

**CFG Custom Portfolio Corporation**

**Financial Statements**

**Years ended July 30, 2018 and 2017**

## Independent Auditors' Report

To the Shareholders of the following funds of CFG Custom Portfolio Corporation, including:

Class A-3 Conservative Equity,  
Class D-3 Income,  
Class E-3 Balance,  
Class F-3 Balance Growth,  
Class H-3 Alternative Strategies  
Class I-3 Option Writing, and  
Class J-3 Enhanced Global Income:

We have audited the accompanying financial statements of each of the funds of CFG Custom Portfolio Corporation, including Class A-3 Conservative Equity, Class D-3 Income, Class E-3 Balance, Class F-3 Balance Growth, Class H-3 Alternative Strategies, Class I-3 Option Writing and Class J-3 Enhanced Global Income, which comprise the statements of financial position as at July 30, 2018 and 2017, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the funds of CFG Custom Portfolio Corporation, including Class A-3 Conservative Equity, Class D-3 Income, Class E-3 Balance, Class F-3 Balance Growth, Class H-3 Alternative Strategies, Class I-3 Option Writing and Class J-3 Enhanced Global Income as at July 30, 2018 and 2017 and its financial performance and its cash flows of each of the foregoing funds for the years then ended in accordance with International Financial Reporting Standards.

Mississauga, Ontario

October 29, 2018

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

**MNP**

# CFG Custom Portfolio Corporation

## Table of Contents

Years ended July 30, 2018 and 2017

	<b>Page</b>	
Class A-3 Conservative Equity	Statement of Financial Position	4
	Statement of Comprehensive Income	5
	Statement of Changes in Net Assets Attributable to	
	Holders of Redeemable Shares	6
	Schedule of Investment Portfolio	7
	Statement of Cash Flows	9
Class D-3 Income	Statement of Financial Position	10
	Statement of Comprehensive Income	11
	Statement of Changes in Net Assets Attributable to	
	Holders of Redeemable Shares	12
	Schedule of Investment Portfolio	13
	Statement of Cash Flows	15
Class E-3 Balanced	Statement of Financial Position	16
	Statement of Comprehensive Income	17
	Statement of Changes in Net Assets Attributable to	
	Holders of Redeemable Shares	18
	Schedule of Investment Portfolio	19
	Statement of Cash Flows	21
Class F-3 Balanced Growth	Statement of Financial Position	22
	Statement of Comprehensive Income	23
	Statement of Changes in Net Assets Attributable to	
	Holders of Redeemable Shares	24
	Schedule of Investment Portfolio	25
	Statement of Cash Flows	27
Class H-3 Alternative Strategies	Statement of Financial Position	28
	Statement of Comprehensive Income	29
	Statement of Changes in Net Assets Attributable to	
	Holders of Redeemable Shares	30
Class I-3 Option Writing	Statement of Cash Flows	31
	Statement of Financial Position	32
	Statement of Comprehensive Income	33
	Statement of Changes in Net Assets Attributable to	
	Holders of Redeemable Shares	34
	Schedule of Investment Portfolio	35

	Statement of Cash Flows	38
Class J-3 Enhanced Global Income	Statement of Financial Position	39
	Statement of Comprehensive Income	40
	Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares	41
	Schedule of Investment Portfolio	42
	Statement of Cash Flows	45
Notes to the Financial Statements		46 - 83

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Financial Position**  
**As at July 30**

	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Investments (Schedule of investment portfolio)	\$ 62,943,559	\$ 60,420,835
Cash and cash equivalents (Note 4)	5,548,876	7,660,805
Accrued interest	93,685	-
Accrued dividends	96,631	80,380
Subscriptions receivable	9,032	280,882
Prepaid income taxes	159,466	157,794
<b>Total assets</b>	<b>68,851,249</b>	<b>68,600,696</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued liabilities (Note 7)	88,600	32,370
Redemptions payable	16,000	56,282
Derivative liabilities (Schedule of investment portfolio)	689,654	179,399
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>794,254</b>	<b>268,051</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 68,056,995</b>	<b>\$ 68,332,645</b>
<b>Series Net Assets Attributable to Holders of Redeemable Shares</b>		
Series A	\$ 57,379,777	\$ 6,024,739
Series D	10,677,218	14,272,751
Series I	-	48,035,155
	<b>\$ 68,056,995</b>	<b>\$ 68,332,645</b>
<b>Number of Shares Outstanding (Note 5)</b>		
Series A	2,869,647	289,564
Series D	655,958	827,837
Series I	-	2,649,646
<b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>		
Series A	\$ 20.00	\$ 20.81
Series D	\$ 16.28	\$ 17.24
Series I	\$ -	\$ 18.13

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"  
 Director

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Comprehensive Income**  
**For the years ended July 30**

	2018	2017
<b>Income</b>		
Interest	\$ 140,098	\$ 6,497
Dividends	1,051,622	973,368
Foreign withholding taxes	(22,229)	(28,002)
Income trust distribution	35,589	6,970
Realized gain on sale of investments	7,093,754	8,118,850
Unrealized depreciation of investments	(497,849)	(1,507,608)
Exchange on foreign currencies	646,933	(71,563)
	<b>8,447,918</b>	<b>7,498,512</b>
<b>Expenses</b>		
Management fees (Note 7)	224,625	123,918
Harmonized sales tax	53,998	42,274
Bank charges and interest	2,175	1,316
General operating expenses	466,271	416,520
	<b>747,069</b>	<b>584,028</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>\$ 7,700,849</b>	<b>\$ 6,914,484</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>		
Series A	\$ 1,822,903	\$ 846,887
Series D	1,589,476	532,233
Series I	4,288,470	5,535,364
	<b>\$ 7,700,849</b>	<b>\$ 6,914,484</b>
<b>Increase in net assets attributable to holders of redeemable shares per share (Note 13)</b>		
Series A	\$ 1.11	\$ 2.30
Series D	\$ 1.82	\$ 0.86
Series I	\$ 3.12	\$ 2.07

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

	Series A		Series D		Series I		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Net assets attributable to holders of redeemable shares, beginning of year</b>	<b>\$ 6,024,739</b>	<b>\$ 7,229,722</b>	<b>\$ 14,272,751</b>	<b>\$ 6,160,188</b>	<b>\$ 48,035,155</b>	<b>\$ 41,476,860</b>	<b>\$ 68,332,645</b>	<b>\$ 54,866,770</b>
<b>Operations:</b>								
Increase in net assets attributable to holders of redeemable shares	<b>1,822,903</b>	846,887	<b>1,589,476</b>	532,233	<b>4,288,470</b>	5,535,364	<b>7,700,849</b>	6,914,484
<b>Redeemable share transactions</b>								
Proceeds from issuance of shares	<b>76,487,004</b>	4,231,760	<b>6,572,497</b>	16,865,997	<b>10,511,446</b>	19,499,688	<b>93,570,947</b>	40,597,445
Reinvested distributions	<b>1,820,701</b>	86,905	<b>2,061,396</b>	123,557	<b>6,127,744</b>	556,386	<b>10,009,841</b>	766,848
Redemptions	<b>(26,947,485)</b>	(6,282,560)	<b>(11,753,870)</b>	(9,285,400)	<b>(62,821,231)</b>	(18,474,942)	<b>(101,522,586)</b>	(34,042,902)
	<b>51,360,220</b>	(1,963,895)	<b>(3,119,977)</b>	7,704,154	<b>(46,182,041)</b>	1,581,132	<b>2,058,202</b>	7,321,391
<b>Distribution to Shareholders (Note 6)</b>	<b>(1,828,085)</b>	(87,975)	<b>(2,065,032)</b>	(123,824)	<b>(6,141,584)</b>	(558,201)	<b>(10,034,701)</b>	(770,000)
<b>Net (decrease) increase in net assets attributable to holders of redeemable shares for the year</b>	<b>51,355,038</b>	(1,204,983)	<b>(3,595,533)</b>	8,112,563	<b>(48,035,155)</b>	6,558,295	<b>(275,650)</b>	13,465,875
<b>Net assets attributable to holders of redeemable shares, end of year</b>	<b>\$ 57,379,777</b>	<b>\$ 6,024,739</b>	<b>\$ 10,677,218</b>	<b>\$ 14,272,751</b>	<b>\$ -</b>	<b>\$ 48,035,155</b>	<b>\$ 68,056,995</b>	<b>\$ 68,332,645</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Schedule of Investment Portfolio**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>FIXED INCOME- Long</b>			
Ford Credit Canada Co 3.7 8/2/2018	3,420,000	3,436,847	3,421,317
TMX Group Ltd 3.253 10/3/2018	3,000,000	3,008,140	3,006,030
<b>Total FIXED INCOME-Long</b>		<b>6,444,987</b>	<b>6,427,347</b>
<b>CANADIAN EQUITY- Long</b>			
Alimentation Couche Tard Inc	48,400	2,416,343	2,887,543
BMO Laddered Preferred Share Index ETF	200,000	2,315,130	2,338,000
Brookfield Asset Management Inc Class A	43,700	1,992,259	2,372,036
CCL Industries Inc	47,100	1,785,104	3,088,818
Dollarama Inc	58,400	2,879,224	2,706,840
Hardwoods Distribution Income Fund	148,800	2,700,572	2,449,248
Intertape Polymer Group Inc	114,800	2,642,235	1,944,712
Manulife Financial Corp	113,300	2,798,990	2,705,604
National Bank of Canada	43,600	1,966,533	2,780,372
NFI Group Inc	62,500	2,861,759	3,081,875
Open Text Corp	62,700	2,653,410	3,019,005
Premium Brands Holdings Corp	27,000	3,069,889	2,771,010
Richelieu Hardware Ltd	100,500	3,102,583	2,752,695
Sleep Country Canada Holdings Inc	65,500	2,056,054	1,967,620
Toronto-Dominion Bank	34,800	1,811,411	2,674,380
Whitecap Resources Inc	285,700	2,927,567	2,491,304
<b>Total CANADIAN EQUITY-Long</b>		<b>39,979,062</b>	<b>42,031,062</b>
<b>FOREIGN EQUITY- Long</b>			
Broadcom Inc	9,100	2,991,418	2,668,096
CVS Caremark Corp	35,600	3,413,480	3,125,461
DocuSign Inc	14,900	1,026,260	1,003,164
Facebook Inc	10,300	2,340,152	2,294,017
Alphabet Inc Class A	1,500	1,816,402	2,402,268
Visa Inc	16,800	1,432,661	2,985,309
<b>Total FOREIGN EQUITY-Long</b>		<b>13,020,373</b>	<b>14,478,315</b>



**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>DERIVATIVE ASSETS- Long</b>			
General Dynamics Corp 8/17/2018 Call 205	7,000	24,258	6,836
<b>Total DERIVATIVE ASSETS- Long</b>		<b>24,258</b>	<b>6,836</b>
<b>Total Investment Assets</b>		<b>59,468,681</b>	<b>62,943,559</b>
<b>DERIVATIVE LIABILITIES-Short</b>			
Alibaba Group Holding Ltd 8/17/2018 Put 200	(7,600)	(163,664)	(157,828)
Google Inc.-CL A 08/17/18 Call 1300	(1,500)	(13,222)	(7,812)
Bank of America 08/17/18 Put 32	(72,500)	(321,885)	(84,955)
DocuSign Inc 08/17/18 Put 50	(16,200)	(45,540)	(35,224)
DocuSign Inc 08/17/18 Put 52.5	(4,200)	(18,234)	(16,241)
Facebook Inc 08/17/18 Put 180	(1,500)	(14,559)	(20,077)
General Dynamics Corp 08/17/18 Put 215	(7,800)	(211,018)	(183,818)
General Dynamics Corp 09/21/18 Put 215	(2,500)	(53,707)	(57,288)
UnitedHealth Group Inc 6/21/2019 Put 240	(7,600)	(191,558)	(126,411)
<b>Total DERIVATIVE LIABILITIES-Short</b>		<b>(1,033,387)</b>	<b>(689,654)</b>
<b>Total Investment Portfolio</b>		<b>58,435,294</b>	<b>62,253,905</b>
<b>Other Net Assets</b>			<b>5,803,090</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>			<b>68,056,995</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Cash Flows**  
For the years ended July 30

	2018	2017
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable shares	\$ 7,700,849	\$ 6,914,484
Adjustments for:		
Purchase of investments	(86,634,909)	(48,485,900)
Proceeds on disposition of investments	91,218,345	40,626,164
Net realized gain on sale of investments	(7,093,754)	(8,118,850)
Increase in accrued interest	(93,685)	-
Increase in accrued dividends	(16,252)	(9,489)
Increase in prepaid income taxes	(1,672)	(122,806)
Increase (decrease) in accrued liabilities	56,231	(40,591)
Unrealized depreciation of investments	497,849	1,507,608
<b>Net cash provided by (used in) operating activities</b>	<b>5,633,002</b>	<b>(7,729,380)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	93,570,947	40,597,445
Decrease in subscriptions receivable	271,850	437,264
Redemption of shares	(101,522,586)	(34,042,902)
Decrease in redemptions payable	(40,282)	(41,073)
Cash distributions	(24,860)	(3,152)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(7,744,931)</b>	<b>6,947,582</b>
<b>Decrease in cash</b>	<b>(2,111,929)</b>	<b>(781,798)</b>
Cash, beginning of year	7,660,805	8,442,603
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,548,876</b>	<b>\$ 7,660,805</b>

Interest received	46,414	6,497
Dividends and distributions received, net of withholding taxes	1,048,730	942,846
Interest paid	1,772	699

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Statement of Financial Position**  
As at July 30

	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Investments (Schedule of investment portfolio)	\$ 71,841,648	\$ 58,239,892
Cash and cash equivalents (Note 4)	4,616,348	4,260,574
Accrued interest	261,460	33,166
Accrued dividends	216,111	209,015
Subscriptions receivable	6,108	785,177
Prepaid income taxes	106,932	105,199
<b>Total assets</b>	<b>77,048,607</b>	<b>63,633,023</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued liabilities (Note 7)	85,861	28,082
Distributions payable	10	-
Redemptions payable	-	99,626
Derivative liabilities (Schedule of investment portfolio)	902,412	440,014
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>988,283</b>	<b>567,722</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 76,060,324</b>	<b>\$ 63,065,301</b>
<b>Series Net Assets Attributable to Holders of Redeemable Shares</b>		
Series A	\$ 66,796,211	\$ 6,253,088
Series D	9,264,113	12,018,650
Series I	-	44,793,563
	<b>\$ 76,060,324</b>	<b>\$ 63,065,301</b>
<b>Number of Shares Outstanding (Note 5)</b>		
Series A	5,488,776	515,445
Series D	780,551	1,002,597
Series I	-	3,537,440
<b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>		
Series A	\$ 12.17	\$ 12.13
Series D	\$ 11.87	\$ 11.99
Series I	\$ -	\$ 12.66

*The accompanying notes are an integral part of these financial statements.*  
Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"  
\_\_\_\_\_  
**Director**

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Statement of Comprehensive Income**  
For the years ended July 30

