Q3 2026 | STRATEGY PROFILE

TOPIC War Chest

Capital preservation and income runway with minimal duration or equity risk

3 Oaks Partners
INVESTMENT COUNSEL

STRATEGY OVERVIEW

The TOPIC War Chest pre-funds your near-term income runway (one to five years) to mitigate sequence-of-returns risk and provide dry powder in market declines. It aims to beat money-market funds and CDs over full cycles while taking minimal duration or equity risk. By design it is drawn down to fund spending during market weakness and refilled from equity gains during periods of strength, an approach intended to reduce forced selling of stocks in downturns versus a static stock-and-bond mix. A short-duration and floating-rate core anchors the sleeve; a smaller defined-outcome and structured-income allocation adds uncorrelated, variable upside with primary attention to limited downside.

KEY HIGHLIGHTS

- **Objective:** Beat cash over full cycles while avoiding a negative 12-month return.
- **No Duration Trap:** Near-zero equity beta and duration. We add yield through floating-rate, volatility-harvesting, and structured strategies, not bond-fund interest-rate risk.
- **Liquidity:** Built with low-cost, liquid ETFs for ready access to reserves.
- **Role:** Income reserve, bear-market dry powder, and a beta dampener for the equity sleeves.

CLIENT CONSIDERATIONS

For investors seeking:

- One to five years of spending runway
- A bear-market income reserve and dry powder
- A beta dampener alongside higher-volatility equity sleeves

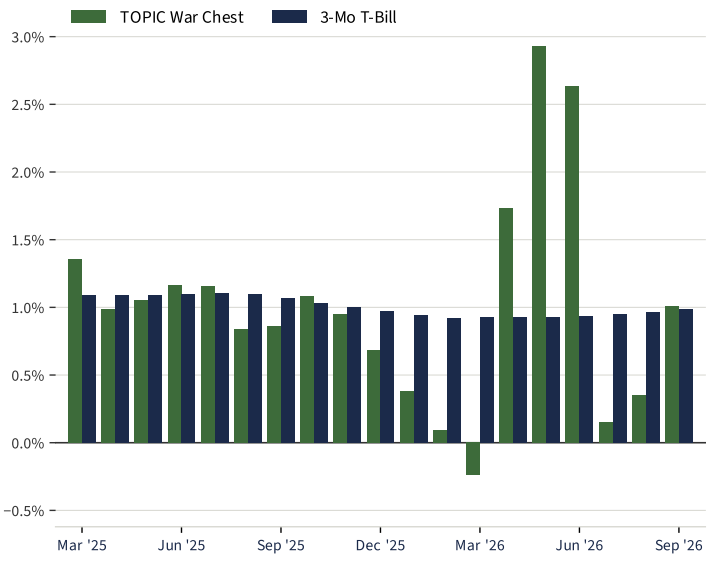
Risk tolerance: Low. Built to preserve capital and generate steady income, not to grow aggressively.

PERFORMANCE · NET OF FEES · AS OF SEPTEMBER 30, 2026

2026 YTD	1 YEAR	SINCE INCEP. (ANN.)
3.4%	4.1%	4.3%

Net of fees. Rolling 3-month returns vs the 3-Month U.S. Treasury bill. Only 1 of 19 rolling periods was negative (-0.2%). Data through September 30, 2026.

Rolling 3-Month Return (Net of Fees)



PORTFOLIO RISK

METRIC	WAR CHEST	3-MO T-BILL
Annualized Return	4.3%	4.1%
Cumulative Return	7.7%	7.3%
Std Deviation (Ann.)	2.0%	0.1%
Equity Beta (vs S&P 500)	0.11	--
Effective Duration	~0.2 yrs	~0.2 yrs
Sortino Ratio	9.01	--
Max Drawdown	-0.8%	0.0%
Worst Month	-0.5%	0.3%
Positive Months	17 / 21	21 / 21

All figures computed over available history since inception (21 months).

