



## Enhanced Balanced Mandate

CFG Model Portfolio

Reporting as of January 31, 2019

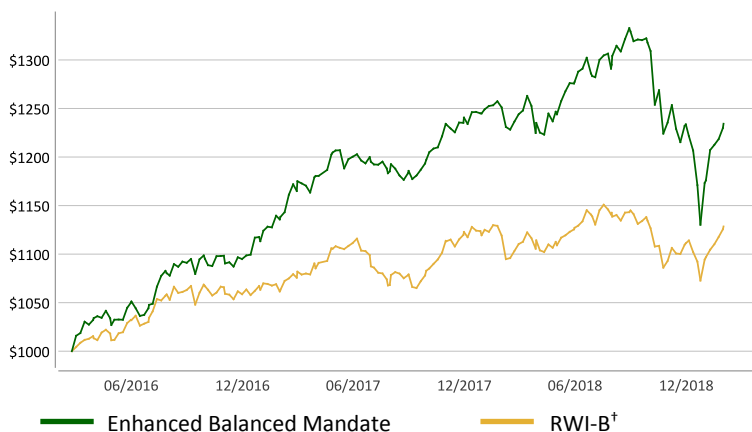
### Portfolio Description

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	5.20%	-0.10%	-4.70%	-1.34%			7.44%
	3.12%	3.25%	-1.23%	0.85%			4.20%
Sharpe Ratio	7.93	-0.16	-0.75	-0.28			0.74
	17.55	1.32	-0.61	-0.18			0.52
Maximum Drawdown	0.00%	-9.82%	-15.19%	-15.19%			-15.19%
	0.00%	-3.70%	-6.30%	-6.78%			-6.78%

■ 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
RCICN 2.8 03/13/19	4.84%
F 2.939 02/19/19	4.52%
PREMIUM INCOME CORP -PFD-	3.16%
HYDONE 1.62 04/30/20	2.97%
SJRCN 5.65 10/01/19	2.72%
ATDBCN 3.319 11/01/19	2.68%
RY 2.98 05/07/19	2.67%
TD 2.447 04/02/19	2.67%
BCE INC	2.52%
FINANCIAL 15 SPLIT CORP PFD	2.16%

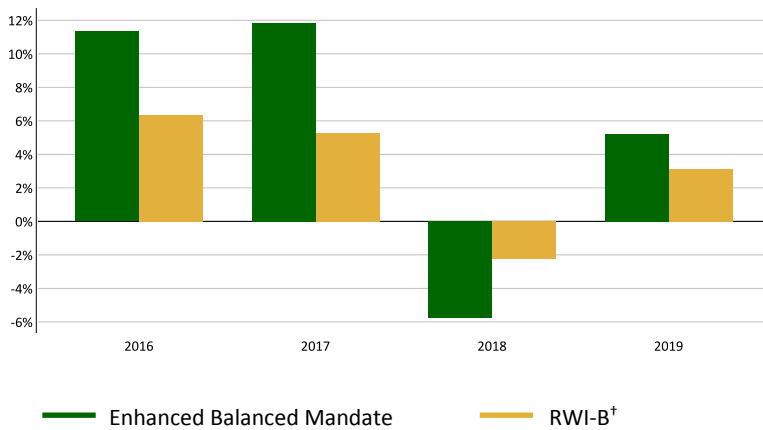
### Annual Returns

Period	Enhanced Balanced	RWI-B <sup>+</sup>
2019	5.20%	3.12%
2018	-5.75%	-2.24%
2017	11.82%	5.28%
2016	11.33%	6.33%

### Standard Deviation

Period	Enhanced Balanced	RWI-B <sup>+</sup>
Since Inception	6.83%	4.60%
3 years		
5 years		

### Annual Returns



### Disclaimer and Notes

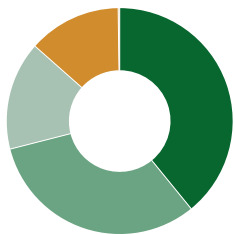
<sup>1</sup> Asset Allocation – CAD actual, marked to market as of close on the date quoted

<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%

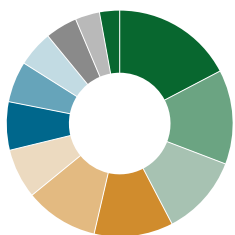
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### Asset Allocation<sup>1</sup>



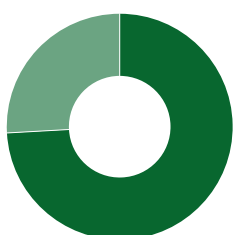
Equity	39.2%
Bonds & Debentures	32.0%
Preferred	15.6%
Cash	13.3%
Private Equity	0.2%
Option	-0.3%

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



Financials	17.3%
Consumer Discretionary	13.5%
Industrials	11.5%
Health Care	11.3%
Information Technology	10.5%
Utilities	7.1%
Communication Services	6.9%
Materials	5.9%
Consumer Staples	5.1%
Telecommunication Services	4.6%
Real Estate	3.5%
Energy	2.9%

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



Canada	74.1%
United States	25.9%