



Conservative Mandate

CFG Model Portfolio

Reporting as of January 31, 2018

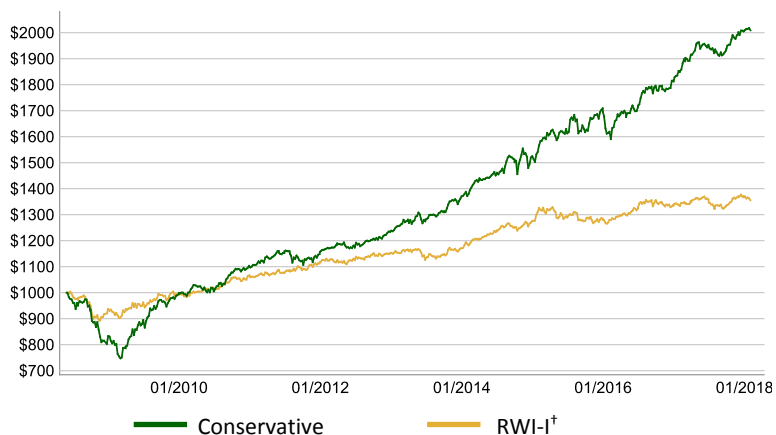
Portfolio Description

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	0.13%	0.96%	4.39%	8.67%	9.21%	9.88%	7.48%
	-0.86%	-0.44%	2.43%	1.58%	1.12%	3.25%	3.19%
Sharpe Ratio	0.73	1.20	2.38	2.02	1.44	1.53	0.96
	-3.46	-1.05	1.03	0.11	0.11	0.67	0.57
Maximum Drawdown	-0.43%	-0.70%	-1.25%	-2.64%	-6.93%	-6.93%	-25.22%
	-1.07%	-1.58%	-1.58%	-3.40%	-4.79%	-4.79%	-11.06%

■ 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 20+ YEAR TREASURY BOND	3.76%
ISHARES S&P/TSX CDN PFD	3.66%
PREMIUM INCOME CORP -PFD-	3.22%
FINANCIAL 15 SPLIT CORP PFD	3.15%
BMO LADDERED PREFERRED SHARE	2.71%
EQUINIX INC	2.12%
ALGONQUIN POWER & UTILITIES CORP	2.11%
CHARTWELL RETIREMENT RESIDENCE	2.09%
CSUCN FLOAT 03/31/40	1.92%
MARSH & MCLENNAN COS INC.	1.85%

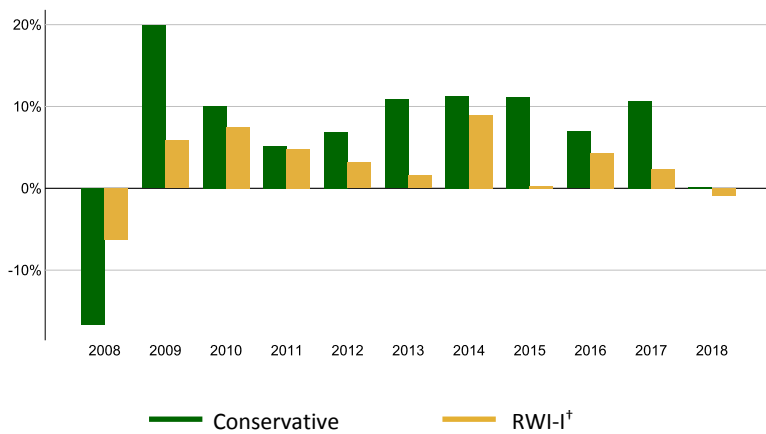
Annual Returns

Period	Conservative Mandate	RWI-I [†]
2018	0.13%	-0.86%
2017	10.71%	2.40%
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%

Standard Deviation

Period	Conservative Mandate	RWI-I [†]
Since Inception	7.00%	4.29%
3 years	5.60%	3.73%
5 years	5.79%	3.72%

Annual Returns



Disclaimer and Notes

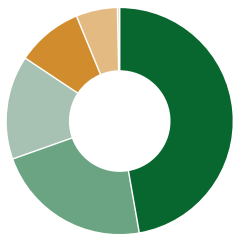
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

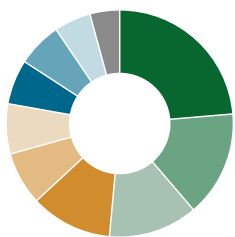
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Asset Allocation¹



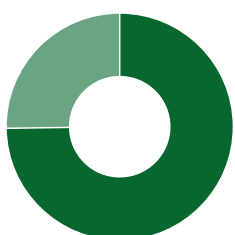
Equity	47.5%
Preferred	22.5%
Cash	14.8%
Bonds & Debentures	9.5%
Real Estate	5.9%
Private Equity	0.3%
Option	-0.5%

Sector Allocation²



Financials	23.7%
Industrials	15.1%
Consumer Discretionary	12.7%
Information Technology	11.6%
Health Care	7.6%
Materials	7.1%
Real Estate	6.4%
Consumer Staples	6.4%
Energy	5.2%
Utilities	4.2%

Geographic Allocation³



Canada	74.8%
United States	25.2%