



Conservative Mandate

CFG Model Portfolio

Reporting as of July 31, 2018

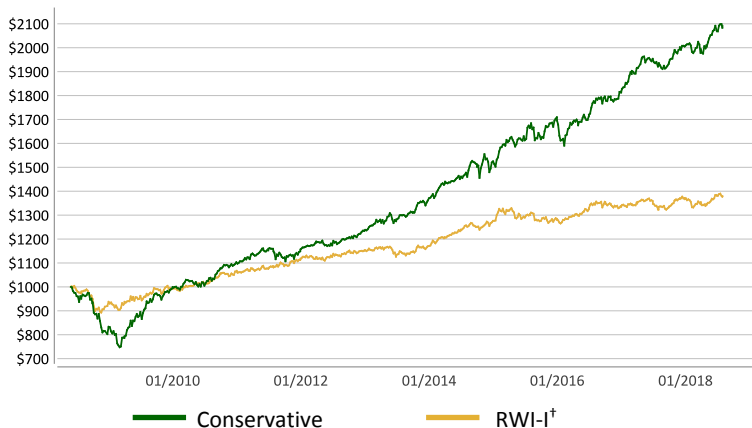
Portfolio Description

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	1.04%	4.02%	4.03%	8.60%	7.81%	9.98%	7.52%
	-0.15%	2.41%	1.76%	4.23%	1.86%	3.85%	3.21%
Sharpe Ratio	2.19	3.17	1.29	1.64	1.24	1.53	0.97
	-1.03	2.08	0.35	0.63	0.23	0.77	0.56
Maximum Drawdown	-0.70%	-1.10%	-2.43%	-2.43%	-6.93%	-6.93%	-25.22%
	-0.90%	-0.90%	-1.73%	-3.28%	-3.44%	-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
XCN 3.253 10/03/18	4.49%
F 3.7 08/02/18 CORP	4.20%
LCN 3.748 03/12/19	4.20%
RY 2.77 12/11/18	4.12%
ISHARES S&P/TSX CDN PFD	3.80%
BMO LADDERED PREFERRED SHARE	3.50%
DOLCN 3.095 11/05/18	3.18%
PREMIUM INCOME CORP -PFD-	3.11%
BROOKFIELD INFRASTRUCTURE PA	2.50%
FINANCIAL 15 SPLIT CORP PFD	2.41%

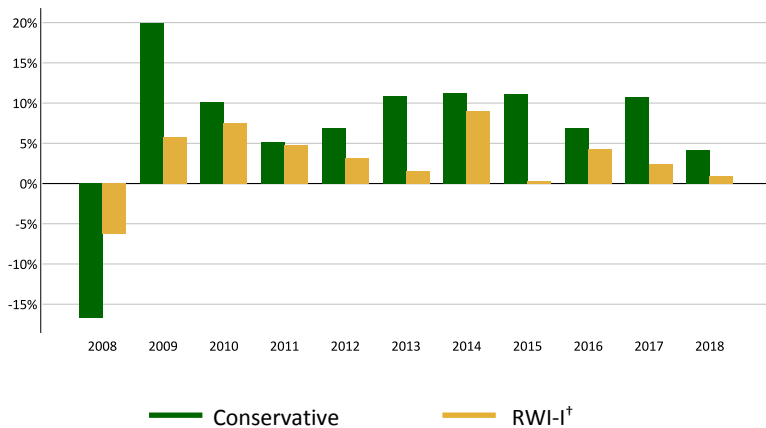
Annual Returns

Period	Conservative Mandate	RWI-I [†]
2018	4.17%	0.89%
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	6.92%	4.27%
3 years	5.43%	3.48%
5 years	5.81%	3.69%

Annual Returns



Disclaimer and Notes

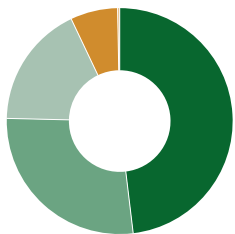
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

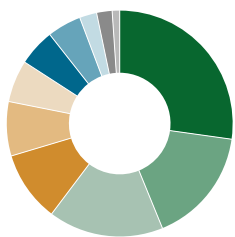
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Asset Allocation¹



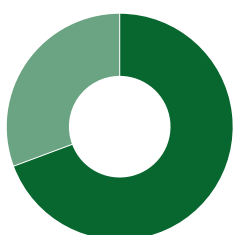
Equity	48.5%
Bonds & Debentures	27.5%
Preferred	17.7%
Cash	6.8%
Private Equity	0.3%
Option	-0.9%

Sector Allocation²



Information Technology	27.2%
Industrials	16.6%
Consumer Discretionary	16.5%
Financials	10.1%
Utilities	7.7%
Real Estate	6.0%
Health Care	5.3%
Consumer Staples	4.9%
Consumer Staples	2.5%
Materials	2.2%
Energy	1.1%

Geographic Allocation³



Canada	69.3%
United States	30.7%