	2018	2017
<b>Income</b>		
Interest	\$ 443,439	\$ 260,621
Dividends	1,870,316	1,329,899
Foreign withholding taxes	(34,833)	(14,944)
Income trust distribution	486,244	620,840
Realized gain on sale of investments	1,834,770	2,282,961
Unrealized appreciation (depreciation) of investments	964,763	(222,432)
Exchange on foreign currencies	120,204	94,635
	<b>5,684,903</b>	<b>4,351,580</b>
<b>Expenses</b>		
Management fees (Note 7)	205,452	102,939
Harmonized sales tax	47,800	37,948
Bank charges and interest	6,702	2,201
General operating expenses	432,487	365,305
	<b>692,441</b>	<b>508,393</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>\$ 4,992,462</b>	<b>\$ 3,843,187</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>		
Series A	\$ 2,358,187	\$ 355,852
Series D	598,776	282,711
Series I	2,035,499	3,204,624
	<b>\$ 4,992,462</b>	<b>\$ 3,843,187</b>
<b>Increase in net assets attributable to holders of redeemable shares per share (Note 13)</b>		
Series A	\$ 0.81	\$ 0.81
Series D	\$ 0.59	\$ 0.37
Series I	\$ 1.16	\$ 0.92

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**

**Class D-3 Income**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**

For the years ended July 30

	Series A		Series D		Series I		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Net assets attributable to holders of redeemable shares, beginning of year</b>	<b>\$ 6,253,088</b>	\$ 4,938,949	<b>\$ 12,018,650</b>	\$ 5,652,742	<b>\$ 44,793,563</b>	\$ 39,756,688	<b>\$ 63,065,301</b>	\$ 50,348,379
<b>Operations:</b>								
Increase in net assets attributable to holders of redeemable shares	<b>2,358,187</b>	355,852	<b>598,776</b>	282,711	<b>2,035,499</b>	3,204,624	<b>4,992,462</b>	3,843,187
<b>Redeemable share transactions</b>								
Proceeds from issuance of shares	<b>74,528,089</b>	4,245,698	<b>6,060,549</b>	14,625,353	<b>11,058,281</b>	18,258,782	<b>91,646,919</b>	37,129,833
Reinvested distributions	<b>11,141</b>	112,835	<b>762,600</b>	192,218	<b>1,828,768</b>	939,095	<b>2,602,509</b>	1,244,148
Redemptions	<b>(14,547,024)</b>	(3,287,368)	<b>(9,408,588)</b>	(8,539,737)	<b>(57,883,724)</b>	(16,423,141)	<b>(81,839,336)</b>	(28,250,246)
	<b>59,992,206</b>	1,071,165	<b>(2,585,439)</b>	6,277,834	<b>(44,996,675)</b>	2,774,736	<b>12,410,092</b>	10,123,735
<b>Distributions to shareholders (Note 6)</b>	<b>(1,807,270)</b>	(112,878)	<b>(767,874)</b>	(194,637)	<b>(1,832,387)</b>	(942,485)	<b>(4,407,531)</b>	(1,250,000)
<b>Net increase (decrease) in net assets attributable to holders of redeemable shares for the year</b>	<b>60,543,123</b>	1,314,139	<b>(2,754,537)</b>	6,365,908	<b>(44,793,563)</b>	5,036,875	<b>12,995,023</b>	12,716,922
<b>Net assets attributable to holders of redeemable shares, end of year</b>	<b>\$ 66,796,211</b>	\$ 6,253,088	<b>\$ 9,264,113</b>	\$ 12,018,650	<b>\$ -</b>	\$ 44,793,563	<b>\$ 76,060,324</b>	\$ 63,065,301

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Schedule of Investment Portfolio**  
**As at July 30, 2018**

<b>Description</b>	<b>Quantity</b>	<b>\$Cost</b>	<b>\$Fair Value</b>
<b>FIXED INCOME- Long</b>			
Bank of Nova Scotia 3.036 10/18/2024	379,000	389,309	380,633
Capital Desjardins Inc 4.954 12/15/2026	342,000	386,323	363,001
Constellation Software Float 3/31/2040	1,611,200	1,875,136	2,054,280
Dollarama Inc 3.095 11/5/2018	3,432,000	3,449,857	3,440,597
Ford Credit Canada Co 3.7 8/2/2018	2,930,000	2,942,900	2,931,128
Loblaw Companies Ltd 3.748 03/12/19	4,500,000	4,544,100	4,540,095
Morneau Shepell Inc 4.75 6/30/2021	265,000	275,507	310,050
Premium Brands Hldgs Cor 4.6 12/31/2023	700,000	700,000	791,000
Premium Brands Hldgs Cor 4.65 4/30/2021	1,170,000	1,193,146	1,509,885
Royal Bank of Canada 2.77 12/11/2018	4,433,000	4,453,434	4,445,856
Royal Bank of Canada 2.99 12/6/2024	380,000	389,196	381,577
Shell International Fin 4.3 9/22/2019	1,600,000	2,112,906	2,118,354
TMX Group Ltd 3.253 10/3/2018	3,432,000	3,448,870	3,438,898
<b>Total FIXED INCOME-Long</b>		<b>26,160,684</b>	<b>26,705,354</b>
<b>CANADIAN EQUITY- Long</b>			
AG Growth International Inc	32,500	1,737,225	1,817,400
Algonquin Power & Utilities Co	172,500	2,068,927	2,208,000
Bank of Montreal 4.85% PFD	47,100	1,212,787	1,245,324
BMO Laddered Preferred Share Index ETF	228,100	2,577,898	2,666,489
Bank of Nova Scotia 4.85% PFD	46,900	1,200,169	1,230,656
Brookfield Asset Mgmt Float PFD	98,000	1,020,866	1,719,900
Brookfield Infrastructure Partners LP	50,800	2,628,240	2,708,656
Brookfield Renewable Par 5% PFD	49,100	1,227,057	1,237,320
Capital Power Corp 5.75% PFD	25,000	627,803	640,000
Chartwell Seniors Housing Real Estate Investment Trust	121,100	1,865,345	1,845,564
Cineplex Inc	68,400	2,414,625	1,959,660
Enbridge Inc 5.15% PFD	48,900	1,230,251	1,250,862
EnerCare Inc	122,100	2,234,778	2,297,922
Exchange Income Corp	59,000	2,018,747	1,943,460
Financial 15 Split Corp 5.5% PFD	259,356	2,618,680	2,601,341
Intact Financial Corp 4.9% PFD	30,000	750,000	752,400
iShares S&P/TSX Canadian Preferred Share Index Fund	288,400	3,812,064	4,103,932
Premium Income Corp 5.75% PFD	221,436	3,382,190	3,365,827
SIR Royalty Income Fund	97,500	1,317,001	1,497,600
Toronto-Dominion Bank 4.85% PFD	49,500	1,265,561	1,289,970

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>CANADIAN EQUITY- Long (continued)</b>			
Tricon Capital Group Inc	202,400	2,185,141	2,155,560
WPT Industrial Real Estate Investment Trust	85,722	1,397,291	1,541,334
<b>Total CANADIAN EQUITY-Long</b>		<b>40,792,646</b>	<b>42,079,177</b>
<b>FOREIGN EQUITY- Long</b>			
Blackstone Group LP/The	56,000	2,312,899	2,549,003
<b>Total FOREIGN EQUITY-Long</b>		<b>2,312,899</b>	<b>2,549,003</b>
<b>REAL ESTATE- Long</b>			
Greater Edmonton Retail Ltd Partnership	10	300,000	330,000
<b>Total REAL ESTATE-Long</b>		<b>300,000</b>	<b>330,000</b>
<b>DERIVATIVE ASSETS- Long</b>			
SPDR S&P 500 ETF Trust 1/18/2019 Put 270	20,000	238,329	178,114
<b>Total DERIVATIVE ASSETS- Long</b>		<b>238,329</b>	<b>178,114</b>
<b>Total Investment Assets</b>		<b>69,804,557</b>	<b>71,841,648</b>
<b>DERIVATIVE LIABILITIES-Short</b>			
Alibaba Group Holding Ltd 08/17/18 Put 185	(13,500)	(98,573)	(93,861)
Blackrock Inc 08/17/18 Put 520	(3,800)	(90,531)	(106,373)
Blackstone Group LP/The 9/21/2018 Call 34	(56,000)	(38,866)	(129,054)
Broadcom Ltd 08/17/18 Put 220	(8,900)	(137,938)	(42,875)
Cineplex Inc 8/17/2018 Call 32	(68,400)	(68,400)	(4,104)
Constellation Brands Inc 08/17/18 Put 215	(11,000)	(56,961)	(100,970)
Ebay 08/03/18 Put 35	(72,500)	(77,991)	(132,153)
iShares 20+ Year Treasury Bond 08/17/18 Put 118	(28,500)	(25,680)	(23,748)
Micron Technology Inc 09/21/18 Put 50	(48,500)	(99,761)	(121,874)
Northrop Grumman 08/17/18 Put 300	(8,000)	(74,750)	(59,059)
Royal Caribbean Cruises Ltd 08/17/18 Put 110	(23,000)	(134,480)	(88,341)
<b>Total DERIVATIVE LIABILITIES-Short</b>		<b>(903,931)</b>	<b>(902,412)</b>
<b>Total Investment Portfolio</b>		<b>68,900,626</b>	<b>70,939,236</b>
<b>Other Net Assets</b>			<b>5,121,088</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>			<b>76,060,324</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Statement of Cash Flows**  
For the years ended July 30

	2018	2017
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable shares	\$ 4,992,462	\$ 3,843,187
Adjustments for:		
Purchase of investments	(110,897,705)	(68,305,922)
Proceeds on disposition of investments	101,559,440	60,558,272
Net realized gain on investments	(1,834,770)	(2,282,961)
(Increase) decrease in accrued interest	(228,293)	4,554
Increase in accrued dividends	(7,096)	(159,532)
Increase in prepaid income taxes	(1,733)	(105,199)
Increase (decrease) in accrued liabilities	57,781	(37,586)
Unrealized (appreciation) depreciation of investments	(964,763)	222,432
<b>Net cash used in operating activities</b>	<b>(7,324,677)</b>	<b>(6,262,755)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	91,646,919	37,129,833
Decrease (increase) in subscriptions receivable	779,068	(423,226)
Redemption of shares	(81,839,336)	(28,250,246)
(Decrease) increase in redemptions payable	(99,626)	49,280
Cash distributions	(1,805,022)	(5,852)
Increase in distributions payable	10	-
<b>Net cash flows provided by financing activities</b>	<b>8,682,013</b>	<b>8,499,789</b>
<b>Increase in cash</b>	<b>1,357,336</b>	<b>2,237,034</b>
Cash, beginning of year	3,259,012	2,023,540
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,616,348</b>	<b>\$ 4,260,574</b>
Interest received	215,145	265,172
Dividends and distributions received, net of withholding taxes	2,314,631	1,776,263
Interest paid	6,321	1,732

*The accompanying notes are an integral part of these financial statements.*



**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Statement of Financial Position**  
**As at July 30**

	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Investments (Schedule of investment portfolio)	\$ 14,171,067	\$ 13,167,722
Cash and cash equivalents (Note 4)	2,892,572	2,868,439
Accrued interest	32,695	1,224
Accrued dividends	41,957	44,696
Prepaid income taxes	36,419	36,013
<b>Total assets</b>	<b>17,174,710</b>	<b>16,118,094</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued liabilities (Note 7)	18,108	7,884
Redemptions payable	-	4,491
Derivative liabilities (Schedule of investment portfolio)	147,255	4,579
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>165,363</b>	<b>16,954</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 17,009,347</b>	<b>\$ 16,101,140</b>
<b>Series Net Assets Attributable to Holders of Redeemable Shares</b>		
Series A	\$ 16,415,810	\$ 15,939,222
Series D	\$ 593,537	\$ 161,918
	<b>\$ 17,009,347</b>	<b>\$ 16,101,140</b>
<b>Number of Shares Outstanding (Note 5)</b>		
Series A	1,068,869	1,038,622
Series D	56,496	15,139
<b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>		
Series A	\$ 15.36	\$ 15.35
Series D	\$ 10.51	\$ 10.70

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"  
 Director

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Statement of Comprehensive Income**  
**For the years ended July 30**

	2018	2017
<b>Income</b>		
Interest	\$ 67,103	\$ 21,554
Dividends	395,091	307,876
Foreign withholding taxes	(6,383)	(8,141)
Income trust distribution	123,019	185,421
Realized gain on sale of investments	1,167,167	751,284
Unrealized (depreciation) appreciation of investments	(413,283)	67,140
Exchange on foreign currencies	(54,589)	(111,457)
	1,278,125	1,213,677
<b>Expenses</b>		
Management fees (Note 7)	45,800	38,531
Harmonized sales tax	6,675	5,769
Bank charges and interest	929	174
General operating expenses	81,022	70,559
	134,426	115,033
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>\$ 1,143,699</b>	<b>\$ 1,098,644</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>		
Series A	\$ 1,133,715	\$ 1,094,355
Series D	\$ 9,984	\$ 4,289
	\$ 1,143,699	\$ 1,098,644
<b>Increase in net assets attributable to holders of redeemable shares per share (Note 13)</b>		
Series A	\$ 1.05	\$ 1.12
Series D	\$ 0.22	\$ 0.41

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**

**Class E-3 Balanced**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**

For the years ended July 30

	Series A		Series D		Total	
	2018	2017	2018	2017	2018	2017
<b>Net assets attributable to holders of redeemable shares, beginning of year</b>	<b>\$ 15,939,222</b>	<b>\$ 13,220,751</b>	<b>\$ 161,918</b>	<b>\$ 30,864</b>	<b>\$ 16,101,140</b>	<b>\$ 13,251,615</b>
<b>Operations:</b>						
Increase in net assets attributable to holders of redeemable shares	<b>1,133,715</b>	1,094,355	<b>9,984</b>	4,289	<b>1,143,699</b>	1,098,644
<b>Redeemable share transactions</b>						
Proceeds from issuance of shares	<b>1,516,712</b>	3,090,168	<b>696,721</b>	209,200	<b>2,213,433</b>	3,299,368
Reinvested distributions	<b>690,137</b>	277,912	<b>21,418</b>	2,316	<b>711,555</b>	280,228
Redemptions	<b>(1,782,671)</b>	(1,436,280)	<b>(275,086)</b>	(82,435)	<b>(2,057,757)</b>	(1,518,715)
	<b>424,178</b>	1,931,800	<b>443,053</b>	129,081	<b>867,231</b>	2,060,881
<b>Distributions to shareholders (Note 6)</b>	<b>(1,081,305)</b>	(307,684)	<b>(21,418)</b>	(2,316)	<b>(1,102,723)</b>	(310,000)
<b>Net increase in net assets attributable to holders of redeemable shares for the year</b>	<b>476,588</b>	2,718,471	<b>431,619</b>	131,054	<b>908,207</b>	2,849,525
<b>Net assets attributable to holders of redeemable shares, end of year</b>	<b>\$ 16,415,810</b>	<b>\$ 15,939,222</b>	<b>\$ 593,537</b>	<b>\$ 161,918</b>	<b>\$ 17,009,347</b>	<b>\$ 16,101,140</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Schedule of Investment Portfolio**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>FIXED INCOME- Long</b>			
AG Growth International 4.5 12/31/2022	430,000	425,700	434,300
Bank of America Corp 2.6 1/15/2019	550,000	695,158	716,365
Coca-Cola Co/The 1.375 5/30/2019	550,000	687,179	709,437
Constellation Software Float 3/31/2040	203,700	239,662	259,718
Exchange Income Corp 5.25 12/31/2022	430,000	430,068	437,525
Ford Credit Canada Co 3.7 8/2/2018	826,000	827,809	826,318
TMX Group Ltd 3.253 10/3/2018	1,000,000	1,004,200	1,002,010
<b>Total FIXED INCOME-Long</b>		<b>4,309,776</b>	<b>4,385,673</b>
<b>CANADIAN EQUITY- Long</b>			
Algonquin Power & Utilities Co	40,500	493,025	518,400
Bank of Montreal 4.85% PFD	16,300	429,039	430,972
Bank of Nova Scotia 4.85% PFD	16,300	427,838	427,712
Brookfield Asset Mgmt Float PFD	25,244	337,987	443,032
Brookfield Infrastructure Partners LP	10,000	518,054	533,200
Brookfield Renewable Par 5% PFD	17,000	425,602	428,400
Capital Power Corp 5.75% PFD	16,500	424,017	422,400
Cineplex Inc	34,000	1,107,251	974,100
Enbridge Inc 5.15% PFD	17,000	434,194	434,860
EnerCare Inc	28,200	516,707	530,724
Financial 15 Split Corp 5.5% PFD	85,800	862,371	860,574
Intact Financial Corp 4.9% PFD	17,200	427,507	431,376
iShares S&P/TSX Canadian Preferred Share Index Fund	102,800	1,249,020	1,462,844
Premium Income Corp 5.75% PFD	56,064	852,852	852,173
SIR Royalty Income Fund	33,800	488,136	519,168
Tricon Capital Group Inc	48,400	517,679	515,460
<b>Total CANADIAN EQUITY-Long</b>		<b>9,511,279</b>	<b>9,785,395</b>
<b>Total Investment Assets</b>		<b>13,821,055</b>	<b>14,171,067</b>

