

**CFG Custom Portfolio Corporation**

**Financial Statements**

**Years ended July 30, 2017 and 2016**

## **Independent Auditors' Report**

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### **To the Shareholders of the following funds of CFG Custom Portfolio Corporation, including:**

Class A-3 Conservative Equity,  
Class D-3 Income,  
Class E-3 Balance,  
Class F-3 Balance Growth,  
Class H-3 Alternative Strategies, and  
Class I-3 Option Writing:

We have audited the accompanying financial statements of each of the funds of CFG Custom Portfolio Corporation, including Class A-3 Conservative Equity, Class D-3 Income, Class E-3 Balance, Class F-3 Balance Growth, Class H-3 Alternative Strategies, and Class I-3 Option Writing, which comprise the statements of financial position as at July 30, 2017 and 2016, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the funds of CFG Custom Portfolio Corporation, including Class A-3 Conservative Equity, Class D-3 Income, Class E-3 Balance, Class F-3 Balance Growth, Class H-3 Alternative Strategies, and Class I-3 Option Writing as at July 30, 2017 and 2016 and its financial performance and its cash flows of each of the foregoing funds for the years then ended in accordance with International Financial Reporting Standards.

*MNP LLP*

Mississauga, Ontario  
October 30, 2017

Chartered Professional Accountants  
Licensed Public Accountants

**MNP**

# CFG Custom Portfolio Corporation

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**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Financial Position**  
**As at July 30**

|  | 2017                 | 2016                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Investments at fair value (cost - \$56,348,582, 2016 - \$39,946,388)                         | \$ 60,420,835        | \$ 46,318,290        |
| Cash   | 7,660,805            | 8,442,603            |
| Accrued dividends  | 80,380               | 70,891               |
| Subscriptions receivable   | 280,882              | 718,146              |
| Prepaid income taxes   | 157,794              | 34,988               |
| <b>Total assets</b>  | <b>68,600,696</b>    | <b>55,584,918</b>    |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Accrued liabilities (Note 6)   | 32,370               | 72,961               |
| Redemptions payable  | 56,282               | 97,355               |
| Derivative liabilities - investments   | 179,399              | 547,832              |
| <b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b> | <b>268,051</b>       | <b>718,148</b>       |
| <b>Net assets attributable to holders of redeemable shares</b>                               | <b>\$ 68,332,645</b> | <b>\$ 54,866,770</b> |
| <b>Series Net Assets Attributable to Holders of Redeemable Shares</b>                        |                      |                      |
| Series A   | \$ 6,024,739         | \$ 7,229,722         |
| Series D   | 14,272,751           | 6,160,188            |
| Series I   | 48,035,155           | 41,476,860           |
|  | <b>\$ 68,332,645</b> | <b>\$ 54,866,770</b> |
| <b>Number of Shares Outstanding (Note 4)</b>   |                      |                      |
| Series A   | 289,564              | 382,980              |
| Series D   | 827,837              | 388,804              |
| Series I   | 2,649,646            | 2,535,399            |
| <b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>                     |                      |                      |
| Series A   | \$ 20.81             | \$ 18.88             |
| Series D   | \$ 17.24             | \$ 15.84             |
| Series I   | \$ 18.13             | \$ 16.36             |

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "*Chris Croft*"  
 \_\_\_\_\_  
**Director**

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Comprehensive Income**  
**For the years ended July 30**

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>Income</b>  |                     |                     |
| Interest   | \$ 6,497            | \$ 4,793            |
| Dividends  | 973,368             | 708,470             |
| Foreign withholding taxes  | (28,002)            | (30,032)            |
| Income trust distribution  | 6,970               | 10,168              |
| Realized gain on sale of investments   | 8,118,850           | 3,438,682           |
| Unrealized depreciation of investments   | (1,507,608)         | (1,744,661)         |
| Exchange on foreign currencies   | (71,563)            | 470,032             |
|  | <u>7,498,512</u>    | <u>2,857,452</u>    |
| <b>Expenses</b>  |                     |                     |
| Management fees (Note 6)   | 123,918             | 40,437              |
| Harmonized sales tax   | 42,274              | 28,633              |
| Bank charges and interest  | 1,316               | 2,247               |
| General operating expenses   | 416,520             | 297,175             |
|  | <u>584,028</u>      | <u>368,492</u>      |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     | <u>\$ 6,914,484</u> | <u>\$ 2,488,960</u> |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     |                     |                     |
| Series A   | \$ 846,887          | \$ 317,516          |
| Series D   | 532,233             | 185,747             |
| Series I   | 5,535,364           | 1,985,697           |
|  | <u>\$ 6,914,484</u> | <u>\$ 2,488,960</u> |
| <b>Increase in net assets attributable to holders of redeemable shares per share (Note 12)</b> |                     |                     |
| Series A   | \$ 2.30             | \$ 1.18             |
| Series D   | \$ 0.86             | \$ 0.58             |
| Series I   | \$ 2.07             | \$ 0.79             |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

|   | Series A            |                     | Series D             |                     | Series I             |                      | Total                |                      |
|---|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2017                | 2016                | 2017                 | 2016                | 2017                 | 2016                 | 2017                 | 2016                 |
| <b>Net assets attributable to holders of redeemable shares, beginning of year</b>           | <b>\$ 7,229,722</b> | <b>\$ 3,780,036</b> | <b>\$ 6,160,188</b>  | <b>\$ 4,166,765</b> | <b>\$ 41,476,860</b> | <b>\$ 34,794,089</b> | <b>\$ 54,866,770</b> | <b>\$ 42,740,890</b> |
| <b>Operations:</b>  |                     |                     |                      |                     |                      |                      |                      |                      |
| Increase in net assets attributable to holders of redeemable shares                         | <b>846,887</b>      | 317,516             | <b>532,233</b>       | 185,747             | <b>5,535,364</b>     | 1,985,697            | <b>6,914,484</b>     | 2,488,960            |
| <b>Redeemable share transactions</b>  |                     |                     |                      |                     |                      |                      |                      |                      |
| Proceeds from issuance of shares  | <b>4,231,760</b>    | 5,776,706           | <b>16,865,997</b>    | 2,706,695           | <b>19,499,688</b>    | 27,718,777           | <b>40,597,445</b>    | 36,202,178           |
| Reinvested distributions  | <b>86,905</b>       | 136,489             | <b>123,557</b>       | 139,323             | <b>556,386</b>       | 1,146,815            | <b>766,848</b>       | 1,422,627            |
| Redemptions   | <b>(6,282,560)</b>  | (2,643,294)         | <b>(9,285,400)</b>   | (898,480)           | <b>(18,474,942)</b>  | (23,021,111)         | <b>(34,042,902)</b>  | (26,562,885)         |
|   | <b>(1,963,895)</b>  | 3,269,901           | <b>7,704,154</b>     | 1,947,538           | <b>1,581,132</b>     | 5,844,481            | <b>7,321,391</b>     | 11,061,920           |
| <b>Distribution to Shareholders (Note 5)</b>  | <b>(87,975)</b>     | (137,731)           | <b>(123,824)</b>     | (139,862)           | <b>(558,201)</b>     | (1,147,407)          | <b>(770,000)</b>     | (1,425,000)          |
| <b>Net increase in net assets attributable to holders of redeemable shares for the year</b> | <b>(1,204,983)</b>  | 3,449,686           | <b>8,112,563</b>     | 1,993,423           | <b>6,558,295</b>     | 6,682,771            | <b>13,465,875</b>    | 12,125,880           |
| <b>Net assets attributable to holders of redeemable shares, end of year</b>                 | <b>\$ 6,024,739</b> | <b>\$ 7,229,722</b> | <b>\$ 14,272,751</b> | <b>\$ 6,160,188</b> | <b>\$ 48,035,155</b> | <b>\$ 41,476,860</b> | <b>\$ 68,332,645</b> | <b>\$ 54,866,770</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Schedule of Investment Portfolio**

As at July 30, 2017

| <b>Description</b>                 | <b>No. of Shares</b> | <b>\$Cost</b>     | <b>\$Fair Value</b> |
|------------------------------------|----------------------|-------------------|---------------------|
| <b>CANADIAN EQUITY- Long</b>       |                      |                   |                     |
| Alimentation Couche Tard Inc       | 52,700               | 2,551,963         | 3,147,244           |
| Alliance Grain Traders Inc         | 107,800              | 3,121,969         | 2,802,800           |
| Boyd Group Income Fund             | 25,000               | 2,208,880         | 2,393,750           |
| Brookfield Asset Management Inc    | 45,500               | 2,074,320         | 2,189,915           |
| CCL Industries Inc                 | 45,700               | 1,369,863         | 2,723,263           |
| Enbridge Inc                       | 61,300               | 3,305,279         | 3,134,269           |
| EnerCare Inc                       | 108,800              | 1,975,199         | 2,271,744           |
| Hardwoods Distribution Income Fund | 200                  | 3,629             | 3,756               |
| Loblaw Cos Ltd                     | 36,000               | 2,474,021         | 2,450,160           |
| Magna International Inc            | 49,200               | 2,800,666         | 2,921,496           |
| National Bank of Canada            | 50,200               | 2,264,219         | 2,819,232           |
| New Flyer Industries Inc           | 56,500               | 2,473,209         | 2,859,465           |
| Richelieu Hardware Ltd             | 86,600               | 1,756,406         | 2,814,500           |
| Toronto-Dominion Bank              | 47,400               | 2,467,267         | 3,036,918           |
| Whitecap Resources Inc             | 243,400              | 2,548,187         | 2,227,110           |
| <b>Total CANADIAN EQUITY-Long</b>  |                      | <b>33,395,078</b> | <b>37,795,622</b>   |
| <b>FOREIGN EQUITY- Long</b>        |                      |                   |                     |
| Apple Inc                          | 13,200               | 2,331,551         | 2,455,107           |
| Envision Healthcare Corp           | 29,000               | 2,747,050         | 2,026,191           |
| Google Inc                         | 2,000                | 2,421,870         | 2,384,516           |
| Granite Construction Inc           | 36,100               | 2,751,773         | 2,127,482           |
| NIKE Inc                           | 39,300               | 3,209,152         | 2,868,560           |
| Starbucks Corp                     | 32,100               | 2,453,255         | 2,156,523           |
| Thermo Fisher Scientific Inc       | 13,500               | 2,333,117         | 2,955,478           |
| Visa Inc                           | 25,000               | 2,131,935         | 3,083,813           |
| Walt Disney Co                     | 18,100               | 2,385,486         | 2,476,102           |
| <b>Total FOREIGN EQUITY-Long</b>   |                      | <b>22,765,189</b> | <b>22,533,772</b>   |



**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2017

| Description  | No. of Shares | \$Cost            | \$Fair Value      |
|--|---------------|-------------------|-------------------|
| <b>DERIVATIVE ASSETS- Long</b>                                 |               |                   |                   |
| Bank of America Corp. US 01/19/18 C25                          | 70,000        | 188,315           | 91,441            |
| <b>Total DERIVATIVE ASSETS- Long</b>                           |               | <b>188,315</b>    | <b>91,441</b>     |
| <b>Total Investment Assets</b>                                 |               | <b>56,348,582</b> | <b>60,420,835</b> |
| <b>DERIVATIVE LIABILITIES-Short</b>                            |               |                   |                   |
| Alphabet Inc. US 08/18/17 C1015                                | (2,000)       | (37,800)          | (3,483)           |
| Bank of America Corp. US 01/19/18 P25                          | (70,000)      | (385,808)         | (175,916)         |
| <b>Total DERIVATIVE LIABILITIES-Short</b>                      |               | <b>(423,608)</b>  | <b>(179,399)</b>  |
| <b>Total Investment Portfolio</b>                              |               | <b>55,924,974</b> | <b>60,241,436</b> |
| <b>Other Net Assets</b>  |               |                   | <b>8,091,209</b>  |
| <b>Net Assets Attributable to Holders of Redeemable Shares</b> |               |                   | <b>68,332,645</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class A-3 Conservative Equity**  
**Statement of Cash Flows**  
For the years ended July 30

|   | 2017                | 2016                |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                         |                     |                     |
| Increase in net assets attributable to holders of redeemable shares | \$ 6,914,484        | \$ 2,488,960        |
| Adjustments for:  |                     |                     |
| Purchase of investments   | (48,485,900)        | (28,158,136)        |
| Proceeds on disposition of investments                              | 40,626,164          | 23,757,886          |
| Net realized gain on sale of investments                            | (8,118,850)         | (3,438,682)         |
| Increase in accrued dividends                                       | (9,489)             | (10,076)            |
| Increase in prepaid income taxes                                    | (122,806)           | (34,988)            |
| (Decrease) increase in accrued liabilities                          | (40,591)            | 26,902              |
| Unrealized depreciation of investments                              | 1,507,608           | 1,744,661           |
| <b>Net cash used in operating activities</b>                        | <b>(7,729,380)</b>  | <b>(3,623,473)</b>  |
| <b>Cash flows from financing activities</b>                         |                     |                     |
| Proceeds from issue of shares                                       | 40,597,445          | 36,202,178          |
| Decrease (increase) in subscriptions receivable                     | 437,264             | (406,497)           |
| Redemption of shares  | (34,042,902)        | (26,562,885)        |
| (Decrease) increase in redemptions payable                          | (41,073)            | 78,378              |
| Cash distributions  | (3,152)             | (2,373)             |
| <b>Net cash flows provided by financing activities</b>              | <b>6,947,582</b>    | <b>9,308,801</b>    |
| <b>(Decrease) increase in cash</b>                                  | <b>(781,798)</b>    | <b>5,685,328</b>    |
| Cash, beginning of year   | 8,442,603           | 2,757,275           |
| <b>Cash, end of year</b>  | <b>\$ 7,660,805</b> | <b>\$ 8,442,603</b> |
| Interest received   | 6,497               | 4,793               |
| Dividends and distributions received, net of withholding taxes      | 942,846             | 678,530             |
| Interest paid   | 699                 | 1,485               |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Statement of Financial Position**  
**As at July 30**

|  | 2017                 | 2016                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Investments at fair value (cost - \$58,114,829, 2016 - \$46,695,418)                         | \$ 59,241,454        | \$ 48,650,040        |
| Cash   | 3,259,012            | 2,023,540            |
| Accrued interest   | 33,166               | 37,720               |
| Accrued dividends  | 209,015              | 49,483               |
| Subscriptions receivable   | 785,177              | 361,951              |
| Prepaid income taxes   | 105,199              | -                    |
| <b>Total assets</b>  | <b>63,633,023</b>    | <b>51,122,734</b>    |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Accrued liabilities (Note 6)   | 28,082               | 65,667               |
| Redemptions payable  | 99,626               | 50,346               |
| Derivative liabilities - investments   | 440,014              | 658,342              |
| <b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b> | <b>567,722</b>       | <b>774,355</b>       |
| <b>Net assets attributable to holders of redeemable shares</b>                               | <b>\$ 63,065,301</b> | <b>\$ 50,348,379</b> |
| <b>Series Net Assets Attributable to Holders of Redeemable Shares</b>                        |                      |                      |
| Series A   | \$ 6,253,088         | \$ 4,938,949         |
| Series D   | 12,018,650           | 5,652,742            |
| Series I   | 44,793,563           | 39,756,688           |
|  | <b>\$ 63,065,301</b> | <b>\$ 50,348,379</b> |
| <b>Number of Shares Outstanding (Note 4)</b>   |                      |                      |
| Series A   | 515,445              | 428,849              |
| Series D   | 1,002,597            | 489,366              |
| Series I   | 3,537,440            | 3,295,254            |
| <b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>                     |                      |                      |
| Series A   | \$ 12.13             | \$ 11.52             |
| Series D   | \$ 11.99             | \$ 11.55             |
| Series I   | \$ 12.66             | \$ 12.06             |

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"  
 Director

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Statement of Comprehensive Income**  
For the years ended July 30

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>Income</b>  |                     |                     |
| Interest   | \$ 260,621          | \$ 171,369          |
| Dividends  | 1,329,899           | 1,095,579           |
| Foreign withholding taxes  | (14,944)            | (35,905)            |
| Income trust distribution  | 620,840             | 472,070             |
| Realized gain on sale of investments   | 2,282,961           | 681,539             |
| Unrealized (depreciation) appreciation of investments  | (222,432)           | 778,111             |
| Exchange on foreign currencies   | 94,635              | 57,732              |
|  | <b>4,351,580</b>    | <b>3,220,495</b>    |
| <b>Expenses</b>  |                     |                     |
| Management fees (Note 6)   | 102,939             | 33,587              |
| Harmonized sales tax   | 37,948              | 27,187              |
| Bank charges and interest  | 2,201               | 6,431               |
| General operating expenses   | 365,305             | 238,569             |
|  | <b>508,393</b>      | <b>305,774</b>      |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     | <b>\$ 3,843,187</b> | <b>\$ 2,914,721</b> |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     |                     |                     |
| Series A   | \$ 355,852          | \$ 377,297          |
| Series D   | 282,711             | 268,505             |
| Series I   | 3,204,624           | 2,268,919           |
|  | <b>\$ 3,843,187</b> | <b>\$ 2,914,721</b> |
| <b>Increase in net assets attributable to holders of redeemable shares per share (Note 12)</b> |                     |                     |
| Series A   | \$ 0.81             | \$ 1.16             |
| Series D   | \$ 0.37             | \$ 0.66             |
| Series I   | \$ 0.92             | \$ 0.68             |

*The accompanying notes are an integral part of these financial statements.*

# CFG Custom Portfolio Corporation

## Class D-3 Income

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the years ended July 30

|   | Series A     |              | Series D      |              | Series I      |               | Total         |               |
|---|--------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|
|   | 2017         | 2016         | 2017          | 2016         | 2017          | 2016          | 2017          | 2016          |
| <b>Net assets attributable to holders of redeemable shares, beginning of year</b>           | \$ 4,938,949 | \$ 2,709,582 | \$ 5,652,742  | \$ 3,675,605 | \$ 39,756,688 | \$ 34,146,202 | \$ 50,348,379 | \$ 40,531,389 |
| <b>Operations:</b>  |              |              |               |              |               |               |               |               |
| Increase in net assets attributable to holders of redeemable shares                         | 355,852      | 377,297      | 282,711       | 268,505      | 3,204,624     | 2,268,919     | 3,843,187     | 2,914,721     |
| <b>Redeemable share transactions</b>  |              |              |               |              |               |               |               |               |
| Proceeds from issuance of shares  | 4,245,698    | 4,166,745    | 14,625,353    | 2,514,499    | 18,258,782    | 16,239,303    | 37,129,833    | 22,920,547    |
| Reinvested distributions  | 112,835      | 60,663       | 192,218       | 74,981       | 939,095       | 665,006       | 1,244,148     | 800,650       |
| Redemptions   | (3,287,368)  | (2,314,643)  | (8,539,737)   | (803,940)    | (16,423,141)  | (12,897,345)  | (28,250,246)  | (16,015,928)  |
|   | 1,071,165    | 1,912,765    | 6,277,834     | 1,785,540    | 2,774,736     | 4,006,964     | 10,123,735    | 7,705,269     |
| <b>Distributions to shareholders (Note 5)</b>   | (112,878)    | (60,695)     | (194,637)     | (76,908)     | (942,485)     | (665,397)     | (1,250,000)   | (803,000)     |
| <b>Net increase in net assets attributable to holders of redeemable shares for the year</b> | 1,314,139    | 2,229,367    | 6,365,908     | 1,977,137    | 5,036,875     | 5,610,486     | 12,716,922    | 9,816,990     |
| <b>Net assets attributable to holders of redeemable shares, end of year</b>                 | \$ 6,253,088 | \$ 4,938,949 | \$ 12,018,650 | \$ 5,652,742 | \$ 44,793,563 | \$ 39,756,688 | \$ 63,065,301 | \$ 50,348,379 |

The accompanying notes are an integral part of these financial statements.

