



Enhanced Balanced Mandate

CFG Model Portfolio

Reporting as of December 31, 2018

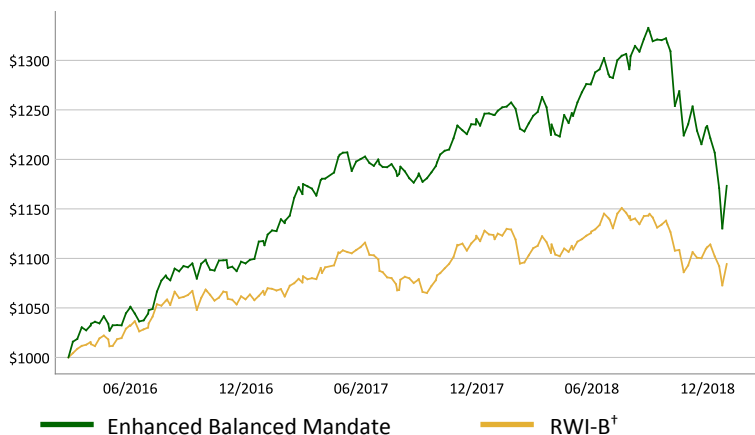
Portfolio Description

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.

Growth of \$1000



Key Statistics

	1 M	3 M	6 M	1 Y	3 Y*	5 Y*	SI*
Returns	-4.89%	-10.97%	-8.58%	-5.75%			5.77%
	-1.52%	-3.54%	-3.91%	-2.24%			3.21%
Sharpe Ratio	-2.02	-2.12	-1.27	-0.67			0.55
	-1.55	-1.63	-1.26	-0.62			0.35
Maximum Drawdown	-8.38%	-14.23%	-15.19%	-15.19%			-15.19%
	-3.70%	-5.44%	-6.78%	-6.78%			-6.78%

■ Enhanced Balanced Mandate ■ RWI-B⁺

*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 [†]		Real World Index – Balanced

Top 10 Holdings (effective)

Security	Weight
LCN 3.748 03/12/19	5.09%
F 2.939 02/19/19	4.74%
ISHARES S&P/TSX CDN PFD	3.55%
PREMIUM INCOME CORP -PFD-	3.29%
HYDONE 1.62 04/30/20	3.12%
RY 2.98 05/07/19	2.81%
CUCN 5.432 01/23/19	2.81%
TD 2.447 04/02/19	2.81%
ALT CSH PERFM-F/NL/N'FRAC	2.77%
BCE INC	2.16%

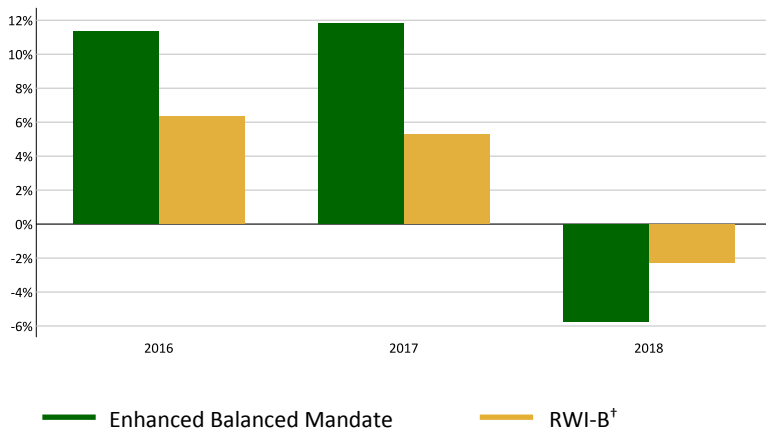
Annual Returns

Period	Enhanced Balanced	RWI-B ⁺
2018	-5.75%	-2.24%
2017	11.82%	5.28%
2016	11.33%	6.33%

Standard Deviation

Period	Enhanced Balanced	RWI-B ⁺
Since Inception	6.78%	4.63%
3 years		
5 years		

Annual Returns



Disclaimer and Notes

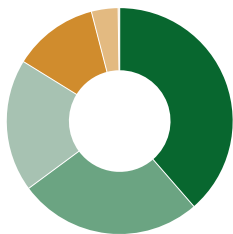
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

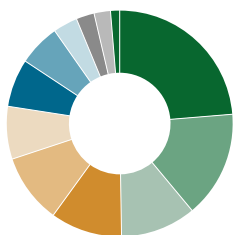
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Asset Allocation¹



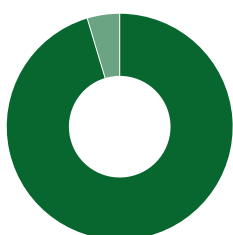
Equity	39.4%
Bonds & Debentures	26.8%
Preferred	19.3%
Cash	12.4%
Cash	3.9%
Private Equity	0.2%
Option	-2.1%

Sector Allocation²



Industrials	23.7%
Utilities	15.3%
Financials	10.8%
Consumer Discretionary	10.2%
Communication Services	9.9%
Real Estate	7.5%
Information Technology	6.9%
Health Care	6.0%
Energy	3.5%
Materials	2.6%
Financial Services	2.3%
Consumer Staples	1.3%

Geographic Allocation³



Canada	95.4%
United States	4.6%