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>DERIVATIVE LIABILITIES-Short</b>			
Alibaba Group Holding Ltd 08/17/18 Put 180	(3,500)	(16,495)	(14,810)
Blackrock Inc 08/17/18 Put 510	(1,200)	(20,455)	(21,718)
Broadcom Ltd 08/17/18 Put 210	(2,700)	(29,064)	(4,570)
Cineplex Inc 08/17/18 Call 30	(34,000)	(23,960)	(8,500)
Constellation Brands Inc 08/17/18 Put 210	(3,000)	(9,980)	(15,624)
Ebay 08/03/18 Put 35	(18,500)	(19,901)	(33,722)
General Dynamics Corp 8/17/2018 Put 200	(1,200)	(10,243)	(8,046)
Goldman Sachs Group Inc/The 9/21/2018 Put 240	(2,200)	(31,393)	(19,850)
iShares 20+ Year Treasury Bond 08/17/18 Put 118	(11,000)	(9,911)	(9,166)
Royal Caribbean Cruises Ltd 08/17/18 Put 105	(6,000)	(18,508)	(11,249)
<b>Total DERIVATIVE LIABILITIES-Short</b>		<b>(189,910)</b>	<b>(147,255)</b>
<b>Total Investment Portfolio</b>		<b>13,631,145</b>	<b>14,023,814</b>
<b>Other Net Assets</b>			<b>2,985,533</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>			<b>17,009,347</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Statement of Cash Flows**  
For the years ended July 30

	2018	2017
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable shares	\$ 1,143,699	\$ 1,098,644
Adjustments for:		
Purchase of investments	(27,442,296)	(11,591,380)
Proceeds on disposition of investments	27,335,511	11,967,422
Net realized gain on sale of investments	(1,167,167)	(751,284)
Increase in accrued interest	(31,471)	(4)
Decrease (increase) in accrued dividends	2,739	(23,799)
Increase in prepaid income taxes	(406)	(36,013)
Increase (decrease) in accrued liabilities	10,224	(10,927)
Unrealized depreciation (appreciation) of investments	413,283	(67,140)
<b>Net cash provided by operating activities</b>	<b>264,116</b>	<b>585,519</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	2,213,433	3,299,368
Redemption of shares	(2,057,757)	(1,518,715)
(Decrease) increase in redemptions payable	(4,491)	4,491
Cash distributions	(391,168)	(29,772)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(239,983)</b>	<b>1,755,372</b>
<b>Increase in cash</b>	<b>24,133</b>	<b>2,340,891</b>
Cash, beginning of year	2,868,439	527,548
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,892,572</b>	<b>\$ 2,868,439</b>
Interest received	35,631	21,549
Dividends and distributions received, net of withholding taxes	514,465	461,359
Interest paid	860	123

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Financial Position**  
As at July 30

	2018	2017
<b>Assets</b>		
<b>Current liabilities</b>		
Investments (Schedule of investment portfolio)	\$ 23,235,314	\$ 19,477,234
Cash	1,523,872	2,130,988
Accrued dividends	51,600	40,430
Subscriptions receivable	106	106
Prepaid income taxes	47,420	46,843
<b>Total assets</b>	<b>24,858,312</b>	<b>21,695,601</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued liabilities (Note 7)	25,484	10,414
Redemptions payable	129,252	30,025
Derivative liabilities (Schedule of investment portfolio)	44,268	34,461
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>199,004</b>	<b>74,900</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 24,659,308</b>	<b>\$ 21,620,701</b>
<b>Series Net Assets Attributable to Holders of Redeemable Shares</b>		
Series A	\$ 24,315,133	\$ 21,571,293
Series D	344,175	49,408
	<b>\$ 24,659,308</b>	<b>\$ 21,620,701</b>
<b>Number of Shares Outstanding (Note 5)</b>		
Series A	1,370,118	1,284,283
Series D	31,509	4,695
<b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>		
Series A	\$ 17.75	\$ 16.80
Series D	\$ 10.92	\$ 10.52

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft" \_\_\_\_\_

**Director**

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Comprehensive Income**  
For the years ended July 30

	2018	2017
<b>Income</b>		
Interest	\$ 13,161	\$ 2,199
Dividends	393,313	305,425
Foreign withholding taxes	(16,457)	(14,994)
Income trust distribution	159,670	144,132
Realized gain on sale of investments	509,235	1,358,227
Unrealized appreciation (depreciation) of investments	2,121,609	(60,299)
Exchange on foreign currencies	73,888	(56,284)
	3,254,419	1,678,406
<b>Expenses</b>		
Management fees (Note 7)	60,136	50,700
Harmonized sales tax	9,042	7,634
Bank charges and interest	40	977
General operating expenses	107,473	93,169
	176,691	152,480
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>\$ 3,077,728</b>	<b>\$ 1,525,926</b>
<b>Increase in net assets attributable to holders of redeemable shares</b>		
Series A	\$ 3,055,974	\$ 1,522,750
Series D	\$ 21,754	\$ 3,176
	\$ 3,077,728	\$ 1,525,926
<b>Increase in net assets attributable to holders of redeemable shares per share (Note 13)</b>		
Series A	\$ 2.26	\$ 1.27
Series D	\$ 0.89	\$ 0.65

*The accompanying notes are an integral part of these financial statements.*



**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

	Series A		Series D		Total	
	2018	2017	2018	2017	2018	2017
<b>Net assets attributable to holders of redeemable shares, beginning of year</b>	<b>\$ 21,571,293</b>	<b>\$ 17,704,222</b>	<b>\$ 49,408</b>	<b>\$ 40,773</b>	<b>\$ 21,620,701</b>	<b>\$ 17,744,995</b>
<b>Operations:</b>						
Increase in net assets attributable to holders of redeemable shares	<b>3,055,974</b>	1,522,750	<b>21,754</b>	3,176	<b>3,077,728</b>	1,525,926
<b>Redeemable share transactions</b>						
Proceeds from issuance of shares	<b>2,037,753</b>	3,808,897	<b>428,455</b>	55,590	<b>2,466,208</b>	3,864,487
Reinvested distributions	<b>1,310,033</b>	296,023	<b>8,952</b>	781	<b>1,318,985</b>	296,804
Redemptions	<b>(1,982,611)</b>	(1,456,380)	<b>(155,442)</b>	(50,131)	<b>(2,138,053)</b>	(1,506,511)
	<b>1,365,175</b>	2,648,540	<b>281,965</b>	6,240	<b>1,647,140</b>	2,654,780
<b>Distributions to shareholders (Note 6)</b>	<b>(1,677,309)</b>	(304,219)	<b>(8,952)</b>	(781)	<b>(1,686,261)</b>	(305,000)
<b>Net increase in net assets attributable to holders of redeemable shares for the year</b>	<b>2,743,840</b>	3,867,071	<b>294,767</b>	8,635	<b>3,038,607</b>	3,875,706
<b>Net assets attributable to holders of redeemable shares, end of year</b>	<b>\$ 24,315,133</b>	<b>\$ 21,571,293</b>	<b>\$ 344,175</b>	<b>\$ 49,408</b>	<b>\$ 24,659,308</b>	<b>\$ 21,620,701</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Schedule of Investment Portfolio**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>CANADIAN EQUITY- Long</b>			
AG Growth International Inc	13,000	559,221	726,960
AGT Food & Ingredients Inc	32,000	491,161	577,280
BMO Laddered Preferred Share Index ETF	172,000	1,635,720	2,010,680
Boyd Group Income Fund	6,700	691,299	788,322
Brookfield Asset Management Inc Class A	8,600	400,755	466,808
Brookfield Asset Mgmt Float PFD	19,056	199,556	334,433
Canadian Imperial Bank of Commerce/Canada	6,400	724,350	758,912
CCL Industries Inc	12,000	446,861	786,960
Dream Industrial Real Estate Investment Trust	66,500	585,894	682,955
Enbridge Income Fund Holdings Inc	23,400	663,633	758,862
Exchange Income Corp	21,200	717,249	698,328
National Bank of Canada	11,400	503,870	726,978
NFI Group Inc	13,400	729,319	660,754
Rogers Communications Inc	7,500	361,870	493,200
SIR Royalty Income Fund	31,000	441,049	476,160
Superior Plus Corp	59,000	743,400	761,690
Toronto-Dominion Bank	9,300	499,543	714,705
Westjet Airlines Ltd	36,000	727,084	718,200
<b>Total CANADIAN EQUITY-Long</b>		<b>11,121,834</b>	<b>13,142,187</b>
<b>FOREIGN EQUITY- Long</b>			
Amazon.Com Inc	525	644,956	1,216,185
Apple Inc	3,100	684,985	766,515
Bank of America Corp	24,200	559,381	986,528
Bright Horizons Family Solutions	5,700	674,360	793,199
Broadcom Inc	3,600	979,705	1,055,510
CVS Caremark Corp	8,800	710,019	772,586
DocuSign Inc	9,200	740,625	619,403
Intercontinental Exchange Inc	10,000	1,007,816	967,256
JPMorgan Chase & Co	5,700	617,753	866,300
NIKE Inc	5,500	476,390	543,950
Tyson Foods Inc	9,700	910,381	741,598
Visa Inc	4,300	539,141	764,097
<b>Total FOREIGN EQUITY-Long</b>		<b>8,545,512</b>	<b>10,093,127</b>
<b>Total Investment Assets</b>		<b>19,667,346</b>	<b>23,235,314</b>

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>DERIVATIVE LIABILITIES-Short</b>			
Intercontinental Exchange 08/17/18 Call 72.5	(10,000)	(59,886)	(44,268)
<b>Total DERIVATIVE LIABILITIES-Short</b>		<b>(59,886)</b>	<b>(44,268)</b>
<hr/>			
<b>Total Investment Portfolio</b>		<b>19,607,460</b>	<b>23,191,046</b>
<hr/>			
<b>Other Net Assets</b>			<b>1,468,262</b>
<hr/>			
<b>Net Assets Attributable to Holders of Redeemable Shares</b>			<b>24,659,308</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Cash Flows**  
For the years ended July 30

	2018	2017
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable shares	\$ 3,077,728	\$ 1,525,926
Adjustments for:		
Purchase of investments	(24,165,817)	(25,688,553)
Proceeds on disposition of investments	23,048,388	22,411,540
Net realized gain on investments	(509,235)	(1,358,227)
Increase in accrued dividends	(11,170)	(7,006)
Increase in prepaid income taxes	(577)	(46,843)
Increase (decrease) in accrued liabilities	15,070	(14,867)
Unrealized (appreciation) depreciation of investments	(2,121,609)	60,299
<b>Net cash used in operating activities</b>	<b>(667,222)</b>	<b>(3,117,731)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	2,466,208	3,864,487
Redemption of shares	(2,138,053)	(1,506,511)
Increase in redemptions payable	99,227	30,025
Cash distributions	(367,276)	(8,196)
<b>Net cash flows provided by financing activities</b>	<b>60,106</b>	<b>2,379,805</b>
<b>Decrease in cash</b>	<b>(607,116)</b>	<b>(737,926)</b>
Cash, beginning of year	2,130,988	2,868,914
<b>Cash, end of year</b>	<b>\$ 1,523,872</b>	<b>\$ 2,130,988</b>
Interest received	13,161	2,199
Dividends and distributions received, net of withholding taxes	525,357	427,557
Interest paid	-	869

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Financial Position**  
**As at July 30**

	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 4,605	\$ 4,605
Prepaid income taxes	4,133	4,133
<b>Total assets</b>	<b>8,738</b>	<b>8,738</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accrued liabilities (Note 7)	2,113	2,113
Redemptions payable	9,032	9,032
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>11,145</b>	<b>11,145</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ (2,407)</b>	<b>\$ (2,407)</b>
<b>Series Net Assets Attributable to Holders of Redeemable Shares</b>		
Series A	\$ 60	\$ 60
Series D	(2,467)	(2,467)
	<b>\$ (2,407)</b>	<b>\$ (2,407)</b>
<b>Number of Shares Outstanding (Note 5)</b>		
Series A	-	-
Series D	-	-
<b>Net Asset Attributable to Holders of Redeemable Shares per Share</b>		
Series A	\$ -	\$ -
Series D	\$ -	\$ -

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"  
 Director

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Comprehensive Income**  
For the years ended July 30

	2018	2017
<b>Income</b>		
Dividends	\$ -	\$ 563
Foreign withholding taxes	-	(68)
Realized (loss) on sale of investments	-	(62,505)
Unrealized appreciation of investments	-	55,952
Exchange on foreign currencies	-	2,115
Income trust distribution	-	884
	-	(3,059)
<b>Expenses</b>		
Management fees (Note 7)	-	3,502
Harmonized sales tax	-	591
Bank charges and interest	-	105
General operating expenses	-	3,405
	-	7,603
<b>Decrease in net assets attributable to holders of redeemable shares</b>	<b>\$ -</b>	<b>\$ (10,662)</b>
<b>(Decrease) in net assets attributable to holders of redeemable shares</b>		
Series A	\$ -	\$ (2,988)
Series D	-	(7,674)
	\$ -	\$ (10,662)
<b>Decrease in net assets attributable to holders of redeemable shares per share (Note 13)</b>		
Series A	\$ -	\$ (0.09)
Series D	\$ -	\$ (0.15)

