



Balanced Mandate

CFG Model Portfolio

Reporting as of July 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.

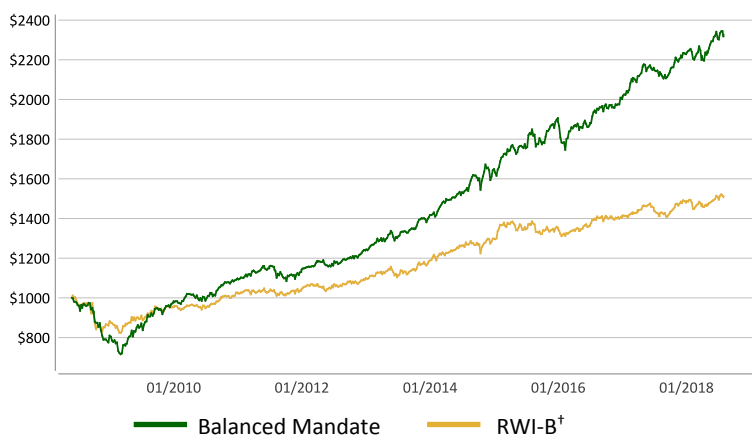
Portfolio

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
XCN 3.253 10/03/18	4.47%
F 3.7 08/02/18 CORP	4.44%
BMO LADDERED PREFERRED SHARE	3.48%
LCN 3.748 03/12/19	3.01%
RY 2.77 12/11/18	2.95%
ISHARES S&P/TSX CDN PFD	2.72%
DOLCN 3.095 11/05/18	2.28%
NFI GROUP INC.	2.28%
CCL INDUSTRIES INC - CLASS B	2.26%
PREMIUM INCOME CORP -PFD-	2.23%

Growth of \$1000



Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	0.94%	3.73%	3.87%	9.52%	8.36%	11.77%	8.66%
	0.32%	2.70%	2.10%	6.97%	3.23%	6.09%	4.14%
Sharpe Ratio	1.46	2.33	1.02	1.50	1.15	1.59	0.96
	0.22	1.75	0.38	0.96	0.42	0.89	0.48
Maximum Drawdown	-1.11%	-1.65%	-3.18%	-3.18%	-8.36%	-8.36%	-28.39%
	-0.87%	-1.29%	-2.16%	-3.10%	-5.38%	-5.38%	-18.67%

■ Balanced Mandate ■ RWI-B†

Annual Returns

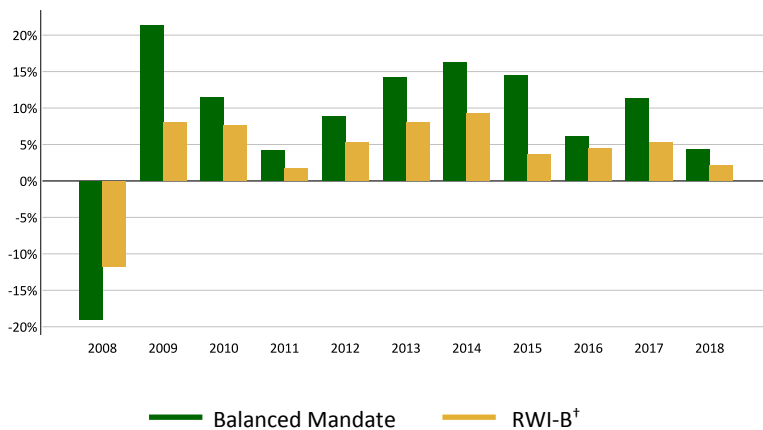
Period	Balanced Mandate	RWI-B†
2018	4.38%	2.07%
2017	11.34%	5.28%
2016	6.04%	4.49%
2015	14.46%	3.68%
2014	16.29%	9.26%
2013	14.20%	8.08%
2012	8.84%	5.34%
2011	4.14%	1.66%
2010	11.50%	7.66%
2009	21.35%	8.07%

Standard Deviation

Period	Balanced Mandate	RWI-B†
Since Inception	8.06%	6.71%
3 years	6.21%	4.64%
5 years	6.54%	5.42%

*Annualized returns
Inception date May 31, 2008

Annual Returns



Disclaimer and Notes

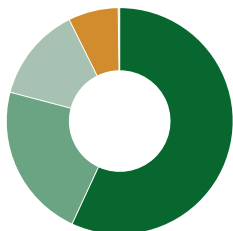
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

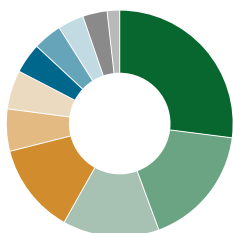
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Asset Allocation¹



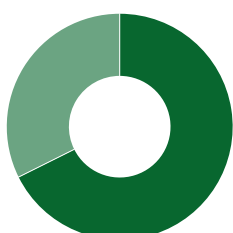
Equity	57.4%
Bonds & Debentures	22.4%
Preferred	13.7%
Cash	7.2%
Private Equity	0.2%
Option	-0.9%

Sector Allocation²



Information Technology	27.0%
Industrials	17.4%
Consumer Discretionary	13.8%
Financials	12.9%
Health Care	6.0%
Utilities	5.5%
Real Estate	4.3%
Consumer Staples	4.1%
Materials	3.7%
Consumer Staples	3.5%
Energy	1.8%

Geographic Allocation³



Canada	67.6%
United States	32.4%