structure toward its theoretical floor and the written framework does not permit it. We state the geometry plainly because an allocator should see it from us, not discover it.

Closed-Trade Statistics

Closed trades	**134 (96W / 38L)**	Average win	**$1,039.70**
Win rate	**71.64%**	Average loss	**−$1,266.65**
Profit factor	**2.07**	Best trade result	**+$3,600 (Jul 31, 2026)**
Profit / loss ratio	**0.82 : 1**	Worst trade result	**−$3,510 (Jul 23, 2026)**
Expectancy	**$385.66**	Max consecutive W / L	**9W / 3L**
Kelly criterion	**37.09%**	Commissions & fees (YTD)	**$3,657.88**

Win/loss counts are TraderSync-canonical; per-trade gross dollars and commissions are Schwab-verified through July 31, 2026. Best and worst results are stated by close date. 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 72% win rate with average loss modestly larger than average win is the classic 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 — The July Recovery

Net liquidating value stands at a lifetime high of **$449,158** (July 31, 2026); net gain over contributed capital ($386,576) is **+$62,582**. The most instructive stretch in the record is the recovery that carried the account back to new highs, and it did not happen in a day.

On July 23 the program took the largest single-trade loss in its history — a −$3,510 stop on a TSLA iron condor. It was not absorbed that session. The account closed below its prior high and stayed there for seven consecutive sessions, bottoming 1.44% under the mark. No floor was breached; no band was widened; no position was averaged down. Every remaining structure was held to its written band while the income core kept accruing. The low came on July 29 — the index's worst session of the month, −1.52% — and two sessions later the account closed July at a **new lifetime high**.

We show this stretch rather than a cleaner one on purpose. A loss absorbed inside a single session can be luck. A loss absorbed over eight sessions, through a mechanical framework, through the index's worst session of the month, is construction. The −2.39% maximum drawdown shown on the benchmarking page — against the index's −9.10% over the same window — is the honest record of every losing stretch the program has had, this one included.

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.

What We Expect in a 30-VIX Volatility Spike

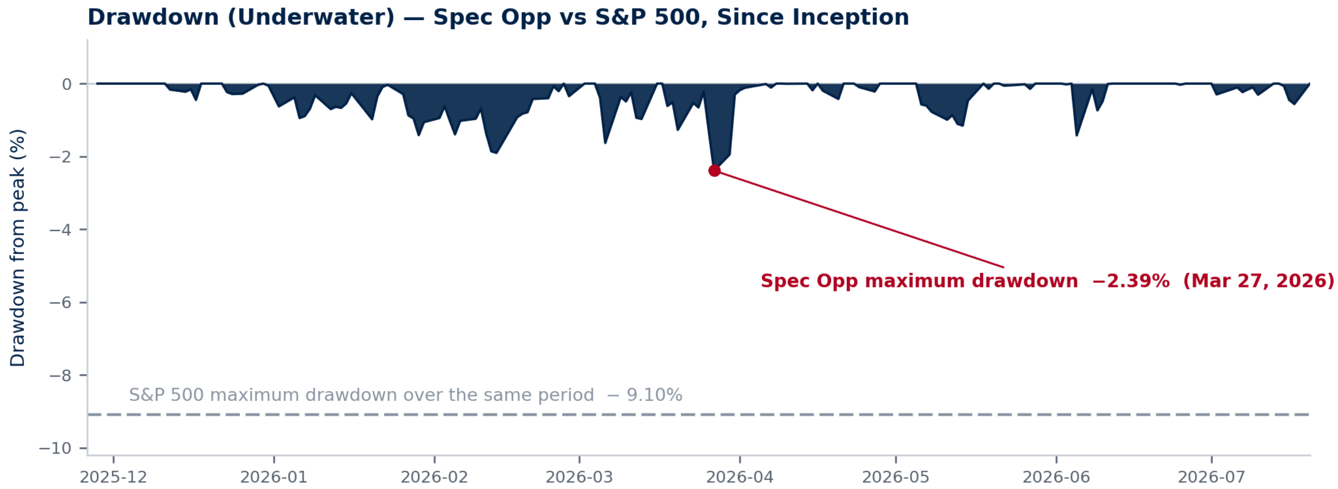
We have not yet traded a severe volatility event, so we describe the program's *mechanical* response rather than forecast a return. In a sharp spike we expect the purchased outer wings to cap each structure's loss at its published band regardless of gap size; the stop bands to move the book to reduced or flat exposure; and the Treasury base to keep accruing. As implied volatility rises, premiums richen and the program re-enters into that richer pricing over following cycles. A sustained high-VIX regime could produce drawdowns larger than the live record shows; formal stress material is hypothetical and reserved for one-on-one due diligence.