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

	Series A		Series D		Total	
	2018	2017	2018	2017	2018	2017
<b>Net assets attributable to holders of redeemable shares, beginning of year</b>	\$ 60	\$ 295,437	\$ (2,467)	\$ 581,481	\$ (2,407)	\$ 876,918
<b>Operations:</b>						
Increase (decrease) in net assets attributable to holders of redeemable shares	-	(2,988)	-	(7,674)	-	(10,662)
<b>Redeemable share transactions</b>						
Proceeds from issuance of shares	-	31,480	-	13,000	-	44,480
Redemptions	-	(323,869)	-	(589,274)	-	(913,143)
	-	(292,389)	-	(576,274)	-	(868,663)
<b>Net increase (decrease) in net assets attributable to holders of redeemable shares for the year</b>	-	(295,377)	-	(583,948)	-	(879,325)
<b>Net assets attributable to holders of redeemable shares, end of year</b>	\$ 60	\$ 60	\$ (2,467)	\$ (2,467)	\$ (2,407)	\$ (2,407)

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Cash Flows**  
For the years ended July 30

	2018	2017
<b>Cash flows from operating activities</b>		
Decrease in net assets attributable to holders of redeemable shares	\$ -	\$ (10,662)
Adjustments for:		
Purchase of investments	-	(459,506)
Proceeds on disposition of investments	-	699,536
Net realized loss on sale of investments	-	62,505
Increase in prepaid income taxes	-	(4,133)
Decrease in accrued liabilities	-	(607)
Unrealized (appreciation) of investments	-	(55,952)
<b>Net cash (used in) provided by operating activities</b>	-	231,181
<b>Cash flows from investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	44,480
Redemption of shares	-	(913,143)
(Decrease) in redemptions payable	-	(90,586)
<b>Net cash flows used in financing activities</b>	-	(959,249)
<b>Decrease in cash</b>	-	(728,068)
Cash, beginning of year	4,605	732,673
<b>Cash, end of year</b>	<b>\$ 4,605</b>	<b>\$ 4,605</b>
Dividends and distributions received, net of withholding taxes	-	495
Interest paid	-	104

*The accompanying notes are an integral part of these financial statements.*



**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Financial Position**  
**As at July 30**

	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Investments (Schedule of investment portfolio)	\$ 45,769,080	\$ 22,067,609
Cash	4,895,467	2,312,821
Accrued dividends	121,425	94,565
Subscriptions receivable	139,252	238,892
Prepaid income taxes	29,961	28,847
<b>Total assets</b>	<b>50,955,185</b>	<b>24,742,734</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued liabilities (Note 7)	54,943	8,651
Redemptions payable	-	7,765
Derivative liabilities (Schedule of investment portfolio)	883,178	538,906
Tax withheld on distribution	6,136	2,364
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>944,257</b>	<b>557,686</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 50,010,928</b>	<b>\$ 24,185,048</b>
<b>Number of Shares Outstanding (Note 5)</b>	<b>4,294,410</b>	<b>2,089,083</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>	<b>\$ 11.65</b>	<b>\$ 11.58</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"  
**Director**

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Comprehensive Income**  
**For the years ended July 30**

	2018	2017
<b>Income</b>		
Interest	\$ 24,541	\$ 5,122
Dividends	711,378	481,564
Foreign withholding taxes	(1,993)	(742)
Income trust distribution	444,018	138,947
Realized gain on sale of investments	3,638,132	1,415,149
Unrealized depreciation of investments	(1,617,359)	144,071
Exchange on foreign currencies	217,437	(6,444)
	<u>3,416,154</u>	<u>2,177,667</u>
<b>Expenses</b>		
Management fees (Note 7)	93,591	41,764
Harmonized sales tax	32,657	14,989
Bank charges and interest	11,470	280
General operating expenses	168,464	75,174
Portfolio transaction costs	-	132
	<u>306,182</u>	<u>132,339</u>
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>\$ 3,109,972</b>	<b>\$ 2,045,328</b>
<b>Increase in net assets attributable to holders of redeemable shares per share (Note 13)</b>	<b>\$ 0.96</b>	<b>\$ 1.36</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

	Series A		Total	
	2018	2017	2018	2017
<b>Net assets attributable to holders of redeemable shares, beginning of year</b>	<b>\$ 24,185,048</b>	<b>\$ 9,827,984</b>	<b>\$ 24,185,048</b>	<b>\$ 9,827,984</b>
<b>Operations:</b>				
Increase in net assets attributable to holders of redeemable shares	<b>3,109,972</b>	2,045,328	<b>3,109,972</b>	2,045,328
<b>Redeemable share transactions</b>				
Proceeds from issuance of shares	<b>30,421,696</b>	16,609,913	<b>30,421,696</b>	16,609,913
Reinvested distributions	<b>622,973</b>	22,534	<b>622,973</b>	22,534
Redemptions	<b>(5,454,317)</b>	(3,307,434)	<b>(5,454,317)</b>	(3,307,434)
	<b>25,590,352</b>	13,325,013	<b>25,590,352</b>	13,325,013
<b>Distributions to shareholders (Note 6)</b>	<b>(2,874,444)</b>	(1,013,277)	<b>(2,874,444)</b>	(1,013,277)
<b>Net increase in net assets attributable to holders of redeemable shares for the year</b>	<b>25,825,880</b>	14,357,064	<b>25,825,880</b>	14,357,064
<b>Net assets attributable to holders of redeemable shares, end of year</b>	<b>\$ 50,010,928</b>	<b>\$ 24,185,048</b>	<b>\$ 50,010,928</b>	<b>\$ 24,185,048</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Schedule of Investment Portfolio**  
**As at July 30, 2018**

<b>Description</b>	<b>Quantity</b>	<b>\$Cost</b>	<b>\$Fair Value</b>
<b>CANADIAN EQUITY- Long</b>			
Bank of Montreal	10,000	966,045	1,039,800
Bank of Nova Scotia	20,000	1,557,964	1,536,000
Bank of Nova Scotia 5.5% PFD	10,000	266,298	263,900
BCE Inc	25,000	1,495,146	1,376,000
BCE Inc 3.55% PFD	100,000	1,805,793	2,096,000
Canadian Imperial Bank of Commerce/Canada	10,000	1,182,252	1,185,800
Canadian National Railway Co	5,000	563,682	578,950
Canadian Natural Resources Ltd	10,000	470,790	475,100
Enbridge Inc	20,000	847,272	920,000
Enbridge Income Fund Holdings Inc	20,300	613,252	658,329
iShares Canadian Select Dividend Index ETF	50,000	1,248,500	1,232,000
iShares S&P/TSX Canadian Preferred Share Index Fund	1,050,000	14,670,270	14,941,500
Manulife Financial Corp 5.6% PFD	5,000	131,750	132,750
National Bank of Canada 3.9% PFD	12,000	242,267	275,400
Power Corporation Canada 5.8% PFD	15,000	384,611	384,750
Power Financial Corp 5.5% PFD	10,000	243,160	250,600
Premium Income Corp 5.75% PFD	200,300	3,020,316	3,044,560
Royal Bank of Canada	15,000	1,427,899	1,519,950
Superior Plus Corp	10,000	126,169	129,100
<b>Total CANADIAN EQUITY-Long</b>		<b>31,263,436</b>	<b>32,040,489</b>
<b>FOREIGN EQUITY- Long</b>			
Altaba Inc	20,000	2,039,355	1,885,035
Amazon.Com Inc	1,000	2,314,755	2,316,544
Facebook Inc	16,200	4,344,732	3,608,066
Goldman Sachs Group Inc	5,000	1,558,241	1,555,564
JPMorgan Chase & Co	1,200	175,475	182,379
NetFlix Inc	9,500	4,973,046	4,143,120
<b>Total FOREIGN EQUITY-Long</b>		<b>15,405,604</b>	<b>13,690,708</b>

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>DERIVATIVE ASSETS- Long</b>			
Advanced Micro Devices Inc 8/17/2018 Put 12	30,000	5,987	781
Bank of America 08/10/18 Call 31	20,000	11,051	16,667
BCE Inc 8/17/2018 Put 50	10,000	2,000	450
Square Inc 08/17/18 Call 70	5,000	19,479	12,564
Square Inc 8/17/2018 Put 55	10,000	11,442	7,421
<b>Total DERIVATIVE ASSETS- Long</b>		<b>49,959</b>	<b>37,883</b>

---

<b>Total Investment Assets</b>		<b>46,718,999</b>	<b>45,769,080</b>
--------------------------------	--	-------------------	-------------------

---

**DERIVATIVE LIABILITIES-Short**

Altaba Inc 08/17/18 Call 75	(20,000)	(58,141)	(33,852)
Amazon Inc. 08/03/18 Call 1820	(1,000)	(21,938)	(8,463)
Apple Inc 08/17/18 Put 190	(10,000)	(57,213)	(67,834)
Bank of America 08/10/18 Put 31	(20,000)	(16,576)	(7,812)
BCE Inc 11/16/2018 Call 54	(20,000)	(26,180)	(33,400)
BCE Inc 11/16/2018 Call 56	(5,000)	(2,750)	(3,075)
BCE Inc 8/17/2018 Put 56	(10,000)	(13,100)	(10,600)
Bank of Montreal 10/19/18 Call 105	(5,000)	(8,350)	(6,400)
Bank of Nova Scotia/The 10/19/2018 Call 76	(10,000)	(19,200)	(20,350)
Bank of Nova Scotia/The 12/21/2018 Call 76	(10,000)	(52,200)	(26,750)
Canadian National Railway Company 08/03/18 Call 112.5	(5,000)	(8,750)	(17,250)
Canadian Natural Resources 08/24/18 Call 47.5	(10,000)	(11,900)	(10,800)
Canadian Pacific Railway Limited 08/17/18 Put 250	(5,000)	(16,750)	(8,000)
Enbridge Inc 10/19/18 Call 46	(20,000)	(36,600)	(25,000)
Enbridge Income Fund 10/19/18 Call 32	(10,000)	(8,000)	(8,500)
Enbridge Income Fund Holdings 10/19/2018 Call 29	(2,300)	(1,553)	(7,935)
Enbridge Income Fund Holdings 10/19/2018 Call 30	(8,000)	(4,000)	(20,400)
Facebook Inc 08/17/18 Call 175	(15,000)	(93,885)	(60,543)
Facebook Inc 08/17/18 Put 215	(3,800)	(35,606)	(217,694)
Goldman Sachs 08/03/18 Call 232.5	(5,000)	(14,537)	(44,138)
H&E Equipment Services Inc 8/17/2018 Put 40	(10,000)	(38,658)	(55,335)
iShares Canadian Select Divide 8/17/2018 Call 25	(5,000)	(750)	(275)

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Schedule of Investment Portfolio (continued)**  
**As at July 30, 2018**

<b>Description</b>	<b>Quantity</b>	<b>\$Cost</b>	<b>\$Fair Value</b>
<b>DERIVATIVE LIABILITIES-Short (continued)</b>			
JP Morgan Chase & Co. 08/10/18 Call 115	(1,200)	(1,421)	(4,187)
JP Morgan Chase & Co. 08/10/18 Put 115	(18,800)	(74,199)	(21,296)
Netflix Inc. 08/03/18 Call 340	(2,000)	(20,441)	(10,234)
Netflix Inc. 08/03/18 Call 350	(6,500)	(28,157)	(11,002)
Netflix Inc. 08/03/18 Call 370	(1,000)	(10,712)	(143)
Royal Bank of Canada 8/17/2018 Call 103	(15,000)	(7,800)	(2,700)
Superior Plus Corp 10/19/18 Call 13	(10,000)	(2,500)	(2,500)
Square Inc 08/03/18 Put 70	(10,000)	(39,164)	(72,261)
Square Inc 8/17/2018 Put 65	(15,000)	(119,981)	(64,449)
<b>Total DERIVATIVE LIABILITIES-Short</b>		<b>(851,012)</b>	<b>(883,178)</b>
<b>Total Investment Portfolio</b>		<b>45,867,987</b>	<b>44,885,902</b>
<b>Other Net Assets</b>			<b>5,125,026</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>			<b>50,010,928</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Cash Flows**  
For the years ended July 30

	2018	2017
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable shares	\$ 3,109,972	\$ 2,045,328
Adjustments for:		
Purchase of investments	(181,487,487)	(36,896,904)
Proceeds on disposition of investments	160,151,060	26,195,893
Net realized gain on investments	(3,638,132)	(1,415,149)
Increase in accrued dividends	(26,860)	(62,627)
(Increase) in prepaid income taxes	(1,115)	(28,847)
Increase (decrease) in accrued liabilities	46,294	(2,917)
Increase in tax withheld on distribution	3,772	2,364
Unrealized depreciation (appreciation) in value of investments	1,617,359	(144,071)
<b>Net cash used in operating activities</b>	<b>(20,225,137)</b>	<b>(10,306,930)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	30,421,696	16,609,913
Decrease (increase) in subscriptions receivable	99,640	(177,892)
Redemption of shares	(5,454,317)	(3,307,434)
(Decrease) in redemptions payable	(7,765)	(21,978)
Cash distributions	(2,251,471)	(990,743)
<b>Net cash flows provided by financing activities</b>	<b>22,807,783</b>	<b>12,111,866</b>
<b>Increase in cash</b>	<b>2,582,646</b>	<b>1,804,936</b>
Cash, beginning of year	2,312,821	507,885
<b>Cash, end of year</b>	<b>\$ 4,895,467</b>	<b>\$ 2,312,821</b>
Interest received	24,541	5,122
Dividends and distributions received, net of withholding taxes	1,126,544	557,141
Interest paid	11,154	-

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class J-3 Enhanced Global Income**  
**Statement of Financial Position**  
**As at July 30**

	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Investments (Schedule of investment portfolio)	\$ 5,648,137	\$ -
Cash	1,131,983	-
Accrued dividends	10,689	-
Prepaid income taxes	143	-
<b>Total assets</b>	<b>6,790,952</b>	<b>-</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued liabilities (Note 7)	6,301	-
Distributions payable	580	-
Derivative liabilities (Schedule of investment portfolio)	326,874	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>333,755</b>	<b>-</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>\$ 6,457,197</b>	<b>\$ -</b>
<b>Number of Shares Outstanding (Note 5)</b>	<b>631,586</b>	<b>-</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>	<b>\$ 10.22</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "*Chris Croft*"  
**Director**



**CFG Custom Portfolio Corporation**  
**Class J-3 Enhanced Global Income**  
**Statement of Comprehensive Income**  
For the years ended July 30

	2018	2017
<b>Income</b>		
Interest	\$ 4,948	\$ -
Dividends	101,752	-
Income trust distribution	29,558	-
Realized gain on sale of investments	348,607	-
Unrealized depreciation of investments	(143,326)	-
Exchange on foreign currencies	(25,613)	-
	315,926	-
<b>Expenses</b>		
Management fees (Note 7)	11,331	-
Harmonized sales tax	1,929	-
Bank charges and interest	27,512	-
General operating expenses	20,394	-
Investment Transaction Costs	3	-
	61,169	-
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>\$ 254,757</b>	<b>\$ -</b>
<b>Increase in net assets attributable to holders of redeemable shares per share (Note 13)</b>	<b>\$ 0.55</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class J-3 Enhanced Global Income**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