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Schedule of Investment Portfolio**

As at July 30, 2017

| Description  | No. of Shares | \$Cost           | \$Fair Value     |
|--|---------------|------------------|------------------|
| <b>CASH EQUIVALENT- Long</b>                           |               |                  |                  |
| MBI Svg Acc-F /SF/N'Frac                               | 1,001,562     | 1,001,562        | 1,001,562        |
| <b>Total CASH EQUIVALENT-Long</b>                      |               | <b>1,001,562</b> | <b>1,001,562</b> |
| <b>FIXED INCOME- Long</b>                              |               |                  |                  |
| Bank of Nova Scotia 3.036% 10/18/24                    | 379,000       | 389,309          | 386,501          |
| Capital Desjardins Inc. 4.954% 12/15/26                | 342,000       | 386,323          | 375,785          |
| Constellation Software Float 03/31/40                  | 1,611,200     | 1,875,136        | 1,889,132        |
| Morneau Shepell Inc 4 3/4% 06/30/21                    | 265,000       | 275,507          | 279,575          |
| Premium Brands Holdings Corp. 4.6% 12/31/23            | 700,000       | 700,000          | 759,500          |
| Premium Brands Holdings Corp. 4.65% 04/30/21           | 1,170,000     | 1,193,146        | 1,365,975        |
| Rogers Sugar Inc 5% 12/31/24                           | 60,000        | 60,000           | 60,960           |
| Royal Bank of Canada 2.99% 12/06/24                    | 380,000       | 389,196          | 387,589          |
| <b>Total FIXED INCOME-Long</b>                         |               | <b>5,268,617</b> | <b>5,505,017</b> |
| <b>CANADIAN EQUITY- Long</b>                           |               |                  |                  |
| Algonquin Power & Utilities Corp                       | 159,000       | 1,860,212        | 2,130,600        |
| Alimentation Couche Tard Inc                           | 32,400        | 2,027,044        | 1,934,928        |
| Brookfield Asset Mgmt Float 12/31/49 PFD               | 98,000        | 1,020,866        | 1,421,000        |
| Brookfield Renewable Partnership 5 Perp PFD            | 49,100        | 1,227,057        | 1,234,865        |
| Brookfield Infrastructur 5.35 12/31/49 PFD             | 46,900        | 1,193,725        | 1,218,931        |
| Bank of Montreal 4.85 12/31/49 PFD                     | 47,100        | 1,212,787        | 1,232,136        |
| BMO Laddered Preferred Share Index ETF                 | 228,100       | 2,577,898        | 2,634,555        |
| Bank of Nova Scotia 4.85 12/31/49 PFD                  | 46,900        | 1,200,169        | 1,233,939        |
| Chartwell Seniors Housing Real Estate Investment Trust | 118,700       | 1,848,780        | 1,823,232        |
| Enbridge Inc. 5.15 12/31/49 PFD                        | 48,900        | 1,230,251        | 1,275,312        |
| Enbridge Income Fund Holdings Inc                      | 53,500        | 1,671,011        | 1,695,950        |
| EnerCare Inc   | 85,500        | 1,596,578        | 1,785,240        |
| Exchange Income Corp                                   | 52,000        | 1,815,169        | 1,407,120        |
| Financial 15 Split Corp PFD                            | 298,800       | 3,018,372        | 3,023,856        |
| H&R Real Estate Investment Trust                       | 72,400        | 1,579,805        | 1,531,260        |
| Intact Financial Corp                                  | 16,000        | 1,535,816        | 1,546,720        |
| iShares 1-5 Year Laddered Corporate Bond Index         | 210,300       | 4,005,942        | 3,922,095        |
| iShares S&P/TSX Canadian Preferred Share Index Fund    | 253,400       | 3,317,864        | 3,593,212        |
| Pizza Pizza Royalty Corp                               | 85,300        | 1,177,131        | 1,432,187        |
| Premium Income Corp -PFD-                              | 198,300       | 3,030,877        | 2,996,313        |
| Pure Multi-family Reit LP                              | 197,900       | 1,586,959        | 1,686,108        |

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2017

| Description  | No. of Shares | \$Cost            | \$Fair Value      |
|--|---------------|-------------------|-------------------|
| <b>CANADIAN EQUITY- Long (continued)</b>                       |               |                   |                   |
| Sir Royalty Income Fund  | 81,700        | 1,085,555         | 1,207,526         |
| Toronto-Dominion Bank 4.85 12/31/49 PFD                        | 44,600        | 1,137,622         | 1,168,520         |
| Tricon Capital Group Inc                                       | 159,700       | 1,734,379         | 1,707,193         |
| Vanguard Canadian Short-term C                                 | 160,800       | 3,999,096         | 3,923,520         |
| WPT Industrial Real Estate Inv                                 | 104,000       | 1,695,228         | 1,682,023         |
| <b>Total CANADIAN EQUITY-Long</b>                              |               | <b>49,386,193</b> | <b>50,448,341</b> |
| <b>FOREIGN EQUITY- Long</b>                                    |               |                   |                   |
| Iron Mountain Inc  | 14,300        | 679,857           | 626,052           |
| O'Reilly Automotive Inc  | 100           | 29,347            | 24,886            |
| Service Corp International/US                                  | 27,800        | 1,138,477         | 1,206,705         |
| <b>Total FOREIGN EQUITY-Long</b>                               |               | <b>1,847,681</b>  | <b>1,857,643</b>  |
| <b>REAL ESTATE- Long</b>                                       |               |                   |                   |
| Greater Edmonton Retail Ltd Partnership                        | 10            | 300,000           | 330,000           |
| <b>Total REAL ESTATE-Long</b>                                  |               | <b>300,000</b>    | <b>330,000</b>    |
| <b>DERIVATIVE ASSETS- Long</b>                                 |               |                   |                   |
| SPDR S&P500 ETF Trust US 01/19/18 P235                         | 18,400        | 310,776           | 98,891            |
| <b>Total DERIVATIVE ASSETS- Long</b>                           |               | <b>310,776</b>    | <b>98,891</b>     |
| <b>Total Investment Assets</b>                                 |               | <b>58,114,829</b> | <b>59,241,454</b> |
| <b>DERIVATIVE LIABILITIES-Short</b>                            |               |                   |                   |
| Alimentation Couche-Tard Inc CN 09/15/17 C64                   | (32,400)      | (21,708)          | (17,172)          |
| Alphabet Inc US 09/15/17 P925                                  | (1,500)       | (28,549)          | (22,021)          |
| Costco Wholesale Corp US 08/18/17 P150                         | (8,000)       | (24,801)          | (12,939)          |
| Enghouse Systems Ltd CN 08/18/17 P52                           | (30,000)      | (58,500)          | (17,250)          |
| Intact Financial Corp CN 09/15/17 C98                          | (16,000)      | (15,471)          | (16,400)          |
| O'Reilly Automotive Inc US 08/18/17 P250                       | (3,700)       | (112,598)         | (228,777)         |
| Starbucks Corp US 09/15/17 P55                                 | (24,500)      | (56,388)          | (60,961)          |
| Wells Fargo & Co US 08/18/17 P55                               | (24,000)      | (69,223)          | (64,494)          |
| <b>Total DERIVATIVE LIABILITIES-Short</b>                      |               | <b>(387,238)</b>  | <b>(440,014)</b>  |
| <b>Total Investment Portfolio</b>                              |               | <b>57,727,591</b> | <b>58,801,440</b> |
| <b>Other Net Assets</b>  |               |                   | <b>4,263,861</b>  |
| <b>Net Assets Attributable to Holders of Redeemable Shares</b> |               |                   | <b>63,065,301</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class D-3 Income**  
**Statement of Cash Flows**  
For the years ended July 30

|   | 2017                | 2016                |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                         |                     |                     |
| Increase in net assets attributable to holders of redeemable shares | \$ 3,843,187        | \$ 2,914,721        |
| Adjustments for:  |                     |                     |
| Purchase of investments   | (69,307,484)        | (42,843,975)        |
| Proceeds on disposition of investments                              | 60,558,272          | 34,759,671          |
| Net realized gain on investments                                    | (2,282,961)         | (681,539)           |
| Decrease (increase) in accrued interest                             | 4,554               | (21,887)            |
| (Increase) decrease in accrued dividends                            | (159,532)           | 25,482              |
| Increase in prepaid income taxes                                    | (105,199)           | -                   |
| Decrease in accrued liabilities                                     | (37,586)            | (2,779)             |
| Unrealized depreciation (appreciation) of investments               | 222,432             | (778,111)           |
| <b>Net cash used in operating activities</b>                        | <b>(7,264,317)</b>  | <b>(6,628,417)</b>  |
| <b>Cash flows from financing activities</b>                         |                     |                     |
| Proceeds from issue of shares                                       | 37,129,833          | 22,920,547          |
| Increase in subscriptions receivable                                | (423,226)           | (205,002)           |
| Redemption of shares  | (28,250,246)        | (16,015,928)        |
| Increase in redemptions payable                                     | 49,280              | 30,526              |
| Cash distributions  | (5,852)             | (2,350)             |
| <b>Net cash flows provided by financing activities</b>              | <b>8,499,789</b>    | <b>6,727,793</b>    |
| <b>Increase in cash</b>   | <b>1,235,472</b>    | <b>99,376</b>       |
| Cash, beginning of year   | 2,023,540           | 1,924,164           |
| <b>Cash, end of year</b>  | <b>\$ 3,259,012</b> | <b>\$ 2,023,540</b> |
| Interest received   | 265,172             | 149,482             |
| Dividends and distributions received, net of withholding taxes      | 1,776,263           | 1,557,226           |
| Interest paid   | 1,732               | 5,989               |

*The accompanying notes are an integral part of these financial statements.*



**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Statement of Financial Position**  
**As at July 30**

|  | 2017                 | 2016                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| <b>Current assets</b>  |                      |                      |
| Investments at fair value (cost - \$12,365,976, 2016 - \$11,981,952)                         | \$ 13,167,722        | \$ 12,759,103        |
| Cash   | 2,868,439            | 527,548              |
| Accrued interest   | 1,224                | 1,220                |
| Accrued dividends  | 44,696               | 20,897               |
| Prepaid income taxes   | 36,013               | -                    |
| <b>Total assets</b>  | <b>16,118,094</b>    | <b>13,308,768</b>    |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Accrued liabilities (Note 6)   | 7,884                | 18,811               |
| Redemptions payable  | 4,491                | -                    |
| Derivative liabilities - investments   | 4,579                | 38,342               |
| <b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b> | <b>16,954</b>        | <b>57,153</b>        |
| <b>Net assets attributable to holders of redeemable shares</b>                               | <b>\$ 16,101,140</b> | <b>\$ 13,251,615</b> |
| <b>Series Net Assets Attributable to Holders of Redeemable Shares</b>                        |                      |                      |
| Series A   | \$ 15,939,222        | \$ 13,220,751        |
| Series D   | \$ 161,918           | \$ 30,864            |
|  | <b>\$ 16,101,140</b> | <b>\$ 13,251,615</b> |
| <b>Number of Shares Outstanding (Note 4)</b>   |                      |                      |
| Series A   | 1,038,622            | 911,365              |
| Series D   | 15,139               | 3,015                |
| <b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>                     |                      |                      |
| Series A   | \$ 15.35             | \$ 14.51             |
| Series D   | \$ 10.70             | \$ 10.24             |

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft" \_\_\_\_\_

**Director**

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Statement of Comprehensive Income**  
For the years ended July 30

|  | 2017                | 2016              |
|--|---------------------|-------------------|
| <b>Income</b>  |                     |                   |
| Interest   | \$ 21,554           | \$ 13,820         |
| Dividends  | 307,876             | 271,289           |
| Foreign withholding taxes  | (8,141)             | (8,087)           |
| Income trust distribution  | 185,421             | 87,352            |
| Realized gain on sale of investments   | 751,284             | 992,940           |
| Unrealized appreciation (depreciation) of investments  | 67,140              | (529,697)         |
| Exchange on foreign currencies   | (111,457)           | 52,388            |
|  | 1,213,677           | 880,005           |
| <b>Expenses</b>  |                     |                   |
| Management fees (Note 6)   | 38,531              | 30,754            |
| Harmonized sales tax   | 5,769               | 4,691             |
| Bank charges and interest  | 174                 | 1,928             |
| General operating expenses   | 70,559              | 92,034            |
|  | 115,033             | 129,407           |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     | <b>\$ 1,098,644</b> | <b>\$ 750,598</b> |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     |                     |                   |
| Series A   | \$ 1,094,355        | \$ 749,734        |
| Series D   | \$ 4,289            | \$ 864            |
|  | \$ 1,098,644        | \$ 750,598        |
| <b>Increase in net assets attributable to holders of redeemable shares per share (Note 12)</b> |                     |                   |
| Series A   | \$ 1.12             | \$ 0.87           |
| Series D   | \$ 0.41             | \$ 0.29           |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**

**Class E-3 Balanced**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**

For the years ended July 30

|   | Series A             |                      | Series D          |                  | Total                |                      |
|---|----------------------|----------------------|-------------------|------------------|----------------------|----------------------|
|   | 2017                 | 2016                 | 2017              | 2016             | 2017                 | 2016                 |
| <b>Net assets attributable to holders of redeemable shares, beginning of year</b>           | <b>\$ 13,220,751</b> | <b>\$ 11,971,358</b> | <b>\$ 30,864</b>  | <b>\$ -</b>      | <b>\$ 13,251,615</b> | <b>\$ 11,971,358</b> |
| <b>Operations:</b>  |                      |                      |                   |                  |                      |                      |
| Increase in net assets attributable to holders of redeemable shares                         | <b>1,094,355</b>     | 749,734              | <b>4,289</b>      | 864              | <b>1,098,644</b>     | 750,598              |
| <b>Redeemable share transactions</b>  |                      |                      |                   |                  |                      |                      |
| Proceeds from issuance of shares  | <b>3,090,168</b>     | 1,215,620            | <b>209,200</b>    | 30,000           | <b>3,299,368</b>     | 1,245,620            |
| Reinvested distributions  | <b>277,912</b>       | 386,196              | <b>2,316</b>      | 152              | <b>280,228</b>       | 386,348              |
| Redemptions   | <b>(1,436,280)</b>   | (662,309)            | <b>(82,435)</b>   | -                | <b>(1,518,715)</b>   | (662,309)            |
|   | <b>1,931,800</b>     | 939,507              | <b>129,081</b>    | 30,152           | <b>2,060,881</b>     | 969,659              |
| <b>Distributions to shareholders (Note 5)</b>   | <b>(307,684)</b>     | (439,848)            | <b>(2,316)</b>    | (152)            | <b>(310,000)</b>     | (440,000)            |
| <b>Net increase in net assets attributable to holders of redeemable shares for the year</b> | <b>2,718,471</b>     | 1,249,393            | <b>131,054</b>    | 30,864           | <b>2,849,525</b>     | 1,280,257            |
| <b>Net assets attributable to holders of redeemable shares, end of year</b>                 | <b>\$ 15,939,222</b> | <b>\$ 13,220,751</b> | <b>\$ 161,918</b> | <b>\$ 30,864</b> | <b>\$ 16,101,140</b> | <b>\$ 13,251,615</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Schedule of Investment Portfolio**

As at July 30, 2017

| Description   | No. of Shares | \$Cost           | \$Fair Value     |
|---|---------------|------------------|------------------|
| <b>FIXED INCOME- Long</b>                           |               |                  |                  |
| Constellation Software Float 03/31/40               | 203,700       | 239,662          | 238,838          |
| <b>Total FIXED INCOME-Long</b>                      |               | <b>239,662</b>   | <b>238,838</b>   |
| <b>CANADIAN EQUITY- Long</b>                        |               |                  |                  |
| Algonquin Power & Utilities Corp                    | 33,300        | 394,201          | 446,220          |
| Brookfield Asset Mgmt Float 12/31/49 PFD            | 14,144        | 148,117          | 205,088          |
| BCE Inc   | 10,100        | 549,365          | 589,941          |
| Brookfield Renewable Par 5 Perp PFD                 | 12,200        | 304,841          | 306,830          |
| Brookfield Renewable Energy Partners LP/CA          | 11,700        | 452,698          | 492,219          |
| Dream Industrial Real Estate                        | 26,400        | 228,000          | 239,184          |
| Enbridge Income Fund Holdings Inc                   | 16,600        | 463,628          | 526,220          |
| EnerCare Inc  | 29,000        | 539,191          | 605,520          |
| Enhouse Systems Ltd                                 | 9,000         | 488,728          | 481,770          |
| Exchange Income Corp                                | 9,100         | 317,655          | 246,246          |
| Financial 15 Split Corp PFD                         | 29,700        | 301,187          | 300,564          |
| Fortis Inc/Canada                                   | 9,700         | 396,035          | 437,276          |
| H&R Real Estate Investment Trust                    | 9,927         | 218,687          | 209,956          |
| Intact Financial Corp                               | 4,400         | 403,211          | 425,348          |
| Intertape Polymer Group Inc                         | 13,000        | 321,875          | 317,590          |
| iShares S&P/TSX Canadian Preferred Share Index Fund | 102,800       | 1,249,020        | 1,457,704        |
| National Bank of Canada                             | 5,392         | 249,103          | 302,815          |
| Pizza Pizza Royalty Corp                            | 23,350        | 321,763          | 392,047          |
| Premium Income Corp -PFD-                           | 19,800        | 301,917          | 299,178          |
| Pure Multi-family Reit LP                           | 19,000        | 148,107          | 161,880          |
| Sir Royalty Income Fund                             | 11,422        | 148,196          | 168,817          |
| Suncor Energy Inc                                   | 13,400        | 546,662          | 540,824          |
| Toronto-Dominion Bank                               | 8,160         | 447,563          | 522,811          |
| WPT Industrial Real Estate Inv                      | 18,900        | 305,463          | 305,675          |
| <b>Total CANADIAN EQUITY-Long</b>                   |               | <b>9,245,215</b> | <b>9,981,723</b> |

