Specialized Opportunities (Spec Opp)

STRATEGY BROCHURE · V3.39.01

CB3 Financial, Inc. · Registered Investment Adviser · Chicago, Illinois

November 2, 2026

Dear 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.

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 those choices.** 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 spreads set directly against a ladder of U.S. Treasury Bills. The Treasury ladder holds ~105% of net liquidating value; the options overlay is written against it, encumbering roughly 15–25% of capital for margin at any time — 20.1% at the October 30 settled close, inside that range. 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 0.75% of NLV, well before expiration math becomes operative. Stated simply: **we sell insurance only when the market overpays for it, using the same vol-complex signals that market makers use to hedge.**

THE PROOF

Through October 30, 2026, the program has compounded **+20.52%** net since inception (December 1, 2025) against **+10.67%** for the S&P 500, at roughly 0.22 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 what was then 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 8% 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 Closing High of $449,158, and has since carried on to a Lifetime Closing High of $469,071.43 on October 29 — the standing peak, which Friday's selloff left intact. In all, 83 of the program's 231 sessions since inception have closed at a new lifetime high. 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 live track record — eleven completed months — that does not contain a sustained multi-week VIX-30 environment; the enclosed materials disclose that fact plainly and set out what the March 2026 episode did show. 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 January 1, 2027, at **$350,000 for a one-lot account** — **$700,000 for two lots**. Its capital policy is fixed: **the account never grows.** Every trading decision in Spec Opp — each structure's size, its risk cap, its stop — is computed from a fixed account base, so retained earnings would purchase nothing: no larger size, no wider mandate. The program therefore retains none. Income, if any, is withdrawn at each quarter's close — the H, M, U, and Z closes — and disbursed to every trading client. What the program earns, it pays out; the base on which it earns never changes. 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 January 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,

Charles Brown, III, CMT
President, CB3 Financial, Inc. · Portfolio Manager, Specialized Opportunities (Spec Opp)

Specialized Opportunities (Spec Opp)

CB3 Financial, Inc. · Registered Investment Adviser · Chicago, Illinois
October 2026 Interim Report · performance data as of October 30, 2026 (settled close)

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 those choices.** It is built to generate an equity-uncorrelated income stream with downside that is defined in advance — not managed after the fact.

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 **~105%** of net liquidating value; the options overlay is written against it, encumbering roughly **15–25%** of capital for margin at any time, **20.1%** at the October 30 settled close, inside that range. The book has four components:



SPX Extreme Butterflies (XBFs)
The core income engine — laddered monthly SPX structures with purchased outer wings.



SPX Vertical Call Hedges (VHs)
Short-dated call-credit spreads neutralizing the XBFs' long-delta tilt.



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



U.S. Treasury Bill Ladder
Four staggered rungs holding ~105% of NLV — the collateral behind every structure.

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 (10/30)	SINCE INCEPTION (NET)	ANNUALIZED VOLATILITY	BETA VS S&P 500
$465,100	+20.52%	6.68%	0.22

