



## Balanced Mandate

CFG Model Portfolio

Reporting as of February 28, 2019

### 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.

### Portfolio

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

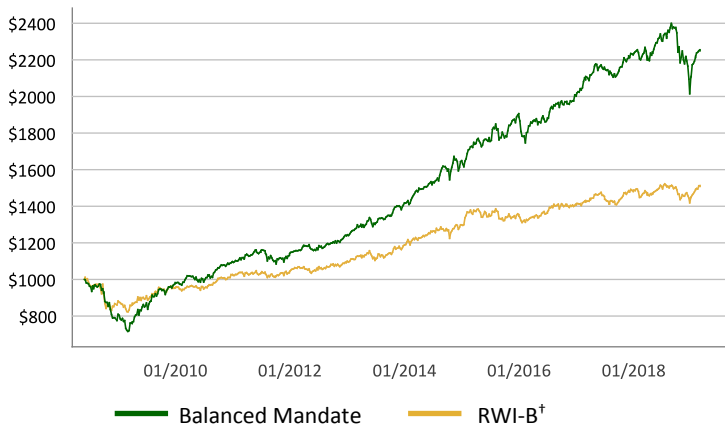
### Investment Objective

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).

### Top 10 Holdings (effective)

Security	Weight
RCICN 2.8 03/13/19	5.49%
REIUCN 3.85 06/28/19	5.21%
HYDONE 1.62 04/30/20	2.98%
SJRCN 5.65 10/01/19	2.72%
ATDBCN 3.319 11/01/19	2.69%
RY 2.98 05/07/19	2.68%
TD 2.447 04/02/19	2.68%
PPLCN 3.06 06/13/19	2.16%
BROOKFIELD ASSET MANAGEMENT INC	2.13%
ISHARES S&P/TSX CDN PFD	2.09%

### Growth of \$1000



### Annual Returns

Period	Balanced Mandate	RWI-B†
2019	6.92%	4.20%
2018	-5.60%	-2.24%
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%

### Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	1.27%	1.41%	-5.90%	0.83%	7.56%	9.03%	7.83%
	1.05%	2.62%	-0.40%	2.70%	4.46%	4.27%	3.90%
Sharpe Ratio	4.73	0.18	-0.84	-0.10	0.70	0.91	0.76
	2.21	1.02	-0.40	0.08	0.56	0.54	0.43
Maximum Drawdown	-0.23%	-9.17%	-15.72%	-16.02%	-16.02%	-16.02%	-28.39%
	-0.30%	-3.70%	-6.30%	-6.78%	-6.78%	-6.78%	-18.67%

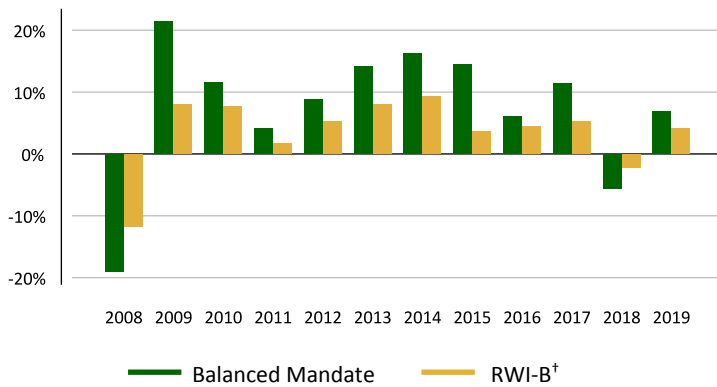
■ Balanced Mandate ■ RWI-B†

### Standard Deviation

Period	Balanced Mandate	RWI-B†
Since Inception	8.41%	6.66%
3 years	7.25%	4.58%
5 years	7.74%	5.45%

\*Annualized returns  
Inception date May 31, 2008

### Annual Returns



### Disclaimer and Notes

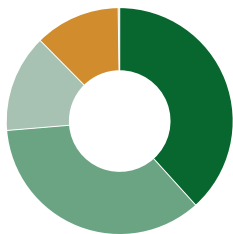
<sup>1</sup> Asset Allocation – CAD actual, marked to market as of close on the date quoted

<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%

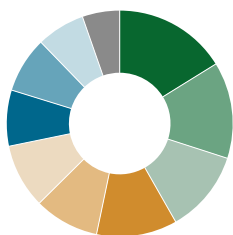
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### Asset Allocation<sup>1</sup>



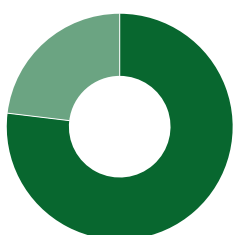
Equity	38.5%
Bonds & Debentures	35.6%
Preferred	14.0%
Cash	12.2%
Private Equity	0.2%
Option	-0.5%

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



Financials	16.2%
Health Care	13.8%
Consumer Discretionary	11.8%
Communication Services	11.5%
Industrials	9.3%
Consumer Staples	9.2%
Utilities	8.0%
Information Technology	8.0%
Materials	6.9%
Real Estate	5.3%

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



Canada	76.9%
United States	23.1%