



Conservative Mandate

CFG Model Portfolio

Reporting as of October 31, 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.

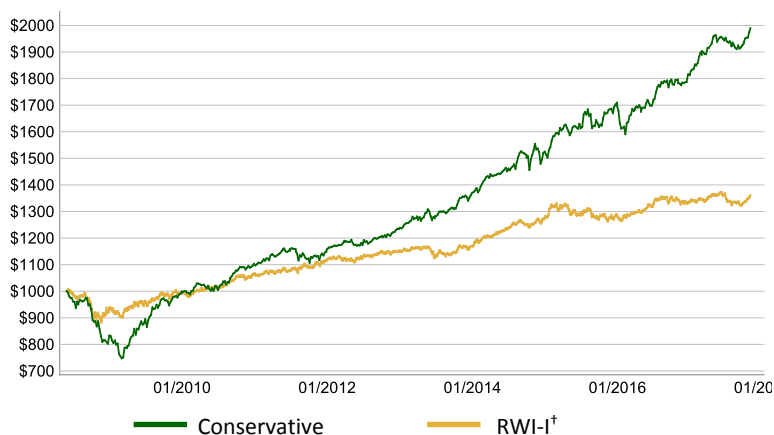
Portfolio

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 20+ YEAR TREASURY BOND	4.28%
ISHARES S&P/TSX CDN PFD	3.85%
ALIMENTATION COUCHE-TARD CL.B	3.44%
PREMIUM INCOME CORP -PFD-	3.42%
FINANCIAL 15 SPLIT CORP PFD	3.36%
BMO LADDERED PREFERRED SHARE	2.83%
ALGONQUIN POWER & UTILITIES CORP	2.32%
CHARTWELL RETIREMENT RESIDENCE	2.18%
PIZZA PIZZA ROYALTY CORP	2.02%
CSUCN FLOAT 03/31/40	1.98%

Growth of \$1000



Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	2.69%	3.39%	1.65%	10.82%	9.58%	10.39%	7.58%
	1.95%	2.89%	-0.13%	1.07%	2.79%	3.44%	3.33%
Sharpe Ratio	10.90	3.39	0.78	2.34	1.37	1.61	0.96
	8.73	3.24	-0.38	0.02	0.49	0.70	0.50
Maximum Drawdown	0.00%	-1.25%	-2.64%	-2.64%	-6.93%	-6.93%	-25.22%
	-0.20%	-1.17%	-3.63%	-3.63%	-5.05%	-5.05%	-12.36%

■ Conservative Mandate ■ RWI-I[†]

Annual Returns

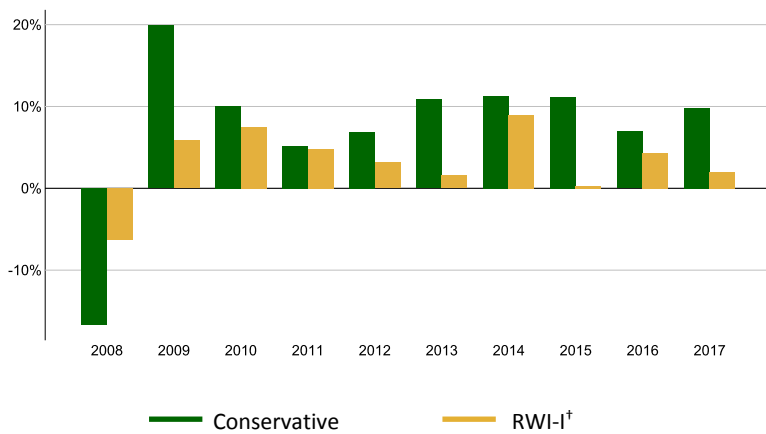
Period	Conservative Mandate	RWI-I [†]
2017	9.79%	1.98%
2016	6.93%	4.30%
2015	11.16%	0.31%
2014	11.26%	8.97%
2013	10.84%	1.55%
2012	6.90%	3.14%
2011	5.16%	4.80%
2010	10.09%	7.53%
2009	19.92%	5.84%
2008	-16.68%	-6.25%

Standard Deviation

Period	Conservative Mandate	RWI-I [†]
Since Inception	7.09%	3.89%
3 years	6.19%	3.15%
5 years	5.79%	2.98%

*Annualized returns
Inception date May 31, 2008

Annual Returns



Disclaimer and Notes

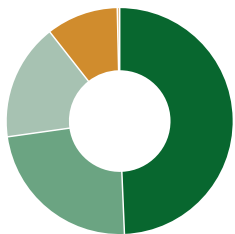
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

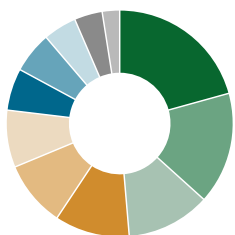
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Asset Allocation¹



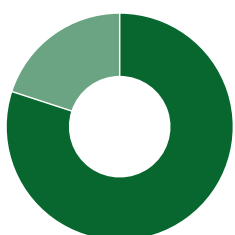
Equity	49.5%
Preferred	23.5%
Cash	16.7%
Bonds & Debentures	10.3%
Private Equity	0.3%
Option	-0.4%

Sector Allocation²



Consumer Discretionary	20.7%
Real Estate	16.0%
Financials	12.0%
Industrials	10.7%
Information Technology	9.4%
Consumer Staples	8.1%
Energy	6.0%
Health Care	5.9%
Utilities	4.8%
Telecommunication Services	4.0%
Materials	2.5%

Geographic Allocation³



Canada	80.0%
United States	20.0%