	2018		2017		Total	
	2018	2017	2018	2017	2018	2017
<b>Operations:</b>						
Increase in net assets attributable to holders of redeemable shares	\$ 254,757	\$ -	-	-	\$ 254,757	\$ -
<b>Redeemable share transactions</b>						
Proceeds from issuance of shares	6,654,199	-	-	-	6,654,199	-
Redemptions	(309,221)	-	-	-	(309,221)	-
	6,344,978	-	-	-	6,344,978	-
<b>Distributions to shareholders (Note 6)</b>	(142,538)	-	-	-	(142,538)	-
<b>Net increase in net assets attributable to holders of redeemable shares for the year</b>	6,457,197	-	-	-	6,457,197	-
<b>Net assets attributable to holders of redeemable shares, end of year</b>	\$ 6,457,197	\$ -	-	-	\$ 6,457,197	\$ -

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class J-3 Enhanced Global Income**  
**Statement of Investment Portfolio**  
**As at July 30, 2018**

<b>Description</b>	<b>Quantity</b>	<b>\$Cost</b>	<b>\$Fair Value</b>
<b>CANADIAN EQUITY- Long</b>			
Alimentation Couche Tard Inc	3,900	223,456	232,674
Crescent Point Energy Corp	30,000	312,513	265,200
Emera Inc	7,000	311,591	296,100
EnerCare Inc	12,600	241,359	237,132
Manulife Financial Corp	5,700	149,967	136,116
PowerShares 1-3 Year Laddered FR ETF	22,000	438,680	437,580
PowerShares 1-5 Year Laddered Corp Bond Index ETF	37,500	684,728	669,000
PowerShares Canadian Preferred Share Index ETF	32,800	549,400	544,480
PowerShares S&P Global EX Canada	11,100	225,510	226,884
PowerShares Senior Loan Index	26,500	481,770	498,068
<b>Total CANADIAN EQUITY-Long</b>		<b>3,618,974</b>	<b>3,543,234</b>
<b>FOREIGN EQUITY- Long</b>			
Expedia Group Inc	1,500	225,935	263,284
General Electric Co	6,000	140,279	102,806
Hanesbrands Inc	8,000	213,682	228,631
iShares Silver Trust	1,900	37,891	36,068
MGM Resorts International	3,500	148,815	140,219
Newell Brands Inc	5,800	212,159	197,927
ProShares Short VIX Short-Term Futures ETF	5,400	94,606	95,267
SPDR S&P MidCap 400 ETF Trust	400	189,364	186,321
UnitedHealth Group Inc	500	149,057	165,250
Verizon Communications Inc	2,400	144,264	164,021
<b>Total FOREIGN EQUITY-Long</b>		<b>1,556,052</b>	<b>1,579,794</b>
<b>DERIVATIVE ASSETS- Long</b>			
Bank of America Corp 1/18/2019 Call 32	15,000	62,129	30,857
Electronic Arts Inc 1/18/2019 Call 135	600	9,735	5,468
Genworth MI Canada Inc 1/18/2019 Put 40	8,000	36,615	17,800
Home Capital Group Inc 12/21/2018 Put 15	16,000	36,045	19,120
Invesco QQQ Trust Series 1 10/19/18 Call 180	7,500	55,847	34,178
Invesco QQQ Trust Series 1 10/19/18 Put 180	7,500	57,919	78,901

**CFG Custom Portfolio Corporation**  
**Class J-3 Enhanced Global Income**  
**Statement of Investment Portfolio (continued)**  
**As at July 30, 2018**

Description	Quantity	\$Cost	\$Fair Value
<b>DERIVATIVE ASSETS- Long (continued)</b>			
Johnson & Johnson 01/17/20 Call 95	1,500	59,547	75,190
Netflix Inc 1/18/2019 Call 350	300	12,955	11,156
Procter & Gamble Co/The 1/17/2020 Call 70	1,800	26,399	29,119
SPDR Dow Jones Industrial Average 09/21/18 Put 245	10,000	95,791	29,555
SPDR S&P 500 ETF TRUST 01/18/19 Call 274	5,000	77,687	92,116
SPDR S&P 500 ETF Trust 01/18/19 Put 274	5,000	76,241	51,104
Starbucks Corp 01/17/20 Call 47	4,000	34,440	45,049
UnitedHealth Group Inc 1/18/2019 Put 210	1,000	9,646	3,066
Verizon Communications Inc 1/18/2019 Put 42	4,000	6,797	1,407
Wynn Resorts Ltd 1/18/2019 Call 210	500	11,371	1,023
<b>Total DERIVATIVE ASSETS- Long</b>		<b>669,164</b>	<b>525,109</b>
<b>Total Investment Assets</b>		<b>5,844,190</b>	<b>5,648,137</b>
<b>DERIVATIVE LIABILITIES-Short</b>			
Alimentation Couche Tard Inc. 08/17/18 Call 60	(3,900)	(1,209)	(3,081)
Crescent Point Energy Corp 09/21/18 Call 10	(30,000)	(12,600)	(5,100)
CVS Health Corp 08/17/18 Put 65	(400)	(874)	(479)
Expedia Group In 09/21/18 Put 125	(1,000)	(7,373)	(1,706)
Expedia Group Inc 10/19/18 Call 135	(1,500)	(7,110)	(10,839)
Genworth MI Canada Inc 1/18/2019 Put 32	(8,000)	(13,600)	(6,000)
Hanesbrands Inc 1/18/2019 Call 20	(8,000)	(5,212)	(30,988)
Home Capital Group Inc 12/21/2018 Put 11	(16,000)	(8,845)	(4,480)
Johnson & Johnson 01/17/20 Put 150	(1,500)	(56,983)	(42,282)
McDonald's Corp. 01/18/19 Put 150	(1,500)	(8,846)	(7,812)
MGM Resorts International 1/18/2019 Put 38	(3,000)	(23,954)	(29,393)
Netflix 01/18/19 Put 360	(300)	(11,337)	(17,889)
Newell Brands Inc 9/21/2018 Call 29	(5,800)	(10,374)	(3,021)
Newell Rubbermaid Inc 09/21/18 Put 27	(3,000)	(4,766)	(7,304)
PayPal Holdings Inc 01/18/19 Put 90	(2,000)	(14,677)	(27,342)
Procter & Gamble Co/The 1/17/2020 Put 95	(1,200)	(28,847)	(25,037)
Qualcomm Inc 01/18/19 Put 55	(3,000)	(12,581)	(7,031)
Seagate Technology 09/21/18 Put 55	(4,000)	(16,931)	(20,520)
SPDR Dow Jones Industrial Average 09/21/18 Put 233	(10,000)	(45,926)	(12,890)

**CFG Custom Portfolio Corporation**  
**Class J-3 Enhanced Global Income**  
**Statement of Investment Portfolio (continued)**

As at July 30, 2018

Description	Quantity	\$Cost	\$Fair Value
<b>DERIVATIVE LIABILITIES-Short (continued)</b>			
Starbucks Corp 01/17/20 Put 60	(2,000)	(33,125)	(26,626)
Under Armour CL A 01/18/19 Put 20	(8,000)	(21,597)	(22,603)
UnitedHealth Group Inc 1/18/2019 Put 260	(500)	(20,186)	(10,155)
Verizon Communications Inc 1/18/2019 Put 50	(2,000)	(12,648)	(4,296)
<b>Total DERIVATIVE LIABILITIES-Short</b>		<b>(379,601)</b>	<b>(326,874)</b>
<b>Total Investment Portfolio</b>		<b>5,464,589</b>	<b>5,321,259</b>
<b>Other Net Assets</b>			<b>1,135,938</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>			<b>6,457,197</b>

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class J-3 Enhanced Global Income**  
**Statement of Cash Flows**  
For the years ended July 30

	2018	2017
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable shares	\$ 254,757	\$ -
Adjustments for:		
Purchase of investments	(13,966,367)	-
Proceeds on disposition of investments	8,850,385	-
Net realized (gain) on investments	(348,607)	-
(Increase) in accrued dividends	(10,689)	-
Increase in prepaid income taxes	(143)	-
Increase in accrued liabilities	6,301	-
Increase in distribution payable	580	-
Unrealized depreciation in value of investments	143,326	-
<b>Net cash used in operating activities</b>	<b>(5,070,457)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	6,654,199	-
Redemption of shares	(309,221)	-
Cash distributions	(142,538)	-
<b>Net cash flows provided by financing activities</b>	<b>6,202,440</b>	<b>-</b>
<b>Increase in cash</b>	<b>1,131,983</b>	<b>-</b>
<b>Cash, end of year</b>	<b>\$ 1,131,983</b>	<b>\$ -</b>
Interest received	4,948	-
Dividends and distributions received, net of withholding taxes	120,621	-
Interest paid	27,454	-

*The accompanying notes are an integral part of these financial statements.*

# CFG Custom Portfolio Corporation

## Notes To Financial Statements

### As at July 30, 2018 and 2017

#### 1. THE CORPORATION

The CFG Custom Portfolio Corporation (the "Corporation") is an open-ended mutual fund corporation, incorporated on August 18, 2006 under the laws of Canada, which commenced operations on October 19, 2006. Each class of shares of the Corporation represents a separate segregated investment fund with its own investment objective. An investment in a class is represented by shares of that class. R.N. Croft Financial Group Inc. is the manager (the "Manager") of the Corporation.

The investment objective of each class of shares is as follows:

Class A-3 - The investment objective of the CFG Custom Portfolio Corporation, Equity Share Class (the "Class") is to generate reliable capital growth by investing in an equity portfolio that is well-diversified across the major sectors of the Canadian and, as appropriate, U.S. and international financial markets. To achieve the stated objectives, the Investment Committee (IRC) may invest the Class in large-to-mid-capitalization common shares and equities with both low systematic risk and higher expected returns through capital appreciation, dividend income, or a combination of both. The IRC may also invest the Class in exchange traded funds, convertible securities and/or various option strategies to gain exposure across geographic regions and sectors. To optimize the Class portfolio for current market conditions, the IRC may change sector and geographic regions and sectors. To optimize the Class portfolio for current market conditions, the IRC may change sector and geographic allocations, as well as tactical approach and investment style. Tactically, the IRC may sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class D-3 - The investment objective of the CFG Custom Portfolio Corporation, Income Share Class (the "Class") is to generate a stable stream of income and maintain moderate, reliable capital growth by investing in a portfolio that is well-diversified across the major sectors and asset classes of the Canadian and, as appropriate, U.S. and international markets. To achieve the stated objectives, the Investment Committee (IRC) may invest the Class in cash equivalents, bonds, convertible debentures, preferred shares, income trusts, real estate investment trusts, dividend paying common shares, income producing exchange traded funds and stable equities with low systematic risk. To optimize the Class portfolio for current market conditions, the IRC may change asset, sector and geographic allocations, as well as tactical approach and investment style. Tactically, the IRC may sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class E-3 - The investment objective of the CFG Custom Portfolio Corporation, Morris Balanced Income Class (the "Class") is to strike a balance between safety of principal, enhanced income strategies and capital appreciation. The Class will hold cash, investment grades, preferred shares, blue chip stocks that typically pay out above average dividends, real estate investment trusts (REITs), income trusts and exchange

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**1. THE CORPORATION - continued**

traded funds across all geographic regions and sectors. The Investment Committee may utilize speculative strategies where the maximum exposure does not exceed 5% of the asset value of the portfolio and can extend the use of leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the Class's asset value. The Class may write covered call options to generate tax advantaged income, buy puts to hedge against adverse market movements, write cash secured puts to acquire shares, or buy calls as a stock replacement strategy. This Class is actively managed and intends to meet its objectives by investing in the following securities: investment grade government and corporate bonds; mortgage backed securities; preferred shares; individual equities diversified by sector, geographic region and style; exchange traded index funds (equity and income); and real estate investment trusts (REITs). The Class will utilize various option strategies designed to reduce risk and generate income. Speculative strategies include leveraged exchange traded funds, small cap stocks (market capitalization less than \$1 billion) and micro-cap stocks (market capitalization less than \$100 million).

Class F-3 - The objective of the CFG Custom Portfolio Corporation, Morris Balanced Growth Class (the "Class") is to seek out long term capital appreciation complimented with enhanced income strategies. The Class may hold cash, investment grade bonds, preferred shares, blue chip and/or small capitalization stocks, real estate investment trusts (REITs), income trusts and exchange traded funds. The Class may engage in speculative strategies where the maximum exposure does not exceed 10% of the Class's asset value at the time the speculative positions were purchased. The Class may write covered call options in respect of all or part of the securities in its portfolio and may from time to time, buy puts to hedge against downside market movements, write puts to acquire shares and/or buy calls as stock replacement strategy. The Class may utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the Class's asset value. The Class intends to achieve its investment objective by investing in a diversified portfolio that may include cash, fixed income assets, preferred shares, income trusts, individual equities, exchange traded funds (equity, income, sector and specialty). The Class will seek opportunities across all asset classes, geographic regions and sectors. The Class may use various option strategies to enhance income, hedge against adverse market movements and to leverage upside capital appreciation. Speculative strategies may include investments in aggressive small cap exchange traded funds, small capitalization stocks (market cap less than \$1 billion) and micro-cap stocks (market cap less than \$100 million).

Class H-3 - The objective of the CFG Custom Portfolio Corporation, Alternative Strategies Class (the "Class") is to generate returns that generally have a low correlation with traditional asset classes and market trends. The Class intends to hold long and/or short positions in Canadian, U.S. and other foreign securities and from time to time utilize volatility based strategies during periods of heightened risk. The targeted overall allocation at any given time is approximately two-thirds exposure to long/short positions that are sector-hedged to remove the majority of systematic risk, and one-third exposure to pure tactical and market opportunities.

Class I-3 - The investment objective of the CFG Custom Portfolio Corporation, Option Writing Class (the "Class") is to generate above average cash flow by investing in a portfolio of common and/or convertible securities combined with the sale of options. The



# **CFG Custom Portfolio Corporation**

## **Notes To Financial Statements**

### **As at July 30, 2018 and 2017**

#### **1. THE CORPORATION - continued**

Class expects to receive both dividend and/or distribution income from the underlying securities as well as premium from the sale of call and/or put options. To achieve the stated objectives, the Class may be invested in large-to-mid-capitalization common shares, dividend-paying equities and other Canadian and, as appropriate, U.S. and international securities such as EFTs with both lower systematic risk and higher expected returns through capital appreciation, dividend income, or a combination of both. To optimize the Class portfolio for current market conditions, the portfolio manager may change sector and geographic allocations, as well as tactical approach and investment style. Tactically, the portfolio manager will typically sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, but may also buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class J-3 - The objective of the CFG Custom Portfolio Corporation, Enhanced Global Income Class (the "Class") is to achieve better risk-adjusted returns than a passive, low-cost, diversified portfolio benchmark (The Real World Growth Index). The Class aims to achieve this objective by holding in client accounts three Share Classes in target proportions of 25% Class D-3, Income Share Class, 65% Class A-3, Equity Share Class and 10% Class I-3, Option Writing Share Class. Croft Financial Group will rebalance back to this target at least annually. In addition, rebalancing takes place within each share class on a more frequent basis to manage market risk, take advantage of market opportunity, and manage cash positions.