Program Terms & Capacity

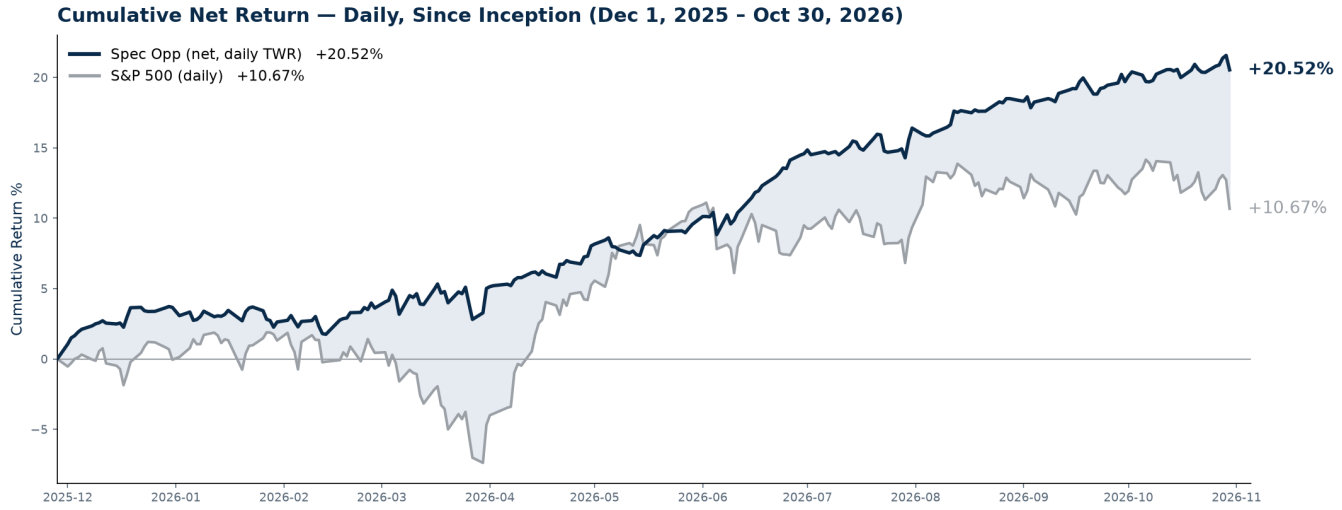
Minimum investment	**$350,000 (one lot)**
Scaling increment	**Whole lots — e.g., $700,000 = two lots**
Account requirements	**Options Approval Level 3 + Portfolio Margin**
Opening to select clients	**January 1, 2027**
Track-record inception	**December 1, 2025 (proprietary / family-office)**
Estimated 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 eleven completed months (Dec 1, 2025 – Oct 30, 2026): **+20.52%** net vs **+10.67%** S&P 500; max drawdown −2.39% vs −9.10%; no floor breach; ten of eleven months positive. Proprietary pre-launch (not a client composite); no sustained VIX-30 stretch — see 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
Oct 2026	+0.70%	−0.93%
Sep 2026	+1.14%	−0.45%
Aug 2026	+1.67%	+2.62%
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%
Dec 2025 (Since Inception)	+3.67%	−0.05%
YTD 2026	+16.25%	+10.73%
Since Inception	**+20.52%**	**+10.67%**

KEY METRICS

Metric	Spec Opp	S&P 500
Alpha (since inception)	+9.85%	—
Volatility (annualized)	6.68%	12.61%
Beta (comparative volatility)	0.22	1.00
Correlation to S&P 500	0.42	1.00
Max drawdown	−2.39%	−9.10%
Sharpe (daily)	2.48	0.62
Sortino (daily)	3.81	0.90
Profit factor	2.08	—
Win rate	72.56%	—
Expectancy / trade	$434.09	—

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	+1.67	+1.14	+0.70	–	–	**+16.25**
2025	–	–	–	–	–	–	–	–	–	–	–	+3.67	**+3.67**

Values in %. Net of commissions and exchange fees ($4,076.57 for calendar 2026 through September, per the monthly statements); 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. *Sharpe (2.48) and Sortino (3.81) are from daily returns (rf 4%, 252-day). Monthly-basis ratios deferred pending longer track record.*

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
All structures — XBFs, VHs and single-name ICs	0.75%	$3,488	Defined-risk income and hedge

Bands shown at 10/30 equity ($465,100). Stop-loss debits are recalculated every session from current equity and contract count.

