



Conservative Mandate

CFG Model Portfolio

Reporting as of February 28, 2018

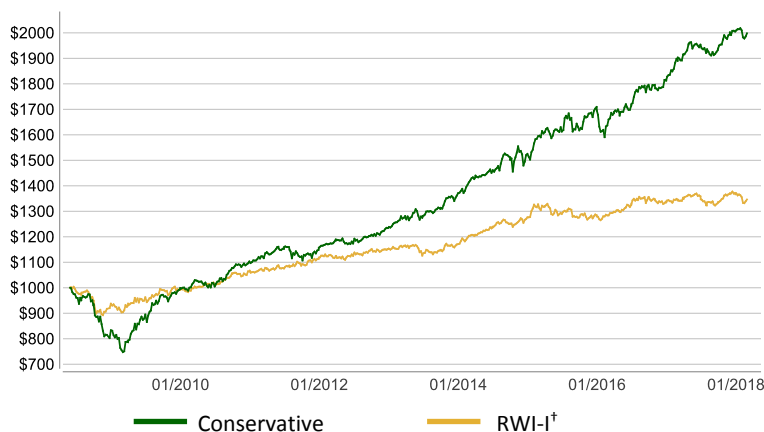
Portfolio Description

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	-0.55%	-0.17%	3.84%	5.71%	7.80%	9.56%	7.36%
	-0.66%	-1.73%	0.60%	0.25%	0.48%	3.00%	3.10%
Sharpe Ratio	-1.09	-0.15	1.93	1.33	1.22	1.47	0.94
	-1.31	-1.79	-0.05	-0.26	-0.05	0.60	0.55
Maximum Drawdown	-1.57%	-2.00%	-2.00%	-2.64%	-6.93%	-6.93%	-25.22%
	-1.73%	-3.28%	-3.28%	-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	4.11%
ISHARES S&P/TSX CDN PFD	3.60%
PREMIUM INCOME CORP -PFD-	3.10%
BMO LADDERED PREFERRED SHARE	2.66%
FINANCIAL 15 SPLIT CORP PFD	2.42%
BERKSHIRE HATHAWAY CLASS B	2.31%
CSUCN FLOAT 03/31/40	1.93%
MARSH & MCLENNAN COS INC.	1.91%
EQUINIX INC	1.89%
CANADIAN NATIONAL RAILWAY	1.79%

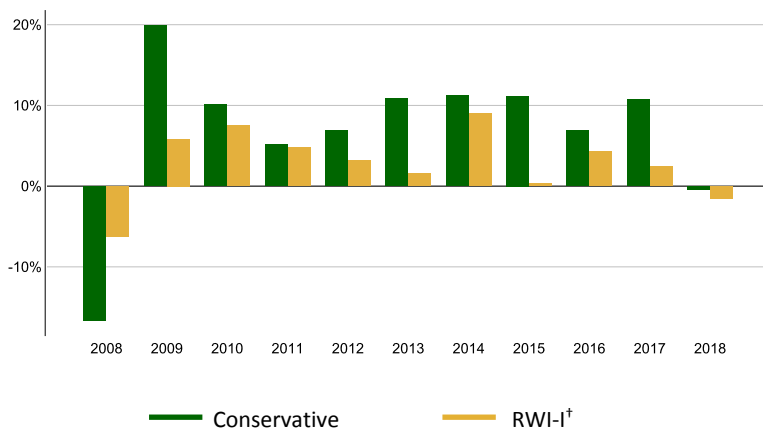
Annual Returns

Period	Conservative Mandate	RWI-I [†]
2018	-0.42%	-1.51%
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	6.99%	4.31%
3 years	5.59%	3.77%
5 years	5.83%	3.79%

Annual Returns



Disclaimer and Notes

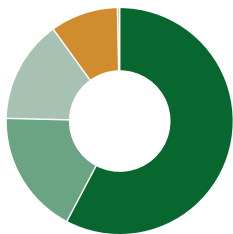
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

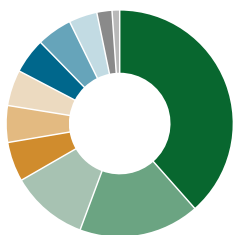
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Asset Allocation¹



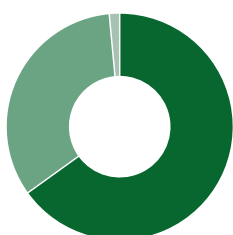
Equity	58.4%
Preferred	17.9%
Cash	14.8%
Bonds & Debentures	9.8%
Private Equity	0.3%
Option	-1.1%

Sector Allocation²



Financials	38.5%
Information Technology	17.2%
Industrials	11.0%
Consumer Discretionary	5.6%
Consumer Staples	5.2%
Materials	5.1%
Utilities	5.0%
Energy	5.0%
Health Care	4.0%
Consumer Staples	2.2%
Telecommunication Services	1.1%

Geographic Allocation³



Canada	65.1%
United States	33.4%
Europe	1.5%