TOP 10 HOLDINGS · SEPTEMBER 30, 2026

SYMBOL	NAME	WEIGHT
SGOV	iShares 0-3 Month Treasury Bond ETF	40%
FLRT	Pacer Aristotle Floating Rate High Income ETF	15%
PULS	PGIM Ultra Short Bond ETF	15%
ACEI	Innovator Equity Autocallable Income ETF	6%
CAIE	Calamos Autocallable Income ETF	6%
CAIQ	Calamos Nasdaq-100 Autocallable Income ETF	6%
CBOY	Calamos Bitcoin Structured Alt Protection ETF	6%
DDNQ	Innovator Growth-100 Dual Directional 5 Buffer	6%

Core (SGOV, PULS, FLRT) is short-duration and floating-rate fixed income; the balance is uncorrelated defined-outcome / structured income. Target weights.

OBJECTIVE

Outperform money-market funds and CDs over full market cycles while avoiding a negative return over any 12-month holding period, with minimal duration or equity risk. An objective, not a guarantee.

Learn how **TOPIC War Chest** can fit your plan. We pursue outcomes, not benchmarks. Fiduciary advice with institutional discipline.

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TOPIC War Chest

GLOSSARY OF TERMS

Annualized Return: Compound annual growth rate over the period, assuming reinvestment of dividends and distributions.

Standard Deviation: A measure of return variability. Higher figures indicate more volatility around the average. Shown annualized from monthly returns, since inception.

Beta: Sensitivity to the benchmark. A beta of 1.0 moves in line with the index; below 1.0 indicates lower market sensitivity.

Correlation: How closely the strategy's returns move with the benchmark, from -1.0 (opposite) to +1.0 (identical direction).

Max Drawdown: The largest peak-to-trough decline over the trailing 3 years. Shown on a common window for comparability across strategies.

Sharpe Ratio: Return above the risk-free rate per unit of total volatility. Higher is better. Trailing 36 months.

Sortino Ratio: Return per unit of downside volatility, counting only losing months (0% hurdle). Trailing 36 months.

Information Ratio: Excess return over the benchmark divided by tracking error. Measures consistency of active outperformance. Trailing 36 months.

Up / Down Months: Count of positive versus negative monthly returns over the trailing 36 months, portfolio versus benchmark.

Active Share: The percentage of the portfolio that differs from the S&P 500. Higher active share reflects a more differentiated, high-conviction book.

IMPORTANT DISCLOSURES

Performance Data. Performance is net of advisory fees, transaction costs, and other account-level expenses, with dividends reinvested. Through September 2025, returns reflect the AUM-weighted composite of discretionary client accounts in this strategy; from October 2025 forward, returns reflect a single representative account managed solely in this strategy and traded alongside client accounts. Returns are unaudited and not GIPS® compliant; multi-year returns are annualized. Individual results vary with timing, restrictions, contributions, withdrawals, and taxes.

Risk Statistics. Standard deviation, beta, and correlation are computed from the strategy's monthly return series since inception versus 3-Mo T-Bill. Maximum drawdown, Sharpe ratio, Sortino ratio, information ratio, and up/down month counts reflect the trailing 36 months (or the full period where the record is shorter). Sharpe uses a 4.5% risk-free rate (the average 3-month Treasury bill yield over that period); Sortino uses a 0% hurdle. Figures over other windows, including the full since-inception record, will differ and may be materially larger.

Active Share & Turnover. Active Share is one-half the sum of absolute differences between portfolio and S&P 500 weights, estimated from public index weights and current portfolio weights. Turnover is a one-way estimate from target-weight changes over the trailing twelve months, not annualized. Both are informational.

Benchmark & Risk. 3-Mo T-Bill is shown as a general reference only; it is unmanaged, cannot be invested in directly, and its risk profile differs from the strategy. All investing carries risk, including loss of principal. This is a conservative capital-preservation sleeve. Principal is not guaranteed and holdings are not FDIC insured. Structured and defined-outcome ETFs carry issuer credit, cap, and participation risks and may underperform in sharp market declines. Low duration and near-zero equity beta reduce but do not eliminate risk; the sleeve is designed to limit, not eliminate, drawdown. No strategy guarantees a profit or protects against loss.

General. Informational and educational only; not investment, legal, or tax advice, nor an offer or solicitation to buy or sell any security. Current as of the publication date and subject to change. Consult your financial, legal, and tax advisors before investing.

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