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2017

| Description  | No. of Shares | \$Cost            | \$Fair Value      |
|--|---------------|-------------------|-------------------|
| <b>FOREIGN EQUITY- Long</b>                                    |               |                   |                   |
| CVS Caremark Corp  | 4,400         | 459,445           | 436,555           |
| DJ EURO STOXX 50 Fund  | 16,000        | 767,448           | 790,650           |
| Iron Mountain Inc  | 6,700         | 316,727           | 293,325           |
| JPMorgan Chase & Co  | 2,700         | 238,481           | 306,616           |
| Vanguard MSCI European ETF                                     | 11,400        | 808,173           | 801,892           |
| Wells Fargo & Co   | 4,500         | 268,602           | 298,397           |
| <b>Total FOREIGN EQUITY-Long</b>                               |               | <b>2,858,877</b>  | <b>2,927,436</b>  |
| <b>DERIVATIVE ASSETS- Long</b>                                 |               |                   |                   |
| Nasdaq Inc US 12/15/17 P72.5                                   | 1,800         | 6,211             | 4,647             |
| SPDR S&P500 ETF Trust US 12/15/17 P245                         | 2,000         | 16,011            | 15,078            |
| <b>Total DERIVATIVE ASSETS- Long</b>                           |               | <b>22,222</b>     | <b>19,725</b>     |
| <b>Total Investment Assets</b>                                 |               | <b>12,365,976</b> | <b>13,167,722</b> |
| <b>DERIVATIVE LIABILITIES- Short</b>                           |               |                   |                   |
| Intact Financial Corp CN 09/15/17 C98                          | (1,900)       | (1,520)           | (1,948)           |
| Wells Fargo & Co US 09/15/17 C55                               | (4,500)       | (7,262)           | (2,631)           |
| <b>Total DERIVATIVE LIABILITIES- Short</b>                     |               | <b>(8,782)</b>    | <b>(4,579)</b>    |
| <b>Total Investment Portfolio</b>                              |               | <b>12,357,194</b> | <b>13,163,143</b> |
| <b>Other Net Assets</b>  |               |                   | <b>2,937,997</b>  |
| <b>Net Assets Attributable to Holders of Redeemable Shares</b> |               |                   | <b>16,101,140</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class E-3 Balanced**  
**Statement of Cash Flows**  
For the years ended July 30

|   | 2017                | 2016               |
|---|---------------------|--------------------|
| <b>Cash flows from operating activities</b>                         |                     |                    |
| Increase in net assets attributable to holders of redeemable shares | \$ 1,098,644        | \$ 750,598         |
| Adjustments for:  |                     |                    |
| Purchase of investments   | (11,591,380)        | (11,563,765)       |
| Proceeds on disposition of investments                              | 11,967,422          | 10,164,643         |
| Net realized gain on sale of investments                            | (751,284)           | (992,940)          |
| Increase in accrued interest  | (4)                 | (1,220)            |
| (Increase) decrease in accrued dividends                            | (23,799)            | 7,351              |
| Increase in prepaid income taxes                                    | (36,013)            | -                  |
| (Decrease) increase in accrued liabilities                          | (10,927)            | 12,400             |
| Unrealized (appreciation) depreciation of investments               | (67,140)            | 529,697            |
| <b>Net cash provided by (used in) operating activities</b>          | <b>585,519</b>      | <b>(1,093,236)</b> |
| <b>Cash flows from financing activities</b>                         |                     |                    |
| Proceeds from issue of shares                                       | 3,299,368           | 1,245,620          |
| Redemption of shares  | (1,518,715)         | (662,309)          |
| Increase in redemptions payable                                     | 4,491               | -                  |
| Cash distributions  | (29,772)            | (53,652)           |
| <b>Net cash flows provided by financing activities</b>              | <b>1,755,372</b>    | <b>529,659</b>     |
| <b>Increase (decrease) in cash</b>                                  | <b>2,340,891</b>    | <b>(563,577)</b>   |
| Cash, beginning of year   | 527,548             | 1,091,125          |
| <b>Cash, end of year</b>  | <b>\$ 2,868,439</b> | <b>\$ 527,548</b>  |
| Interest received   | 21,549              | 12,600             |
| Dividends and distributions received, net of withholding taxes      | 461,359             | 357,905            |
| Interest paid   | 123                 | 1,839              |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Financial Position**  
As at July 30

|  | 2017                 | 2016                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Investments at fair value (cost - \$18,034,404, 2016 - \$13,345,557)                         | \$ 19,477,234        | \$ 14,910,358        |
| Cash   | 2,130,988            | 2,868,914            |
| Accrued dividends  | 40,430               | 33,424               |
| Subscriptions receivable   | 106                  | 106                  |
| Prepaid income taxes   | 46,843               | -                    |
| <b>Total assets</b>  | <b>21,695,601</b>    | <b>17,812,802</b>    |
| <b>Liabilities</b>   |                      |                      |
| <b>Current liabilities</b>   |                      |                      |
| Accrued liabilities (Note 6)   | 10,414               | 25,280               |
| Redemptions payable  | 30,025               | -                    |
| Derivative liabilities - investments   | 34,461               | 42,527               |
| <b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b> | <b>74,900</b>        | <b>67,807</b>        |
| <b>Net assets attributable to holders of redeemable shares</b>                               | <b>\$ 21,620,701</b> | <b>\$ 17,744,995</b> |
| <b>Series Net Assets Attributable to Holders of Redeemable Shares</b>                        |                      |                      |
| Series A   | \$ 21,571,293        | \$ 17,704,222        |
| Series D   | 49,408               | 40,773               |
|  | <b>\$ 21,620,701</b> | <b>\$ 17,744,995</b> |
| <b>Number of Shares Outstanding (Note 4)</b>   |                      |                      |
| Series A   | 1,284,283            | 1,126,830            |
| Series D   | 4,695                | 4,057                |
| <b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>                     |                      |                      |
| Series A   | \$ 16.80             | \$ 15.71             |
| Series D   | \$ 10.52             | \$ 10.05             |

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft" \_\_\_\_\_

**Director**

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Comprehensive Income**  
For the years ended July 30

|  | 2017                | 2016              |
|--|---------------------|-------------------|
| <b>Income</b>  |                     |                   |
| Interest   | \$ 2,199            | \$ 41             |
| Dividends  | 305,425             | 423,232           |
| Foreign withholding taxes  | (14,994)            | (18,061)          |
| Income trust distribution  | 144,132             | 23,729            |
| Realized gain on sale of investments   | 1,358,227           | 1,719,154         |
| Unrealized depreciation of investments   | (60,299)            | (1,629,599)       |
| Exchange on foreign currencies   | (56,284)            | 2,222             |
|  | 1,678,406           | 520,718           |
| <b>Expenses</b>  |                     |                   |
| Management fees (Note 6)   | 50,700              | 40,964            |
| Harmonized sales tax   | 7,634               | 6,222             |
| Bank charges and interest  | 977                 | 617               |
| General operating expenses   | 93,169              | 105,269           |
|  | 152,480             | 153,072           |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     | <b>\$ 1,525,926</b> | <b>\$ 367,646</b> |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     |                     |                   |
| Series A   | \$ 1,522,750        | \$ 367,255        |
| Series D   | \$ 3,176            | \$ 391            |
|  | \$ 1,525,926        | \$ 367,646        |
| <b>Increase in net assets attributable to holders of redeemable shares per share (Note 12)</b> |                     |                   |
| Series A   | \$ 1.27             | \$ 0.34           |
| Series D   | \$ 0.65             | \$ 0.10           |

*The accompanying notes are an integral part of these financial statements.*



**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

|   | Series A             |                      | Series D         |                  | Total                |                      |
|---|----------------------|----------------------|------------------|------------------|----------------------|----------------------|
|   | 2017                 | 2016                 | 2017             | 2016             | 2017                 | 2016                 |
| <b>Net assets attributable to holders of redeemable shares, beginning of year</b>           | <b>\$ 17,704,222</b> | <b>\$ 15,975,877</b> | <b>\$ 40,773</b> | <b>\$ -</b>      | <b>\$ 17,744,995</b> | <b>\$ 15,975,877</b> |
| <b>Operations:</b>  |                      |                      |                  |                  |                      |                      |
| Increase in net assets attributable to holders of redeemable shares                         | <b>1,522,750</b>     | 367,255              | <b>3,176</b>     | 391              | <b>1,525,926</b>     | 367,646              |
| <b>Redeemable share transactions</b>  |                      |                      |                  |                  |                      |                      |
| Proceeds from issuance of shares  | <b>3,808,897</b>     | 2,038,584            | <b>55,590</b>    | 40,382           | <b>3,864,487</b>     | 2,078,966            |
| Reinvested distributions  | <b>296,023</b>       | 538,333              | <b>781</b>       | 190              | <b>296,804</b>       | 538,523              |
| Redemptions   | <b>(1,456,380)</b>   | (659,017)            | <b>(50,131)</b>  | -                | <b>(1,506,511)</b>   | (659,017)            |
|   | <b>2,648,540</b>     | 1,917,900            | <b>6,240</b>     | 40,572           | <b>2,654,780</b>     | 1,958,472            |
| <b>Distributions to shareholders (Note 5)</b>   | <b>(304,219)</b>     | (556,810)            | <b>(781)</b>     | (190)            | <b>(305,000)</b>     | (557,000)            |
| <b>Net increase in net assets attributable to holders of redeemable shares for the year</b> | <b>3,867,071</b>     | 1,728,345            | <b>8,635</b>     | 40,773           | <b>3,875,706</b>     | 1,769,118            |
| <b>Net assets attributable to holders of redeemable shares, end of year</b>                 | <b>\$ 21,571,293</b> | <b>\$ 17,704,222</b> | <b>\$ 49,408</b> | <b>\$ 40,773</b> | <b>\$ 21,620,701</b> | <b>\$ 17,744,995</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Schedule of Investment Portfolio**

As at July 30, 2017

| Description                              | No. of Shares | \$Cost            | \$Fair Value      |
|--|---------------|-------------------|-------------------|
| <b>CANADIAN EQUITY- Long</b>             |               |                   |                   |
| AG Growth International Inc              | 11,900        | 498,930           | 667,947           |
| Alimentation Couche Tard Inc             | 10,500        | 619,951           | 627,060           |
| Alliance Grain Traders Inc               | 25,400        | 794,532           | 660,400           |
| Brookfield Asset Mgmt Float 12/31/49 PFD | 19,056        | 199,556           | 276,312           |
| Bmo Laddered Preferred Share Index ETF   | 172,000       | 1,635,720         | 1,986,600         |
| Brookfield Asset Management Inc          | 8,600         | 400,755           | 413,918           |
| CCL Industries Inc                       | 7,500         | 157,357           | 446,925           |
| Dream Industrial Real Estate             | 58,400        | 504,363           | 529,104           |
| Enbridge Inc                             | 11,300        | 587,441           | 577,769           |
| EnerCare Inc                             | 30,000        | 547,368           | 626,400           |
| Goldcorp Inc                             | 31,700        | 592,724           | 514,808           |
| Hardwoods Distribution Income Fund       | 25,000        | 413,676           | 469,500           |
| iShares DEX Short Term Bond Index Fund   | 19,300        | 542,907           | 533,066           |
| National Bank of Canada                  | 10,300        | 434,204           | 578,448           |
| Potash Corp of Saskatchewan Inc          | 23,300        | 539,981           | 516,328           |
| Richelieu Hardware Ltd                   | 17,700        | 390,874           | 575,250           |
| Rogers Communications Inc                | 11,200        | 531,135           | 720,944           |
| Sir Royalty Income Fund                  | 31,000        | 441,049           | 458,180           |
| Stella-Jones Inc                         | 17,100        | 757,106           | 749,322           |
| Toronto-Dominion Bank                    | 9,300         | 499,543           | 595,851           |
| <b>Total CANADIAN EQUITY-Long</b>        |               | <b>11,089,172</b> | <b>12,524,132</b> |
| <b>FOREIGN EQUITY- Long</b>              |               |                   |                   |
| Bank of America Corp                     | 19,700        | 381,154           | 588,946           |
| CVS Caremark Corp                        | 5,800         | 580,918           | 575,458           |
| DJ EURO STOXX 50 Fund                    | 22,000        | 1,093,402         | 1,087,144         |
| Envision Healthcare Corp                 | 9,100         | 833,608           | 635,805           |
| JPMorgan Chase & Co                      | 5,200         | 544,595           | 590,520           |
| Tyson Foods Inc                          | 7,900         | 640,754           | 619,189           |
| Vanguard MSCI European ETF               | 15,400        | 1,091,742         | 1,083,258         |
| Visa Inc                                 | 5,200         | 651,985           | 641,433           |
| Walt Disney Co                           | 4,300         | 523,098           | 588,245           |
| Wells Fargo & Co                         | 8,000         | 590,008           | 530,484           |
| <b>Total FOREIGN EQUITY-Long</b>         |               | <b>6,931,264</b>  | <b>6,940,482</b>  |

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2017

| Description  | No. of Shares | \$Cost            | \$Fair Value      |
|--|---------------|-------------------|-------------------|
| <b>DERIVATIVE ASSETS- Long</b>                                 |               |                   |                   |
| Nasdaq Inc US 12/15/17 P72.5                                   | 800           | 2,760             | 2,065             |
| SPDR S&P500 ETF Trust US 12/15/17 P245                         | 1,400         | 11,208            | 10,555            |
| <b>Total DERIVATIVE ASSETS- Long</b>                           |               | <b>13,968</b>     | <b>12,620</b>     |
| <b>Total Investment Assets</b>                                 |               | <b>18,034,404</b> | <b>19,477,234</b> |
| <b>DERIVATIVE LIABILITIES- Short</b>                           |               |                   |                   |
| Alimentation Couche-Tard Class B CN 09/15/17 C64               | (10,500)      | (7,035)           | (5,565)           |
| Envision Healthcare Corp US 09/15/17 C60                       | (9,100)       | (29,586)          | (14,435)          |
| Tyson Foods Inc Class A US 09/15/17 C65                        | (7,900)       | (13,082)          | (13,367)          |
| Wells Fargo & Co US 09/15/17 C57.5                             | (8,000)       | (3,903)           | (1,095)           |
| <b>Total DERIVATIVE LIABILITIES- Short</b>                     |               | <b>(53,607)</b>   | <b>(34,461)</b>   |
| <b>Total Investment Portfolio</b>                              |               | <b>17,980,797</b> | <b>19,442,773</b> |
| <b>Other Net Assets</b>  |               |                   | <b>2,177,928</b>  |
| <b>Net Assets Attributable to Holders of Redeemable Shares</b> |               |                   | <b>21,620,701</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class F-3 Balanced Growth**  
**Statement of Cash Flows**  
For the years ended July 30

|   | 2017                | 2016                |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                         |                     |                     |
| Increase in net assets attributable to holders of redeemable shares | \$ 1,525,926        | \$ 367,646          |
| Adjustments for:  |                     |                     |
| Purchase of investments   | (25,688,553)        | (9,275,110)         |
| Proceeds on disposition of investments                              | 22,411,540          | 9,328,333           |
| Net realized gain on investments                                    | (1,358,227)         | (1,719,154)         |
| (Increase) decrease in accrued dividends                            | (7,006)             | 957                 |
| Increase in prepaid income taxes                                    | (46,843)            | -                   |
| (Decrease) increase in accrued liabilities                          | (14,867)            | 15,422              |
| Unrealized depreciation of investments                              | 60,299              | 1,629,599           |
| <b>Net cash (used in) provided by operating activities</b>          | <b>(3,117,731)</b>  | <b>347,693</b>      |
| <b>Cash flows from financing activities</b>                         |                     |                     |
| Proceeds from issue of shares                                       | 3,864,487           | 2,078,966           |
| Redemption of shares  | (1,506,511)         | (659,017)           |
| Increase (decrease) in redemptions payable                          | 30,025              | (4,070)             |
| Cash distributions  | (8,196)             | (18,477)            |
| <b>Net cash flows provided by financing activities</b>              | <b>2,379,805</b>    | <b>1,397,402</b>    |
| <b>(Decrease) increase in cash</b>                                  | <b>(737,926)</b>    | <b>1,745,095</b>    |
| Cash, beginning of year   | 2,868,914           | 1,123,819           |
| <b>Cash, end of year</b>  | <b>\$ 2,130,988</b> | <b>\$ 2,868,914</b> |
| Interest received   | 2,199               | 41                  |
| Dividends and distributions received, net of withholding taxes      | 427,557             | 429,857             |
| Interest paid   | 869                 | 458                 |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Financial Position**  
**As at July 30**

|  | 2017              | 2016              |
|--|-------------------|-------------------|
| <b>Assets</b>  |                   |                   |
| <b>Current Assets</b>  |                   |                   |
| Investments at fair value (cost - \$nil, 2016 - \$302,535)                                   | \$ -              | \$ 331,655        |
| Cash   | 4,605             | 732,673           |
| Prepaid income taxes   | 4,133             | -                 |
| <b>Total assets</b>  | <b>8,738</b>      | <b>1,064,328</b>  |
| <b>Liabilities</b>   |                   |                   |
| <b>Current Liabilities</b>   |                   |                   |
| Accrued liabilities (Note 6)   | 2,113             | 2,720             |
| Redemptions payable  | 9,032             | 99,618            |
| Derivative liabilities - investments   | -                 | 85,072            |
| <b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b> | <b>11,145</b>     | <b>187,410</b>    |
| <b>Net assets attributable to holders of redeemable shares</b>                               | <b>\$ (2,407)</b> | <b>\$ 876,918</b> |
| <b>Series Net Assets Attributable to Holders of Redeemable Shares</b>                        |                   |                   |
| Series A   | \$ 60             | \$ 295,437        |
| Series D   | (2,467)           | 581,481           |
|  | <b>\$ (2,407)</b> | <b>\$ 876,918</b> |
| <b>Number of Shares Outstanding (Note 4)</b>   |                   |                   |
| Series A   | -                 | 31,764            |
| Series D   | -                 | 61,830            |
| <b>Net Asset Attributable to Holders of Redeemable Shares per Share</b>                      |                   |                   |
| Series A   | \$ -              | \$ 9.30           |
| Series D   | \$ -              | \$ 9.40           |