ONE-LOT SIZING — THE $350,000 BASE

Per-structure stop cap (0.75% of base)	**$2,625**
Iron condors	**×6**
Broken-wing butterflies	**×5**
Vertical hedges	**×2–3**
Full-book stop-out (8 structures)	**$21,000 · 6.00% of base**
Two lots, for reference	**$700,000 base · $5,250 cap · $42,000 stop-out**

The performance record presented here was earned in an account of $465,100 — roughly 1.3 one-lot units. A one-lot account runs the identical program, under the identical rules and structure types, on the size table above; contract counts, not rules, are what change with account size. The record includes interest earned on U.S. Treasury bills held against the program's collateral balance; an account that does not hold the T-bill ladder will not mirror the record.

Distributions are variable: they are quarterly paid only from profits above the account's base. In any quarter in which a drawdown has carried the account below its base, no distribution is paid until the base has been earned back. A full stop-out quarter costs a one-lot account $21,000 of base and pays no distribution.

HARD STOP — ONE-LOT ACCOUNT, $350,000 BASE

$308,000

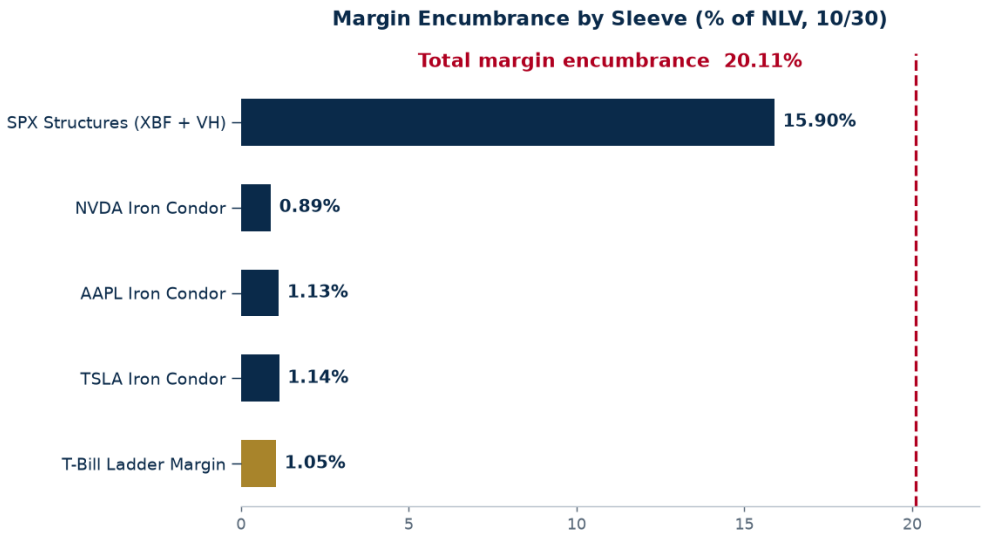
If aggregate equity reaches this floor — 88% of the $350,000 one-lot base — the book goes flat. A Warning floor sits above it at **$315,000**, 90% of base. Both floors reset at each quarter-end (end of H · M · U · Z) against the same $350,000 base: profits above the base are quarterly distributed, so the account by design never grows. The program does not average down through either floor.

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 5900/6000/6100 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 0.75% band, and the butterfly short strikes sit roughly 16–18% below SPX 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 or prospective client should see it from us, not discover it.

Three definitions govern the geometry. **Defined risk** means a structure's maximum loss is fixed at entry — the widest spread width, less the credit received; no position can lose beyond that bound. **Broken-winged** means the purchased wings sit at unequal distances from the short body: the frame leans deliberately in one direction while the bound holds in both. **Bounded is not small** — the wings fix the existence of a floor, not its distance from spot; the stop bands, struck fresh each session, are what hold realized losses near the design figures in practice.

MARGIN ENCUMBRANCE



TREASURY LADDER

Rungs deployed	**4**
Face value	**$499,000**
Cost basis	**~$484.8K**
Blended yield	**~3.9%**
Cash buffer	**~$18,633**
Nearest rung	**$120K · Dec 24, 2026**
Furthest rung	**$120K · Sep 2, 2027**

The Treasury ladder is the program's ballast: it secures the option overlay as collateral and produces independent risk-free income. At ~105% of net liquidating value, the ladder accrues daily interest whether or not the overlay is active.