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 (0.27 ≈ roughly 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.

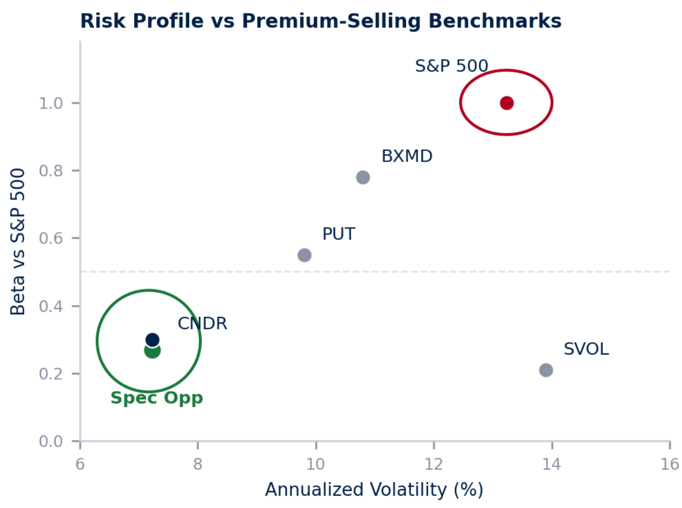
Participation in Drawdowns

The program's defining trait is what it does *not* do in a selloff. Over the full record, Spec Opp's deepest peak-to-trough decline was **−2.39%** (March 27, 2026) against a **−9.10%** maximum drawdown for the S&P 500 over the same window — roughly a quarter of the index's worst decline.



Spec Opp drawdown computed from the complete settled daily NLV series (Nov 28, 2025 – Jul 31, 2026; 168 observations), flow-adjusted and reconciled to the custodial statement. Every session is plotted; there are no interpolated or month-end-anchored points. The S&P 500 maximum drawdown over the same period is shown as the reference line.

THE NEAREST COUSIN



SPEC OPP VS CNDR

Metric	Spec Opp	CNDR
Volatility (ann.)	7.23%	7.23%
Beta vs S&P	0.27	0.30

The Cboe S&P 500 Iron Condor Index (CNDR) is the nearest public proxy: delta-neutral, sells OTM SPX puts and calls, buys further-OTM wings — the same defined-risk architecture. On volatility and beta the two are near-identical; that is the point. Where they differ: Spec Opp carries a long-delta XBF tilt via put placement, holds single-name (AAPL/NVDA/TSLA) event risk a broad index does not, and trades multi-day XDTE cycles versus CNDR's monthly roll.

WHO THIS IS NOT FOR

Spec Opp is deliberately narrow in fit. It is **not** appropriate for investors who need daily liquidity or cannot commit the $450,000 one-lot minimum; who require a multi-year, multi-regime track record before allocating (ours is 8 months and has not seen a 30-VIX event); who want uncapped upside or index-like returns in a roaring bull market; or who are uncomfortable with single-manager, early-stage operational risk. **Spec Opp targets quarterly income** — the book is engineered to produce a recurring, harvestable income stream rather than capital appreciation, and an investor whose objective is growth is not the right fit. If defined-risk, low-beta, equity-uncorrelated *income* is not the goal, this is the wrong program — and we would rather say so now.

Capacity note. *Estimated program capacity is approximately **$150 million** — the level at which the strategy can be run across its SPX and liquid mega-cap structures before option-liquidity or integer-lot execution becomes the binding constraint. It is a managed limit, not a marketing figure.*

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	**December 1, 2026**
Estimated capacity	**≈ $150 million**
Contact	**312-513-7486 · cb3@cb3.com**

Important Disclosures

This is a July 2026 Month-End Update with data as of July 31, 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 December 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 reinvestment of all gains; no withdrawals were taken in 2026. Returns are net daily time-weighted returns; external contributions are flow-adjusted out of 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 — 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. In a sentence: it is income manufactured from discipline, not reached for through added risk — the distinction on which the entire program rests.