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft" \_\_\_\_\_  
**Director**

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Comprehensive Income**  
**For the years ended July 30**

|   | 2017               | 2016               |
|---|--------------------|--------------------|
| <b>Income</b>   |                    |                    |
| Dividends   | \$ 563             | \$ 682             |
| Foreign withholding taxes   | (68)               | (73)               |
| Realized (loss) gain on sale of investments   | (62,505)           | 37,878             |
| Unrealized appreciation (depreciation) of investments   | 55,952             | (55,952)           |
| Exchange on foreign currencies  | 2,115              | (1,806)            |
| Income trust distribution   | 884                | -                  |
|   | <u>(3,059)</u>     | <u>(19,271)</u>    |
| <b>Expenses</b>   |                    |                    |
| Management fees (Note 6)  | 3,502              | 3,732              |
| Harmonized sales tax  | 591                | 681                |
| Bank charges and interest   | 105                | 1,474              |
| General operating expenses  | 3,405              | 7,036              |
|   | <u>7,603</u>       | <u>12,923</u>      |
| <b>Decrease in net assets attributable to holders of redeemable shares</b>                                | <u>\$ (10,662)</u> | <u>\$ (32,194)</u> |
| <b>(Decrease) increase in net assets attributable to holders of redeemable shares</b>                     |                    |                    |
| Series A  | \$ (2,988)         | \$ 2,291           |
| Series D  | (7,674)            | (34,485)           |
|   | <u>\$ (10,662)</u> | <u>\$ (32,194)</u> |
| <b>(Decrease) increase in net assets attributable to holders of redeemable shares per share (Note 12)</b> |                    |                    |
| Series A  | \$ (0.09)          | \$ 0.04            |
| Series D  | \$ (0.15)          | \$ (0.44)          |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

|  | Series A   |            | Series D   |            | Total      |             |
|--|------------|------------|------------|------------|------------|-------------|
|  | 2017       | 2016       | 2017       | 2016       | 2017       | 2016        |
| <b>Net assets attributable to holders of redeemable shares, beginning of year</b>                      | \$ 295,437 | \$ -       | \$ 581,481 | \$ -       | \$ 876,918 | \$ -        |
| <b>Operations:</b>   |            |            |            |            |            |             |
| Decrease (increase) in net assets attributable to holders of redeemable shares                         | (2,988)    | 2,291      | (7,674)    | (34,485)   | (10,662)   | (32,194)    |
| <b>Redeemable share transactions</b>   |            |            |            |            |            |             |
| Proceeds from issuance of shares   | 31,480     | 1,122,193  | 13,000     | 822,168    | 44,480     | 1,944,361   |
| Reinvested distributions   | -          | 11,884     | -          | 8,116      | -          | 20,000      |
| Redemptions  | (323,869)  | (829,047)  | (589,274)  | (206,202)  | (913,143)  | (1,035,249) |
|  | (292,389)  | 305,030    | (576,274)  | 624,082    | (868,663)  | 929,112     |
| <b>Distributions to shareholders (Note 5)</b>  | -          | (11,884)   | -          | (8,116)    | -          | (20,000)    |
| <b>Net (decrease) increase in net assets attributable to holders of redeemable shares for the year</b> | (295,377)  | 295,437    | (583,948)  | 581,481    | (879,325)  | 876,918     |
| <b>Net assets attributable to holders of redeemable shares, end of year</b>                            | \$ 60      | \$ 295,437 | \$ (2,467) | \$ 581,481 | \$ (2,407) | \$ 876,918  |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class H-3 Alternative Strategies**  
**Statement of Cash Flows**  
For the years ended July 30

|   | 2017             | 2016              |
|---|------------------|-------------------|
| <b>Cash flows from operating activities</b>                         |                  |                   |
| Decrease in net assets attributable to holders of redeemable shares | \$ (10,662)      | \$ (32,194)       |
| Adjustments for:  |                  |                   |
| Purchase of investments   | (459,506)        | (1,195,355)       |
| Proceeds on disposition of investments                              | 699,536          | 930,698           |
| Net realized loss (gain) on sale of investments                     | 62,505           | (37,878)          |
| Increase in prepaid income taxes                                    | (4,133)          | -                 |
| (Decrease) increase in accrued liabilities                          | (607)            | 2,720             |
| Unrealized (appreciation) depreciation of investments               | (55,952)         | 55,952            |
| <b>Net cash provided by (used in) operating activities</b>          | <b>231,181</b>   | <b>(276,057)</b>  |
| <b>Cash flows from financing activities</b>                         |                  |                   |
| Proceeds from issue of shares                                       | 44,480           | 1,944,361         |
| Redemption of shares  | (913,143)        | (1,035,249)       |
| (Decrease) increase in redemptions payable                          | (90,586)         | 99,618            |
| <b>Net cash flows (used in) provided by financing activities</b>    | <b>(959,249)</b> | <b>1,008,730</b>  |
| <b>(Decrease) increase in cash</b>                                  | <b>(728,068)</b> | <b>732,673</b>    |
| Cash, beginning of year   | 732,673          | -                 |
| <b>Cash, end of year</b>  | <b>\$ 4,605</b>  | <b>\$ 732,673</b> |

|  |     |       |
|--|-----|-------|
| Dividends and distributions received, net of withholding taxes | 495 | 609   |
| Interest paid  | 104 | 1,471 |

*The accompanying notes are an integral part of these financial statements.*



**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Financial Position**  
**As at July 30**

|  | 2017                 | 2016                |
|--|----------------------|---------------------|
| <b>Assets</b>  |                      |                     |
| <b>Current assets</b>  |                      |                     |
| Investments at fair value (cost - \$21,805,107, 2016 - \$8,777,269)                          | \$ 22,067,609        | \$ 9,668,386        |
| Cash   | 2,312,821            | 507,885             |
| Accrued dividends  | 94,565               | 31,938              |
| Subscriptions receivable   | 238,892              | 61,000              |
| Prepaid income taxes   | 28,847               | -                   |
| <b>Total assets</b>  | <b>24,742,734</b>    | <b>10,269,209</b>   |
| <b>Liabilities</b>   |                      |                     |
| <b>Current liabilities</b>   |                      |                     |
| Accrued liabilities (Note 6)   | 8,651                | 11,568              |
| Redemptions payable  | 7,765                | 29,742              |
| Derivative liabilities - investments   | 538,906              | 399,915             |
| Tax withheld on distribution   | 2,364                | -                   |
| <b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b> | <b>557,686</b>       | <b>441,225</b>      |
| <b>Net assets attributable to holders of redeemable shares</b>                               | <b>\$ 24,185,048</b> | <b>\$ 9,827,984</b> |
| <b>Number of Shares Outstanding (Note 4)</b>   | <b>2,089,083</b>     | <b>908,701</b>      |
| <b>Net Assets Attributable to Holders of Redeemable Shares per Share</b>                     | <b>\$ 11.58</b>      | <b>\$ 10.82</b>     |

*The accompanying notes are an integral part of these financial statements.*

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"  
**Director**

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Comprehensive Income**  
**For the years ended July 30**

|  | 2017                | 2016              |
|--|---------------------|-------------------|
| <b>Income</b>  |                     |                   |
| Interest   | \$ 5,122            | \$ -              |
| Dividends  | 481,564             | 124,579           |
| Foreign withholding taxes  | (742)               | (500)             |
| Income trust distribution  | 138,947             | 9,427             |
| Realized gain on sale of investments   | 1,415,149           | 148,837           |
| Unrealized appreciation of investments   | 144,071             | 491,202           |
| Exchange on foreign currencies   | (6,444)             | 3,720             |
|  | <u>2,177,667</u>    | <u>777,265</u>    |
| <b>Expenses</b>  |                     |                   |
| Management fees (Note 6)   | 41,764              | 5,610             |
| Harmonized sales tax   | 14,989              | 2,581             |
| Bank charges and interest  | 280                 | 768               |
| General operating expenses   | 75,174              | 51,778            |
| Portfolio transaction costs  | 132                 | 1,223             |
|  | <u>132,339</u>      | <u>61,960</u>     |
| <b>Increase in net assets attributable to holders of redeemable shares</b>                     | <b>\$ 2,045,328</b> | <b>\$ 715,305</b> |
| <b>Increase in net assets attributable to holders of redeemable shares per share (Note 12)</b> | <b>\$ 1.36</b>      | <b>\$ 0.96</b>    |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares**  
For the years ended July 30

|   | Series A      |              | Total         |              |
|---|---------------|--------------|---------------|--------------|
|   | 2017          | 2016         | 2017          | 2016         |
| <b>Net assets attributable to holders of redeemable shares, beginning of year</b>           | \$ 9,827,984  | \$ -         | \$ 9,827,984  | \$ -         |
| <b>Operations:</b>  |               |              |               |              |
| Increase in net assets attributable to holders of redeemable shares                         | 2,045,328     | 715,305      | 2,045,328     | 715,305      |
| <b>Redeemable share transactions</b>  |               |              |               |              |
| Proceeds from issuance of shares  | 16,609,913    | 10,371,189   | 16,609,913    | 10,371,189   |
| Reinvested distributions  | 22,534        | 150          | 22,534        | 150          |
| Redemptions   | (3,307,434)   | (1,079,057)  | (3,307,434)   | (1,079,057)  |
|   | 13,325,013    | 9,292,282    | 13,325,013    | 9,292,282    |
| <b>Distributions to shareholders (Note 5)</b>   | (1,013,277)   | (179,603)    | (1,013,277)   | (179,603)    |
| <b>Net increase in net assets attributable to holders of redeemable shares for the year</b> | 14,357,064    | 9,827,984    | 14,357,064    | 9,827,984    |
| <b>Net assets attributable to holders of redeemable shares, end of year</b>                 | \$ 24,185,048 | \$ 9,827,984 | \$ 24,185,048 | \$ 9,827,984 |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Schedule of Investment Portfolio**  
**As at July 30, 2016**

| <b>Description</b>                                  | <b>No. of Shares</b> | <b>\$Cost</b>     | <b>\$Fair Value</b> |
|---|----------------------|-------------------|---------------------|
| <b>CANADIAN EQUITY- Long</b>                        |                      |                   |                     |
| Agnico-Eagle Mines Ltd                              | 5,000                | 303,340           | 294,250             |
| Bank of Montreal                                    | 10,000               | 915,298           | 941,900             |
| Bank of Nova Scotia                                 | 15,000               | 1,124,348         | 1,163,100           |
| BCE Inc.  | 35,000               | 2,080,831         | 2,044,350           |
| BCE Inc. 3.55 12/31/49 PFD                          | 55,000               | 842,018           | 1,013,100           |
| Bank of Nova Scotia 5 1/2 12/31/49 PFD              | 10,000               | 266,298           | 270,300             |
| Canadian Imperial Bank of Commerce/Canada           | 10,000               | 1,047,672         | 1,075,700           |
| Canadian National Railway Co                        | 10,000               | 1,025,603         | 984,100             |
| Canadian Natural Resources Ltd                      | 5,000                | 193,821           | 192,450             |
| Canadian Pacific Railway Ltd                        | 3,500                | 714,680           | 687,365             |
| Enbridge Inc  | 10,000               | 527,948           | 511,300             |
| Goldcorp Inc  | 10,000               | 207,668           | 162,400             |
| iShares S&P/TSX 60 Index Fund                       | 20,000               | 454,799           | 448,168             |
| iShares S&P/TSX Canadian Preferred Share Index Fund | 400,000              | 5,395,702         | 5,672,000           |
| Metro Inc   | 5,000                | 229,350           | 210,450             |
| Manulife Financial Corp. 5.6 12/31/49 PFD           | 5,000                | 131,750           | 135,550             |
| National Bank of Canada 3.9 12/31/49 PFD            | 12,000               | 242,267           | 263,160             |
| National Bank of Canada                             | 10,000               | 565,429           | 561,600             |
| Pembina Pipeline Corp                               | 10,000               | 442,000           | 425,000             |
| Power Corp 5.80% SC PFD                             | 15,000               | 384,611           | 381,750             |
| Power Financial Corp 5.5% PFD Series R              | 10,000               | 243,160           | 251,900             |
| Premium Income Corp -PFD-                           | 53,700               | 816,126           | 811,407             |
| Royal Bank of Canada                                | 15,000               | 1,367,999         | 1,391,550           |
| Teck Resources Ltd                                  | 5,000                | 118,723           | 131,800             |
| Tmx Group Ltd                                       | 4,000                | 272,182           | 267,520             |
| Toronto-Dominion Bank                               | 6,000                | 385,322           | 384,420             |
| TransCanada Corp                                    | 8,000                | 433,604           | 508,000             |
| <b>Total CANADIAN EQUITY-Long</b>                   |                      | <b>20,732,551</b> | <b>21,184,590</b>   |

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2016

| Description  | No. of Shares | \$Cost            | \$Fair Value      |
|--|---------------|-------------------|-------------------|
| <b>FOREIGN EQUITY- Long</b>                          |               |                   |                   |
| iPATH S&P 500 Vix Short-Term Futures Etn             | 5,000         | 71,329            | 70,229            |
| Powershares QQQ Trust Series 1                       | 2,000         | 371,918           | 357,903           |
| SPDR S&P 500 ETF Trust                               | 1,000         | 322,637           | 307,181           |
| Deutsche Bank Ag - Registered                        | 5,000         | 112,898           | 113,151           |
| <b>Total FOREIGN EQUITY-Long</b>                     |               | <b>878,781</b>    | <b>848,464</b>    |
| <b>DERIVATIVE ASSETS- Long</b>                       |               |                   |                   |
| Apple Inc. US 08/11/17 P132                          | 5,000         | 2,547             | 1,275             |
| Apple Inc. US 10/20/17 P120                          | 5,000         | 4,243             | 2,550             |
| Amazon Inc. US 08/18/17 P900                         | 5,000         | 143,739           | 4,665             |
| Alibaba US 08/18/17 P130                             | 10,000        | 5,568             | 2,613             |
| Alphabet Inc. US 08/18/17 P900                       | 5,000         | 12,915            | 18,350            |
| Netflix Inc. US 08/11/17 C205                        | 10,000        | 9,004             | 3,110             |
| Suncor Energy Inc. US 09/15/17 C35                   | 10,000        | 3,839             | 1,369             |
| iShares 20+ Year Treasury Bond EFT. US 09/15/17 C135 | 10,000        | 11,920            | 622               |
| <b>Total DERIVATIVE ASSETS- Long</b>                 |               | <b>193,775</b>    | <b>34,555</b>     |
| <b>Total Investment Assets</b>                       |               | <b>21,805,107</b> | <b>22,067,609</b> |
| <b>DERIVATIVE LIABILITIES- Short</b>                 |               |                   |                   |
| Agnico Eagle Mines Ltd CN 08/18/17 C60               | (5,000)       | (6,400)           | (5,250)           |
| Alibaba US 08/18/17 P150                             | (10,000)      | (53,146)          | (32,471)          |
| Alphabet Inc. Us 08/18/17 P930                       | (5,000)       | (42,123)          | (64,942)          |
| Amazon Inc. US 08/18/17 P940                         | (5,000)       | (227,621)         | (13,374)          |
| Apple Inc. US 08/11/17 P147                          | (5,000)       | (22,862)          | (16,049)          |
| Apple Inc. US 10/20/17 P145                          | (5,000)       | (38,785)          | (29,547)          |
| Bank of America Corporation US 09/15/17 P25          | (20,000)      | (30,644)          | (31,849)          |
| Bank of America Corporation US 12/15/17 P24          | (20,000)      | (41,560)          | (33,093)          |
| Bank of Montreal CN 08/18/17 C96                     | (5,000)       | (5,000)           | (1,200)           |
| Bank of Montreal CN 08/18/17 C98                     | (5,000)       | (3,050)           | (225)             |
| BCE Inc. CN 08/18/17 C60                             | (35,000)      | (28,910)          | (4,550)           |
| Canadian Imperial Bank of Commerce CN 10/20/17 C110  | (5,000)       | (11,250)          | (6,350)           |
| Canadian Imperial Bank of Commerce. CN 08/11/17 C108 | (5,000)       | (6,850)           | (2,850)           |
| Canadian National Railway Co. CN 07/28/17 C102       | (2,500)       | (2,700)           | (500)             |
| Canadian National Railway Co. CN 08/11/17 C101       | (2,500)       | (1,600)           | (700)             |
| Canadian National Railway Co. CN 08/18/17 C100       | (7,500)       | (10,500)          | (5,700)           |
| Canadian Natural Resources Limited CN 08/18/17 C38   | (5,000)       | (6,500)           | (6,300)           |

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Schedule of Investment Portfolio (continued)**

