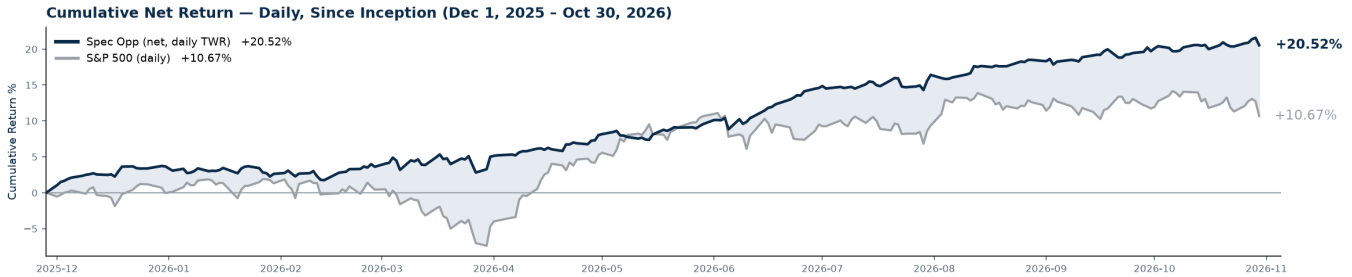
Specialized Opportunities (Spec Opp) Performance Report

October 30, 2026 · Settled close · Interim Report · CB3 Financial, Inc., Registered Investment Adviser

The Specialized Opportunities (Spec Opp) 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
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%
YTD 2026	+16.25%	+10.73%
Since Inception	**+20.52%**	**+10.67%**

KEY STATISTICS

Account Net Liq	$465,099.93
Net Return (over capital)	+$78,524
Win Rate	72.56% (119W/45L)
Profit Factor	2.08
Expectancy	$434.09
Best / Worst	+$5,425 / −$3,535
Closed / Open	164 / 8
Commissions (2026 thru Sep)	$4,076.57

KEY METRICS

Metric	Value
Alpha (SI)	+9.85%
Volatility (ann.)	6.68% vs 12.61%
Beta vs S&P	0.22 (0.25 at Aug close)
Correlation to S&P	0.42
Max Drawdown	−2.39% vs −9.10%
Sharpe (daily)	2.48 vs 0.62
Sortino (daily)	3.81 vs 0.90

RISK MANAGEMENT BANDS

Risk Parameter	Max	Per Position
All structures — ICs, XBFs & VHs	0.75%	$3,488

Floors off the 10/29 LCH: Warning $422,164 / Hard Stop $412,783.

RECENT PERFORMANCE REVIEW

September closed at **$461,863.23** (**+1.14%** net vs **−0.45%** S&P 500), setting seven Lifetime Closing Highs, the last at $463,877.08 on Sep 29. Since inception: **+20.52%** net vs +10.67% index at 0.22 beta; net gain over $386,576 contributed capital is **+$78,524**. Sharpe **2.48**, Sortino **3.81** — outstanding, with the standing caveat of no sustained VIX-30 stretch.

3Q26 FINAL

Start (6/30)	**$442,111.04**
End (9/30)	**$461,863.23**
Gain	**+$19,752.19**
Return	**+4.47%**

4Q26 TO DATE*

Start (9/30)	**$461,863.23**
NLV (10/30)	**$465,099.93**
Gain	**+$3,236.70**
Return	**+0.70%**

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

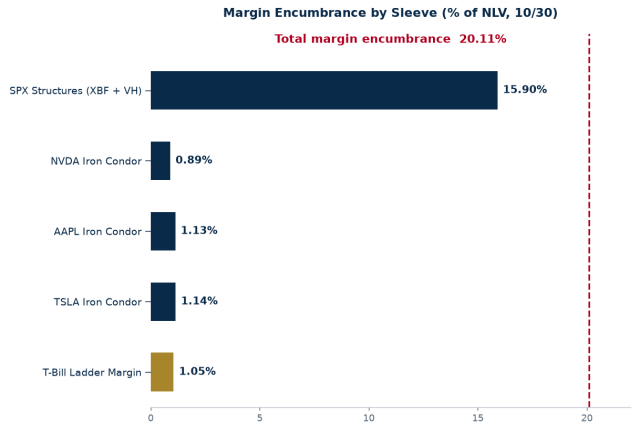
October Performance Commentary

Net Liquidating Value stood at **$465,099.93** at the settled close of October 30, 2026 — a −0.85% session on the index's worst day of the month, which left the standing Lifetime Closing High of $469,071.43, struck October 29, intact. September closed as a complete month at **+1.14%** net against **−0.45%** for the S&P 500, restoring the positive alpha that August's strong directional advance had cost it. October closed at **+0.70%** net against **−0.93%** for the index. Since inception the program has compounded **+20.52%** net against **+10.67%** for the S&P 500 at 0.22 beta; net gain over contributed capital ($386,576) now stands at **+$78,524**.

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 at that time — 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. One further milestone belongs in the record: with the September 11 close, the profit factor crossed **2.00** for the first time; after a brief dip it stands at **2.08** across 164 closed trades — gross wins again exceeding twice gross losses. No withdrawals stand scheduled for 2026, the program's proprietary incubation year; from January 1, 2027, the cover letter's fixed-capital policy governs.

MARGIN ENCUMBRANCE



TRADE RECORD

Closed trades	**164 (119W / 45L)**
Win rate	**72.56%**
Profit factor	**2.08**
Expectancy / trade	**$434.09**
Average win	**$1,149.90**
Average loss	**−$1,458.85**
Best trade result	**+$5,425 (Sep 21)**
Largest stock IC	**+$4,160 (NVDA, closed 8/3/26)**
Worst trade result	**−$3,535 (Aug 3)**
Commissions (2026 thru Sep)	**$4,076.57**
Open book	**3 monthly ICs + 3 SPX XBFs + 2 VHs (8)**

Commissions and exchange fees for calendar 2026 through September total just under nine-tenths of one percent of the September 30 net liquidating value (per the monthly statements).

T-Bill Ladder: *$120,000 × 3 + $139,000 = $499,000 face (~$484.8K cost basis). Blended ~3.9%; cash buffer ~$18,633. Nearest rung matures Dec 24, 2026.*

Specialized Opportunities (Spec Opp) Strategy Details

Overview. Spec Opp is a premium-selling income strategy with roughly 15–25% of capital encumbered as option margin (20.1% at the October 30 close, inside that range); the balance sits in a Treasury ladder for risk-free income. **Strategy Specifics.** A laddered core of SPX Extreme Butterflies (XBFs) with short-dated SPX vertical call hedges written against it, and tri-monthly NVDA/TSLA/AAPL iron condors. **Minimum Investment.** $350,000 (one lot).

DISCLAIMER. *October 2026 Interim Report; data as of October 30, 2026 (settled Schwab close). Past performance does not guarantee future results. NLV and returns reconciled to the settled Schwab statement. Returns are net daily time-weighted, flow-adjusted. Program opens to select clients 1/1/2027. CB3 Financial, Inc. is a State-Registered Investment Adviser in Illinois. Not an offer or solicitation; request Form ADV Part 2A. Data from Schwab.*