What This Report Represents — and What Comes Next

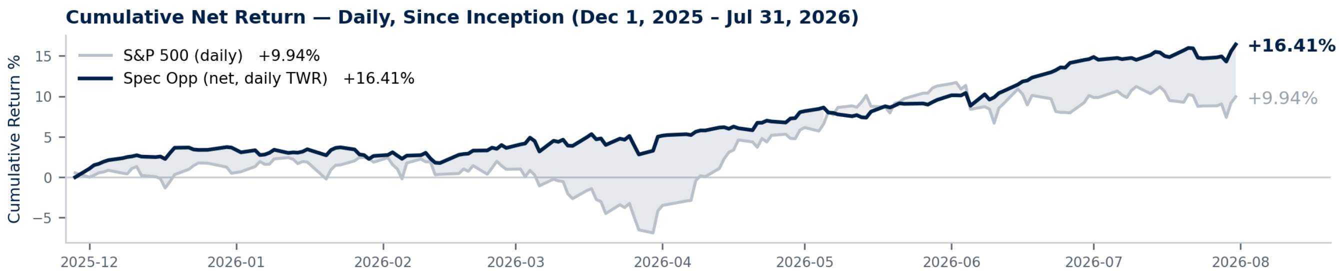
This interim report documents a live, proprietary track record built one disciplined session at a time — deliberately unembellished, with every figure reconciled to the settled custodial statement, the maximum drawdown shown beside the returns, and the record's short, untested tail stated rather than softened. The program opens to select clients on December 1, 2026 at a $450,000 minimum. 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.

Spec Opp Performance Report — July 31, 2026

CB3 Financial is a Registered Investment Adviser (RIA) · Settled close · Month-End Update

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

Period	Spec Opp	S&P 500
Jul 2026	+1.59%	−0.13%
Jun 2026	+4.58%	−1.06%
May 2026	+1.41%	+5.15%
Apr 2026	+2.88%	+10.42%
YTD 2026	+12.29%	+9.41%
Since Inception	**+16.41%**	**+9.94%**

KEY METRICS

Metric	Value
Alpha (SI)	+6.47%
Volatility (ann.)	7.23% vs 13.23%
Beta vs S&P	0.27
Correlation to S&P	0.50
Max Drawdown	−2.39% vs −9.10%
Sharpe (daily)	2.65 vs 0.78
Sortino (daily)	4.15 vs 1.13

KEY STATISTICS

Account Net Liq	$449,157.79
Net Return (over capital)	+$62,582
Win Rate	71.64% (96W/38L)
Profit Factor	2.07
Expectancy	$385.66
Best / Worst	+$3,600 / −$3,510
Closed / Open	134 / 8
Commissions (YTD)	$3,657.88

RISK MANAGEMENT BANDS

Risk Parameter	Max	Per Position
XDTE Structures	0.50%	$2,246
Monthly ICs, XBFs & VHs	0.75%	$3,369

Floors off the 7/31 LCH: Warning $404,242 / Hard Stop $395,259.

RECENT PERFORMANCE REVIEW

On July 31 the account closed the month at a new lifetime high of **$449,157.79** (+16.41% since inception). The recovery that carried it back is the point: on 7/23 the book took the largest single-trade loss in its history (−$3,510, a TSLA iron-condor stop), traded below its prior high for seven consecutive sessions, breached no floor, and bottomed on 7/29 — the index's worst session of the month, −1.52%. Net gain over contributed capital ($386,576) stands at **+$62,582**.

3Q26 PROGRESS · NLV COMPOUNDING

3Q start (Jun 30 EOD)	**$442,111.04**
Current NLV (7/31)	**$449,157.79**
3Q26 Compound Gain	**+$7,046.75**
Quarter-to-date Return	**+1.59%**

Period: Jul 1 – Jul 31, 2026. Withdrawals: none in 2026; all profits retained.

