



Conservative Mandate

CFG Model Portfolio

Reporting as of February 28, 2019

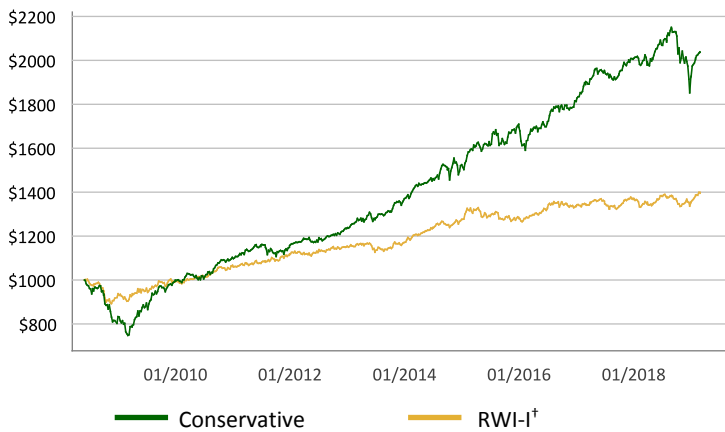
Portfolio Description

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 | 1.24% | 1.07% | -5.04% | 1.89% | 7.52% | 7.56% | 6.84% |
| | 0.59% | 2.66% | 0.73% | 3.58% | 2.79% | 2.99% | 3.14% |
| Sharpe Ratio | 6.93 | 0.12 | -0.86 | -0.03 | 0.82 | 0.85 | 0.76 |
| | 1.24 | 1.50 | -0.18 | 0.31 | 0.35 | 0.49 | 0.52 |
| Maximum Drawdown | -0.11% | -8.05% | -13.60% | -13.84% | -13.84% | -13.84% | -25.22% |
| | -0.30% | -2.28% | -3.58% | -3.94% | -3.94% | -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 |
|-----------------------------|--------|
| RCICN 2.8 03/13/19 | 5.64% |
| REIUCN 3.85 06/28/19 | 5.22% |
| HYDONE 1.62 04/30/20 | 4.13% |
| SJRCN 5.65 10/01/19 | 3.77% |
| ATDBCN 3.319 11/01/19 | 3.73% |
| RY 2.98 05/07/19 | 3.72% |
| TD 2.447 04/02/19 | 3.71% |
| FINANCIAL 15 SPLIT CORP PFD | 2.81% |
| PREMIUM INCOME CORP -PFD- | 2.80% |
| MS 2.65 01/27/20 | 2.44% |

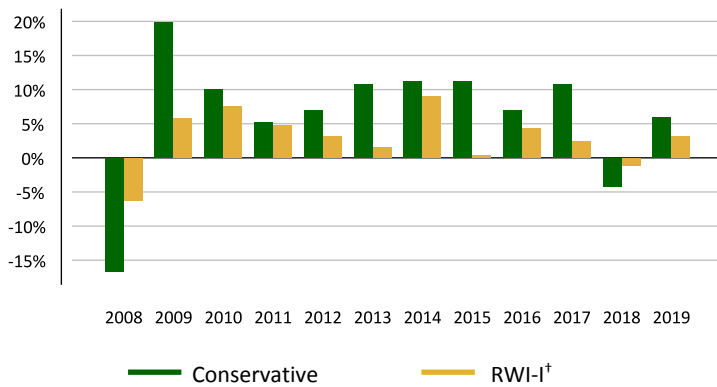
Annual Returns

| Period | Conservative Mandate | RWI-I [†] |
|--------|----------------------|--------------------|
| 2019 | 5.89% | 3.16% |
| 2018 | -4.18% | -1.11% |
| 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% |

Standard Deviation

| Period | Conservative Mandate | RWI-I [†] |
|-----------------|----------------------|--------------------|
| Since Inception | 7.22% | 4.24% |
| 3 years | 6.22% | 3.38% |
| 5 years | 6.79% | 3.71% |

Annual Returns



Disclaimer and Notes

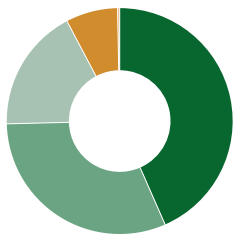
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

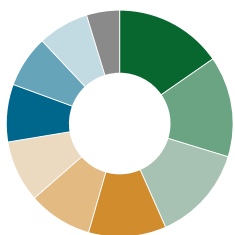
Portfolio management services provided by R N Croft Financial Group Inc. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance is based on the actual historical returns of the underlying pools, which are net of embedded management fees, operating fees, transaction costs and all withholding taxes, but are not adjusted for any account or relationship manager fees. The inception date is the inception date of the underlying pooled funds. Performance data have not been audited and are for illustrative purposes only. The results presented are not those of an actual performance record, as no client accounts held the underlying securities in the specific proportions of this mandate. The results are based on simulated or hypothetical performance results that have certain inherent limitations, including the fact that they are designed with the benefit of hindsight. R N Croft Financial Group Inc. is a licensed Portfolio Manager and Investment Fund Manager serving individual and institutional clients throughout Canada. Valuations and performance results are reported in Canadian dollars. Additional information regarding calculating and reporting performance is available upon request. Please contact R N Croft Financial Group Inc., 801-251 Consumers Road, Toronto, ON M2J 4R3, Telephone: 905-695-7777 or Toll-free: 1-877-249-2884.

Asset Allocation¹



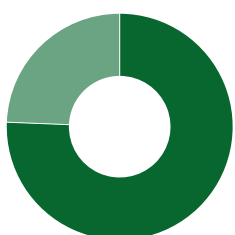
| | |
|--------------------|-------|
| Bonds & Debentures | 43.6% |
| Equity | 31.3% |
| Preferred | 17.7% |
| Cash | 7.5% |
| Private Equity | 0.3% |
| Option | -0.5% |

Sector Allocation²



| | |
|------------------------|-------|
| Financials | 15.3% |
| Health Care | 14.4% |
| Communication Services | 13.6% |
| Utilities | 11.1% |
| Consumer Discretionary | 9.1% |
| Industrials | 8.8% |
| Consumer Staples | 8.2% |
| Real Estate | 7.4% |
| Materials | 7.3% |
| Information Technology | 4.7% |

Geographic Allocation³



| | |
|---------------|-------|
| Canada | 75.6% |
| United States | 24.4% |