As at July 30, 2016

| Description  | No. of Shares | \$Cost            | \$Fair Value      |
|--|---------------|-------------------|-------------------|
| <b>DERIVATIVE LIABILITIES- Short (continued)</b>               |               |                   |                   |
| Canadian Pacific Railway Ltd. CN 08/18/17 C205                 | (3,500)       | (6,300)           | (3,168)           |
| Canadian Pacific Railway Ltd. CN 08/18/17 P195                 | (3,500)       | (7,630)           | (9,625)           |
| Deutsche Bank AG .US 10/20/17 C19                              | (5,000)       | (7,260)           | (4,199)           |
| Enbridge Inc. CN 08/04/17 C53                                  | (2,000)       | (740)             | (120)             |
| Enbridge Inc. CN 08/18/17 C54                                  | (8,000)       | (4,880)           | (400)             |
| Facebook Inc US 08/04/17 P170                                  | (2,500)       | (3,376)           | (3,017)           |
| Goldcorp Inc. CN 10/20/17 C19                                  | (10,000)      | (11,000)          | (2,200)           |
| Goldcorp Inc. CN 10/20/17 P16                                  | (10,000)      | (9,200)           | (8,600)           |
| iPATH S&P 500 VIX Short-Term Futures ETN. US 08/11/            | (5,000)       | (2,760)           | (2,426)           |
| iShares 20+ Year Treasury Bond ETF. US 09/15/17 C125           | (10,000)      | (30,352)          | (14,680)          |
| iShares Canadian Select Dividend Index ETF. CN 12/15/17        | (31,200)      | (26,580)          | (17,160)          |
| iShares S&P/TSX 60 Index ETF CN 08/18/17 C23                   | (20,000)      | (5,800)           | (800)             |
| JP Morgan Chase & Co. US 10/20/17 P92.5                        | (5,000)       | (21,274)          | (22,083)          |
| Microsoft Corporation US 09/15/17 P72.5                        | (10,000)      | (28,405)          | (19,781)          |
| National Bank of Canada CN 08/18/17 C56                        | (10,000)      | (9,160)           | (7,000)           |
| Netflix Inc. US 08/11/17 C190                                  | (10,000)      | (42,516)          | (23,887)          |
| Pembina Pipeline Corp CN 10/20/17 C44                          | (10,000)      | (12,500)          | (3,500)           |
| PowerShares QQQ Trust Series 1. US 08/18/17 C140               | (2,000)       | (3,921)           | (11,744)          |
| Royal Bank of Canada CN 10/20/17 C96                           | (15,000)      | (18,750)          | (13,350)          |
| SPDR S&P 500 ETF US 08/18/17 C245                              | (1,000)       | (3,897)           | (4,018)           |
| Square Inc. US 08/18/17 P26                                    | (10,000)      | (17,007)          | (19,159)          |
| Square Inc. US 09/15/17 C33                                    | (10,000)      | (6,718)           | (7,713)           |
| Square Inc. US 09/15/17 P26                                    | (20,000)      | (37,514)          | (46,032)          |
| Teck Resources Ltd CN 08/18/17 C25                             | (5,000)       | (4,850)           | (8,300)           |
| Texas Instruments Inc. US 08/18/17 P80                         | (10,000)      | (16,076)          | (13,063)          |
| The Bank of Nova Scotia CN 10/20/17 C78                        | (5,000)       | (7,250)           | (6,500)           |
| The Bank of Nova Scotia CN 10/20/17 C80                        | (10,000)      | (13,000)          | (6,000)           |
| The Toronto-Dominion Bank CN 08/18/17 C66                      | (6,000)       | (3,300)           | (450)             |
| TMX Group Ltd. CN 08/18/17 C68                                 | (4,000)       | (6,000)           | (3,700)           |
| TransCanada Corp. CN 08/11/17 C65                              | (8,000)       | (4,160)           | (1,280)           |
| <b>Total DERIVATIVE LIABILITIES-Short</b>                      |               | <b>(911,678)</b>  | <b>(538,906)</b>  |
| <b>Total Investment Portfolio</b>                              |               | <b>20,893,429</b> | <b>21,528,703</b> |
| <b>Other Net Assets</b>  |               |                   | <b>2,656,345</b>  |
| <b>Net Assets Attributable to Holders of Redeemable Shares</b> |               |                   | <b>24,185,048</b> |

*The accompanying notes are an integral part of these financial statements.*

**CFG Custom Portfolio Corporation**  
**Class I-3 Option Writing**  
**Statement of Cash Flows**  
For the years ended July 30

|   | 2017                | 2016               |
|---|---------------------|--------------------|
| <b>Cash flows from operating activities</b>                         |                     |                    |
| Increase in net assets attributable to holders of redeemable shares | \$ 2,045,328        | \$ 715,305         |
| Adjustments for:  |                     |                    |
| Purchase of investments   | (36,896,904)        | (12,287,948)       |
| Proceeds on disposition of investments                              | 26,195,893          | 3,659,516          |
| Net realized gain on investments                                    | (1,415,149)         | (148,837)          |
| Increase in accrued dividends                                       | (62,627)            | (31,938)           |
| (Increase) in prepaid income taxes                                  | (28,847)            | -                  |
| (Decrease) increase in accrued liabilities                          | (2,917)             | 11,568             |
| Increase in tax withheld on distribution                            | 2,364               | -                  |
| Unrealized appreciation in value of investments                     | (144,071)           | (491,202)          |
| <b>Net cash used in operating activities</b>                        | <b>(10,306,930)</b> | <b>(8,573,536)</b> |
| <b>Cash flows from financing activities</b>                         |                     |                    |
| Proceeds from issue of shares                                       | 16,609,913          | 10,371,189         |
| Increase in subscriptions receivable                                | (177,892)           | (61,000)           |
| Redemption of shares  | (3,307,434)         | (1,079,057)        |
| (Decrease) increase in redemptions payable                          | (21,978)            | 29,742             |
| Cash distributions  | (990,743)           | (179,453)          |
| <b>Net cash flows provided by financing activities</b>              | <b>12,111,866</b>   | <b>9,081,421</b>   |
| <b>Increase in cash</b>   | <b>1,804,936</b>    | <b>507,885</b>     |
| Cash, beginning of year   | 507,885             | -                  |
| <b>Cash, end of year</b>  | <b>\$ 2,312,821</b> | <b>\$ 507,885</b>  |
| Interest received   | 5,122               | -                  |
| Dividends and distributions received, net of withholding taxes      | 557,141             | 101,568            |
| Interest paid   | -                   | 559                |

*The accompanying notes are an integral part of these financial statements.*

# CFG Custom Portfolio Corporation

## Notes To Financial Statements

### As at July 30, 2017 and 2016

#### 1. THE CORPORATION

The CFG Custom Portfolio Corporation (the "Corporation") is an open-ended mutual fund corporation, incorporated on August 18, 2006 under the laws of Canada, which commenced operations on October 19, 2006. Each class of shares of the Corporation represents a separate segregated investment fund with its own investment objective. An investment in a class is represented by shares of that class. R.N. Croft Financial Group Inc. is the manager (the "Manager") of the Corporation.

The investment objective of each class of shares is as follows:

Class A-3 - The investment objective of the CFG Custom Portfolio Corporation, Equity Share Class (the "Class") is to generate reliable capital growth by investing in an equity portfolio that is well-diversified across the major sectors of the Canadian and, as appropriate, U.S. and international financial markets. To achieve the stated objectives, the Investment Committee (IRC) may invest the Class in large-to-mid-capitalization common shares and equities with both low systematic risk and higher expected returns through capital appreciation, dividend income, or a combination of both. The IRC may also invest the Class in exchange traded funds, convertible securities and/or various option strategies to gain exposure across geographic regions and sectors. To optimize the Class portfolio for current market conditions, the IRC may change sector and geographic regions and sectors. To optimize the Class portfolio for current market conditions, the IRC may change sector and geographic allocations, as well as tactical approach and investment style. Tactically, the IRC may sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class D-3 - The investment objective of the CFG Custom Portfolio Corporation, Income Share Class (the "Class") is to generate a stable stream of income and maintain moderate, reliable capital growth by investing in a portfolio that is well-diversified across the major sectors and asset classes of the Canadian and, as appropriate, U.S. and international markets. To achieve the stated objectives, the Investment Committee (IRC) may invest the Class in cash equivalents, bonds, convertible debentures, preferred shares, income trusts, real estate investment trusts, dividend paying common shares, income producing exchange traded funds and stable equities with low systematic risk. To optimize the Class portfolio for current market conditions, the IRC may change asset, sector and geographic allocations, as well as tactical approach and investment style. Tactically, the IRC may sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class E-3 - The investment objective of the CFG Custom Portfolio Corporation, Morris Balanced Income Class (the "Class") is to strike a balance between safety of principal, enhanced income strategies and capital appreciation. The Class will hold cash, investment grades, preferred shares, blue chip stocks that typically pay out above average dividends, real estate investment trusts (REITs), income trusts and exchange



**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**1. THE CORPORATION - continued**

traded funds across all geographic regions and sectors. The Investment Committee may utilize speculative strategies where the maximum exposure does not exceed 5% of the asset value of the portfolio and can extend the use of leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the Class's asset value. The Class may write covered call options to generate tax advantaged income, buy puts to hedge against adverse market movements, write cash secured puts to acquire shares, or buy calls as a stock replacement strategy. This Class is actively managed and intends to meet its objectives by investing in the following securities: investment grade government and corporate bonds; mortgage backed securities; preferred shares; individual equities diversified by sector, geographic region and style; exchange traded index funds (equity and income); and real estate investment trusts (REITs). The Class will utilize various option strategies designed to reduce risk and generate income. Speculative strategies include leveraged exchange traded funds, small cap stocks (market capitalization less than \$1 billion) and micro-cap stocks (market capitalization less than \$100 million).

Class F-3 - The objective of the CFG Custom Portfolio Corporation, Morris Balanced Growth Class (the "Class") is to seek out long term capital appreciation complimented with enhanced income strategies. The Class may hold cash, investment grade bonds, preferred shares, blue chip and/or small capitalization stocks, real estate investment trusts (REITs), income trusts and exchange traded funds. The Class may engage in speculative strategies where the maximum exposure does not exceed 10% of the Class's asset value at the time the speculative positions were purchased. The Class may write covered call options in respect of all or part of the securities in its portfolio and may from time to time, buy puts to hedge against downside market movements, write puts to acquire shares and/or buy calls as stock replacement strategy. The Class may utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the Class's asset value. The Class intends to achieve its investment objective by investing in a diversified portfolio that may include cash, fixed income assets, preferred shares, income trusts, individual equities, exchange traded funds (equity, income, sector and specialty). The Class will seek opportunities across all asset classes, geographic regions and sectors. The Class may use various option strategies to enhance income, hedge against adverse market movements and to leverage upside capital appreciation. Speculative strategies may include investments in aggressive small cap exchange traded funds, small capitalization stocks (market cap less than \$1 billion) and micro-cap stocks (market cap less than \$100 million).

Class H-3 - The objective of the CFG Custom Portfolio Corporation, Alternative Strategies Class (the "Class") is to generate returns that generally have a low correlation with traditional asset classes and market trends. The Class intends to hold long and/or short positions in Canadian, U.S. and other foreign securities and from time to time utilize volatility based strategies during periods of heightened risk. The targeted overall allocation at any given time is approximately two-thirds exposure to long/short positions that are sector-hedged to remove the majority of systematic risk, and one-third exposure to pure tactical and market opportunities.

Class I-3 - The investment objective of the CFG Custom Portfolio Corporation, Option Writing Class (the "Class") is to generate above average cash flow by investing in a portfolio of common and/or convertible securities combined with the sale of options. The

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**1. THE CORPORATION - continued**

Class expects to receive both dividend and/or distribution income from the underlying securities as well as premium from the sale of call and/or put options. To achieve the stated objectives, the Class may be invested in large-to-mid-capitalization common shares, dividend-paying equities and other Canadian and, as appropriate, U.S. and international securities such as EFTs with both lower systematic risk and higher expected returns through capital appreciation, dividend income, or a combination of both. To optimize the Class portfolio for current market conditions, the portfolio manager may change sector and geographic allocations, as well as tactical approach and investment style. Tactically, the portfolio manager will typically sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, but may also buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

The address of the Corporation's registered office is 801-251 Consumers Road Toronto, Ontario M2J 4R3.

**2. BASIS OF PRESENTATION**

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The currency of presentation for these financial statements is the Canadian dollar.

The financial statements were approved by R.N. Croft Financial Group Inc. (the "Manager") and authorized for issue on October 30, 2017.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Following is a summary of significant accounting policies followed by the Corporation:

**(a) Financial Instruments**

The Corporation recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Corporation's investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL), including certain investments in debt securities which have been designated at FVTPL.

The Corporation's obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount. All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Corporation's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its Net Asset Value for transactions with shareholders.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Interest income from investments in bonds and short-term investments is recognized at the effective interest rate. Accrued interest is shown separately in the statements of financial position based on the debt instruments' stated rates of interest. Dividends are recognized as income on the ex-dividend rate. The cost of investments is determined using the average cost method.

The Corporation does not hold any financial instruments subject to master netting agreements or other agreements which would provide a right to offset. Therefore, the Corporation does not offset financial assets and liabilities in its statements of financial position, as there is no unconditional right to offset.

**(b) Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Corporation uses the last traded market price of both financial assets and financial liabilities where the last traded price falls within that days' bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair values established for the Corporation's investments are classified into three levels that reflect the significance and observability of the inputs to the valuation techniques used in making the fair value measurements. When securities are valued using unadjusted quoted market prices for identical assets, they are classified as Level 1. The fair values determined using valuation models or techniques that require the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices are classified as Level 2. In the limited circumstances that fair values are determined using valuation techniques that are not supported by observable market data, they are classified as Level 3. Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Corporation's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer Except for an investment in a limited partnership which is classified as Level 3, all of the Corporation's investments are classified as Level 1.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(c) Designation of Financial Assets and Liabilities**

For the purpose of measuring and recognizing financial assets and liabilities shown on the Statements of Financial Position, each financial asset and financial liability is designated as follows. All investments, including derivatives, are initially recorded at fair value and are designated as FVTPL. Cash, accrued income and subscriptions receivable are designated as loans and receivables and reported at amortized cost. Similarly, redemptions payable and accrued liabilities are designated as other financial liabilities and recorded at amortized cost.

**(d) Impairment of Financial Assets**

At each reporting date, the Corporation assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Corporation recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial asset at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

**(e) Valuation of Share Classes**

A different net asset value is calculated for each class of shares. Investments and cash are allocated to the specific class of shares to which they relate. Other assets and liabilities are allocated to the class of shares they relate to as applicable, or to all classes of shares on a pro-rata basis. The net asset value for each class of shares is calculated by subtracting the liabilities specifically related to that class from the specific assets of that class, and adjusting this amount for the proportionate share of the assets and liabilities that are not specifically related to any class. Revenues and expenses directly attributed to a class of share are charged directly to that share class. Other expenses are allocated proportionately to each class based upon the relative net assets of each class.

**(f) Investment Transactions and Income**

Investment transactions are accounted for as of the trade date. Interest income is accrued daily at the effective interest rate. Interest receivable is shown separately in the statement of financial position based on the debt instruments' stated rates of interest. Dividend income is recognized as income on the ex dividend date. The cost of investments is determined using the average cost method.

**(g) Transaction Costs**

Transaction costs, such as brokerage commissions, incurred on the purchase and sales of a security are charged as an expense for the period and shown as transaction costs on the Statements of Comprehensive Income.

**CFG Custom Portfolio Corporation**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(h) Translation of Foreign Currencies**

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on each valuation day. Purchases and sales of investments, income and expenses are translated into Canadian dollars at the exchange rates prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains (losses) on investments, assets and liabilities, are included in "realized gain (loss) on sale of investments" and "unrealized exchange on foreign currencies and other net assets", respectively and recorded in the Statements of Comprehensive Income.

**(i) Critical Accounting Estimates and Judgments**

The preparation of financial statements in accordance with IFRS requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The most significant accounting judgment and estimate that the Corporation has made in preparing the financial statements is determining the fair value measurement of investments not quoted in an active market, if any.

**(j) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share**

The increase (decrease) in net assets attributable to holders of redeemable shares per share in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable shares divided by the weighted average number of shares of that respective class outstanding during the year.

**(k) Future Accounting Changes**

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. The Corporation intends to adopt the standard on its effective date but has yet to assess the full impact.

**CFG Custom Portfolio Corporation**  
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**4. REDEEMABLE SHARES**

The Corporation is authorized to issue an unlimited number of shares in each class of shares. The classes and shares offered are:

Common Shares  
 Class A-3 Shares (Canadian Conservative Equity shares)  
 Class D-3 Shares (Income shares)  
 Class E-3 Shares (Balanced shares)  
 Class F-3 Shares (Balanced Growth shares)  
 Class H-3 Shares (Alternative Strategies shares)  
 Class I-3 Shares (Option Writing shares)

Each of the Class A, D, E, F, H and I Shares (cumulatively the "Share Classes") are issuable in series, with 50 series of these shares currently authorized.

The common shares are voting and entitled to dividends as declared at the discretion of the Board of Directors. Such dividends may be paid only from assets of the Corporation applicable to the Common shares. The Share Classes are non-voting, redeemable and retractable shares. The redemption price is determined based upon the Net Asset Value per Share. Dividends may be declared at the discretion of the Board of Directors. Such dividends may be paid only from net assets of the Corporation applicable to the specific class of shares.

