



## Conservative Mandate

CFG Model Portfolio

Reporting as of June 29, 2018

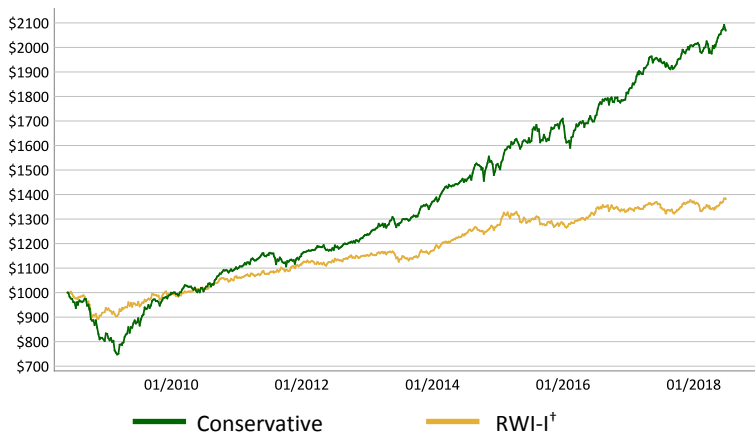
### Portfolio Description

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](http://www.croftgroup.com).

### Growth of \$1000



### Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	0.65%	3.79%	3.09%	6.26%	8.66%	10.04%	7.48%
	0.96%	2.03%	1.04%	2.53%	2.31%	4.03%	3.26%
Sharpe Ratio	1.38	2.69	1.05	1.22	1.33	1.54	0.96
	2.46	1.52	0.06	0.24	0.35	0.82	0.57
Maximum Drawdown	-1.08%	-1.08%	-2.43%	-2.43%	-6.93%	-6.93%	-25.22%
	-0.17%	-1.11%	-2.78%	-3.28%	-3.44%	-4.79%	-11.06%

■ Conservative Mandate ■ RWI-I<sup>†</sup>

\*Annualized returns  
Inception date May 31, 2008

### Portfolio

Symbol	Security	Weight
TCG534	Income Share Class	70%
TCG531	Equity Share Class	30%
Distribution		Monthly
Benchmark <sup>†</sup>		Real World Index – Income

### Top 10 Holdings (effective)

Security	Weight
F 3.7 08/02/18 CORP	4.33%
ISHARES S&P/TSX CDN PFD	3.87%
BMO LADDERED PREFERRED SHARE	3.56%
RY 2.77 12/11/18	3.28%
DOLCN 3.095 11/05/18	3.28%
XCN 3.253 10/03/18	3.28%
PREMIUM INCOME CORP -PFD-	3.02%
EQUINIX INC	2.64%
BROOKFIELD INFRASTRUCTURE PA	2.44%
FINANCIAL 15 SPLIT CORP PFD	2.31%

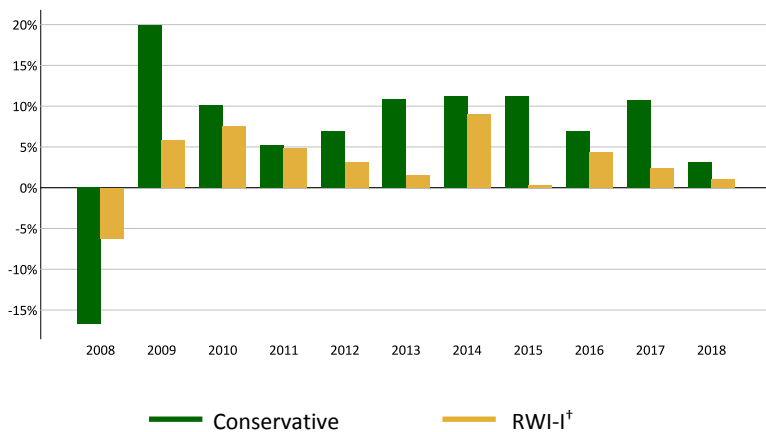
### Annual Returns

Period	Conservative Mandate	RWI-I <sup>†</sup>
2018	3.09%	1.04%
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 <sup>†</sup>
Since Inception	6.94%	4.28%
3 years	5.62%	3.49%
5 years	5.80%	3.71%

### Annual Returns



### Disclaimer and Notes

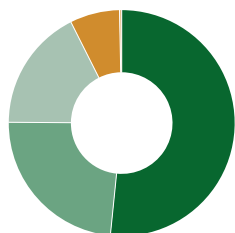
<sup>1</sup> Asset Allocation – CAD actual, marked to market as of close on the date quoted

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

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

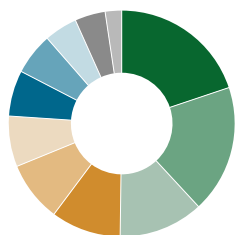
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### Asset Allocation<sup>1</sup>



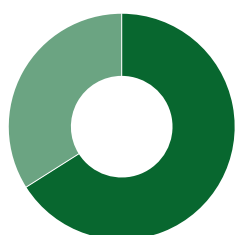
Equity	52.3%
Bonds & Debentures	23.8%
Preferred	17.7%
Cash	7.2%
Private Equity	0.3%
Option	-1.4%

### Sector Allocation<sup>2</sup>



Information Technology	19.8%
Financials	18.3%
Industrials	12.1%
Real Estate	10.0%
Consumer Discretionary	8.6%
Utilities	7.2%
Consumer Staples	6.5%
Health Care	6.0%
Consumer Discretionary	4.7%
Energy	4.4%
Materials	2.4%

### Geographic Allocation<sup>3</sup>



Canada	66.0%
United States	34.0%