



Conservative Mandate

CFG Model Portfolio

Reporting as of August 31, 2018

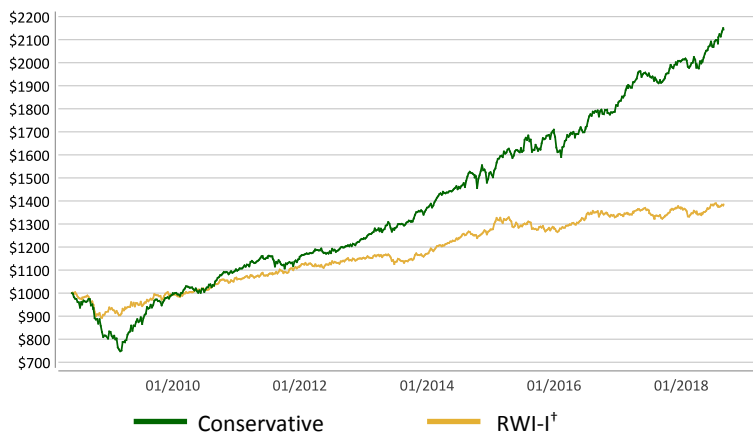
Portfolio Description

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	2.56%	4.31%	7.30%	11.42%	9.90%	10.55%	7.72%
	0.39%	1.20%	2.84%	3.45%	2.67%	3.97%	3.23%
Sharpe Ratio	5.40	3.11	2.29	2.12	1.66	1.60	1.00
	0.90	0.77	0.95	0.43	0.43	0.80	0.56
Maximum Drawdown	-0.47%	-1.10%	-2.43%	-2.43%	-6.93%	-6.93%	-25.22%
	-0.33%	-1.08%	-1.35%	-3.28%	-3.40%	-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
F 2.939 02/19/19	5.10%
XCN 3.253 10/03/18	4.56%
LCN 3.748 03/12/19	4.10%
RY 2.77 12/11/18	4.02%
ISHARES S&P/TSX CDN PFD	3.73%
CUCN 5.432 01/23/19	3.66%
BMO LADDERED PREFERRED SHARE	3.42%
DOLCN 3.095 11/05/18	3.10%
PREMIUM INCOME CORP -PFD-	3.06%
BLACKSTONE GROUP (THE) L.P.	2.44%

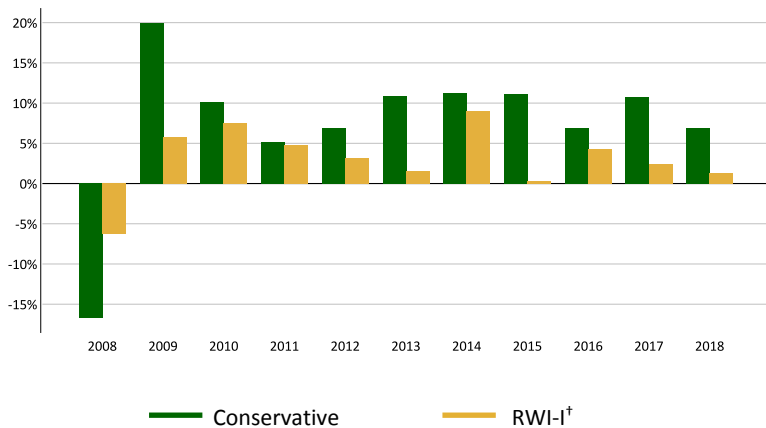
Annual Returns

Period	Conservative Mandate	RWI-I [†]
2018	6.84%	1.28%
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	6.90%	4.25%
3 years	5.08%	3.29%
5 years	5.82%	3.66%

Annual Returns



Disclaimer and Notes

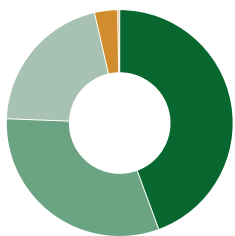
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

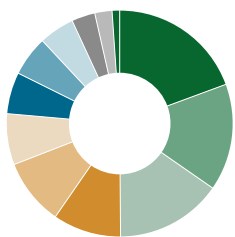
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Asset Allocation¹



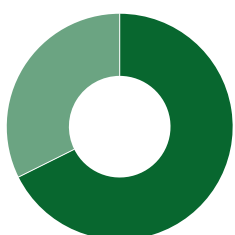
Equity	44.8%
Bonds & Debentures	31.5%
Preferred	21.0%
Cash	3.3%
Private Equity	0.3%
Option	-1.0%

Sector Allocation²



Information Technology	19.4%
Industrials	15.3%
Financials	15.2%
Consumer Staples	9.7%
Information Technology	9.5%
Utilities	7.3%
Materials	5.9%
Consumer Discretionary	5.7%
Health Care	5.1%
Telecommunication Services	3.4%
Consumer Staples	2.5%
Energy	1.1%

Geographic Allocation³



Canada	67.6%
United States	32.4%