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	+4.58	+1.59	–	–	–	–	–	**+12.29**
2025	–	–	–	–	–	–	–	–	–	–	–	+3.67	**+3.67**

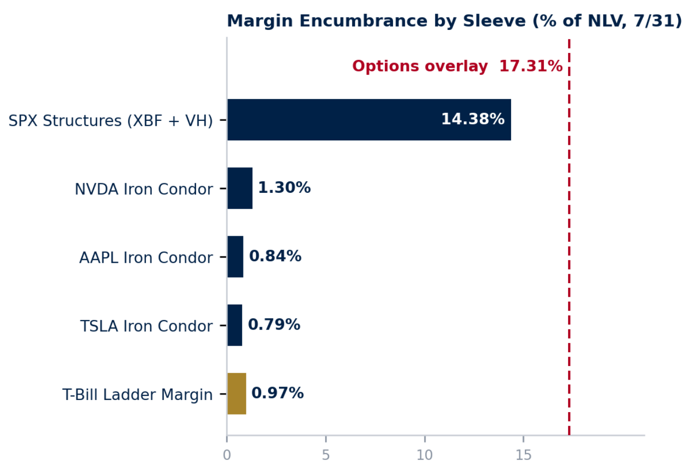
July Month-End Performance Commentary

Net Liquidating Value closed at a new lifetime high of **$449,157.79** on July 31, 2026. Since inception the program has compounded **+16.41%** net against **+9.94%** for the S&P 500; net gain over contributed capital ($386,576) now stands at **+$62,582**. July closed **+1.59%** against −0.13% for the index.

The month's instructive stretch was a loss, not a gain. On July 23 the book took the largest single-trade loss in its history — a −$3,510 TSLA iron-condor stop — and it was *not* absorbed that session. The account closed below its prior high for seven consecutive sessions, bottoming 1.44% under the mark. No floor was breached, no band was widened, and no position was averaged down. Every remaining structure was held to its written band while the income core kept accruing. The low came on July 29 — the index's worst session of the month, −1.52% — and two sessions later the account closed at a new lifetime high.

We report that stretch rather than a cleaner one deliberately. A loss absorbed inside one session can be luck; a loss absorbed over eight sessions through a mechanical framework, with the recovery arriving on a red tape day, is construction. The −2.39% maximum drawdown against the index's −9.10% remains the honest record of every losing stretch the program has had. With no withdrawals scheduled for 2026, every dollar of gain remains in the book to compound.

MARGIN ENCUMBRANCE



TRADE RECORD

Closed trades	**134 (96W / 38L)**
Win rate	**71.64%**
Profit factor	**2.07**
Expectancy / trade	**$385.66**
Average win	**$1,039.70**
Average loss	**−$1,266.65**
Best trade result	**+$3,600 (Jul 31)**
Largest stock IC	**+$2,320 (TSLA, closed 6/1/26)**
Worst trade result	**−$3,510 (Jul 23)**
Commissions (YTD)	**$3,657.88**
Open book	**3 monthly ICs + 5 SPX (8)**

T-Bill Ladder: *6 rungs (~$437.6K cost basis). Blended ~3.66%; cash buffer ~$44,873. Nearest rung matures Aug 15, 2026.*

CB3 Spec Opp Strategy Details

Overview. Spec Opp is a premium-selling income strategy with roughly 15–20% of capital encumbered as option margin; the balance sits in a Treasury ladder for risk-free income. **Strategy Specifics.** Multi-day theta harvesting via XDTE iron condors (MON–FRI, WED–FRI), SPX Extreme Butterflies (XBFs), and tri-monthly NVDA/TSLA/AAPL iron condors. **Minimum Investment.** $450,000 (one lot).

DISCLAIMER. *July 2026 Month-End Update; data as of July 31, 2026 (settled Schwab close). Past performance does not guarantee future results. All investments carry risk of loss. NLV and returns reconciled to the settled Schwab statement; commissions are trade-only (bond accrued interest excluded). Returns are net daily time-weighted, flow-adjusted; the S&P 500 (price return) is shown for context only. The performance reflects proprietary family-office trading since 12/1/2025; not a client composite. Program opens to select clients 12/1/2026. CB3 Financial, Inc. is a State-Registered Investment Adviser in Illinois with exemptions in AL, FL, GA, MI, MO, KS, SD, and WI. Not an offer or solicitation; request Form ADV Part 2A before investing. Data from Charles Schwab.*