



## Enhanced Balanced Mandate

CFG Model Portfolio

Reporting as of May 31, 2018

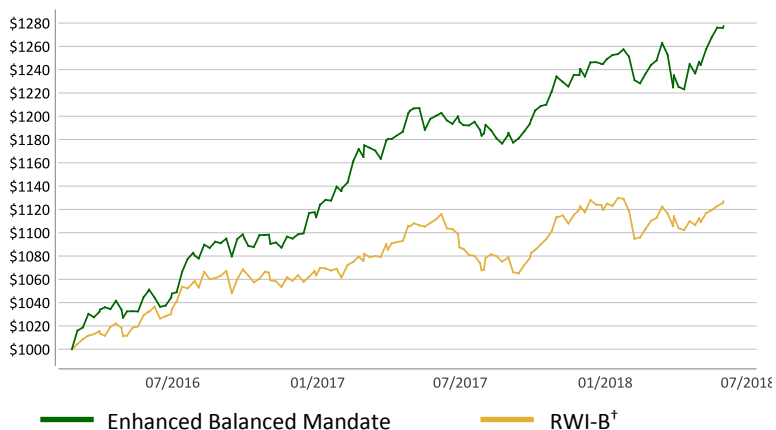
### Portfolio Description

The **Enhanced Balanced Mandate** is a three-pool portfolio seeking capital appreciation and cash flow striking a balance between more stable, yield-bearing assets (such as Fixed Income, Preferred Shares, REITs, Covered Call and Credit Spread Strategies), via the Income Share Class and Option Writing Share Class, and higher-risk, growth-oriented asset classes (primarily Common Shares of publicly listed companies), via the Equity Share Class.

### Investment Objective

The objective of the **Enhanced Balanced Mandate** is to achieve better risk-adjusted returns than a passive, low-cost, diversified portfolio benchmark (The Real World Balanced Index). The **Enhanced Balanced Mandate** aims to achieve this objective by holding in client accounts three Share Classes in target proportions of 50% Income Share Class, 37.5% Equity Share Class and 12.5% Option Writing 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	2.46%	2.68%	2.96%	6.42%			11.42%
	1.30%	1.51%	0.38%	1.41%			5.42%
Sharpe Ratio	6.27	1.27	0.87	1.11			1.97
	4.40	0.81	-0.17	-0.01			0.88
Maximum Drawdown	-0.21%	-3.15%	-3.15%	-3.15%			-3.15%
	-0.31%	-1.80%	-3.10%	-4.56%			-4.56%

■ Enhanced Balanced Mandate ■ RWI-B<sup>+</sup>

\*Annualized returns  
Inception date February 29, 2016

### Portfolio

Symbol	Security	Weight
TCG534	Income Share Class	50%
TCG531	Equity Share Class	37.5%
TCG539	Option Writing Share	12.5%
Distribution		Monthly
Benchmark <sup>†</sup>		Real World Index – Balanced

### Top 10 Holdings (effective)

Security	Weight
ISHARES S&P/TSX CDN PFD	6.11%
BMO LADDERED PREFERRED SHARE	3.12%
PREMIUM INCOME CORP -PFD-	2.96%
F 3.7 08/02/18 CORP	2.72%
BROADCOM LTD	1.83%
FACEBOOK INC	1.78%
VISA INC. CLASS A	1.78%
OPEN TEXT CORP	1.74%
CCL INDUSTRIES INC - CLASS B	1.73%
EQUINIX INC	1.73%

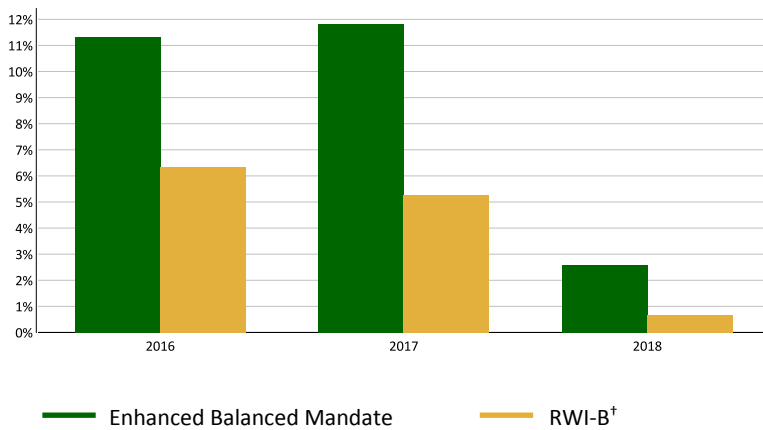
### Annual Returns

Period	Enhanced Balanced	RWI-B <sup>+</sup>
2018	2.60%	0.68%
2017	11.82%	5.28%
2016	11.33%	6.33%

### Standard Deviation

Period	Enhanced Balanced	RWI-B <sup>+</sup>
Since Inception	4.85%	4.15%
3 years		
5 years		

### Annual Returns



### Disclaimer and Notes

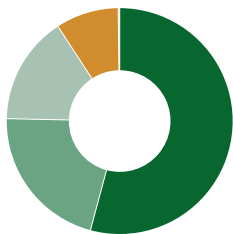
<sup>1</sup> Asset Allocation – CAD actual, marked to market as of close on the date quoted

<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%

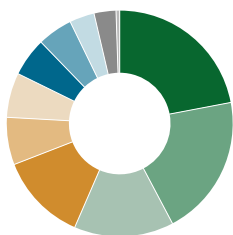
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### Asset Allocation<sup>1</sup>



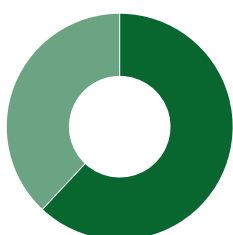
Equity	54.8%
Preferred	21.4%
Bonds & Debentures	15.6%
Cash	9.1%
Private Equity	0.2%
Option	-1.2%

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



Information Technology	22.0%
Financials	20.2%
Industrials	14.2%
Consumer Discretionary	12.6%
Real Estate	6.8%
Health Care	6.4%
Consumer Staples	5.5%
Utilities	5.0%
Energy	3.6%
Materials	3.1%
Telecommunication Services	0.5%

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



Canada	62.0%
United States	38.0%