Why the Structure Caps (Limits) Tail Risk

- **Treasury anchor.** With roughly 15–25% of capital encumbered as option margin at any time — 20.1% at the October 30 close, inside that range — the bulk of the book remains risk-free Treasury collateral that accrues independently of the overlay. At the October 30 close, that anchor stood at $499,000 face across four ladder rungs.
- **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. Every structure carries its floor from the session in which it opens; the book holds no naked short leg at any size.
- **Stop bands.** Each position is capped at 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. The band stands at 0.75% of net liquidating value per structure — $2,625 on the one-lot base — and it is re-struck as equity moves, so the dollar cap breathes with the account while the percentage never changes.
- **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. Redeployment follows the same written bands as the original entry; a stop-out changes the calendar, not the rules.

The Asymmetry Is Deliberate

The core holding in Spec Opp is a ladder of broken-wing put butterflies on the S&P 500 index. Stated plainly, here is the worst outcome that structure can produce — a figure a prospect is entitled to at the front of a document rather than the back.

Each rung holds seven long puts at a lower wing, fourteen short puts at a body, and seven long puts at an upper wing, opened for a net credit. The wings are unequal by design — **300 points below the body, 100 points above it**. In a symmetric butterfly the long wings fully offset the short body. Here the lower wing sits 200 points further out than the upper one, and that 200-point difference carries no hedge: beneath it the position stops changing in value and rests at a fixed loss.

That imbalance is what buys the credit, and what buys a profit zone that is wide, near, and reached by doing nothing. **It is not a defect in the structure — it is the structure**, and its price is stated below rather than buried.

THE ARITHMETIC FLOOR

Rung	Strikes	Credit	Maximum profit	Value beneath the lower wing
I	5900 / 6200 / 6300	$7,490	$77,490	−$132,510
II	6000 / 6300 / 6400	$7,770	$77,770	−$132,230
III	6100 / 6400 / 6500	$9,100	$79,100	−$130,900
Ladder	—	**$24,360**	**$234,360**	**−$395,640**

Against account equity of $465,100, that floor equals **85.1% of account value**. Scaled to the one-lot account of page 4 — the same ladder at ×5 rungs — the floor computes to **−$282,600**, 80.7% of the $350,000 base. Read it precisely: the value at expiration, every rung held to the end, no exit taken at any point, and the index resting anywhere beneath the deepest lower wing. It follows from the strikes and the multiplier — no model, no volatility assumption, no forecast. **It is a boundary, not an expectation.**

WHAT IT WOULD TAKE TO REACH IT

Rung	Body	Lower wing
I	−19.0%	**−22.9%**
II	−17.7%	**−21.6%**
III	−16.4%	**−20.3%**

Measured against the index at 7,652 (Sep 30, 2026 close).

SPEED GOVERNS, NOT DEPTH

First close at or below	Feb–Mar 2020	Oct 2007 – Mar 2009
−20%	**16 sessions**	188 sessions
−22.9% *(past all wings)*	**16 sessions**	235 sessions

Drawn from a vendor daily price series covering 5,364 sessions, June 2005 – October 2026.

The shallowest lower wing requires a 20.3% decline to reach; the deepest requires 22.9%. The deeper decline is not the more dangerous one here. The 2008–09 market fell far further — 56.8% against 33.9% — and took nearly fifteen times as long to cover the same ground. Every rung carries a resting exit order, and a decline that needs 235 sessions gives those orders hundreds of chances to work and the manager months to act. **A decline that covers the same distance in sixteen sessions — twelve of them moving four percent or more, four of them gapping three percent or worse before the opening bell — gives neither.**

THE DEFENDED POSITION, AND THE ASSUMPTION INSIDE IT

Designed loss, all three rungs stopped	**$10,465 · 2.25% of equity**
Undefended floor at expiration	**$395,640 · 85.1% of equity**
Ratio	**38×**

ONE ASSUMPTION BRIDGES THE ENTIRE DISTANCE

A factor of thirty-eight separates the managed outcome from the arithmetic floor, resting on a single assumption: that the stop executes. A stop jumped overnight executes against whatever the morning offers, if anything. The program's SPX book is two thousandths of one percent of daily volume — size is not the risk; absence of a bid in a dislocated open is. The written rules bound what such a session can **cost**; they cannot manufacture a bid.