The Corporation issued 1 common share upon inception for cash proceeds of \$100. A summary of the Corporation's Share Classes issued and outstanding is as follows for year ended July 30, 2017:

|           | <b>Outstanding,<br/>beginning<br/>of year</b> | <b>Issued</b> | <b>Reinvested<br/>distributions</b> | <b>Redeemed</b> | <b>Outstanding,<br/>end of year</b> |
|-----------|---|---------------|-------------------------------------|-----------------|-------------------------------------|
| Class A-3 |   |               |                                     |                 |                                     |
| Series A  | 382,980                                       | 211,210       | 4,133                               | (308,759)       | 289,564                             |
| Series D  | 388,804                                       | 1,000,558     | 7,091                               | (568,616)       | 827,837                             |
| Series I  | 2,535,399                                     | 1,119,431     | 30,371                              | (1,035,555)     | 2,649,646                           |
| Class D-3 |   |               |                                     |                 |                                     |
| Series A  | 428,849                                       | 351,129       | 9,299                               | (273,832)       | 515,445                             |
| Series D  | 489,366                                       | 1,236,079     | 16,036                              | (738,884)       | 1,002,597                           |
| Series I  | 3,295,254                                     | 1,477,363     | 74,148                              | (1,309,325)     | 3,537,440                           |
| Class E-3 |   |               |                                     |                 |                                     |
| Series A  | 911,365                                       | 201,563       | 18,090                              | (92,396)        | 1,038,622                           |
| Series D  | 3,015   | 19,542        | 216                                 | (7,634)         | 15,139                              |
| Class F-3 |   |               |                                     |                 |                                     |
| Series A  | 1,126,830                                     | 225,511       | 17,541                              | (85,599)        | 1,284,283                           |
| Series D  | 4,057   | 5,261         | 74                                  | (4,697)         | 4,695                               |
| Class H-3 |   |               |                                     |                 |                                     |
| Series A  | 31,764  | 3,593         | -                                   | (35,357)        | -                                   |
| Series D  | 61,830  | 1,382         | -                                   | (63,212)        | -                                   |
| Class I-3 |   |               |                                     |                 |                                     |
| Series A  | 908,701                                       | 1,474,425     | 1,952                               | (295,995)       | 2,089,083                           |

**CFG Custom Portfolio Corporation**  
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**4. REDEEMABLE SHARES - continued**

A summary of the Corporation's Share Classes issued and outstanding is as follows for year ended July 30, 2016:

|           | <b>Outstanding,<br/>beginning<br/>of year</b> | <b>Issued</b> | <b>Reinvested<br/>distributions</b> | <b>Redeemed</b> | <b>Outstanding,<br/>end of year</b> |
|-----------|---|---------------|-------------------------------------|-----------------|-------------------------------------|
| Class A-3 |   |               |                                     |                 |                                     |
| Series A  | 206,683                                       | 308,133       | 7,203                               | (139,039)       | 382,980                             |
| Series D  | 266,320                                       | 170,329       | 8,757                               | (56,602)        | 388,804                             |
| Series I  | 2,178,273                                     | 1,682,002     | 69,844                              | (1,394,720)     | 2,535,399                           |
| Class D-3 |   |               |                                     |                 |                                     |
| Series A  | 246,484                                       | 388,518       | 5,302                               | (211,455)       | 428,849                             |
| Series D  | 327,893                                       | 227,226       | 6,531                               | (72,284)        | 489,366                             |
| Series I  | 2,954,773                                     | 1,424,364     | 55,486                              | (1,139,369)     | 3,295,254                           |
| Class E-3 |   |               |                                     |                 |                                     |
| Series A  | 845,960                                       | 85,652        | 26,697                              | (46,944)        | 911,365                             |
| Series D  | -   | 3,000         | 15                                  | -               | 3,015                               |
| Class F-3 |   |               |                                     |                 |                                     |
| Series A  | 1,005,402                                     | 129,109       | 34,269                              | (41,950)        | 1,126,830                           |
| Series D  | -   | 4,038         | 19                                  | -               | 4,057                               |
| Class H-3 |   |               |                                     |                 |                                     |
| Series A  | -   | 112,174       | 1,247                               | (81,657)        | 31,764                              |
| Series D  | -   | 82,217        | 842                                 | (21,229)        | 61,830                              |
| Class I-3 |   |               |                                     |                 |                                     |
| Series A  | -   | 1,010,929     | 14                                  | (102,242)       | 908,701                             |

**5. DISTRIBUTIONS (DIVIDENDS) PAID TO SHAREHOLDERS**

The Board of Directors of the Corporation may declare dividends, at its discretion, payable on any class of the Corporation. Distributions paid to shareholders are calculated on a per share basis. Unless stated in writing in advance of the dividend date, dividends are automatically reinvested in shares of the Corporation.

During the year, the Corporation declared and paid \$3,115,863 (2016 - \$1,751,603) in Canadian dividends and \$532,414 (2016 - \$1,673,000) in capital gains dividends. A breakdown is as follows:

|              | <b>2017</b>                        |                               | <b>2016</b>                        |                               |
|--------------|------------------------------------|-------------------------------|------------------------------------|-------------------------------|
|              | <b>Capital gains<br/>dividends</b> | <b>Canadian<br/>dividends</b> | <b>Capital gains<br/>dividends</b> | <b>Canadian<br/>dividends</b> |
| Class A-3    |                                    | \$ 770,000                    | \$ 875,000                         | \$ 550,000                    |
| Class D-3    |                                    | 1,250,000                     | 138,000                            | 665,000                       |
| Class E-3    |                                    | 310,000                       | 225,000                            | 215,000                       |
| Class F-3    |                                    | 305,000                       | 365,000                            | 192,000                       |
| Class H-3    |                                    | -                             | 20,000                             | -                             |
| Class I-3    | 532,414                            | 480,863                       | 50,000                             | 129,603                       |
| <b>Total</b> | <b>\$ 532,414</b>                  | <b>\$ 3,115,863</b>           | <b>\$ 1,673,000</b>                | <b>\$ 1,751,603</b>           |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**6. RELATED PARTY TRANSACTIONS**

**(a) Management Fees and Performance Bonus**

In consideration for management services and investment advice provided to the Corporation, each class pays a management fee to the Manager per annum which is calculated and accrued monthly. A breakdown is as follows:

|              |          | 2017              |                                    | 2016              |                                    |
|--------------|----------|-------------------|------------------------------------|-------------------|------------------------------------|
|              | Rate (2) | Management Fees   | Unpaid/Accrued Management Fees (1) | Management Fees   | Unpaid/Accrued Management Fees (1) |
| Class A-3    |          |                   |                                    |                   |                                    |
| Series A     | 0.25%    | \$ 18,704         | \$ 1,141                           | \$ 12,409         | \$ 1,413                           |
| Series D     | 0.85%    | 105,214           | 11,095                             | 28,028            | 4,669                              |
| Class D-3    |          |                   |                                    |                   |                                    |
| Series A     | 0.25%    | 13,024            | 1,030                              | 8,749             | 973                                |
| Series D     | 0.85%    | 89,916            | 9,268                              | 24,838            | 4,303                              |
| Class E-3    |          |                   |                                    |                   |                                    |
| Series A     | 0.25%    | 37,417            | 4,171                              | 30,714            | 3,670                              |
| Series D     | 0.85%    | 1,114             | 125                                | 40                | 24                                 |
| Class F-3    |          |                   |                                    |                   |                                    |
| Series A     | 0.25%    | 50,186            | 5,660                              | 40,912            | 4,926                              |
| Series D     | 0.85%    | 514               | 38                                 | 52                | 32                                 |
| Class H-3    |          |                   |                                    |                   |                                    |
| Series A     | 0.50%    | 591               | -                                  | 1,171             | 119                                |
| Series D     | 1.50%    | 2,911             | -                                  | 2,561             | 885                                |
| Class I-3    |          |                   |                                    |                   |                                    |
| Series A     | 0.25%    | 41,764            | 4,459                              | 5,610             | 1,940                              |
| <b>Total</b> |          | <b>\$ 361,355</b> | <b>\$ 36,987</b>                   | <b>\$ 155,084</b> | <b>\$ 22,954</b>                   |

(1) Included in accrued liabilities for financial statement presentation purposes.

(2) Rate is applicable for Series A and D only. The other series charge \$nil or insignificant management fees.

**(b) Operating Expenses**

The Corporation bears all of the costs and expenses relating to the operation of the business and affairs of the Corporation including all audit, registrar and transfer agency fees, taxes and brokerage commissions. The Manager pays certain of these expenses on behalf of the Corporation and is then reimbursed by the Corporation. The Manager may waive or absorb certain expenses of the Corporation. The decision to do so is reviewed annually and determined at the sole discretion of the Manager.



**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**7. INCOME TAXES**

The Corporation qualifies and intends to continue to qualify as a mutual fund corporation under the Income Tax Act (Canada). Accordingly, all interest and foreign dividends, net of applicable expenses, are taxed at full corporate rates with credits, subject to certain limitations, for foreign taxes paid.

As a mutual fund corporation, taxable dividends received from Canadian corporations and foreign affiliates are subject to a tax of 38.33%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on the basis of \$0.3833 for every \$1 of dividends paid. As at July 30, 2017, all refundable taxes paid on such income was fully offset based on taxable dividends declared and paid during the year.

The Corporation is generally subject to tax at full corporate rates on 50% of its net realized capital gains. This tax can be eliminated by "capital gains redemptions" as defined by income tax legislation, or by the Corporation, within 60 days of the end of its fiscal year, making payment to its shareholders of a "capital gains dividend" out of the Corporation's realized and undistributed capital gains, or by a combination of both. As a result, no provision for income taxes with respect to capital gains is made in these financial statements.

**8. CAPITAL MANAGEMENT**

R.N. Croft Financial Group Inc., as the fund manager, is responsible for managing the Corporation's assets and liabilities in line with each Class of shares' mandate and the business affairs of the Corporation. The Corporation's dividend policy is to declare and pay such dividends equal to the excess of revenues that would otherwise be taxable over expenses applicable to each Class of shares.

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**9. FINANCIAL INSTRUMENTS BY CATEGORY**

The following tables present the carrying amounts of the Corporation's financial instruments by category as at July 30, 2017 and July 30, 2016.

**Class A-3:**

**July 30, 2017**

| <b>Assets</b>                                    | <b>Financial assets at<br/>FVTPL</b> | <b>Financial assets at<br/>amortized cost</b> | <b>Total</b>      |
|--|--------------------------------------|---|-------------------|
| Non-derivative financial assets -<br>investments | 60,329,394                           | -   | 60,329,394        |
| Cash   | -                                    | 7,660,805                                     | 7,660,805         |
| Subscriptions receivable                         | -                                    | 280,882                                       | 280,882           |
| Accrued dividends                                | -                                    | 80,380  | 80,380            |
| Derivative assets                                | 91,441                               | -   | 91,441            |
| <b>Total</b>                                     | <b>60,420,835</b>                    | <b>8,022,067</b>                              | <b>68,442,902</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities<br/>at FVTPL</b> | <b>Financial<br/>liabilities at<br/>amortized cost</b> | <b>Total</b>   |
|-------------------------------------|---|--|----------------|
| Redemptions payable                 | -   | 56,282   | 56,282         |
| Accrued liabilities                 | -   | 32,370   | 32,370         |
| Derivative liabilities -investments | 179,399                                   | -  | 179,399        |
| <b>Total</b>                        | <b>179,399</b>                            | <b>88,652</b>  | <b>268,051</b> |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
**As at July 30, 2017 and 2016**

**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class A-3:**

**July 30, 2016**

| <b>Assets</b>                                    | <b>Financial assets at<br/>FVTPL</b> | <b>Financial assets at<br/>amortized cost</b> | <b>Total</b>      |
|--|--------------------------------------|---|-------------------|
| Non-derivative financial assets -<br>investments | 46,318,290                           | -   | 46,318,290        |
| Cash   | -                                    | 8,442,603                                     | 8,442,603         |
| Subscriptions receivable                         | -                                    | 718,146                                       | 718,146           |
| Accrued dividends                                | -                                    | 70,891  | 70,891            |
| <b>Total</b>                                     | <b>46,318,290</b>                    | <b>9,231,640</b>                              | <b>55,549,930</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities<br/>at FVTPL</b> | <b>Financial liabilities<br/>at amortized cost</b> | <b>Total</b>   |
|-------------------------------------|---|--|----------------|
| Redemptions payable                 | -   | 97,355   | 97,355         |
| Accrued liabilities                 | -   | 72,961   | 72,961         |
| Derivative liabilities -investments | 547,832                                   | -  | 547,832        |
| <b>Total</b>                        | <b>547,832</b>                            | <b>170,316</b>                                     | <b>718,148</b> |

**Class D-3:**

**July 30, 2017**

| <b>Assets</b>                                    | <b>Financial assets at<br/>FVTPL</b> | <b>Financial assets at<br/>amortized cost</b> | <b>Total</b>      |
|--|--------------------------------------|---|-------------------|
| Non-derivative financial assets -<br>investments | 59,142,563                           | -   | 59,142,563        |
| Cash   | -                                    | 3,259,012                                     | 3,259,012         |
| Subscriptions receivable                         | -                                    | 785,177                                       | 785,177           |
| Accrued interest                                 | -                                    | 33,166  | 33,166            |
| Accrued dividends                                | -                                    | 209,015                                       | 209,015           |
| Derivative assets                                | 98,891                               | -   | 98,891            |
| <b>Total</b>                                     | <b>59,241,454</b>                    | <b>4,286,370</b>                              | <b>63,527,824</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities at<br/>FVTPL</b> | <b>Financial<br/>liabilities at<br/>amortized cost</b> | <b>Total</b>   |
|-------------------------------------|---|--|----------------|
| Redemptions payable                 | -   | 99,626   | 99,626         |
| Accrued liabilities                 | -   | 28,082   | 28,082         |
| Derivative liabilities -investments | 440,014                                   | -  | 440,014        |
| <b>Total</b>                        | <b>440,014</b>                            | <b>127,708</b>   | <b>567,722</b> |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
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**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class D-3:**

**July 30, 2016**

| <b>Assets</b>                                 | <b>Financial assets at FVTPL</b> | <b>Financial assets at amortized cost</b> | <b>Total</b>      |
|---|----------------------------------|---|-------------------|
| Non-derivative financial assets - investments | 48,650,040                       | -   | 48,650,040        |
| Cash  | -                                | 2,023,540                                 | 2,023,540         |
| Subscriptions receivable                      | -                                | 361,951                                   | 361,951           |
| Accrued interest                              | -                                | 37,720                                    | 37,720            |
| Accrued dividends                             | -                                | 49,483                                    | 49,483            |
| <b>Total</b>                                  | <b>48,650,040</b>                | <b>2,472,694</b>                          | <b>51,122,734</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities at FVTPL</b> | <b>Financial liabilities at amortized cost</b> | <b>Total</b>   |
|-------------------------------------|---------------------------------------|--|----------------|
| Redemptions payable                 | -                                     | 50,346   | 50,346         |
| Accrued liabilities                 | -                                     | 65,667   | 65,667         |
| Derivative liabilities -investments | 658,342                               | -  | 658,342        |
| <b>Total</b>                        | <b>658,342</b>                        | <b>116,013</b>                                 | <b>774,355</b> |

**Class E-3:**

**July 30, 2017**

| <b>Assets</b>                                 | <b>Financial assets at FVTPL</b> | <b>Financial assets at amortized cost</b> | <b>Total</b>      |
|---|----------------------------------|---|-------------------|
| Non-derivative financial assets - investments | 13,147,997                       | -   | 13,147,997        |
| Cash  | -                                | 2,868,439                                 | 2,868,439         |
| Accrued interest                              | -                                | 1,224                                     | 1,224             |
| Accrued dividends                             | -                                | 44,696                                    | 44,696            |
| Derivative assets                             | 19,725                           | -   | 19,725            |
| <b>Total</b>                                  | <b>13,167,722</b>                | <b>2,914,359</b>                          | <b>16,082,081</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities at FVTPL</b> | <b>Financial liabilities at amortized cost</b> | <b>Total</b>  |
|-------------------------------------|---------------------------------------|--|---------------|
| Redemptions payable                 | -                                     | 4,491  | 4,491         |
| Accrued liabilities                 | -                                     | 7,884  | 7,884         |
| Derivative liabilities -investments | 4,579                                 | -  | 4,579         |
| <b>Total</b>                        | <b>4,579</b>                          | <b>12,375</b>                                  | <b>16,954</b> |

**CFG Custom Portfolio Corporation**  
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**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class E-3:**

**July 30, 2016**

| <b>Assets</b>                                | <b>Financial assets at<br/>FVTPL</b> | <b>Financial assets at<br/>amortized cost</b> | <b>Total</b>      |
|--|--------------------------------------|---|-------------------|
| Non-derivative financial assets -investments | 12,759,103                           | -   | 12,759,103        |
| Cash   | -                                    | 527,548                                       | 527,548           |
| Accrued interest                             | -                                    | 1,220   | 1,220             |
| Accrued dividends                            | -                                    | 20,897  | 20,897            |
| <b>Total</b>                                 | <b>12,759,103</b>                    | <b>549,665</b>                                | <b>13,308,768</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities at<br/>FVTPL</b> | <b>Financial liabilities<br/>at amortized cost</b> | <b>Total</b>  |
|-------------------------------------|---|--|---------------|
| Accrued liabilities                 | -   | 18,811   | 18,811        |
| Derivative liabilities -investments | 38,342                                    | -  | 38,342        |
| <b>Total</b>                        | <b>38,342</b>                             | <b>18,811</b>                                      | <b>57,153</b> |

**Class F-3:**

**July 30, 2017**

| <b>Assets</b>                                    | <b>Financial assets at<br/>FVTPL</b> | <b>Financial assets at<br/>amortized cost</b> | <b>Total</b>      |
|--|--------------------------------------|---|-------------------|
| Non-derivative financial assets -<br>investments | 19,464,614                           | -   | 19,464,614        |
| Cash   | -                                    | 2,130,988                                     | 2,130,988         |
| Subscriptions receivable                         | -                                    | 106   | 106               |
| Accrued dividends                                | -                                    | 40,430  | 40,430            |
| Derivative assets                                | 12,620                               | -   | 12,620            |
| <b>Total</b>                                     | <b>19,477,234</b>                    | <b>2,171,524</b>                              | <b>21,648,758</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities at<br/>FVTPL</b> | <b>Financial liabilities<br/>at amortized cost</b> | <b>Total</b>  |
|-------------------------------------|---|--|---------------|
| Redemptions payable                 | -   | 30,025   | 30,025        |
| Accrued liabilities                 | -   | 10,414   | 10,414        |
| Derivative liabilities -investments | 34,461                                    | -  | 34,461        |
| <b>Total</b>                        | <b>34,461</b>                             | <b>40,439</b>                                      | <b>74,900</b> |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
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**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class F-3:**

**July 30, 2016**

| <b>Assets</b>                                 | <b>Financial assets at FVTPL</b> | <b>Financial assets at amortized cost</b> | <b>Total</b>      |
|---|----------------------------------|---|-------------------|
| Non-derivative financial assets - investments | 14,910,358                       | -   | 14,910,358        |
| Cash  | -                                | 2,868,914                                 | 2,868,914         |
| Subscriptions receivable                      | -                                | 106                                       | 106               |
| Accrued dividends                             | -                                | 33,424                                    | 33,424            |
| <b>Total</b>                                  | <b>14,910,358</b>                | <b>2,902,444</b>                          | <b>17,812,802</b> |

| <b>Liabilities</b>                   | <b>Financial liabilities at FVTPL</b> | <b>Financial liabilities at amortized cost</b> | <b>Total</b>  |
|--------------------------------------|---------------------------------------|--|---------------|
| Accrued liabilities                  | -                                     | 25,280   | 25,280        |
| Derivative liabilities - investments | 42,527                                | -  | 42,527        |
| <b>Total</b>                         | <b>42,527</b>                         | <b>25,280</b>                                  | <b>67,807</b> |