The address of the Corporation's registered office is 218 Steeles Avenue East, Thornhill, Ontario L3T 1A6.

#### **2. BASIS OF PRESENTATION**

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The currency of presentation for these financial statements is the Canadian dollar.

The financial statements were approved by R.N. Croft Financial Group Inc. (the "Manager") and authorized for issue on October 29, 2018.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Following is a summary of significant accounting policies followed by the Corporation:

**(a) Financial Instruments**

The Corporation recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Corporation's investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL), including certain investments in debt securities which have been designated at FVTPL.

The Corporation's obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount. All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Corporation's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its Net Asset Value for transactions with shareholders.

Interest income from investments in bonds and short-term investments is recognized at the effective interest rate. Accrued interest is shown separately in the statements of financial position based on the debt instruments' stated rates of interest. Dividends are recognized as income on the ex-dividend rate. The cost of investments is determined using the average cost method.

The Corporation does not hold any financial instruments subject to master netting agreements or other agreements which would provide a right to offset. Therefore, the Corporation does not offset financial assets and liabilities in its statements of financial position, as there is no unconditional right to offset.

**(b) Cash and cash equivalents**

Cash and cash equivalents comprise demand deposits and short-term, highly liquid investments including money market and investment saving funds.

**(c) Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Corporation uses the last traded market price of both financial assets and financial liabilities where the last traded price falls within that days' bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

The fair values established for the Corporation's investments are classified into three levels that reflect the significance and observability of the inputs to the valuation techniques used in making the fair value measurements. When securities are valued using unadjusted quoted market prices for identical assets, they are classified as Level 1. The fair values determined using valuation models or techniques that require the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices are classified as Level 2. In the limited circumstances that fair values are determined using valuation techniques that are not supported by observable market data, they are classified as Level 3. Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Corporation's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer. Except for an investment in a limited partnership which is classified as Level 3, all of the Corporation's investments are classified as Level 1.

**(d) Designation of Financial Assets and Liabilities**

For the purpose of measuring and recognizing financial assets and liabilities shown on the Statements of Financial Position, each financial asset and financial liability is designated as follows. All investments, including derivatives, are initially recorded at fair value and are designated as FVTPL. Cash, accrued income and subscriptions receivable are designated as loans and receivables and reported at amortized cost. Similarly, redemptions payable and accrued liabilities are designated as other financial liabilities and recorded at amortized cost.

**(e) Impairment of Financial Assets**

At each reporting date, the Corporation assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Corporation recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial asset at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

**(f) Valuation of Share Classes**

A different net asset value is calculated for each class of shares. Investments and cash are allocated to the specific class of shares to which they relate. Other assets and liabilities are allocated to the class of shares they relate to as applicable, or to all classes of shares on a pro-rata basis. The net asset value for each class of shares is calculated by subtracting the liabilities specifically related to that class from the specific assets of that class, and adjusting this amount for the proportionate share of the assets and liabilities that are not specifically related to any class. Revenues and expenses directly attributed to a class of share are charged directly to that share class. Other expenses are allocated proportionately to each class based upon the relative net assets of each class.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(g) Investment Transactions and Income**

Investment transactions are accounted for as of the trade date. Interest income is accrued daily at the effective interest rate. Interest receivable is shown separately in the statement of financial position based on the debt instruments' stated rates of interest. Dividend income is recognized as income on the ex dividend date. The cost of investments is determined using the average cost method.

**(h) Transaction Costs**

Transaction costs, such as brokerage commissions, incurred on the purchase and sales of a security are charged as an expense for the period and shown as transaction costs on the Statements of Comprehensive Income.

**(i) Translation of Foreign Currencies**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on each valuation day. Purchases and sales of investments, income and expenses are translated into Canadian dollars at the exchange rates prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains (losses) on investments, assets and liabilities, are included in "realized gain (loss) on sale of investments" and "unrealized exchange on foreign currencies and other net assets", respectively and recorded in the Statements of Comprehensive Income.

**(j) Critical Accounting Estimates and Judgments**

The preparation of financial statements in accordance with IFRS requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The most significant accounting judgment and estimate that the Corporation has made in preparing the financial statements is determining the fair value measurement of investments not quoted in an active market, if any.

**(k) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share**

The increase (decrease) in net assets attributable to holders of redeemable shares per share in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable shares divided by the weighted average number of shares of that respective class outstanding during the year.

**(l) Future Accounting Changes**

The following new standards and amendments to existing standards were issued by the International Accounting Standards Board ("IASB"):

IFRS 9 - Financial Instruments - uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple rules in IAS 39. The approach in IFRS 9 focuses on how an entity manages its financial instruments in the context of its business model, as well as the contractual cash and cash equivalents flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

the multiple impairment methods currently provided in IAS 39. The effective date is for annual periods beginning on or after January 1, 2018.

IFRS 9 requires financial assets be classified into one of three subsequent measurement categories: amortized cost, fair value through other comprehensive income, or fair value through profit or loss. Classification is based on the business model under which a financial asset is managed and the nature of its contractual cash flows. IFRS 9 eliminates the following IAS 39 classification categories: available-for-sale, held-to-maturity, and loans and receivables.

Derivatives embedded within host contracts that are financial assets in the scope of IFRS 9 are no longer separated from the host contract. Instead, the whole hybrid contract is assessed for classification in accordance with the above requirements.

The classification and measurement of financial liabilities is largely retained from IAS 39. However, under IAS 39, all fair value changes of liabilities designated under the fair value option were recognized in profit or loss. Under IFRS 9, the amount of change in fair value attributable to the Corporation's own credit risk is generally required to be presented in other comprehensive income.

For the purposes of determining the classification, the business model test has been applied on the basis of facts and circumstances existing at the date of initial application with the resulting classification applied retrospectively. The changes, the Corporation does not expect the new standard to have a significant impact on the carrying value of financial assets and liabilities upon transition at July 30, 2018.

IFRS 15 – Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers.

The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. Management expects that the adoption of the new standard will not have a material impact as of January 1, 2018.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**4. CASH AND CASH EQUIVALENTS**

The following tables detail Class A-3, D-3 and E-3's cash and cash equivalents at July 30, 2018 and July 30, 2017.

**Class A-3:**

	<b>2018</b>	<b>2017</b>
Cash	1,093,682	7,660,805
ALT CSH PERFM-F/NL/N'FRAC	2,447,413	-
MLF BK INV SV-F/NL/N'FRAC	2,007,781	-
<b>Total</b>	<b>5,548,876</b>	<b>7,660,805</b>

**Class D-3:**

	<b>2018</b>	<b>2017</b>
Cash	2,608,567	3,259,012
MLF BK INV SV-F/NL/N'FRAC	2,007,781	1,001,562
<b>Total</b>	<b>4,616,348</b>	<b>4,260,574</b>

**Class E-3:**

	<b>2018</b>	<b>2017</b>
Cash	884,717	2,868,439
MLF BK INV SV-F/NL/N'FRAC	2,007,855	-
<b>Total</b>	<b>2,892,572</b>	<b>2,868,439</b>

There were no cash equivalents in Class F-3, I-3 and J-3.

**5. REDEEMABLE SHARES**

The Corporation is authorized to issue an unlimited number of shares in each class of shares. The classes and shares offered are:

- Common Shares
- Class A-3 Shares (Canadian Conservative Equity shares)
- Class D-3 Shares (Income shares)
- Class E-3 Shares (Balanced shares)
- Class F-3 Shares (Balanced Growth shares)
- Class H-3 Shares (Alternative Strategies shares)
- Class I-3 Shares (Option Writing shares)
- Class J-3 Shares (Enhanced Global Income)

Each of the Class A, D, E, F, H, I and J Shares (cumulatively the "Share Classes") are issuable in series, with 50 series of these shares currently authorized.

The common shares are voting and entitled to dividends as declared at the discretion of the Board

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**5. REDEEMABLE SHARES - continued**

of Directors. Such dividends may be paid only from assets of the Corporation applicable to the Common shares. The Share Classes are non-voting, redeemable and retractable shares. The redemption price is determined based upon the Net Asset Value per Share. Dividends may be declared at the discretion of the Board of Directors. Such dividends may be paid only from net assets of the Corporation applicable to the specific class of shares.

The Corporation issued 1 common share upon inception for cash proceeds of \$100. A summary of the Corporation's Share Classes issued and outstanding is as follows for year ended July 30, 2018:

	<b>Outstanding, beginning of year</b>	<b>Issued</b>	<b>Reinvested distributions</b>	<b>Redeemed</b>	<b>Outstanding, end of year</b>
Class A-3					
Series A	289,564	3,825,740	92,892	(1,338,549)	2,869,647
Series D	827,837	401,672	132,360	(705,911)	655,958
Series I	2,649,646	590,823	374,987	(3,615,456)	-
Class D-3					
Series A	515,445	6,182,397	950	(1,210,016)	5,488,776
Series D	1,002,597	513,272	65,391	(800,709)	780,551
Series I	3,537,440	873,661	148,468	(4,559,569)	-
Class E-3					
Series A	1,038,622	100,761	46,881	(117,395)	1,068,869
Series D	15,139	66,002	2,072	(26,717)	56,496
Class F-3					
Series A	1,284,283	120,251	82,137	(116,553)	1,370,118
Series D	4,695	40,951	863	(15,000)	31,509
Class I-3					
Series A	2,089,083	2,618,404	54,265	(467,342)	4,294,410
Class J-3					
Series A	-	661,812	-	(30,226)	631,586

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**5. REDEEMABLE SHARES - continued**

A summary of the Corporation's Share Classes issued and outstanding is as follows for year ended July 30, 2017:

	<b>Outstanding, beginning of year</b>	<b>Issued</b>	<b>Reinvested distributions</b>	<b>Redeemed</b>	<b>Outstanding, end of year</b>
Class A-3					
Series A	382,980	211,210	4,133	(308,759)	289,564
Series D	388,804	1,000,558	7,091	(568,616)	827,837
Series I	2,535,399	1,119,431	30,371	(1,035,555)	2,649,646
Class D-3					
Series A	428,849	351,129	9,299	(273,832)	515,445
Series D	489,366	1,236,079	16,036	(738,884)	1,002,597
Series I	3,295,254	1,477,363	74,148	(1,309,325)	3,537,440
Class E-3					
Series A	911,365	201,563	18,090	(92,396)	1,038,622
Series D	3,015	19,542	216	(7,634)	15,139
Class F-3					
Series A	1,126,830	225,511	17,541	(85,599)	1,284,283
Series D	4,057	5,261	74	(4,697)	4,695
Class H-3					
Series A	31,764	3,593	-	(35,357)	-
Series D	61,830	1,382	-	(63,212)	-
Class I-3					
Series A	908,701	1,474,425	1,952	(295,995)	2,089,083



**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**6. DISTRIBUTIONS (DIVIDENDS) PAID TO SHAREHOLDERS**

The Board of Directors of the Corporation may declare dividends, at its discretion, payable on any class of the Corporation. Distributions paid to shareholders are calculated on a per share basis. Unless stated in writing in advance of the dividend date, dividends are automatically reinvested in shares of the Corporation.

During the year, the Corporation declared and paid \$3,422,196 (2017 - \$3,115,863) in Canadian dividends and \$10,021,519 (2017 - \$532,414) in capital gains dividends and \$6,804,483 (2017 - \$nil) in return of capital. A breakdown is as follows:

	2018			2017		
	Capital gains dividends	Canadian dividends	Return of Capital	Capital gains dividends	Canadian dividends	Return of Capital
Class A-3	\$ 6,054,728	\$ 816,871	\$3,163,102	\$ -	\$ 770,000	\$ -
Class D-3	1,740,735	1,353,683	1,313,113	-	1,250,000	-
Class E-3	582,768	307,761	212,194	-	310,000	-
Class F-3	1,021,736	299,729	364,796	-	305,000	-
Class H-3	-	-	-	-	-	-
Class I-3	621,552	604,996	1,647,896	532,414	480,863	-
Class J-3	-	39,156	103,382	-	-	-
<b>Total</b>	<b>\$10,021,519</b>	<b>\$3,422,196</b>	<b>\$6,804,483</b>	<b>\$ 532,414</b>	<b>\$3,115,863</b>	<b>\$ -</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**7. RELATED PARTY TRANSACTIONS**

**(a) Management Fees and Performance Bonus**

In consideration for management services and investment advice provided to the Corporation, each class pays a management fee to the Manager per annum which is calculated and accrued monthly. A breakdown is as follows:

		2018		2017	
	Rate (2)	Management Fees	Unpaid/Accrued Management Fees (1)	Management Fees	Unpaid/Accrued Management Fees (1)
Class A-3					
Series A	0.25%	\$ 79,689	\$ 12,157	\$ 18,704	\$ 1,141
Series D	0.85%	144,936	9,147	105,214	11,095
Class D-3					
Series A	0.25%	84,721	13,979	13,024	1,030
Series D	0.85%	120,731	7,850	89,916	9,268
Class E-3					
Series A	0.25%	41,070	4,620	37,417	4,171
Series D	0.85%	4,730	500	1,114	125
Class F-3					
Series A	0.25%	57,563	6,657	50,186	5,660
Series D	0.85%	2,572	289	514	38
Class H-3					
Series A	0.50%	-	-	591	-
Series D	1.50%	-	-	2,911	-
Class I-3	0.25%	93,591	10,716	41,764	4,459
Class J-3	0.25%	11,331	1,335	-	-
<b>Total</b>		<b>\$ 640,934</b>	<b>\$ 67,250</b>	<b>\$ 361,355</b>	<b>\$ 36,987</b>

(1) Included in accrued liabilities for financial statement presentation purposes.

(2) Rate is applicable for Series A and D only. The other series charge \$nil or insignificant management fees.

**(b) Operating Expenses**

The Corporation bears all of the costs and expenses relating to the operation of the business and affairs of the Corporation including all audit, registrar and transfer agency fees, taxes and brokerage commissions. The Manager pays certain of these expenses on behalf of the Corporation and is then reimbursed by the Corporation. The Manager may waive or absorb certain expenses of the Corporation. The decision to do so is reviewed annually and determined at the sole discretion of the Manager.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**8. INCOME TAXES**

The Corporation qualified as a mutual fund corporation under the Income Tax Act (Canada). Accordingly, all interest and foreign dividends, net of applicable expenses, are taxed at full corporate rates with credits, subject to certain limitations, for foreign taxes paid.

As a mutual fund corporation, taxable dividends received from Canadian corporations and foreign affiliates are subject to a tax of 38.33%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders at a rate of 38.33% of each \$1 of dividends paid. As at July 30, 2018, all refundable taxes paid on such income was fully offset based on taxable dividends declared and paid during the year.

The Corporation is generally subject to tax at full corporate rates on 50% of its net realized capital gains. This tax can be eliminated by "capital gains redemptions" as defined by income tax legislation, out of the Corporation's realized and undistributed capital gains within 60 days of the end of its fiscal year, making payment to its shareholders of a "capital gains dividend" out of the Corporation's realized and undistributed capital gains, or by a combination of both. As a result, no provision for income taxes with respect to capital gains is made in these financial statements.

