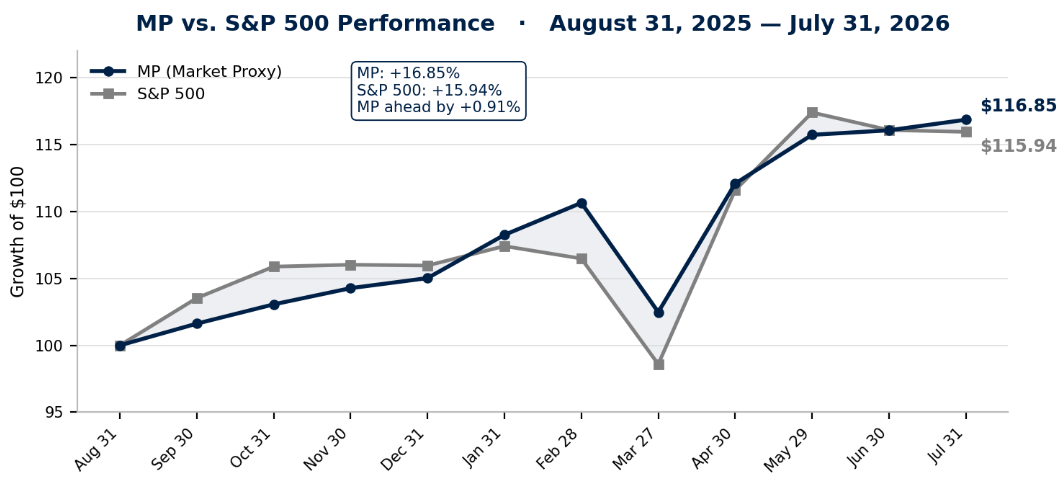
Market Proxy (MP) {v008} — Strategy Fact Sheet

Systematic, broadly diversified ETF strategy · benchmarked to the S&P 500

Strategy Overview

Market Proxy (MP) is CB3 Financial's systematic, broadly diversified ETF strategy — a cap-weighted core of U.S. and international equity, large-cap and small-cap value, and an equity-income sleeve, managed on monthly closes with the CB3 Three-Channel signal system. MP is built to track the broad market closely at materially lower risk, and is one of CB3's two core client programs. Minimum investment $125,000; custodied at Charles Schwab.

Performance — Growth of $100 (Since Inception, Aug 31 2025)



Key Metrics (Since Inception)

Metric	MP	S&P 500
Total Return	**+16.85%**	+15.94%
Annualized Return	**+18.51%**	+17.51%
Annualized Volatility	**13.4%**	17.5%
Sharpe Ratio	**1.08**	0.77
Beta to S&P 500	**0.72**	—
Max Drawdown	**-7.4%**	-7.4%
Correlation to S&P 500	**0.93**	1.00
% Positive Months	**91%**	55%

Portfolio Statistics

Nitrogen Risk	**70 (GPA 3.8)**
95% Range	**-15.12% to +23.35%**
Range Midpoint	**+8.40%**
Dividend Yield	**2.40%**
Expense Ratio	**0.09%**
Holdings	**6 ETFs + Cash**
Benchmark	**S&P 500**
Rebalance	**Monthly**
Min. Investment	**$125,000**

Review & Outlook

July was flat for the index and productive for the strategy. The S&P 500 eased **-0.13%** to close at 7,489.72 while Market Proxy gained **+0.68%**. That puts MP **back ahead of the S&P since inception** — $116.85 versus $115.94, a lead of +0.91% — earned at roughly three-quarters of the market's volatility, with a 0.93 correlation and a positive month in ten of eleven. MP first took the lead in January and held it through April, gave it back during May's index surge, and regained it in July. Large-cap value, small-cap value and equity income carried the month; international was the lone soft spot. All six holdings closed July on BUY and every position sits within a quarter point of its v008 target, so the August 3 rebalance is a routine re-target rather than a strategic change — the model remains v008. No fixed income was added. CB3 offers SPY put debit spreads as a hedge for clients who want additional downside protection for sudden market corrections.

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CB3 Financial, Inc. · Registered Investment Advisor
August 2026 · {v008} · Data as of July 31, 2026

Holdings Summary

Target model as of August 3, 2026 · all holdings on BUY

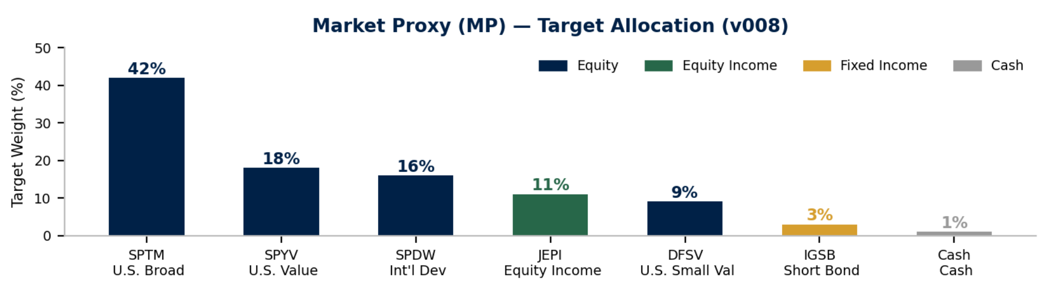
Ticker	Name	Role	Target	Signal
SPTM	SPDR Portfolio Total Stock Market	U.S. Broad Equity	**42%**	**BUY**
SPYV	SPDR Portfolio S&P 500 Value	U.S. Large-Cap Value	**18%**	**BUY**
SPDW	SPDR Portfolio Dev World ex-US	Int'l Developed	**16%**	**BUY**
JEPI	JPMorgan Equity Premium Income	Equity Income	**11%**	**BUY**
DFSV	Dimensional US Small Cap Value	U.S. Small-Cap Value	**9%**	**BUY**
IGSB	iShares Short-Term Corp Bond	Short Fixed Income	**3%**	**BUY**
CASH	Money Market	Cash	**1%**	—

Monthly Returns (MP)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2026	+3.08	+2.21	-7.37	+9.37	+3.24	+0.29	+0.68	·	·	·	·	·	**+11.27**
2025	—	—	—	—	—	—	—	—	+1.62	+1.42	+1.17	+0.72	**+5.02***

**2025 shown since inception (Aug 31, 2025). MP monthly returns, HSA benchmark account. Risk statistics computed from monthly returns; Sharpe on a 4.0% risk-free rate.*

Target Allocation (v008 Model)



Strategy Details

- CB3 Three-Channel signals (Bollinger + Keltner + Donchian), monthly closes.
- Monthly rebalance; version increments only on strategic weight changes.
- Custodian: Charles Schwab (whole shares). Benchmark: S&P 500.
- Risk scoring: NitrogenWealth (Nitrogen Risk 70).
- Optional SPY put debit spread hedge available to clients who elect it.

How MP Fits

MP is the steadier, market-tracking core of a CB3 household. It pairs with Discretionary Strategies (DS), the aggressive growth program — DS supplies concentrated upside while MP keeps the overall allocation balanced and closely aligned to the market. Because MP is rules-based, it removes emotion and market-timing from the portfolio's core, suiting clients who want broad, low-cost market exposure with disciplined monthly risk management rather than concentrated bets. CB3 offers SPY put debit spreads as a hedge for clients who want additional downside protection for sudden market corrections.

About Us

CB3 Financial, Inc. is a Registered Investment Advisor led by Charles Brown III, CMT, running a systematic, multi-program SMA practice from Glen Ellyn, Illinois. Contact: 312-513-7486 · cb3@cb3.com.