Market Proxy (MP) {v008R} — Strategy Fact Sheet

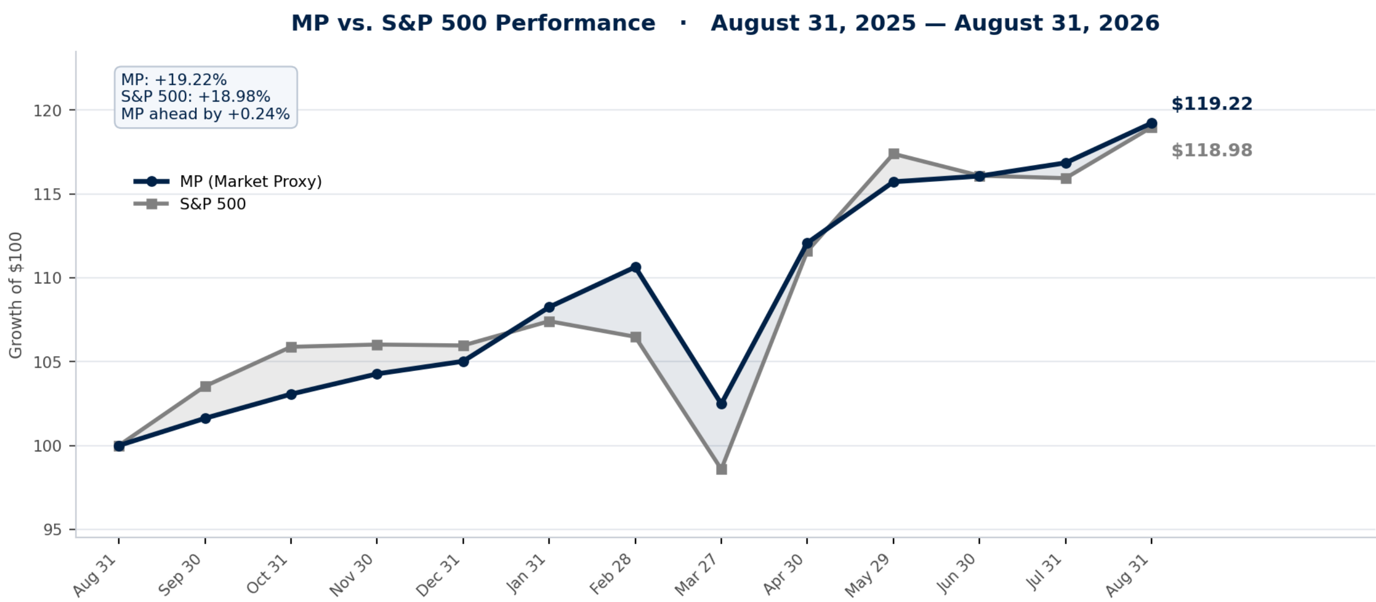
Systematic, broadly diversified ETF strategy · benchmarked to the S&P 500

Year One complete · August 31, 2025 — August 31, 2026

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 completed its first full year on August 31, 2026 ahead of the S&P 500 at roughly three-quarters of the index's volatility. Minimum investment $125,000; custodied at Charles Schwab.

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



Key Metrics (Year One)

Metric	MP	S&P 500
Total Return	+19.22%	+18.98%
Annualized Return	+19.22%	+18.98%
Annualized Volatility	12.78%	16.68%
Sharpe Ratio	1.19	0.90
Beta to S&P 500	0.72	—
Max Drawdown	-7.37%	-7.41%
Correlation to S&P 500	0.93	1.00
% Positive Months	92%	58%
2026 YTD (Jan-Aug)	+13.52%	+12.28%

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

August completed year one. The S&P 500 gained +2.62% to close at 7,686.14; Market Proxy returned +2.03% — a 0.72-beta portfolio capturing 77% of a strong index month, as designed. Over the twelve months MP returned **+19.22%** against **+18.98%** — a lead of 24 basis points earned at 76.6% of the market's volatility, with a positive month in eleven of twelve. All six holdings closed August on BUY, so the September 1 rebalance is a routine re-target. **One condition bears watching:** every holding printed a fresh twelve-month high in August and none closed at it, with five of six finishing below all three upper channels against one in July. Nothing sits near a lower channel, so no SELL is in prospect. August was a momentum-cooling signature in a month the index rose +2.62%, and it is the condition to monitor at the September 30 close.

Holdings Summary

Target model as of September 1, 2026 · all holdings on BUY · v008 unchanged

Ticker	Name	Role	Target	Aug Return	Signal
SPTM	SPDR Portfolio Total Stock Market	U.S. Broad Equity	42%	+2.41%	BUY
SPYV	SPDR Portfolio S&P 500 Value	U.S. Large-Cap Value	18%	+2.08%	BUY
SPDW	SPDR Portfolio Dev World ex-US	Int'l Developed	16%	+3.26%	BUY
JEPI	JPMorgan Equity Premium Income	Equity Income	11%	+0.12%	BUY
DFSV	Dimensional US Small Cap Value	U.S. Small-Cap Value	9%	+0.30%	BUY
IGSB	iShares Short-Term Corp Bond	Short Fixed Income	3%	-0.13%	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	+2.03	·	·	·	·	**+13.52**
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 twelve monthly returns; Sharpe on a 4.0% risk-free rate.

Strategy Details

- CB3 Three-Channel signals (Bollinger + Keltner + Donchian), monthly closes.
- Monthly rebalance; the version increments only on strategic weight changes. An R suffix marks a rebalance-only cycle.
- Custodian: Charles Schwab (whole shares). Benchmark: S&P 500.
- Risk scoring: NitrogenWealth (Nitrogen Risk 70).
- No options overlay and no added fixed income: the 0.72-beta construction is the intended shock absorber.

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. Year one is the evidence: a return marginally ahead of the S&P 500 at three-quarters of its volatility.

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.