



Balanced Mandate

CFG Model Portfolio

Reporting as of February 28, 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.

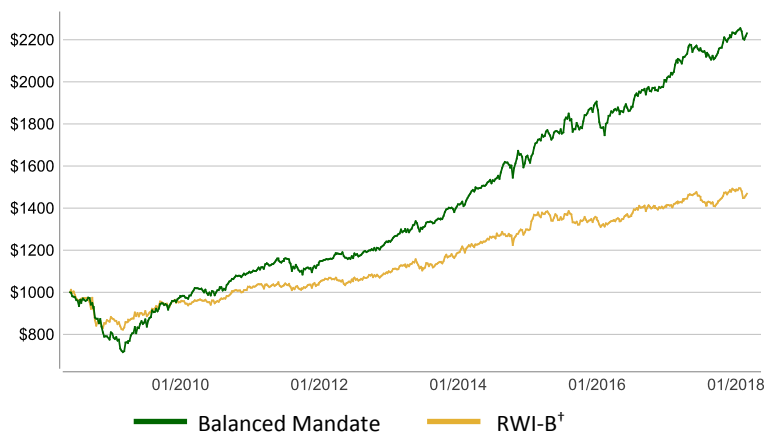
Portfolio

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	2.91%
WISDOMTREE EUROPE HEDGED EQUIT	2.63%
ISHARES S&P/TSX CDN PFD	2.55%
BROADCOM LTD	2.39%
CCL INDUSTRIES INC - CLASS B	2.29%
VISA INC. CLASS A	2.28%
OPEN TEXT CORP	2.28%
NEW FLYER INDUSTRIES INC.	2.20%
PREMIUM INCOME CORP -PFD-	2.20%
LOBLAW COMPANIES	2.17%

Growth of \$1000



Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	-0.39%	0.42%	5.04%	6.67%	8.92%	11.75%	8.58%
	-0.78%	-1.11%	2.90%	3.22%	2.11%	5.50%	4.02%
Sharpe Ratio	-0.65	0.35	2.12	1.29	1.24	1.61	0.95
	-1.15	-0.94	0.78	0.37	0.25	0.80	0.47
Maximum Drawdown	-1.74%	-2.40%	-2.40%	-3.27%	-8.36%	-8.36%	-28.39%
	-2.16%	-3.10%	-3.10%	-4.56%	-5.38%	-5.38%	-18.67%

■ Balanced Mandate ■ RWI-B[†]

Annual Returns

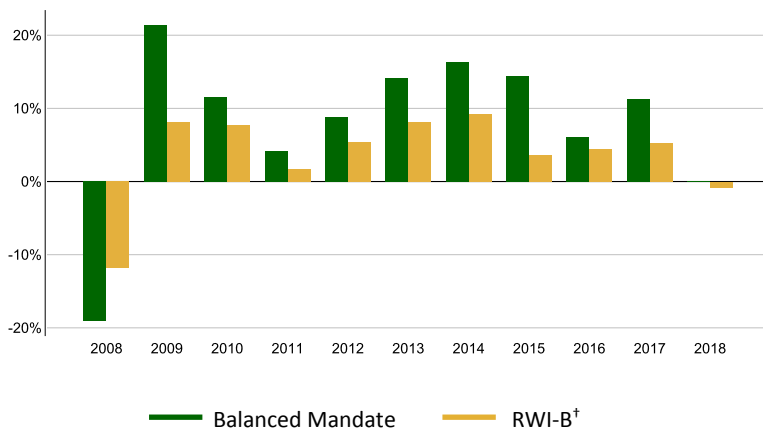
Period	Balanced Mandate	RWI-B [†]
2018	0.10%	-0.81%
2017	11.34%	5.28%
2016	6.04%	4.49%
2015	14.46%	3.68%
2014	16.29%	9.26%
2013	14.20%	8.08%
2012	8.84%	5.34%
2011	4.14%	1.66%
2010	11.50%	7.66%
2009	21.35%	8.07%

Standard Deviation

Period	Balanced Mandate	RWI-B [†]
Since Inception	8.14%	6.80%
3 years	6.31%	4.97%
5 years	6.55%	5.63%

*Annualized returns
Inception date May 31, 2008

Annual Returns



Disclaimer and Notes

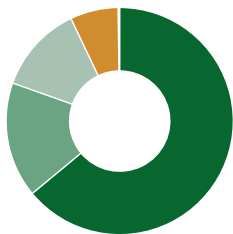
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

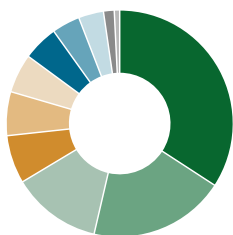
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Asset Allocation¹



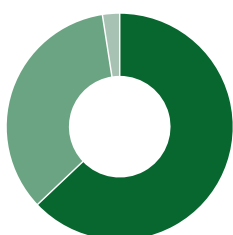
Equity	64.8%
Cash	16.7%
Preferred	12.7%
Bonds & Debentures	6.9%
Private Equity	0.2%
Option	-1.3%

Sector Allocation²



Financials	34.2%
Information Technology	19.5%
Industrials	12.8%
Materials	6.9%
Consumer Staples	6.2%
Energy	5.6%
Health Care	5.0%
Consumer Discretionary	4.0%
Utilities	3.6%
Consumer Staples	1.5%
Telecommunication Services	0.8%

Geographic Allocation³



Canada	62.9%
United States	34.6%
Europe	2.4%