



Conservative Mandate

CFG Model Portfolio

Reporting as of September 28, 2018

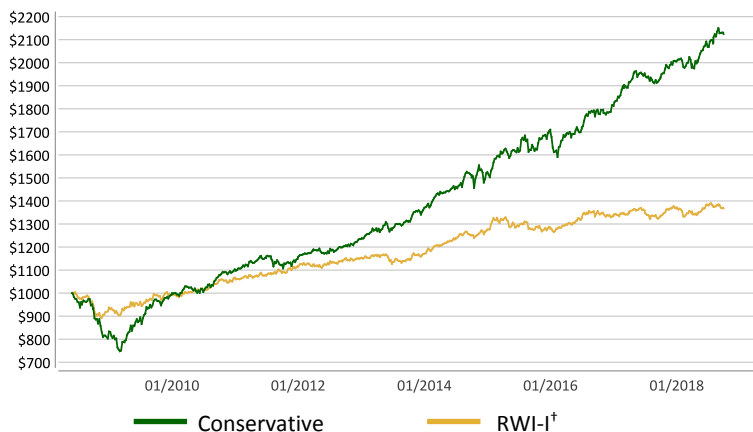
Portfolio Description

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	-0.92%	2.68%	6.58%	9.61%	9.53%	10.17%	7.57%
	-1.22%	-0.99%	1.02%	2.41%	2.34%	3.59%	3.08%
Sharpe Ratio	-3.82	1.95	2.31	1.70	1.56	1.51	0.98
	-5.52	-1.83	-0.00	0.16	0.33	0.69	0.53
Maximum Drawdown	-0.92%	-1.19%	-1.19%	-2.43%	-6.93%	-6.93%	-25.22%
	-1.22%	-1.59%	-1.59%	-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	4.97%
XCN 3.253 10/03/18	4.45%
LCN 3.748 03/12/19	3.99%
RY 2.77 12/11/18	3.91%
ISHARES S&P/TSX CDN PFD	3.61%
BMO LADDERED PREFERRED SHARE	3.59%
CUCN 5.432 01/23/19	3.56%
DOLCN 3.095 11/05/18	3.03%
PREMIUM INCOME CORP -PFD-	3.00%
US CASH MARGIN	2.80%

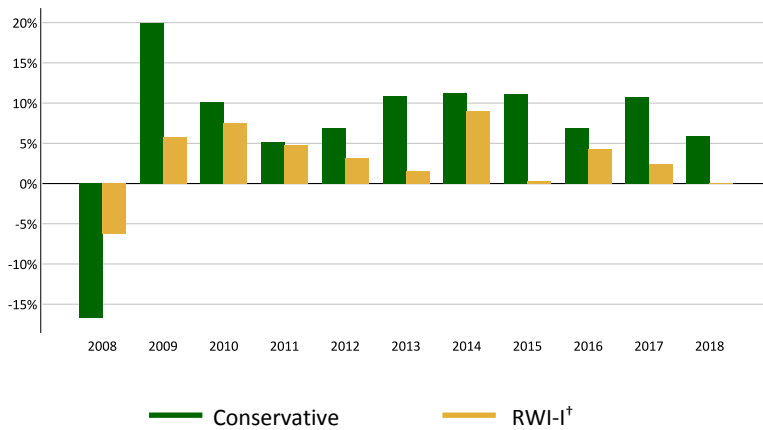
Annual Returns

Period	Conservative Mandate	RWI-I [†]
2018	5.86%	0.04%
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 [†]
Since Inception	6.88%	4.24%
3 years	5.01%	3.31%
5 years	5.83%	3.68%

Annual Returns



Disclaimer and Notes

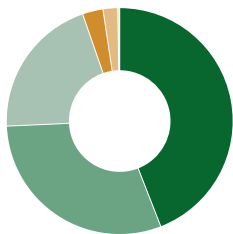
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

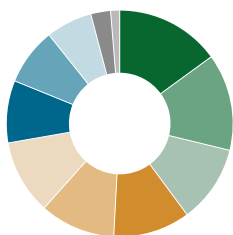
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Asset Allocation¹



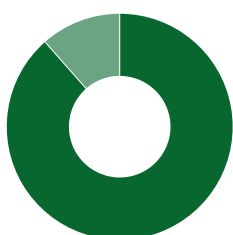
Equity	44.8%
Bonds & Debentures	30.7%
Preferred	20.7%
Cash	3.0%
Cash	2.1%
Private Equity	0.3%
Option	-1.7%

Sector Allocation²



Communication Services	15.0%
Industrials	13.8%
Consumer Discretionary	11.1%
Information Technology	11.0%
Utilities	10.8%
Financials	10.6%
Real Estate	8.9%
Materials	8.2%
Health Care	6.6%
Consumer Staples	2.8%
Energy	1.3%

Geographic Allocation³



Canada	88.5%
United States	11.5%