



## Option Writing Share Class (TCG539)

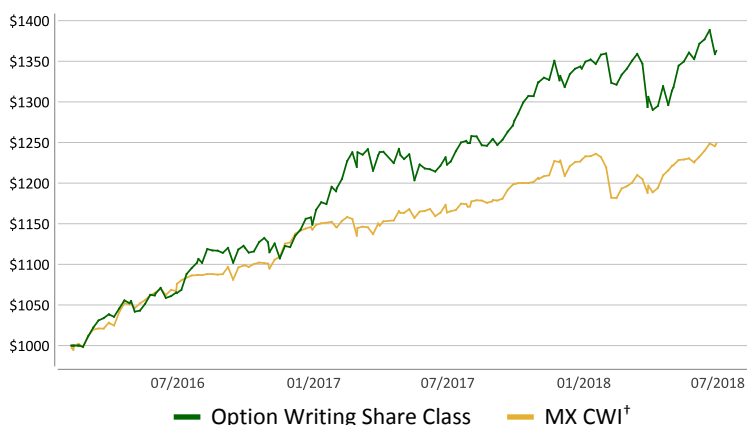
Actively Managed

Reporting as of June 29, 2018

### Investment Objective

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 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.

### Growth of \$1000



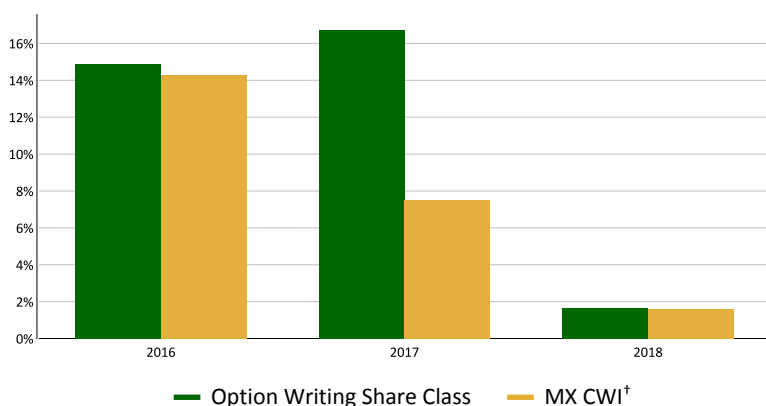
### Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	0.54%	4.34%	1.63%	11.46%			13.85%
	1.77%	4.32%	1.62%	7.28%			9.75%
Sharpe Ratio	0.61	1.72	0.30	1.25			1.62
	6.44	3.78	0.21	0.97			1.58
Maximum	-2.14%	-2.14%	-5.11%	-5.11%			-5.11%
Drawdown	-0.26%	-0.68%	-4.40%	-4.40%			-4.40%

Option Writing Share Class (green line), MX CWI† (grey line)

\*Annualized returns  
Inception date February 29, 2016

### Annual Returns



Option Writing Share Class (green bar), MX CWI† (orange bar)

### Key Data

AUM (Mn CAD)	\$49.63
NAV/Share	\$11.65
Total Portfolio Holdings	69
FundServ codes	TCG539
Cost and Fees <sup>1</sup>	0.70%
Initial purchase	\$500
Additional purchase	\$100
Distribution per Share	\$0.05/month
Benchmark <sup>†</sup>	Montreal Exchange Covered Call Writers Index

### Top 10 Holdings

Security	Weight
ISHARES S&P/TSX CDN PFD	28.43%
ALPHABET INC. - CL C	8.86%
PREMIUM INCOME CORP -PFD-	6.17%
FACEBOOK INC	5.15%
BOEING CO	4.44%
BCECN 3.55 12/31/49 PFD	4.25%
BANK OF NOVA SCOTIA	3.00%
ROYAL BANK OF CANADA	2.99%
GOLDMAN SACHS	2.92%
BCE INC	2.68%

### Standard Deviation

Period	Option Writing Share Class	MX CWI†
Since Inception	6.87%	4.40%
3 years		
5 years		

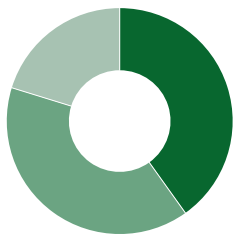
### Annual Returns

Period	Option Writing Share Class	MX CWI†
2018	1.63%	1.62%
2017	16.72%	7.52%
2016	14.88%	14.27%

## Investment Strategy

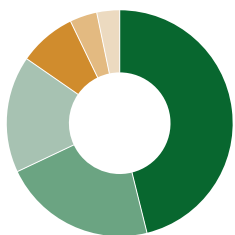
To achieve the stated objectives, the Class may be invested in large-to-mid-capitalization common shares, dividend-paying equities and other Canadian and, as appropriate, U.S. and international securities such as ETFs with both lower systematic risk and higher expected returns through capital appreciation, 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.

## Asset Allocation<sup>2</sup>



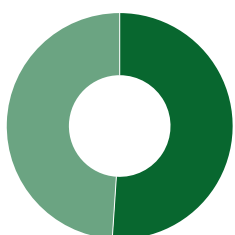
Preferred	41.5%
Equity	41.0%
Cash	20.9%
Option	-3.4%

## Sector Allocation<sup>3</sup>



Information Technology	46.1%
Consumer Discretionary	21.9%
Financials	16.7%
Industrials	8.2%
Telecommunication Services	3.9%
Energy	3.3%

## Geographic Allocation<sup>4</sup>



United States	51.1%
Canada	48.9%

## Who can purchase the pool?

Pools may be purchased by licensed Portfolio Managers and accredited investors only.

## Liquidity

The Class is available for withdrawal and is not subject to any deferred sales charges. Transactions in the Class occur only when the net asset value (NAV) is calculated at the close of every Wednesday and last business day of each month and quarter.

## Suitability and Risk Profile

The Class employs complex investment strategies and tactics, and is only suitable for investment proportionally within an approved Croft Mandate and/or by accredited investors. Financial markets can be risky over short periods. Longer term investors benefit from time, which tempers the effects of market volatility. A longer time horizon reduces the chances of losing money and enhances the odds of earning a return close to the long-term average.

## Disclaimer and Notes

<sup>1</sup>Includes 25 bps management fee and an estimated 45 bps direct pool expenses. For further information please refer to the CFG Custom Portfolio Corporation Financials, available from [www.croftgroup.com](http://www.croftgroup.com).

<sup>2</sup>Asset Allocation – CAD actual, marked to market as of close on the date quoted

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

<sup>4</sup>Geographic Allocation – CAD notional, including option exposures with cash adjusted to total 100%

Portfolio management services provided by R N Croft Financial Group Inc. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance is based on actual returns net of embedded management, operating fees and transaction costs, but are not adjusted for any account or relationship manager fees. Portfolio returns are net of all withholding taxes. Performance data have not been audited and are for illustrative purposes only. R N Croft Financial Group Inc. is a licensed Portfolio Manager and Investment Fund Manager serving individual and institutional clients throughout Canada. Valuations and performance results are reported in Canadian dollars. Additional information regarding calculating and reporting performance is available upon request. Please contact R N Croft Financial Group Inc., 801-251 Consumers Road, Toronto, ON M2J 4R3, Telephone: 905-695-7777 or Toll-free: 1-877-289-2884.