All interest and foreign dividends, net of applicable expenses, are taxed at full corporate rates with credits, subject to certain limitations, for foreign taxes paid.

**9. CAPITAL MANAGEMENT**

R.N. Croft Financial Group Inc., as the fund manager, is responsible for managing the Corporation's assets and liabilities in line with each Class of shares' mandate and the business affairs of the Corporation. The Corporation's dividend policy is to declare and pay such dividends equal to the excess of revenues that would otherwise be taxable over expenses applicable to each Class of shares.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**10. FINANCIAL INSTRUMENTS BY CATEGORY**

The following tables present the carrying amounts of the Corporation's financial instruments by category as at July 30, 2018 and July 30, 2017.

**Class A-3:**

**July 30, 2018**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	62,936,723	-	62,936,723
Cash	5,548,876	-	5,548,876
Subscriptions receivable	-	9,032	9,032
Accrued interest	-	93,685	93,685
Accrued dividends	-	96,631	96,631
Derivative assets	6,836	-	6,836
<b>Total</b>	<b>68,492,435</b>	<b>199,348</b>	<b>68,691,783</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	16,000	16,000
Accrued liabilities	-	88,600	88,600
Derivative liabilities -investments	689,654	-	689,654
<b>Total</b>	<b>689,654</b>	<b>104,600</b>	<b>794,254</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**10. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class A-3:**

**July 30, 2017**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	60,329,394	-	60,329,394
Cash	7,660,805	-	7,660,805
Subscriptions receivable	-	280,882	280,882
Accrued dividends	-	80,380	80,380
Derivative assets	91,441	-	91,441
<b>Total</b>	<b>68,081,640</b>	<b>361,262</b>	<b>68,442,902</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	56,282	56,282
Accrued liabilities	-	32,370	32,370
Derivative liabilities -investments	179,399	-	179,399
<b>Total</b>	<b>179,399</b>	<b>88,652</b>	<b>268,051</b>

**Class D-3:**

**July 30, 2018**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	71,663,534	-	71,663,534
Cash	4,616,348	-	4,616,348
Subscriptions receivable	-	6,108	6,108
Accrued interest	-	261,460	261,460
Accrued dividends	-	216,111	216,111
Derivative assets	178,114	-	178,114
<b>Total</b>	<b>76,457,996</b>	<b>483,679</b>	<b>76,941,675</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Distributions payable	-	10	10
Accrued liabilities	-	85,861	85,861
Derivative liabilities -investments	902,412	-	902,412
<b>Total</b>	<b>902,412</b>	<b>85,871</b>	<b>988,283</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**10. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class D-3:**

**July 30, 2017**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	58,141,001	-	58,141,001
Cash	4,260,574	-	4,260,574
Subscriptions receivable	-	785,177	785,177
Accrued interest	-	33,166	33,166
Accrued dividends	-	209,015	209,015
Derivative assets	98,891	-	98,891
<b>Total</b>	<b>62,500,466</b>	<b>1,027,358</b>	<b>63,527,824</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	99,626	99,626
Accrued liabilities	-	28,082	28,082
Derivative liabilities -investments	440,014	-	440,014
<b>Total</b>	<b>440,014</b>	<b>127,708</b>	<b>567,722</b>

**Class E-3:**

**July 30, 2018**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	14,171,067	-	14,171,067
Cash	2,892,572	-	2,892,572
Accrued interest	-	32,695	32,695
Accrued dividends	-	41,957	41,957
<b>Total</b>	<b>17,063,639</b>	<b>74,652</b>	<b>17,138,291</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Accrued liabilities	-	18,108	18,108
Derivative liabilities -investments	147,255	-	147,255
<b>Total</b>	<b>147,255</b>	<b>18,108</b>	<b>165,363</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**10. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class E-3:**

**July 30, 2017**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	13,147,997	-	13,147,997
Cash	2,868,439	-	2,868,439
Accrued interest	-	1,224	1,224
Accrued dividends	-	44,696	44,696
Derivative assets	19,725	-	19,725
<b>Total</b>	<b>16,036,161</b>	<b>45,920</b>	<b>16,082,081</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	4,491	4,491
Accrued liabilities	-	7,884	7,884
Derivative liabilities -investments	4,579	-	4,579
<b>Total</b>	<b>4,579</b>	<b>12,375</b>	<b>16,954</b>

**Class F-3:**

**July 30, 2018**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	23,235,314	-	23,235,314
Cash	1,523,872	-	1,523,872
Subscriptions receivable	-	106	106
Accrued dividends	-	51,600	51,600
<b>Total</b>	<b>24,759,186</b>	<b>51,706</b>	<b>24,810,892</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	129,252	129,252
Accrued liabilities	-	25,484	25,484
Derivative liabilities -investments	44,268	-	44,268
<b>Total</b>	<b>44,268</b>	<b>154,736</b>	<b>199,004</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**10. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class F-3:**

**July 30, 2017**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	19,464,614	-	19,464,614
Cash	2,130,988	-	2,130,988
Subscriptions receivable	-	106	106
Accrued dividends	-	40,430	40,430
Derivative assets	12,620	-	12,620
<b>Total</b>	<b>21,608,222</b>	<b>40,536</b>	<b>21,648,758</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	30,025	30,025
Accrued liabilities	-	10,414	10,414
Derivative liabilities -investments	34,461	-	34,461
<b>Total</b>	<b>34,461</b>	<b>40,439</b>	<b>74,900</b>



**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
As at July 30, 2018 and 2017

**10. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class H-3:**

**July 30, 2017**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	-	-	-
Cash	4,605	-	4,605
Derivative assets	-	-	-
<b>Total</b>	<b>4,605</b>	<b>-</b>	<b>4,605</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	9,032	9,032
Accrued liabilities	-	2,113	2,113
Derivative liabilities -investments	-	-	-
<b>Total</b>	<b>-</b>	<b>11,145</b>	<b>11,145</b>

**Class I-3:**

**July 30, 2018**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	45,731,197	-	45,731,197
Cash	4,895,467	-	4,895,467
Subscriptions receivable	-	139,252	139,252
Accrued dividends	-	121,425	121,425
Derivative assets	37,883	-	37,883
<b>Total</b>	<b>50,664,547</b>	<b>260,677</b>	<b>50,925,224</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Accrued liabilities	-	54,943	54,943
Derivative liabilities -investments	883,178	-	883,178
<b>Total</b>	<b>883,178</b>	<b>54,943</b>	<b>938,121</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**10. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class I-3:**

**July 30, 2017**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	22,033,054	-	22,033,054
Cash	2,312,821	-	2,312,821
Subscriptions receivable	-	238,892	238,892
Accrued dividends	-	94,565	94,565
Derivative assets	34,555	-	34,555
<b>Total</b>	<b>24,380,430</b>	<b>333,457</b>	<b>24,713,887</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Redemptions payable	-	7,765	7,765
Accrued liabilities	-	8,651	8,651
Derivative liabilities -investments	538,906	-	538,906
<b>Total</b>	<b>538,906</b>	<b>16,416</b>	<b>555,322</b>

**Class J-3:**

**July 30, 2018**

<b>Assets</b>	<b>Financial assets at FVTPL</b>	<b>Financial assets at amortized cost</b>	<b>Total</b>
Non-derivative financial assets - investments	5,123,028	-	5,123,028
Cash	1,131,983	-	1,131,983
Accrued dividends	-	10,689	10,689
Derivative assets	525,109	-	525,109
<b>Total</b>	<b>6,780,120</b>	<b>10,689</b>	<b>6,790,809</b>

<b>Liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Financial liabilities at amortized cost</b>	<b>Total</b>
Distributions payable	-	580	580
Accrued liabilities	-	6,301	6,301
Derivative liabilities -investments	326,874	-	326,874
<b>Total</b>	<b>326,874</b>	<b>6,881</b>	<b>333,755</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**11. FAIR VALUE HIERARCHY**

Financial instruments are classified within a three level fair value hierarchy which reflects the significance of the inputs required to measure fair value:

Level 1 unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 inputs that are not based on observable market data.

The following tables illustrate the classification of the Corporation's financial instruments within the fair value hierarchy as at July 30, 2018 and July 30, 2017:

<b>Class A-3</b>				
<b>Financial assets and liabilities at fair value as at July 30, 2018</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	56,509,376	-	-	56,509,376
Bonds	6,427,347	-	-	6,427,347
Derivative assets	6,836	-	-	6,836
Derivative liabilities	(689,654)	-	-	(689,654)
	62,253,905	-	-	62,253,905
<b>Financial assets and liabilities at fair value as at July 30, 2017</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	60,329,394	-	-	60,329,394
Derivative asset	91,441	-	-	91,441
Derivative liabilities	(179,399)	-	-	(179,399)
	60,241,436	-	-	60,241,436

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
As at July 30, 2018 and 2017

**11. FAIR VALUE HIERARCHY - continued**

**Class D-3**

---

**Financial assets and liabilities at fair value as at July 30, 2018**

---

	Level 1	Level 2	Level 3	Total
Equities	44,628,180	-	-	44,628,180
Bonds	26,705,354	-	-	26,705,354
Derivative assets	178,114	-	-	178,114
Derivative liabilities	(902,412)	-	-	(902,412)
Private investments	-	-	330,000	330,000
	70,609,236	-	330,000	70,939,236

---

**Financial assets and liabilities at fair value as at July 30, 2017**

---

	Level 1	Level 2	Level 3	Total
Equities	52,305,986	-	-	52,305,986
Short-term investments	1,001,562	-	-	1,001,562
Bonds	5,505,015	-	-	5,505,015
Derivative assets	98,891	-	-	98,891
Derivative liabilities	(440,014)	-	-	(440,014)
Private investments	-	-	330,000	330,000
	58,471,440	-	330,000	58,801,440

---

**Class E-3**

---

**Financial assets and liabilities at fair value as at July 30, 2018**

---

	Level 1	Level 2	Level 3	Total
Equities	9,785,395	-	-	9,785,395
Bonds	4,385,672	-	-	4,385,672
Derivative liabilities	(147,255)	-	-	(147,255)
	14,023,812	-	-	14,023,812

---

**Financial assets and liabilities at fair value as at July 30, 2017**

---

	Level 1	Level 2	Level 3	Total
Equities	12,909,159	-	-	12,909,159
Bonds	238,838	-	-	238,838
Derivative assets	19,725	-	-	19,725
Derivative liabilities	(4,579)	-	-	(4,579)
	13,163,143	-	-	13,163,143

---

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
As at July 30, 2018 and 2017

**11. FAIR VALUE HIERARCHY - continued**

<b>Class F-3</b>				
<b>Financial assets and liabilities at fair value as at July 30, 2018</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	23,235,314	-	-	23,235,314
Derivative liabilities	(44,268)	-	-	(44,268)
	23,191,046	-	-	23,191,046
<b>Financial assets and liabilities at fair value as at July 30, 2017</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	19,464,614	-	-	19,464,614
Derivative assets	12,620	-	-	12,620
Derivative liabilities	(34,461)	-	-	(34,461)
	19,442,773	-	-	19,442,773
<b>Class I-3</b>				
<b>Financial assets and liabilities at fair value as at July 30, 2018</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	45,731,197	-	-	45,731,197
Derivative assets	37,883	-	-	37,883
Derivative liabilities	(883,178)	-	-	(883,178)
	44,885,902	-	-	44,885,902
<b>Financial assets and liabilities at fair value as at July 30, 2017</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	22,033,054	-	-	22,033,054
Derivative assets	34,555	-	-	34,555
Derivative liabilities	(538,906)	-	-	(538,906)
	21,528,703	-	-	21,528,703
<b>Class J-3</b>				
<b>Financial assets and liabilities at fair value as at July 30, 2018</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equities	5,123,028	-	-	5,123,028
Derivative assets	525,109	-	-	525,109
Derivative liabilities	(326,874)	-	-	(326,874)
	5,321,263	-	-	5,321,263

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**11. FAIR VALUE HIERARCHY - continued**

There were no transfers between levels in either 2018 or 2017.

The Corporation's equity and bond positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Where certain of the Corporation's equities do not trade frequently and therefore observable prices may not be available, the fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS**

**Class Risk**

Mutual fund corporations sometimes issue different classes of shares of the same mutual fund corporation. Each class has its own fees and expenses, which the mutual fund tracks separately. However, if one is unable to meet its financial obligations, the other classes are legally responsible for making up the difference.

**Investment/Market Risk**

The value of Shares and any income and gains associated with them can fluctuate significantly and may be quite volatile. Subscribers should be aware that they may not achieve their anticipated returns and may, in fact, suffer significant loss. It is therefore prudent and necessary to consider the use of such pools within an appropriately balanced investment portfolio.

i) **Equity Risk**

The Classes invest in equity securities (also called stocks or shares). The value of the Classes will be affected by changes in the market price of those securities. The securities business is speculative, prices are volatile and market movements are difficult to predict. The price of a stock is affected by individual company developments and by general economic and financial conditions in those countries where the issuer of the stock is located or where the stock is listed for trading.

ii) **Foreign Currency Risk**

The Canadian dollar value of a Class's investments in foreign securities is affected by changes in the value of the Canadian dollar relative to those securities. While the Manager may employ currency hedging when it believes that currency exposure presents significant risk, there is no assurance that it will do so in any particular circumstance. Premiums paid for over the counter currency options purchased by a Class may reduce a Class's return.

The classes' foreign currency holdings at July 30, 2018 were:

<b>Class</b>	<b>2018</b>
Class A-3	21.3 %

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

Class D-3	7.3 %
Class E-3	11.9 %
Class F-3	42.7 %
Class I-3	24.4 %
Class J-3	1.7 %

**Sensitivity Analysis**

At July 30, 2018 had the Canadian dollar strengthened or weakened by 1% in relation to the U.S. Dollar, with all other variables held constant, net assets attributable to the holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the statements of financial position would have increased or decreased by the amounts shown below. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

<b>Class</b>	<b>2018</b>
Class A-3	\$ 145,080
Class D-3	\$ 55,546
Class E-3	\$ 20,197
Class F-3	\$ 105,380
Class I-3	\$ 121,980
Class J-3	\$ 1,111

iii) **Interest Rate Fluctuations**

In the case of interest rate sensitive securities, the value of a security may change as the general level of interest rates fluctuates. When interest rates decline, the value of such securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline.

**Sensitivity Analysis**

The majority of the Corporation's investments are non-interest bearing assets. Currently only the Class A-3, D-3 and E-3 Series Funds have direct exposure to interest rates.

The sensitivity of the Class A-3 Series Fund to interest rate movements, measured by Modified Duration is 0.09. An increase / decrease in interest rates by 100 bps will result in a decrease / increase of the bond portfolio by approximately 9 bps. This affects approximately \$6.4 Million of the total value of the Class A-3 Series Fund at the time of reporting.

The sensitivity of the Class D-3 Series Fund to interest rate movements, measured by Modified Duration is 0.91. An increase / decrease in interest rates by 100 bps will result in a decrease / increase of the bond portfolio by approximately 91 bps. This affects approximately \$25.6 Million of the total value of the Class D-3 Series Fund at the time of reporting.

