



Balanced Mandate

CFG Model Portfolio

Reporting as of January 31, 2018

Portfolio Description

The **Balanced Mandate** is a two-pool portfolio seeking capital appreciation and cash flow striking a 50/50 balance between more stable, yield-bearing assets (such as Fixed Income, Preferred Shares, REITs, and Covered Call Strategies), via the Income Share Class, and higher-risk, growth-oriented asset classes (primarily Common Shares of publicly listed companies), via the Equity Share Class.

Investment Objective

The objective of the **Balanced Mandate** is to achieve better risk-adjusted returns than a passive, low-cost, diversified portfolio benchmark (The Real World Balanced Index). The **Balanced Mandate** aims to achieve this objective by holding in client accounts two Share Classes in target proportions of 50% Income Share Class and 50% Equity 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. For further information, including a more detailed description of the investment objectives and strategy for each of the component Share Classes, please review our Relationship Disclosure Document and/or Share Class Fact Sheets, both available at www.croftgroup.com.

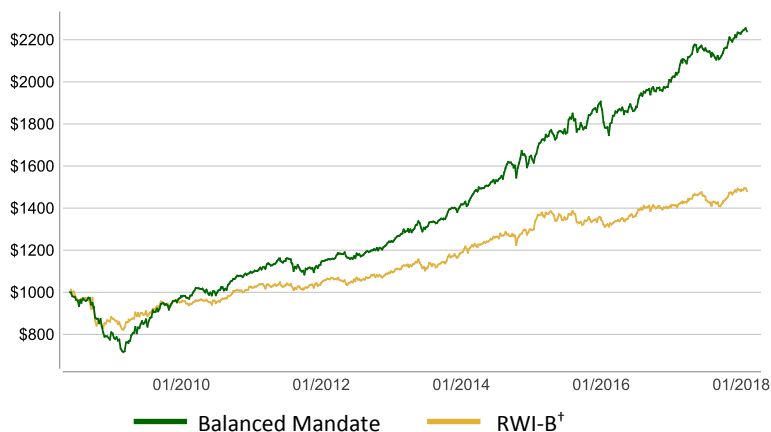
Portfolio

Symbol	Security	Weight
TCG534	Income Share Class	50%
TCG531	Equity Share Class	50%
Distribution		Monthly
Benchmark†		Real World Index – Balanced

Top 10 Holdings (effective)

Security	Weight
ISHARES 20+ YEAR TREASURY BOND	2.67%
ISHARES S&P/TSX CDN PFD	2.60%
PREMIUM INCOME CORP -PFD-	2.29%
CCL INDUSTRIES INC - CLASS B	2.27%
FINANCIAL 15 SPLIT CORP PFD	2.24%
BROADCOM LTD	2.21%
NEW FLYER INDUSTRIES INC.	2.11%
VISA INC. CLASS A	2.09%
OPEN TEXT CORP	2.04%
BOYD GROUP INCOME FUND	2.03%

Growth of \$1000



Annual Returns

Period	Balanced Mandate	RWI-B [†]
2018	0.49%	-0.04%
2017	11.34%	5.28%
2016	6.04%	4.49%
2015	14.46%	3.68%
2014	16.29%	9.26%
2013	14.20%	8.08%
2012	8.84%	5.34%
2011	4.14%	1.66%
2010	11.50%	7.66%
2009	21.35%	8.07%

Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	0.49%	1.29%	5.44%	10.06%	10.49%	12.10%	8.69%
	-0.04%	0.49%	4.77%	5.42%	3.12%	5.88%	4.14%
Sharpe Ratio	1.67	1.34	2.43	1.91	1.45	1.67	0.96
	-0.42	0.11	1.73	0.90	0.44	0.87	0.49
Maximum Drawdown	-0.68%	-0.91%	-1.49%	-3.27%	-8.36%	-8.36%	-28.39%
	-0.95%	-0.95%	-1.51%	-4.56%	-5.38%	-5.38%	-18.67%

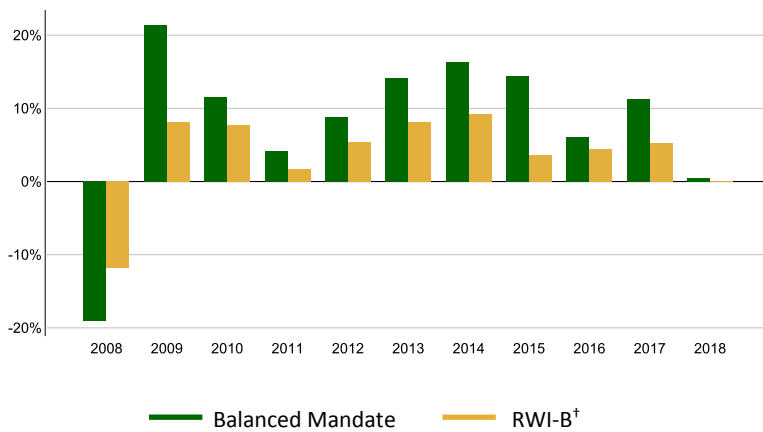
■ Balanced Mandate ■ RWI-B[†]

Standard Deviation

Period	Balanced Mandate	RWI-B [†]
Since Inception	8.14%	6.79%
3 years	6.32%	4.88%
5 years	6.50%	5.56%

*Annualized returns
Inception date May 31, 2008

Annual Returns



Disclaimer and Notes

¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

² Sector Allocation – CAD notional, including option exposures with cash adjusted to total 100%

³Geographic Allocation – CAD notional, including option exposures with cash adjusted to total 100%

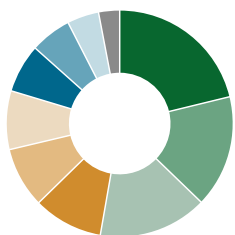
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Asset Allocation¹



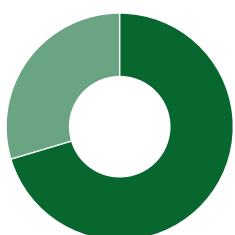
Equity	54.9%
Cash	18.5%
Preferred	16.0%
Bonds & Debentures	6.7%
Real Estate	4.2%
Private Equity	0.2%
Option	-0.5%

Sector Allocation²



Financials	21.2%
Information Technology	16.0%
Industrials	15.5%
Consumer Discretionary	9.9%
Health Care	8.6%
Materials	8.4%
Consumer Staples	6.9%
Energy	5.9%
Real Estate	4.5%
Utilities	3.0%

Geographic Allocation³



Canada	70.4%
United States	29.6%