*This page states deterministic payoff arithmetic and observed index history. It is **not** a simulation, a back-test, or hypothetical performance: the program did not exist in 2020 or 2008, and nothing here implies what it would have returned, what its structures were marked at, or whether its exits would have filled — questions that require historical option quote data.*

Closed-Trade Statistics

Closed trades	**164 (119W / 45L)**	Average win	**$1,149.90**
Win rate	**72.56%**	Average loss	**−$1,458.85**
Profit factor	**2.08**	Best trade result	**+$5,425 (Sep 21, 2026)**
Profit / loss ratio	**0.79 : 1**	Worst trade result	**−$3,535 (Aug 3, 2026)**
Expectancy	**$434.09**	Max consecutive W / L	**9W / 3L**
Kelly criterion	**37.75%**	Commissions & fees (2026 thru Sep)	**$4,076.57**

How the strategy has adapted. *Short-cycle SPX iron condors —* ***63 of 164 closed trades, $21,246 net*** *— were retired* ***June 8, 2026*** *for the current XBF-plus-VH construction; every figure here includes them. Win/loss counts are TraderSync-canonical; per-trade gross dollars and commissions are Schwab-verified through October 30, 2026. Best and worst results are stated by close date. Commissions are trade-only (bond accrued interest excluded); profit factor, expectancy and the average win and loss are gross of commissions. No management fee is charged; figures are gross of any advisory fee a 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 closed October at **$465,099.93**. The standing **Lifetime Closing High (LCH)** of $469,071.43 was struck on October 29 — the 83rd such close in the program's 231 sessions; net gain over contributed capital ($386,576) is **+$78,524**. September closed as a complete month at $461,863.23. The most instructive stretch in the record, however, is a recovery — and it did not happen in a day.

On July 23 the program took what was then 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 Closing High (LCH)**.

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 market-maker-gamma checklist before any new structure opens, capped at a maximum of two new opening trades per day. 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 Schwab custodial statement first.