The sensitivity of the Class E-3 Series Fund to interest rate movements, measured by

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

Modified Duration is 0.72. An increase / decrease in interest rates by 100 bps will result in a decrease / increase of the bond portfolio by approximately 72 bps. This affects approximately \$6.4 Million of the total value of the Class E-3 Series Fund at the time of reporting.

No other share classes had interest rate sensitivity at this time.

iv) Other Price Risk

Other price risk is the risk that value of the instruments will fluctuate as a result of the changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer, or factors affecting all instruments traded in the market. All securities present a risk of loss of capital. Some of these risks include:

a) *Credit risk*

Credit risk represents the potential loss that the Corporation would incur if the issuer of a financial instrument failed to perform in accordance with the terms of their obligations to the Corporation. The term credit risk is generally associated with bonds and discount notes, and the risk that the issuer will default in the payments of either principal or interest. Class F-3, I-3 and J-3 did not hold any fixed-income instruments. The following table details Class A-3, D-3 and E-3's credit risk exposure by credit rating at July 30, 2018 and July 30, 2017.



**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
As at July 30, 2018 and 2017

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

**Class A-3:**

	As of July 30, 2018			
	AA	A	BBB-	not rated
Ford Credit Canada Co 3.7 08/02/18			3,421,317	
TMX Group Ltd 3.253 10/03/18				3,006,030
<b>Total</b>	-	-	<b>3,421,317</b>	<b>3,006,030</b>

Class A-3 did not hold any fixed-income instruments as at July 30, 2017.

**Class D-3:**

	As of July 30, 2018			
	Aa2	A2	AA-	A+
Capital Desjardins Inc 4.954 12/15/26		363,001		
Royal Bank of Canada 2.77 12/11/18			4,445,856	
Royal Bank of Canada 2.99 12/06/24	381,577			
Shell International Fin 4.3 9/22/2019				2,118,354
<b>Total</b>	<b>381,577</b>	<b>363,001</b>	<b>4,445,856</b>	<b>2,118,354</b>

	Baa1	BBB	BBB-	not rated
Bank of Nova Scotia 3.036 10/18/2024	380,633			
Constellation Software Float 03/31/40			2,054,280	
Dollarama Inc 3.095 11/05/18				3,440,597
Ford Credit Canada Co 3.7 08/02/18			2,931,128	
Loblaw Companies Ltd 3.748 03/12/19		4,540,095		
Momeau Shepell Inc 4 3/4 06/30/21				310,050
Premium Brands Hldgs Corp 4.6 12/31/23				791,000
Premium Brands Hldgs Corp 4.65 04/30/21				1,509,885
TMX Group Ltd 3.253 10/03/18				3,438,898
<b>Total</b>	<b>380,633</b>	<b>4,540,095</b>	<b>4,985,408</b>	<b>9,490,430</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

	<b>As of July 30, 2017</b>			
	<b>AA</b>	<b>A</b>	<b>BBB-</b>	<b>not rated</b>
Bank of Nova Scotia 3.036 10/18/24	386,500			
Capital Desjardins Inc 4.954 12/15/26	375,784			
Constellation Software Float 03/31/40			1,889,132	
Momeau Shepell Inc 4 3/4 06/30/21				279,575
Premium Brands Hldgs Corp 4.6 12/31/23				759,500
Premium Brands Hldgs Corp 4.65 04/30/21				1,365,975
Royal Bank of Canada 2.99 12/06/24	387,589			
Rogers Sugar Inc 5 12/31/24				60,960
<b>Total</b>	<b>1,149,873</b>	<b>-</b>	<b>1,889,132</b>	<b>2,466,010</b>

**Class E-3:**

	<b>As of July 30, 2018</b>			
	<b>A+</b>	<b>A-</b>	<b>BBB-</b>	<b>not rated</b>
AG Growth International 4 1/2 12/31/22				434,300
Bank of America Corp 2.6 01/15/19		716,365		
Coca-Cola Co/The 1.375 05/30/19	709,437			
Constellation Software Float 03/31/40			259,718	
Exchange Income Corp 5 1/4 12/31/22				437,525
Ford Credit Canada Co 3.7 08/02/18			826,318	
TMX Group Ltd 3.253 10/03/18				1,002,010
<b>Total</b>	<b>709,437</b>	<b>716,365</b>	<b>1,086,036</b>	<b>1,873,835</b>

	<b>As of July 30, 2017</b>			
	<b>AA</b>	<b>A</b>	<b>BBB-</b>	<b>not rated</b>
Constellation Software Float 03/31/40			238,838	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>238,838</b>	<b>-</b>

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

b) *Liquidity risk*

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to daily cash redemptions, however, the Corporation maintains sufficient cash on hand to fund anticipated redemptions.

The Corporation may invest in derivatives, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Corporation may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. The Manager monitors the Corporation's liquidity position on a daily basis.

The current liabilities of each Class are generally payable in less than 90 days of origination. Maturities of derivative liabilities vary as indicated on the applicable schedule of investment portfolio.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

c) Foreign Security Risk

Some Classes invest a substantial portion of their assets in foreign securities. The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains which a Class has derived from movements in a particular market. A Class that holds foreign securities may have difficulty enforcing legal rights in jurisdictions outside Canada.

d) Industry and Geographic Concentration Risk

The Corporation's investment philosophy may cause the Classes to focus on specific industries and to avoid others. Moreover, the Corporation will be authorized to allocate the Class's assets without limitation among geographic regions and individual countries. As a result, a Class may from time to time, have greater exposure to particular industries, countries, or regions than other similar Classes.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

e) American Depository Securities and Receipt Risk

In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, a Class may hold these securities through an American Depository Security and Receipt (an "ADR"). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. corporation. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. corporation to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors. These factors include the fees and expenses associated with holding an ADR, the currency exchange rate relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of the Class, as a holder of an ADR, may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the Class if it holds the ADR.

f) Portfolio Turnover Risk

The operation of a Class may result in a high annual portfolio turnover rate. The Classes have not placed any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Corporation, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate (e.g., greater transaction costs such as brokerage fees) and may involve different tax consequences.

g) Broad Authority of R.N. Croft Financial Group Inc. Risk

The Corporation, through its manager, has broad discretion over the conduct of a Class's undertaking, selection of the specific companies in which a Class invests and over the types of transactions in which a Class engages.

h) Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes to laws or administrative practice could occur during the term of a Class which may adversely affect the Class. For example, the regulatory or tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by a Class and the ability of the Class to pursue its investment strategies. Interpretation of the law or administrative practice may affect the characterization of a Class's earnings as capital gains or income which may increase the level of tax borne by investors as a result of increased dividend paid by the Class.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

i) Conflicts of Interest Risk

The Corporation may be subject to conflicts of interest due to the fact that R.N. Croft also provides discretionary portfolio management services to other clients who do not hold shares of one or more Classes. The Corporation's investment decisions for a Class are made independently of those made for other clients. R.N. Croft makes all reasonable efforts to price and allocate securities fairly if traded for both the Corporation and other clients. In all cases, R.N. Croft has policies to ensure it allocates trades in a fair and reasonable manner for all clients, including the Corporation. The decision to use the same or different securities for other client accounts and one or more Class of the Corporation is based on the investment objectives, risk tolerances, and constraints identified as identified by R.N. Croft when discharging its fiduciary obligations for all clients and the Corporation, including its individual Classes.

j) Regulatory Risk

Some industries, such as financial services, healthcare and telecommunications, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. The value of a Class that buys these investments may rise and fall substantially due to changes in these factors.

k) Derivative Risk

The Classes may use derivatives as permitted by the Canadian securities regulatory authorities. A derivative is an instrument, the value of which is derived from the value of other securities or from the movement of interest rates, exchange rates, or market indices. Derivatives are often used for hedging against the risk of potential losses, such as losses due to changes in interest or foreign exchange rates. Derivatives also allow mutual funds to realize the benefits of changes in the value of a security without having to invest directly in that security. This is especially useful since it is often less expensive to purchase a derivative instrument than the actual security. There are also certain instances where holding a derivative is less risky than holding the underlying security.

Derivatives have their own special risks. Here are some of the common risks:

- o Using derivatives to hedge against risk may not always work and while the use of derivatives may reduce losses, they could also limit potential gains.
- o The price of a derivative may not accurately reflect the value of the underlying currency or security.
- o There is no guarantee that an investor can close a derivative contract when it wants to. If an exchange imposes trading limits, it could also affect the ability of an investor to close out its positions in derivatives. These events could prevent an investor from making a profit or limiting its losses.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

- o The other party to a derivative contract may not be able to live up to its agreement to complete the transaction.

l) Use of Options Risk

A Class may purchase and write exchange-traded and over-the-counter put and call options on debt and equity securities, commodities, currencies and indices (both narrow-based and broad-based). A put option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to deliver a specified amount of the securities or currencies to the writer of the option on or before a fixed date at a predetermined price. A put option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index drops below a predetermined level on or before a fixed date.

A call option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to call upon the writer to deliver a specified amount of the securities or currencies on or before a fixed date at a predetermined price. A call option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index rises above a predetermined level on or before a fixed date.

A Class's ability to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market. Over-the-counter ("OTC") options are purchased from or sold to securities dealers, financial institutions or other parties (the "Counterparty") through direct bilateral agreements with the Counterparty. In contrast to exchange listed options, which generally have standardized terms and performance mechanics, all the terms of an OTC option, including such terms as method of settlement, term, exercise price, premium, guarantees and security, are set by the negotiation of the parties. Unless the parties provide for it, there is no central clearing or guarantee function in an OTC option. As a result, if the Counterparty fails to make or take delivery of the security, currency or other instrument underlying an OTC option it has entered into with the Class or fails to make a cash settlement payment due in accordance with the terms of that option, the Class will lose any premium it paid for the option as well as any anticipated benefit of the transaction.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

Call options may be purchased to provide exposure to increases in the market (e.g., with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that a Class intends to purchase. Similarly, put options may be purchased to hedge against a decrease in the market generally or in the price of securities or other investments held by the Class. Buying options may reduce the Class's returns, but by no more than the amount of the premiums paid for the options. Writing covered call options (i.e., where the Class owns the security or other investment that is subject to the call) may limit the Class's gain on portfolio investments if the option is exercised because the Class will have to sell the underlying investments below the current market price. Also, writing put options may require the Class to buy the underlying investment at a disadvantageous price above the current market price. Writing uncovered call options (i.e., where the Class does not own the security or other investment that is subject to the call) entails the risk that the price of the underlying investment at the time the option is exercised theoretically could have risen without limit. The risk of loss of uncovered put options written by the Class is limited in the exercise price of the option less the premium received. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary market risks.

m) Counterparty Risk

Due to the nature of some of the investments that a Class may undertake, a Class relies on the ability of the counterparty to the transaction to perform its obligations. In the event that counterparty fails to complete its obligations, the Class bears the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements in the event of the default or bankruptcy of counterparty.

n) Securities Lending, Repurchase and Reverse Repurchase Transactions Risk

The Classes may engage in securities lending, repurchase and reverse repurchase transactions in order to earn additional returns. Securities lending is an agreement whereby a Class lends securities through an authorized agent in exchange for a fee and some form of acceptable collateral. Under a repurchase transaction, a Class agrees to sell securities for cash while, at the same time, assumes an obligation to repurchase the same securities for cash (usually at a higher price) at a later date. A reverse repurchase transaction is an agreement where by a Class buys securities for cash while, at the same time, agrees to resell the same securities (usually at a higher price) at a later date.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

The risks associated with securities lending, repurchase and reverse repurchase transactions arise when the counterparty to such transaction defaults under the investment agreement and the Class is forced to make a claim in order to recover its investment. In securities lending or a repurchase transaction, the Class could incur a loss if the value of the securities loaned or sold by the Class has increased in value relative to the value of the collateral held by the Class. In the case of a reverse repurchase transaction, the Class could incur a loss if the value of the securities purchased by the Class decreases in value relative to the value of the collateral held by the Class. The Classes generally manage the risks associated with these types of investments by:

- a. holding collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be; adjusting the amount to the collateral each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within a 102% limit; and
- b. limiting the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to under 50% of the total assets (without including the collateral) of the Class.



**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**13. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE**

The increase in net assets attributable to holders of redeemable shares per share for the years ended July 30, 2018 and 2017 is calculated as follows:

**Class A-3:**

**Series A**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 1,822,903	\$ 846,887
Weighted average shares outstanding during the year	1,637,325	367,761
Increase in net assets attributable to holders of redeemable shares per share	\$ 1.11	\$ 2.30

**Series D**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 1,589,476	\$ 532,233
Weighted average shares outstanding during the year	873,154	621,587
Increase in net assets attributable to holders of redeemable shares per share	\$ 1.82	\$ 0.86

**Series I**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 4,288,470	\$ 5,535,364
Weighted average shares outstanding during the year	1,372,618	2,677,442
Increase in net assets attributable to holders of redeemable shares per share	\$ 3.12	\$ 2.07

**Class D-3:**

**Series A**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 2,358,187	\$ 355,852
Weighted average shares outstanding during the year	2,919,132	438,140
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.81	\$ 0.81

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**13. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued**

**Class D-3:**

**Series D**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 598,776	\$ 282,711
Weighted average shares outstanding during the year	1,010,792	760,079
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.59	\$ 0.37

**Series I**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 2,035,499	\$ 3,204,624
Weighted average shares outstanding during the year	1,757,870	3,488,246
Increase in net assets attributable to holders of redeemable shares per share	\$ 1.16	\$ 0.92

**Class E-3:**

**Series A**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 1,133,715	\$ 1,094,355
Weighted average shares outstanding during the year	1,078,488	979,677
Increase in net assets attributable to holders of redeemable shares per share	\$ 1.05	\$ 1.12

**Series D**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 9,984	\$ 4,289
Weighted average shares outstanding during the year	45,278	10,530
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.22	\$ 0.41

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**13. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued**

**Class F-3:**

**Series A**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 3,055,974	\$ 1,522,750
Weighted average shares outstanding during the year	1,352,044	1,201,314
Increase in net assets attributable to holders of redeemable shares per share	\$ 2.26	\$ 1.27

**Series D**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 21,754	\$ 3,176
Weighted average shares outstanding during the year	24,392	4,857
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.89	\$ 0.65

**Class H-3:**

**Series A**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ -	\$ (2,988)
Weighted average shares outstanding during the year	-	33,758
Increase in net assets attributable to holders of redeemable shares per share	\$ -	\$ (0.09)

**Series D**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	-	(7,674)
Weighted average shares outstanding during the year	-	51,019
Increase in net assets attributable to holders of redeemable shares per share	\$ -	\$ (0.15)

**Class I-3**

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2018 and 2017**

**13. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 3,109,972	\$ 2,045,328
Weighted average shares outstanding during the year	3,240,653	1,501,147
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.96	\$ 1.36

**Class J-3**

	<b>2018</b>	<b>2017</b>
Increase in net assets attributable to holders of redeemable shares	\$ 254,757	\$ -
Weighted average shares outstanding during the year	462,039	-
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.55	\$ -

**14. IMPLEMENTATION OF NATIONAL INSTRUMENT 81-106**

The Corporation is relying on the exemption in section 2.11 of National Instrument 81-106 - Investment Fund Continuous Disclosure not to publicly file its financial statements for the year ended July 30, 2018.