**Class H-3:**

**July 30, 2017**

| <b>Assets</b>                                 | <b>Financial assets at FVTPL</b> | <b>Financial assets at amortized cost</b> | <b>Total</b> |
|---|----------------------------------|---|--------------|
| Non-derivative financial assets - investments | -                                | -   | -            |
| Cash  | -                                | 4,605                                     | 4,605        |
| Derivative assets                             | -                                | -   | -            |
| <b>Total</b>                                  | <b>-</b>                         | <b>4,605</b>                              | <b>4,605</b> |

| <b>Liabilities</b>                   | <b>Financial liabilities at FVTPL</b> | <b>Financial liabilities at amortized cost</b> | <b>Total</b>  |
|--------------------------------------|---------------------------------------|--|---------------|
| Redemptions payable                  | -                                     | 9,032  | 9,032         |
| Accrued liabilities                  | -                                     | 2,113  | 2,113         |
| Derivative liabilities - investments | -                                     | -  | -             |
| <b>Total</b>                         | <b>-</b>                              | <b>11,145</b>                                  | <b>11,145</b> |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
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**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class H-3:**

**July 30, 2016**

| <b>Assets</b>                                    | <b>Financial assets at<br/>FVTPL</b> | <b>Financial assets at<br/>amortized cost</b> | <b>Total</b>     |
|--|--------------------------------------|---|------------------|
| Non-derivative financial assets -<br>investments | 265,279                              | -   | 265,279          |
| Cash   | -                                    | 732,673                                       | 732,673          |
| Derivative assets                                | 66,376                               | -   | 66,376           |
| <b>Total</b>                                     | <b>331,655</b>                       | <b>732,673</b>                                | <b>1,064,328</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities at<br/>FVTPL</b> | <b>Financial liabilities<br/>at amortized cost</b> | <b>Total</b>   |
|-------------------------------------|---|--|----------------|
| Redemptions payable                 | -   | 99,618   | 99,618         |
| Accrued liabilities                 | -   | 2,720  | 2,720          |
| Derivative liabilities -investments | 85,072                                    | -  | 85,072         |
| <b>Total</b>                        | <b>85,072</b>                             | <b>102,338</b>                                     | <b>187,410</b> |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
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**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class I-3:**

**July 30, 2017**

| <b>Assets</b>                                    | <b>Financial assets at<br/>FVTPL</b> | <b>Financial assets at<br/>amortized cost</b> | <b>Total</b>      |
|--|--------------------------------------|---|-------------------|
| Non-derivative financial assets -<br>investments | 22,033,054                           | -   | 22,033,054        |
| Cash   | -                                    | 2,312,821                                     | 2,312,821         |
| Subscriptions receivable                         | -                                    | 238,892                                       | 238,892           |
| Accrued dividends                                | -                                    | 94,565  | 94,565            |
| Derivative assets                                | 34,555                               | -   | 34,555            |
| <b>Total</b>                                     | <b>22,067,609</b>                    | <b>2,646,278</b>                              | <b>24,713,887</b> |

| <b>Liabilities</b>                  | <b>Financial liabilities at<br/>FVTPL</b> | <b>Financial liabilities<br/>at amortized cost</b> | <b>Total</b>   |
|-------------------------------------|---|--|----------------|
| Redemptions payable                 | -   | 7,765  | 7,765          |
| Tax withheld on distribution        | -   | 2,364  | 2,364          |
| Accrued liabilities                 | -   | 8,651  | 8,651          |
| Derivative liabilities -investments | 538,906                                   | -  | 538,906        |
| <b>Total</b>                        | <b>538,906</b>                            | <b>18,780</b>                                      | <b>557,686</b> |



**CFG Custom Portfolio Corporation**  
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**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class I-3:**

**July 30, 2016**

| <b>Assets</b>                                 | <b>Financial assets at FVTPL</b> | <b>Financial assets at amortized cost</b> | <b>Total</b>      |
|---|----------------------------------|---|-------------------|
| Non-derivative financial assets - investments | 9,569,812                        | -   | 9,569,812         |
| Cash  | -                                | 507,885                                   | 507,885           |
| Subscriptions receivable                      | -                                | 61,000                                    | 61,000            |
| Accrued dividends                             | -                                | 31,938                                    | 31,938            |
| Derivative assets                             | 8,574                            | -   | 8,574             |
| <b>Total</b>                                  | <b>9,578,386</b>                 | <b>600,823</b>                            | <b>10,179,209</b> |

| <b>Liabilities</b>                   | <b>Financial liabilities at FVTPL</b> | <b>Financial liabilities at amortized cost</b> | <b>Total</b>   |
|--------------------------------------|---------------------------------------|--|----------------|
| Redemptions payable                  | -                                     | 29,742   | 29,742         |
| Accrued liabilities                  | -                                     | 11,568   | 11,568         |
| Derivative liabilities - investments | 399,915                               | -  | 399,915        |
| <b>Total</b>                         | <b>399,915</b>                        | <b>41,310</b>                                  | <b>441,225</b> |

The following table presents the net gains (losses) on financial instruments at FVTPL for the years ended July 30, 2017 and July 30, 2016.

**Class A-3**

| <b>Category</b>                        | <b>2017</b>         | <b>2016</b>         |
|--|---------------------|---------------------|
| Unrealized depreciation of investments | \$ (1,507,608)      | \$ (1,744,661)      |
| Realized gain on sale of investments   | 8,118,850           | 3,438,682           |
| Dividend income                        | 973,368             | 708,470             |
| Interest income                        | 6,497               | 4,793               |
| <b>Total net gains</b>                 | <b>\$ 7,591,107</b> | <b>\$ 2,407,284</b> |

**Class D-3**

| <b>Category</b>                                       | <b>2017</b>         | <b>2016</b>         |
|---|---------------------|---------------------|
| Unrealized (depreciation) appreciation of investments | \$ (222,432)        | \$ 778,111          |
| Realized gain on sale of investments                  | 2,282,961           | 681,539             |
| Dividend income                                       | 1,329,899           | 1,095,579           |
| Interest income                                       | 260,621             | 171,369             |
| <b>Total net gains</b>                                | <b>\$ 3,651,049</b> | <b>\$ 2,726,598</b> |

**CFG Custom Portfolio Corporation**  
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**9. FINANCIAL INSTRUMENTS BY CATEGORY - continued**

**Class E-3**

| <b>Category</b>                                       | <b>2017</b>         | <b>2016</b>       |
|---|---------------------|-------------------|
| Unrealized appreciation (depreciation) of investments | \$ 67,140           | \$ (529,697)      |
| Realized gain on sale of investments                  | 751,284             | 992,940           |
| Dividend income                                       | 307,876             | 271,289           |
| Interest income                                       | 21,554              | 13,820            |
| <b>Total net gains</b>                                | <b>\$ 1,147,854</b> | <b>\$ 748,352</b> |

**Class F-3**

| <b>Category</b>                        | <b>2017</b>         | <b>2016</b>       |
|--|---------------------|-------------------|
| Unrealized depreciation of investments | \$ (60,299)         | \$ (1,629,599)    |
| Realized gain on sale of investments   | 1,358,227           | 1,719,154         |
| Dividend income                        | 305,425             | 423,232           |
| Interest income                        | 2,199               | 41                |
| <b>Total net gains</b>                 | <b>\$ 1,605,552</b> | <b>\$ 512,828</b> |

**Class H-3**

| <b>Category</b>                                       | <b>2017</b>       | <b>2016</b>        |
|---|-------------------|--------------------|
| Unrealized appreciation (depreciation) of investments | \$ 55,952         | \$ (55,952)        |
| Realized (loss) gain on sale of investments           | (62,505)          | 37,878             |
| Dividend income                                       | 563               | 682                |
| <b>Total net gains</b>                                | <b>\$ (5,990)</b> | <b>\$ (17,392)</b> |

**Class I-3**

| <b>Category</b>                        | <b>2017</b>         | <b>2016</b>       |
|--|---------------------|-------------------|
| Unrealized appreciation of investments | \$ 144,071          | \$ 491,202        |
| Realized gain on sale of investments   | 1,415,149           | 148,837           |
| Dividend income                        | 481,564             | 124,579           |
| Interest income                        | 5,122               | -                 |
| <b>Total net gains</b>                 | <b>\$ 2,045,906</b> | <b>\$ 764,618</b> |

**10. FAIR VALUE HIERARCHY**

Financial instruments are classified within a three level fair value hierarchy which reflects the significance of the inputs required to measure fair value:

Level 1 unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 inputs that are not based on observable market data.

The following tables illustrate the classification of the Corporation's financial instruments within the fair value hierarchy as at July 30, 2017 and July 30, 2016:

**CFG Custom Portfolio Corporation**  
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**10. FAIR VALUE HIERARCHY - continued**

| <b>Class A-3</b>  |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| <b>Financial assets and liabilities at fair value as at July 30, 2017</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 60,329,394     | -              | -              | 60,329,394   |
| Derivative assets   | 91,441         | -              | -              | 91,441       |
| Derivative liabilities  | (179,399)      | -              | -              | (179,399)    |
|   | 60,241,436     | -              | -              | 60,241,436   |
| <b>Financial assets and liabilities at fair value as at July 30, 2016</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 46,318,290     | -              | -              | 46,318,290   |
| Derivative liabilities  | (547,832)      | -              | -              | (547,832)    |
|   | 45,770,458     | -              | -              | 45,770,458   |
| <b>Class D-3</b>  |                |                |                |              |
| <b>Financial assets and liabilities at fair value as at July 30, 2017</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 52,305,986     | -              | -              | 52,305,986   |
| Short-term investments  | 1,001,562      | -              | -              | 1,001,562    |
| Bonds   | 5,505,015      | -              | -              | 5,505,015    |
| Derivative assets   | 98,891         | -              | -              | 98,891       |
| Derivative liabilities  | (440,014)      | -              | -              | (440,014)    |
| Private investments   | -              | -              | 330,000        | 330,000      |
|   | 58,471,440     | -              | 330,000        | 58,801,440   |
| <b>Financial assets and liabilities at fair value as at July 30, 2016</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 43,658,146     | -              | -              | 43,658,146   |
| Bonds   | 4,661,894      | -              | -              | 4,661,894    |
| Derivative liabilities  | (658,342)      | -              | -              | (658,342)    |
| Private investments   | -              | -              | 330,000        | 330,000      |
|   | 47,661,698     | -              | 330,000        | 47,991,698   |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
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**10. FAIR VALUE HIERARCHY - continued**

**Class E-3**

| <b>Financial assets and liabilities at fair value as at July 30, 2017</b> |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 12,909,159     | -              | -              | 12,909,159   |
| Bonds   | 238,838        | -              | -              | 238,838      |
| Derivative assets   | 19,725         | -              | -              | 19,725       |
| Derivative liabilities  | (4,579)        | -              | -              | (4,579)      |
|   | 13,163,143     | -              | -              | 13,163,143   |

| <b>Financial assets and liabilities at fair value as at July 30, 2016</b> |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 12,526,905     | -              | -              | 12,526,905   |
| Bonds   | 232,198        | -              | -              | 232,198      |
| Derivative liabilities  | (38,342)       | -              | -              | (38,342)     |
|   | 12,720,761     | -              | -              | 12,720,761   |

**Class F-3**

| <b>Financial assets and liabilities at fair value as at July 30, 2017</b> |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 19,464,614     | -              | -              | 19,464,614   |
| Derivative assets   | 12,620         | -              | -              | 12,620       |
| Derivative liabilities  | (34,461)       | -              | -              | (34,461)     |
|   | 19,442,773     | -              | -              | 19,442,773   |

| <b>Financial assets and liabilities at fair value as at July 30, 2016</b> |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 14,910,358     | -              | -              | 14,910,358   |
| Derivative liabilities  | (42,527)       | -              | -              | (42,527)     |
|   | 14,867,831     | -              | -              | 14,867,831   |

**CFG Custom Portfolio Corporation**  
**Notes To Financial Statements**  
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**10. FAIR VALUE HIERARCHY - continued**

| <b>Class H-3</b>  |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| <b>Financial assets and liabilities at fair value as at July 30, 2017</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | -              | -              | -              | -            |
| Derivative assets   | -              | -              | -              | -            |
| Derivative liabilities  | -              | -              | -              | -            |
|   | -              | -              | -              | -            |
| <b>Financial assets and liabilities at fair value as at July 30, 2016</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 265,279        | -              | -              | 265,279      |
| Derivative assets   | 66,376         | -              | -              | 66,376       |
| Derivative liabilities  | (85,072)       | -              | -              | (85,072)     |
|   | 246,583        | -              | -              | 246,583      |
| <b>Class I-3</b>  |                |                |                |              |
| <b>Financial assets and liabilities at fair value as at July 30, 2017</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 22,033,054     | -              | -              | 22,033,054   |
| Derivative assets   | 34,555         | -              | -              | 34,555       |
| Derivative liabilities  | (538,906)      | -              | -              | (538,906)    |
|   | 21,528,703     | -              | -              | 21,528,703   |
| <b>Financial assets and liabilities at fair value as at July 30, 2016</b> |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Equities  | 9,659,812      | -              | -              | 9,659,812    |
| Derivative assets   | 8,574          | -              | -              | 8,574        |
| Derivative liabilities  | (399,915)      | -              | -              | (399,915)    |
|   | 9,268,471      | -              | -              | 9,268,471    |

There were no transfers between levels in either 2017 or 2016.

The Corporation's equity and bond positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Where certain of the Corporation's equities do not trade frequently and therefore observable prices may not be available, the fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS**

**Class Risk**

Mutual fund corporations sometimes issue different classes of shares of the same mutual fund corporation. Each class has its own fees and expenses, which the mutual fund tracks separately. However, if one is unable to meet its financial obligations, the other classes are legally responsible for making up the difference.

**Investment/Market Risk**

The value of Shares and any income and gains associated with them can fluctuate significantly and may be quite volatile. Subscribers should be aware that they may not achieve their anticipated returns and may, in fact, suffer significant loss. It is therefore prudent and necessary to consider the use of such pools within an appropriately balanced investment portfolio.

i) **Equity Risk**

The Classes invest in equity securities (also called stocks or shares). The value of the Classes will be affected by changes in the market price of those securities. The securities business is speculative, prices are volatile and market movements are difficult to predict. The price of a stock is affected by individual company developments and by general economic and financial conditions in those countries where the issuer of the stock is located or where the stock is listed for trading.

ii) **Foreign Currency Risk**

The Canadian dollar value of a Class's investments in foreign securities is affected by changes in the value of the Canadian dollar relative to those securities. While the Manager may employ currency hedging when it believes that currency exposure presents significant risk, there is no assurance that it will do so in any particular circumstance. Premiums paid for over the counter currency options purchased by a Class may reduce a Class's return.

The classes' foreign currency holdings at July 30, 2017 were:

| <b>Class</b> | <b>2017</b> |
|--------------|-------------|
| Class A-3    | 36.1 %      |
| Class D-3    | 4.3 %       |
| Class E-3    | 21.0 %      |
| Class F-3    | 34.1 %      |
| Class H-3    | - %         |
| Class I-3    | 5.8 %       |

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

**Sensitivity Analysis**

At July 30, 2017 had the Canadian dollar strengthened or weakened by 1% in relation to the U.S. Dollar, with all other variables held constant, net assets attributable to the holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the statements of financial position would have increased or decreased by the amounts shown below. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

| <b>Class</b> | <b>2017</b> |
|--------------|-------------|
| Class A-3    | \$ 246,909  |
| Class D-3    | \$ 26,890   |
| Class E-3    | \$ 33,820   |
| Class F-3    | \$ 73,709   |
| Class H-3    | \$ -        |
| Class I-3    | \$ 13,970   |

iii) Interest Rate Fluctuations

In the case of interest rate sensitive securities, the value of a security may change as the general level of interest rates fluctuates. When interest rates decline, the value of such securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline.

**Sensitivity Analysis**

The majority of the Corporation's investments are non-interest bearing assets. Currently only the Class D-3 and E-3 Series Funds have direct exposure to interest rates.

The sensitivity of the Class D-3 Series Fund to interest rate movements, measured by Modified Duration is 4.74%. An increase / decrease in interest rates by 100 bps will result in a decrease / increase of the bond portfolio by approximately 4.74%. This affects approximately \$13,342,299 of the total value of the Class D-3 Series Fund at the time of reporting.

The sensitivity of the Class E-3 Series Fund to interest rate movements, measured by Modified Duration is 11.34%. An increase / decrease in interest rates by 100 bps will result in a decrease / increase of the bond portfolio by approximately 11.34%. This affects approximately \$238,838 of the total value of the Class E-3 Series Fund at the time of reporting.

No other share classes had interest rate sensitivity at this time.

iv) Other Price Risk

Other price risk is the risk that value of the instruments will fluctuate as a result of the changes in market prices (other than those arising from interest rate risk or currency

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

risk), whether caused by factors specific to an individual investment or its issuer, or factors affecting all instruments traded in the market. All securities present a risk of loss of capital. Some of these risks include:

a) *Credit risk*

Credit risk represents the potential loss that the Corporation would incur if the issuer of a financial instrument failed to perform in accordance with the terms of their obligations to the Corporation. The term credit risk is generally associated with bonds and discount notes, and the risk that the issuer will default in the payments of either principal or interest. Class A-3, F-3, H-3 and I-3 did not hold any fixed-income instruments. The following table details Class D-3 and Class E-3's credit risk exposure by credit rating at July 30, 2017 and July 30, 2016.