What We Expect in a VIX-30 Volatility Spike

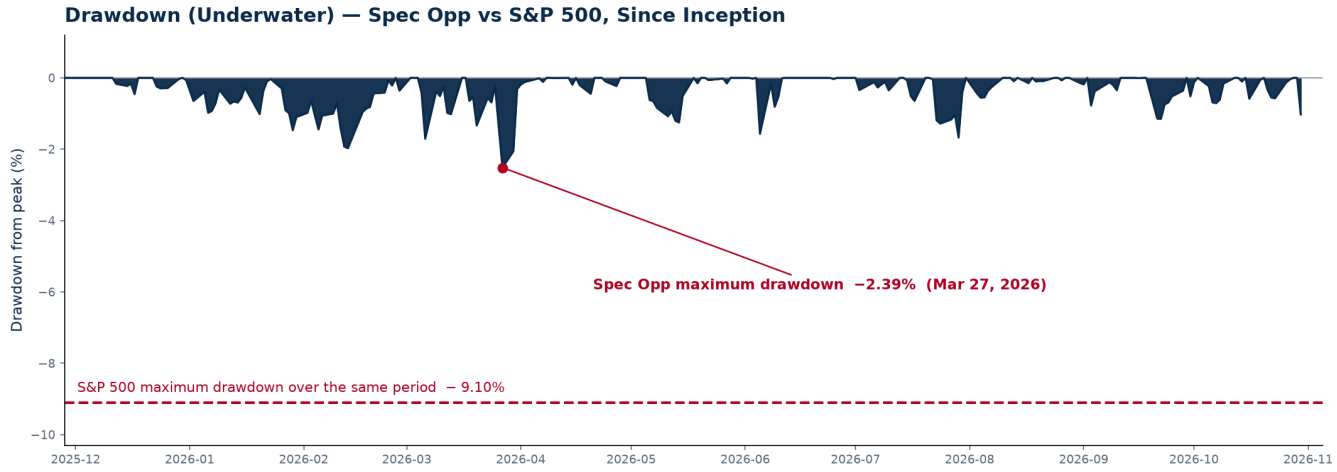
The record contains a VIX-30 episode but not a sustained multi-week VIX-30 environment, and we state that difference rather than blur it. From March 2 to April 8, 2026 the VIX closed above 20 for twenty-seven consecutive sessions, printed 35.30 on March 9, and closed above 30 twice. Through that stretch, the most volatile in the program's life, Spec Opp's deepest peak-to-trough decline was **−2.39%**, the account never came within 8% of its Warning floor, and its response was to stand aside — across much of that window, no new structure was opened at all. For a spike that *persists* rather than resolves we describe the *mechanical* response rather than forecast a return: purchased wings cap each structure at its published band regardless of gap size; stop bands move the book to reduced or flat exposure; the Treasury base keeps accruing; and as implied volatility rises, premiums richen and the program re-enters into that richer pricing. 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 (0.22 ≈ roughly a fifth 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.

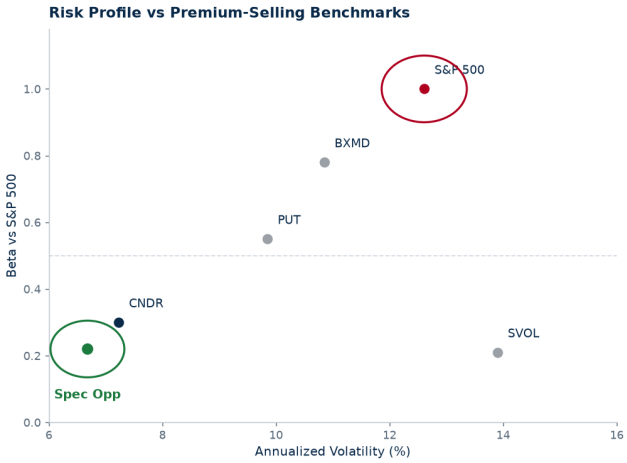
Participation in Drawdowns

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 – Oct 30, 2026; 232 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.)	6.68%	7.23%
Beta vs S&P	0.22	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 overlays short-dated vertical call hedges on its core versus CNDR's unhedged monthly roll.

WHO SHOULD NOT CONSIDER SPEC OPP

Spec Opp is deliberately narrow in fit. It is **not** appropriate for investors who need daily liquidity or cannot commit the $350,000 one-lot minimum; who require a multi-year, multi-regime track record before allocating (ours is eleven completed months, and contains no sustained multi-week VIX-30 environment); 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, Spec Opp is the wrong program — and we would rather say so now.

Capacity note. *Estimated capacity* ***$150 million*** *— a managed limit. Reflects deep-OTM strike depth, whole-lot deployment, and single-manager operational capacity.*

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	**$350,000 (one lot)**
Account requirements	**Options Level 3 + Portfolio Margin**
Program opens to clients	**January 1, 2027**
Estimated capacity	**≈ $150 million**
Contact	**312-513-7486 · cb3@cb3.com**

Important Disclosures

This is an October 2026 Interim Report with data as of October 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 January 1, 2027; 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. SPX option volume figures are from Cboe Global Markets (August 2026). 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**
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> 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 spreads 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 those choices — 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: Spec Opp 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 Schwab 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 January 1, 2027 at a $350,000 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.