



## Balanced Mandate

CFG Model Portfolio

Reporting as of April 30, 2018

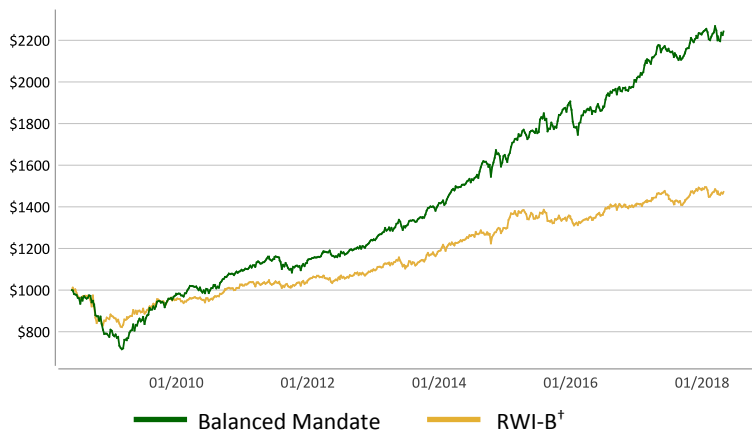
### Portfolio Description

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](http://www.croftgroup.com).

### Growth of \$1000



### Key Statistics

|                  | 1 M    | 3 M    | 6 M    | 1 Y    | 3 Y*   | 5 Y*   | SI*     |
|------------------|--------|--------|--------|--------|--------|--------|---------|
| Returns          | 1.07%  | 0.14%  | 1.43%  | 3.30%  | 8.70%  | 11.55% | 8.49%   |
|                  | -0.14% | -0.58% | -0.09% | 0.63%  | 2.53%  | 5.34%  | 3.97%   |
| Sharpe Ratio     | 1.51   | 0.07   | 0.43   | 0.56   | 1.17   | 1.56   | 0.93    |
|                  | -0.66  | -0.59  | -0.31  | -0.14  | 0.31   | 0.76   | 0.46    |
| Maximum Drawdown | -1.04% | -3.18% | -3.18% | -3.27% | -8.36% | -8.36% | -28.39% |
|                  | -1.07% | -2.16% | -3.10% | -4.56% | -5.38% | -5.38% | -18.67% |

■ Balanced Mandate ■ RWI-B<sup>†</sup>

\*Annualized returns  
Inception date May 31, 2008

### Portfolio

| Symbol                 | Security           | Weight                      |
|------------------------|--------------------|-----------------------------|
| TCG534                 | Income Share Class | 50%                         |
| TCG531                 | Equity Share Class | 50%                         |
| Distribution           |                    | Monthly                     |
| Benchmark <sup>†</sup> |                    | Real World Index – Balanced |

### Top 10 Holdings (effective)

| Security                       | Weight |
|--------------------------------|--------|
| BMO LADDERED PREFERRED SHARE   | 3.36%  |
| ISHARES 20+ YEAR TREASURY BOND | 2.96%  |
| F 3.7 08/02/18 CORP            | 2.61%  |
| ISHARES S&P/TSX CDN PFD        | 2.52%  |
| WISDOMTREE EUROPE HEDGED EQUIT | 2.51%  |
| OPEN TEXT CORP                 | 2.40%  |
| VISA INC. CLASS A              | 2.33%  |
| BROADCOM LTD                   | 2.26%  |
| LOBLAW COMPANIES               | 2.25%  |
| PREMIUM INCOME CORP -PFD-      | 2.23%  |

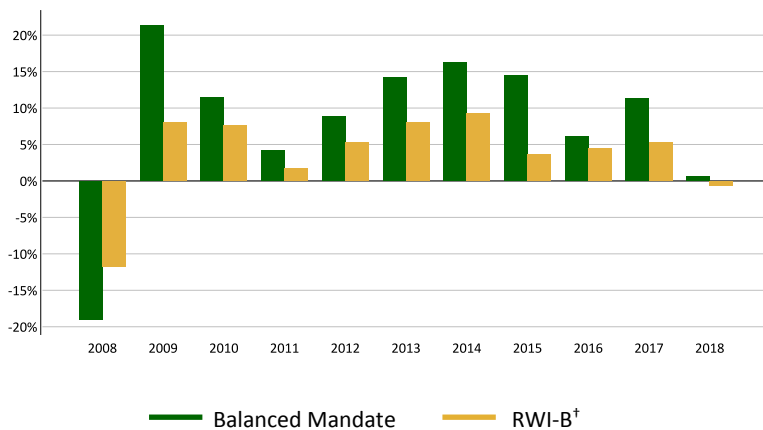
### Annual Returns

| Period | Balanced Mandate | RWI-B <sup>†</sup> |
|--------|------------------|--------------------|
| 2018   | 0.62%            | -0.62%             |
| 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 <sup>†</sup> |
|-----------------|------------------|--------------------|
| Since Inception | 8.14%            | 6.77%              |
| 3 years         | 6.48%            | 4.93%              |
| 5 years         | 6.62%            | 5.63%              |

### Annual Returns



### Disclaimer and Notes

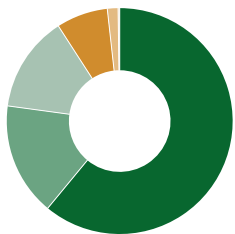
<sup>1</sup> Asset Allocation – CAD actual, marked to market as of close on the date quoted

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

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

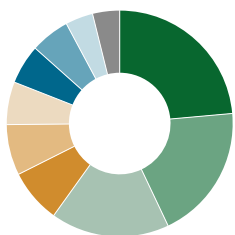
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### Asset Allocation<sup>1</sup>



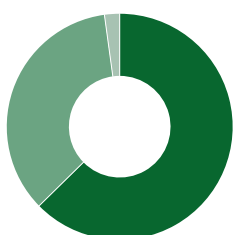
|                    |       |
|--------------------|-------|
| Equity             | 61.8% |
| Preferred          | 16.4% |
| Bonds & Debentures | 13.9% |
| Cash               | 7.5%  |
| BONDS & DEBENTURES | 1.5%  |
| Private Equity     | 0.2%  |
| Option             | -1.4% |

### Sector Allocation<sup>2</sup>



|                        |       |
|------------------------|-------|
| Information Technology | 23.6% |
| Financials             | 19.4% |
| Industrials            | 16.9% |
| Real Estate            | 7.7%  |
| Consumer Discretionary | 7.3%  |
| Consumer Staples       | 6.1%  |
| Materials              | 5.6%  |
| Health Care            | 5.6%  |
| Energy                 | 3.9%  |
| Utilities              | 3.9%  |

### Geographic Allocation<sup>3</sup>



|               |       |
|---------------|-------|
| Canada        | 62.6% |
| United States | 35.2% |
| Europe        | 2.2%  |