**Class D-3:**

|                       | As of July 30, 2017 |          |                  |                  |
|-----------------------|---------------------|----------|------------------|------------------|
|                       | AA                  | A        | BBB-             | not rated        |
| Bns 3.036 10/18/24    | 386,500             |          |                  |                  |
| Capdes 4.954 12/15/26 | 375,784             |          |                  |                  |
| Csucn Float 03/31/40  |                     |          | 1,889,132        |                  |
| Msicn 4 3/4 06/30/21  |                     |          |                  | 279,575          |
| Pbhcn 4.6 12/31/23    |                     |          |                  | 759,500          |
| Pbhcn 4.65 04/30/21   |                     |          |                  | 1,365,975        |
| Rsicn 5 12/31/24      |                     |          |                  | 60,960           |
| Ry 2.99 12/06/24      | 387,589             |          |                  |                  |
| <b>Total</b>          | <b>1,149,873</b>    | <b>-</b> | <b>1,889,132</b> | <b>2,466,010</b> |

  

|                        | As of July 30, 2016 |                |                  |                  |
|------------------------|---------------------|----------------|------------------|------------------|
|                        | AA                  | A              | BBB-             | not rated        |
| Bns 3.036 10/18/24     | 392,337             |                |                  |                  |
| Capdes 4.954 12/15/26  | 390,400             |                |                  |                  |
| Csucn Float 03/31/40   |                     |                | 1,597,228        |                  |
| Msicn 4 3/4 06/30/21   |                     |                |                  | 280,635          |
| Nacn 3.261% 04/11/2022 |                     | 379,576        |                  |                  |
| Pbhcn 4.65 04/30/21    |                     |                |                  | 1,228,500        |
| Ry 2.99 12/06/24       | 393,218             |                |                  |                  |
| <b>Total</b>           | <b>1,175,955</b>    | <b>379,576</b> | <b>1,597,228</b> | <b>1,509,135</b> |

**Class E-3:**

|                      | As of July 30, 2017 |          |                |           |
|----------------------|---------------------|----------|----------------|-----------|
|                      | AA                  | A        | BBB-           | not rated |
| Csucn Float 03/31/40 |                     |          | 238,838        |           |
| <b>Total</b>         | <b>-</b>            | <b>-</b> | <b>238,838</b> | <b>-</b>  |



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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

|                      | As of July 30, 2016 |   |                |           |
|----------------------|---------------------|---|----------------|-----------|
|                      | AA                  | A | BBB-           | not rated |
| Csucn Float 03/31/40 |                     |   | 232,198        |           |
| <b>Total</b>         | -                   | - | <b>232,198</b> | -         |

b) *Liquidity risk*

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to daily cash redemptions, however, the Corporation maintains sufficient cash on hand to fund anticipated redemptions.

b) *Liquidity risk - continued*

The Corporation may invest in derivatives, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Corporation may not be able to quickly liquidate its investments in these instruments at amounts which approximate their fair values, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. The Manager monitors the Corporation's liquidity position on a daily basis. The tables below analyze the Corporation's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

**Class A-3**

| <b>July 30, 2017</b>         |                  |                      |              |
|------------------------------|------------------|----------------------|--------------|
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 56,282           | -                    | 56,282       |
| Accrued liabilities          | -                | 32,370               | 32,370       |
| Redeemable units             | 68,332,645       | -                    | 68,332,645   |
| Derivative liabilities       | -                | 179,399              | 179,399      |

| <b>July 30, 2016</b>         |                  |                      |              |
|------------------------------|------------------|----------------------|--------------|
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 97,355           | -                    | 97,355       |
| Accrued liabilities          | -                | 72,961               | 72,961       |
| Redeemable units             | 54,866,770       | -                    | 54,866,770   |
| Derivative liabilities       | -                | 547,832              | 547,832      |

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

| <b>Class D-3</b>             |                  |                      |              |
|------------------------------|------------------|----------------------|--------------|
| <b>July 30, 2017</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 99,626           | -                    | 99,626       |
| Accrued liabilities          | -                | 28,082               | 28,082       |
| Redeemable units             | 63,065,301       | -                    | 63,065,301   |
| Derivative liabilities       | -                | 440,014              | 440,014      |
| <b>July 30, 2016</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 50,346           | -                    | 50,346       |
| Accrued liabilities          | -                | 65,667               | 65,667       |
| Redeemable units             | 50,348,379       | -                    | 50,348,379   |
| Derivative liabilities       | -                | 658,342              | 658,342      |
| <b>Class E-3</b>             |                  |                      |              |
| <b>July 30, 2017</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 4,491            | -                    | 4,491        |
| Accrued liabilities          | -                | 7,884                | 7,884        |
| Redeemable units             | 16,101,140       | -                    | 16,101,140   |
| Derivative liabilities       | -                | 4,579                | 4,579        |
| <b>July 30, 2016</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Accrued liabilities          | -                | 18,811               | 18,811       |
| Redeemable units             | 13,251,615       | -                    | 13,251,615   |
| Derivative liabilities       | -                | 38,342               | 38,342       |
| <b>Class F-3</b>             |                  |                      |              |
| <b>July 30, 2017</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 30,025           | -                    | 30,025       |
| Accrued liabilities          | -                | 10,414               | 10,414       |
| Redeemable units             | 21,620,701       | -                    | 21,620,701   |
| Derivative liabilities       | -                | 34,461               | 34,461       |
| <b>July 30, 2016</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Accrued liabilities          | -                | 25,280               | 25,280       |
| Redeemable units             | 17,744,995       | -                    | 17,744,995   |
| Derivative liabilities       | -                | 42,527               | 42,527       |

**CFG Custom Portfolio Corporation**  
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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

| <b>Class H-3</b>             |                  |                      |              |
|------------------------------|------------------|----------------------|--------------|
| <b>July 30, 2017</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 9,032            | -                    | 9,032        |
| Accrued liabilities          | -                | 2,113                | 2,113        |
| Redeemable units             | -                | -                    | -            |
| Derivative liabilities       | -                | -                    | -            |
| <b>July 30, 2016</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 99,618           | -                    | 99,618       |
| Accrued liabilities          | -                | 2,720                | 2,720        |
| Redeemable units             | 876,918          | -                    | 876,918      |
| Derivative liabilities       | -                | 85,072               | 85,072       |
| <b>Class I-3</b>             |                  |                      |              |
| <b>July 30, 2017</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 7,765            | -                    | 7,765        |
| Accrued liabilities          | -                | 8,651                | 8,651        |
| Tax withheld on distribution | -                | 2,364                | 2,364        |
| Redeemable units             | 24,185,048       | -                    | 24,185,048   |
| Derivative liabilities       | -                | 538,906              | 538,906      |
| <b>July 30, 2016</b>         |                  |                      |              |
| <b>Financial liabilities</b> | <b>On demand</b> | <b>&lt; 3 months</b> | <b>Total</b> |
| Redemptions payable          | 29,742           | -                    | 29,742       |
| Accrued liabilities          | -                | 11,568               | 11,568       |
| Redeemable units             | 9,827,984        | -                    | 9,827,984    |
| Derivative liabilities       | -                | 399,915              | 399,915      |

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

c) Foreign Security Risk

Some Classes invest a substantial portion of their assets in foreign securities. The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains which a Class has derived from movements in a particular market. A Class that holds foreign securities may have difficulty enforcing legal rights in jurisdictions outside Canada.

d) Industry and Geographic Concentration Risk

The Corporation's investment philosophy may cause the Classes to focus on specific industries and to avoid others. Moreover, the Corporation will be authorized to allocate the Class's assets without limitation among geographic regions and individual countries. As a result, a Class may from time to time, have greater exposure to particular industries, countries, or regions than other similar Classes.

e) American Depository Securities and Receipt Risk

In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, a Class may hold these securities through an American Depository Security and Receipt (an "ADR"). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. corporation. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. corporation to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors. These factors include the fees and expenses associated with holding an ADR, the currency exchange rate relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of the Class, as a holder of an ADR, may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the Class if it holds the ADR.

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

f) Portfolio Turnover Risk

The operation of a Class may result in a high annual portfolio turnover rate. The Classes have not placed any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Corporation, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate (e.g., greater transaction costs such as brokerage fees) and may involve different tax consequences.

g) Broad Authority of R.N. Croft Financial Group Inc. Risk

The Corporation, through its manager, has broad discretion over the conduct of a Class's undertaking, selection of the specific companies in which a Class invests and over the types of transactions in which a Class engages.

h) Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes to laws or administrative practice could occur during the term of a Class which may adversely affect the Class. For example, the regulatory or tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by a Class and the ability of the Class to pursue its investment strategies. Interpretation of the law or administrative practice may affect the characterization of a Class's earnings as capital gains or income which may increase the level of tax borne by investors as a result of increased dividend paid by the Class.

i) Conflicts of Interest Risk

The Corporation may be subject to conflicts of interest due to the fact that R.N. Croft also provides discretionary portfolio management services to other clients who do not hold shares of one or more Classes. The Corporation's investment decisions for a Class are made independently of those made for other clients. R.N. Croft makes all reasonable efforts to price and allocate securities fairly if traded for both the Corporation and other clients. In all cases, R.N. Croft has policies to ensure it allocates trades in a fair and reasonable manner for all clients, including the Corporation. The decision to use the same or different securities for other client accounts and one or more Class of the Corporation is based on the investment objectives, risk tolerances, and constraints identified as identified by R.N. Croft when discharging its fiduciary obligations for all clients and the Corporation, including its individual Classes.

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

j) Regulatory Risk

Some industries, such as financial services, healthcare and telecommunications, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. The value of a Class that buys these investments may rise and fall substantially due to changes in these factors.

k) Derivative Risk

The Classes may use derivatives as permitted by the Canadian securities regulatory authorities. A derivative is an instrument, the value of which is derived from the value of other securities or from the movement of interest rates, exchange rates, or market indices. Derivatives are often used for hedging against the risk of potential losses, such as losses due to changes in interest or foreign exchange rates. Derivatives also allow mutual funds to realize the benefits of changes in the value of a security without having to invest directly in that security. This is especially useful since it is often less expensive to purchase a derivative instrument than the actual security. There are also certain instances where holding a derivative is less risky than holding the underlying security.

Derivatives have their own special risks. Here are some of the common risks:

- o Using derivatives to hedge against risk may not always work and while the use of derivatives may reduce losses, they could also limit potential gains.
- o The price of a derivative may not accurately reflect the value of the underlying currency or security.
- o There is no guarantee that an investor can close a derivative contract when it wants to. If an exchange imposes trading limits, it could also affect the ability of an investor to close out its positions in derivatives. These events could prevent an investor from making a profit or limiting its losses.
- o The other party to a derivative contract may not be able to live up to its agreement to complete the transaction.

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

l) Use of Options Risk

A Class may purchase and write exchange-traded and over-the-counter put and call options on debt and equity securities, commodities, currencies and indices (both narrow-based and broad-based). A put option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to deliver a specified amount of the securities or currencies to the writer of the option on or before a fixed date at a predetermined price. A put option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index drops below a predetermined level on or before a fixed date.

A call option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to call upon the writer to deliver a specified amount of the securities or currencies on or before a fixed date at a predetermined price. A call option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index rises above a predetermined level on or before a fixed date.

A Class's ability to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market. Over-the-counter ("OTC") options are purchased from or sold to securities dealers, financial institutions or other parties (the "Counterparty") through direct bilateral agreements with the Counterparty. In contrast to exchange listed options, which generally have standardized terms and performance mechanics, all the terms of an OTC option, including such terms as method of settlement, term, exercise price, premium, guarantees and security, are set by the negotiation of the parties. Unless the parties provide for it, there is no central clearing or guarantee function in an OTC option. As a result, if the Counterparty fails to make or take delivery of the security, currency or other instrument underlying an OTC option it has entered into with the Class or fails to make a cash settlement payment due in accordance with the terms of that option, the Class will lose any premium it paid for the option as well as any anticipated benefit of the transaction.

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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

Call options may be purchased to provide exposure to increases in the market (e.g., with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that a Class intends to purchase. Similarly, put options may be purchased to hedge against a decrease in the market generally or in the price of securities or other investments held by the Class. Buying options may reduce the Class's returns, but by no more than the amount of the premiums paid for the options. Writing covered call options (i.e., where the Class owns the security or other investment that is subject to the call) may limit the Class's gain on portfolio investments if the option is exercised because the Class will have to sell the underlying investments below the current market price. Also, writing put options may require the Class to buy the underlying investment at a disadvantageous price above the current market price. Writing uncovered call options (i.e., where the Class does not own the security or other investment that is subject to the call) entails the risk that the price of the underlying investment at the time the option is exercised theoretically could have risen without limit. The risk of loss of uncovered put options written by the Class is limited in the exercise price of the option less the premium received. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary market risks.

m) Counterparty Risk

Due to the nature of some of the investments that a Class may undertake, a Class relies on the ability of the counterparty to the transaction to perform its obligations. In the event that counterparty fails to complete its obligations, the Class bears the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements in the event of the default or bankruptcy of counterparty.

n) Securities Lending, Repurchase and Reverse Repurchase Transactions Risk

The Classes may engage in securities lending, repurchase and reverse repurchase transactions in order to earn additional returns. Securities lending is an agreement whereby a Class lends securities through an authorized agent in exchange for a fee and some form of acceptable collateral. Under a repurchase transaction, a Class agrees to sell securities for cash while, at the same time, assumes an obligation to repurchase the same securities for cash (usually at a higher price) at a later date. A reverse repurchase transaction is an agreement where by a Class buys securities for cash while, at the same time, agrees to resell the same securities (usually at a higher price) at a later date.



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**11. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued**

The risks associated with securities lending, repurchase and reverse repurchase transactions arise when the counterparty to such transaction defaults under the investment agreement and the Class is forced to make a claim in order to recover its investment. In securities lending or a repurchase transaction, the Class could incur a loss if the value of the securities loaned or sold by the Class has increased in value relative to the value of the collateral held by the Class. In the case of a reverse repurchase transaction, the Class could incur a loss if the value of the securities purchased by the Class decreases in value relative to the value of the collateral held by the Class. The Classes generally manage the risks associated with these types of investments by:

- a. holding collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be; adjusting the amount to the collateral each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within a 102% limit; and
- b. limiting the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to under 50% of the total assets (without including the collateral) of the Class.

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**12. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE**

The increase (decrease) in net assets attributable to holders of redeemable shares per share for the years ended July 30, 2017 and 2016 is calculated as follows:

**Class A-3:**

**Series A**

|   | <b>2017</b> |    | <b>2016</b> |
|---|-------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 846,887  | \$ | 317,516     |
| Weighted average shares outstanding during the year                           | 367,761     |    | 269,128     |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 2.30     | \$ | 1.18        |

**Series D**

|   | <b>2017</b> |    | <b>2016</b> |
|---|-------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 532,233  | \$ | 185,747     |
| Weighted average shares outstanding during the year                           | 621,587     |    | 319,148     |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 0.86     | \$ | 0.58        |

**Series I**

|   | <b>2017</b>  |    | <b>2016</b> |
|---|--------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 5,535,364 | \$ | 1,985,697   |
| Weighted average shares outstanding during the year                           | 2,677,442    |    | 2,522,114   |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 2.07      | \$ | 0.79        |

**Class D-3:**

**Series A**

|   | <b>2017</b> |    | <b>2016</b> |
|---|-------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 355,852  | \$ | 377,297     |
| Weighted average shares outstanding during the year                           | 438,140     |    | 323,950     |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 0.81     | \$ | 1.16        |

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**12. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued**

**Class D-3:**

**Series D**

|   | <b>2017</b> |    | <b>2016</b> |
|---|-------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 282,711  | \$ | 268,505     |
| Weighted average shares outstanding during the year                           | 760,079     |    | 404,752     |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 0.37     | \$ | 0.66        |

**Series I**

|   | <b>2017</b>  |    | <b>2016</b> |
|---|--------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 3,204,624 | \$ | 2,268,919   |
| Weighted average shares outstanding during the year                           | 3,488,246    |    | 3,343,727   |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 0.92      | \$ | 0.68        |

**Class E-3:**

**Series A**

|   | <b>2017</b>  |    | <b>2016</b> |
|---|--------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 1,094,355 | \$ | 749,734     |
| Weighted average shares outstanding during the year                           | 979,677      |    | 866,021     |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 1.12      | \$ | 0.87        |

**Series D**

|   | <b>2017</b> |    | <b>2016</b> |
|---|-------------|----|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 4,289    | \$ | 864         |
| Weighted average shares outstanding during the year                           | 10,530      |    | 3,002       |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 0.41     | \$ | 0.29        |

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**12. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued**

**Class F-3:**

**Series A**

|   | <b>2017</b>  | <b>2016</b> |
|---|--------------|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 1,522,750 | \$ 367,255  |
| Weighted average shares outstanding during the year                           | 1,201,314    | 1,043,017   |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 1.27      | \$ 0.34     |

**Series D**

|   | <b>2017</b> | <b>2016</b> |
|---|-------------|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 3,176    | \$ 391      |
| Weighted average shares outstanding during the year                           | 4,857       | 4,041       |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 0.65     | \$ 0.10     |

**Class H-3:**

**Series A**

|   | <b>2017</b> | <b>2016</b> |
|---|-------------|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ (2,988)  | \$ 2,291    |
| Weighted average shares outstanding during the year                           | 33,758      | 55,701      |
| Increase in net assets attributable to holders of redeemable shares per share | \$ (0.09)   | \$ 0.04     |

**Series D**

|   | <b>2017</b> | <b>2016</b> |
|---|-------------|-------------|
| Decrease in net assets attributable to holders of redeemable shares           | \$ (7,674)  | \$ (34,485) |
| Weighted average shares outstanding during the year                           | 51,019      | 78,933      |
| Decrease in net assets attributable to holders of redeemable shares per share | \$ (0.15)   | \$ (0.44)   |

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**12. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued**

**Class I-3**

|   | <b>2017</b>  | <b>2016</b> |
|---|--------------|-------------|
| Increase in net assets attributable to holders of redeemable shares           | \$ 2,045,328 | \$ 715,305  |
| Weighted average shares outstanding during the year                           | 1,501,147    | 745,343     |
| Increase in net assets attributable to holders of redeemable shares per share | \$ 1.36      | \$ 0.96     |

**13. IMPLEMENTATION OF NATIONAL INSTRUMENT 81-106**

The Corporation is relying on the exemption in section 2.11 of National Instrument 81-106 - Investment Fund Continuous Disclosure not to publicly file its financial statements for the year ended July 30, 2017.