



## Balanced Mandate

CFG Model Portfolio

Reporting as of August 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](http://www.croftgroup.com).

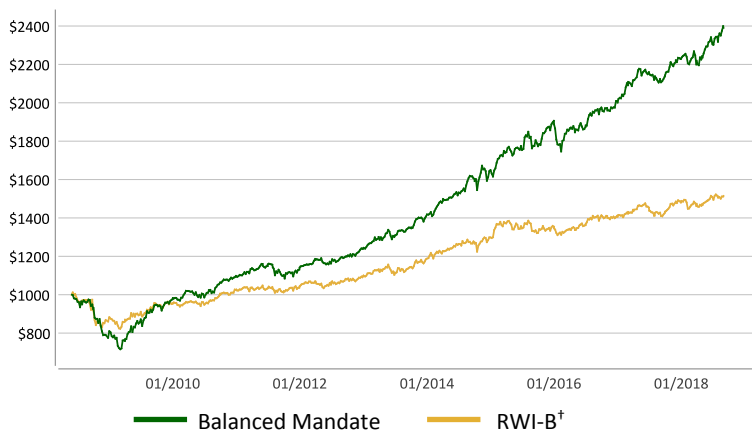
### Portfolio

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
F 2.939 02/19/19	5.05%
XCN 3.253 10/03/18	4.65%
BMO LADDERED PREFERRED SHARE	3.40%
LCN 3.748 03/12/19	2.93%
RY 2.77 12/11/18	2.87%
ISHARES S&P/TSX CDN PFD	2.67%
CUCN 5.432 01/23/19	2.62%
CVS HEALTH CORP	2.46%
CANADA GOOSE HOLDINGS INC	2.45%
NFI GROUP INC.	2.26%

### Growth of \$1000



### Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	2.76%	4.11%	7.16%	12.57%	10.63%	12.43%	8.87%
	0.21%	1.58%	3.12%	6.11%	4.33%	6.15%	4.13%
Sharpe Ratio	5.43	2.41	1.86	1.94	1.54	1.67	0.98
	0.08	0.80	0.82	0.80	0.65	0.90	0.48
Maximum Drawdown	-0.45%	-1.65%	-3.18%	-3.18%	-8.36%	-8.36%	-28.39%
	-0.70%	-1.42%	-1.80%	-3.10%	-4.56%	-5.38%	-18.67%

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

### Annual Returns

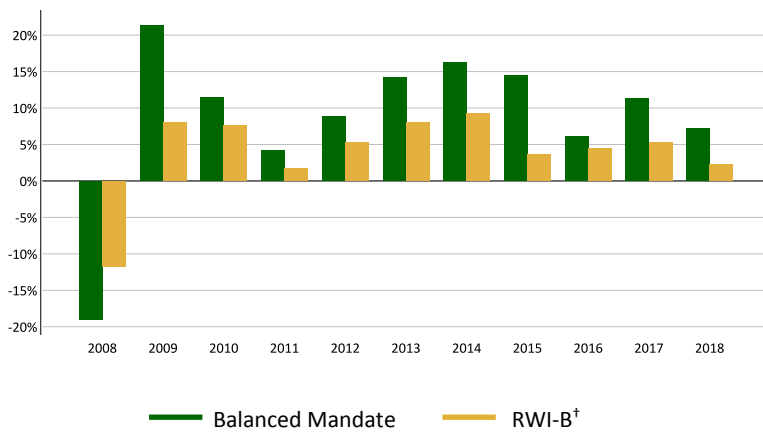
Period	Balanced Mandate	RWI-B <sup>†</sup>
2018	7.27%	2.28%
2017	11.34%	5.28%
2016	6.04%	4.49%
2015	14.46%	3.68%
2014	16.29%	9.26%
2013	14.20%	8.08%
2012	8.84%	5.34%
2011	4.14%	1.66%
2010	11.50%	7.66%
2009	21.35%	8.07%

### Standard Deviation

Period	Balanced Mandate	RWI-B <sup>†</sup>
Since Inception	8.04%	6.68%
3 years	5.86%	4.35%
5 years	6.55%	5.38%

\*Annualized returns  
Inception date May 31, 2008

### Annual Returns



### Disclaimer and Notes

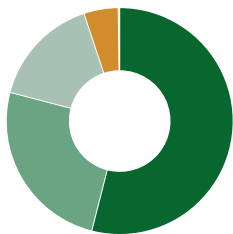
<sup>1</sup> Asset Allocation – CAD actual, marked to market as of close on the date quoted

<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%

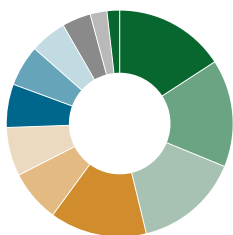
Portfolio management services provided by R N Croft Financial Group Inc. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance is based on the actual historical returns of the underlying pools, which are net of embedded management fees, operating fees, transaction costs and all withholding taxes, but are not adjusted for any account or relationship manager fees. The inception date is the inception date of the underlying pooled funds. Performance data have not been audited and are for illustrative purposes only. The results presented are not those of an actual performance record, as no client accounts held the underlying securities in the specific proportions of this mandate. The results are based on simulated or hypothetical performance results that have certain inherent limitations, including the fact that they are designed with the benefit of hindsight. R N Croft Financial Group Inc. is a licensed Portfolio Manager and Investment Fund Manager serving individual and institutional clients throughout Canada. Valuations and performance results are reported in Canadian dollars. Additional information regarding calculating and reporting performance is available upon request. Please contact R N Croft Financial Group Inc., 801-251 Consumers Road, Toronto, ON M2J 4R3, Telephone: 905-695-7777 or Toll-free: 1-877-249-2884.

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



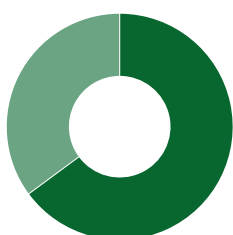
Equity	54.5%
Bonds & Debentures	25.3%
Preferred	16.0%
Cash	4.9%
Private Equity	0.2%
Option	-1.0%

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



Information Technology	15.8%
Industrials	15.3%
Financials	15.0%
Information Technology	13.9%
Consumer Discretionary	7.4%
Consumer Staples	7.0%
Materials	6.2%
Health Care	5.9%
Utilities	5.2%
Consumer Staples	4.1%
Telecommunication Services	2.4%
Energy	1.8%

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



Canada	64.9%
United States	35.1%