



Conservative Mandate

CFG Model Portfolio

Reporting as of September 29, 2017

Portfolio Description

The **Conservative Mandate** seeks to generate above average cash flow that will appeal to investors who are making regular withdrawals from their portfolio. Cash flow is generated by a direct investment in covered calls, exposure to yield-bearing assets (such as bonds, preferred shares and REITs) via the Income Share Class and exposure to higher-risk, growth-oriented assets via the Equity Share Class.

Investment Objective

The objective of the **Conservative Mandate** is to achieve better risk-adjusted returns than a passive, low-cost, diversified portfolio benchmark (The Real World Income Index). The **Conservative Mandate** aims to achieve this objective by holding in client accounts two Share Classes in target proportions of 70% Income Share Class and 30% Equity Share Class. Croft Financial Group will rebalance back to this target at least annually. In addition, rebalancing takes place within each Share Class on a more frequent basis to manage market risk, take advantage of market opportunity, and manage cash positions. For further information, including a more detailed description of the investment objectives and strategy for each of the component Share Classes, please review our Relationship Disclosure Document and/or Share Class Fact Sheets, both available at www.croftgroup.com.

Growth of \$1000



Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	0.71%	-0.46%	1.17%	8.25%	8.63%	9.97%	7.35%
	-0.22%	-0.88%	-0.97%	-1.41%	2.21%	3.06%	3.15%
Sharpe Ratio	2.56	-0.45	0.57	1.78	1.15	1.55	0.93
	-1.14	-1.25	-0.80	-0.62	0.37	0.61	0.47
Maximum Drawdown	-0.60%	-1.84%	-2.64%	-2.64%	-6.93%	-6.93%	-25.22%
	-1.17%	-1.83%	-3.63%	-3.63%	-5.05%	-5.05%	-12.36%

■ Conservative Mandate ■ RWI-I[†]

*Annualized returns
Inception date May 31, 2008

Portfolio

Symbol	Security	Weight
TCG534	Income Share Class	70%
TCG531	Equity Share Class	30%
Distribution		Monthly
Benchmark [†]		Real World Index – Income

Top 10 Holdings (effective)

Security	Weight
ISHARES S&P/TSX CDN PFD	3.87%
PREMIUM INCOME CORP -PFD-	3.49%
FINANCIAL 15 SPLIT CORP PFD	3.42%
ALIMENTATION COUCHE-TARD CL.B	3.24%
BMO LADDERED PREFERRED SHARE	2.85%
WALT DISNEY	2.79%
ALGONQUIN POWER & UTILITIES CORP	2.26%
CHARTWELL RETIREMENT RESIDENCE	2.17%
CSUCN FLOAT 03/31/40	2.02%
PIZZA PIZZA ROYALTY CORP	1.98%

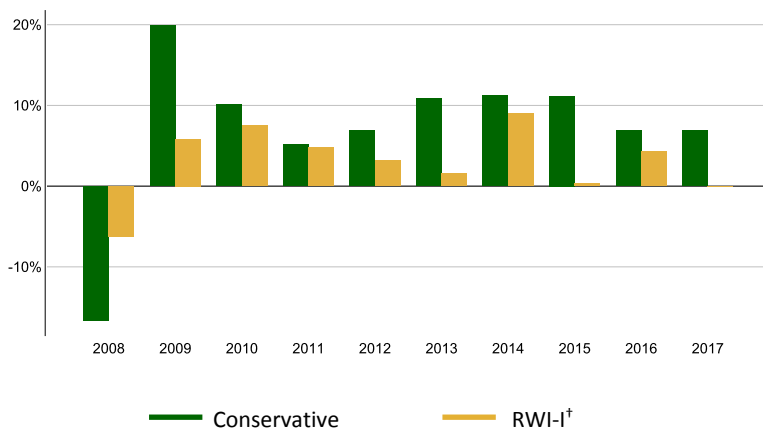
Annual Returns

Period	Conservative Mandate	RWI-I [†]
2017	6.92%	0.03%
2016	6.93%	4.30%
2015	11.16%	0.31%
2014	11.26%	8.97%
2013	10.84%	1.55%
2012	6.90%	3.14%
2011	5.16%	4.80%
2010	10.09%	7.53%
2009	19.92%	5.84%
2008	-16.68%	-6.25%

Standard Deviation

Period	Conservative Mandate	RWI-I [†]
Since Inception	7.11%	3.90%
3 years	6.64%	3.18%
5 years	5.79%	2.99%

Annual Returns



Disclaimer and Notes

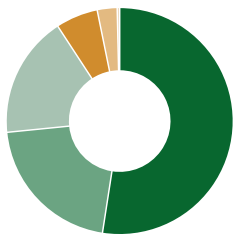
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

² Sector Allocation – CAD notional, including option exposures with cash adjusted to total 100%

³Geographic Allocation – CAD notional, including option exposures with cash adjusted to total 100%

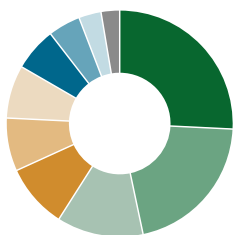
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Asset Allocation¹



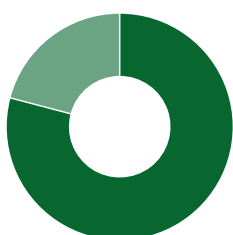
Equity	52.6%
Preferred	21.0%
Cash	17.4%
Bonds & Debentures	6.0%
Preferred	2.8%
Private Equity	0.4%
Option	-0.4%

Sector Allocation²



Financials	25.8%
Consumer Discretionary	20.9%
Information Technology	12.3%
Health Care	9.2%
Industrials	7.6%
Consumer Staples	7.6%
Energy	6.2%
Utilities	4.6%
Materials	3.2%
Real Estate	2.7%

Geographic Allocation³



Canada	79.1%
United States	20.9%