



Enhanced Conservative Income Mandate

CFG Model Portfolio

Reporting as of July 31, 2018

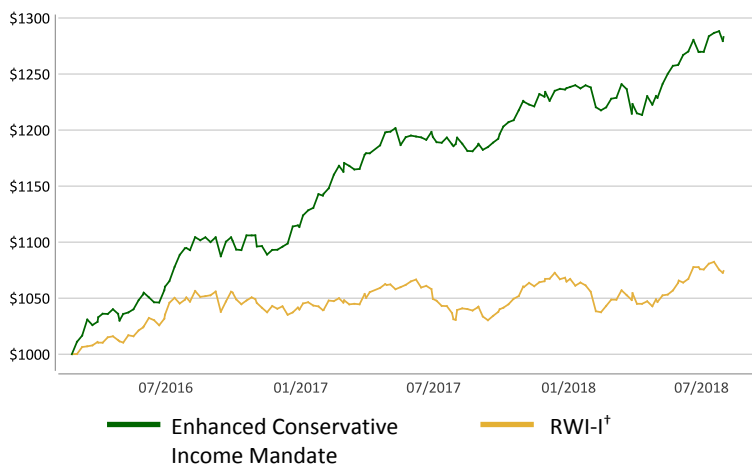
Portfolio Description

The **Enhanced Conservative Income 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 and credit spreads, exposure to yield-bearing assets (such as bonds, preferred shares and REITs) via the Income Share Class and Option Writing Share Class as well as exposure to higher-risk, growth-oriented assets via the Equity Share Class.

Investment Objective

The objective of the **Enhanced Conservative Income Mandate** is to achieve better risk-adjusted returns than a passive, low-cost, diversified portfolio benchmark (The Real World Income Index). The **Enhanced Conservative Income Mandate** aims to achieve this objective by holding in client accounts three Share Classes in target proportions of 75% Income Share Class, 10% Equity Share Class and 15% 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	1.04%	4.28%	3.64%	8.04%			10.79%
	-0.15%	2.41%	1.76%	4.23%			2.99%
Sharpe Ratio	2.29	3.60	1.20	1.62			2.19
	-1.03	2.08	0.35	0.63			0.48
Maximum Drawdown	-0.69%	-0.84%	-2.21%	-2.21%			-2.21%
	-0.90%	-0.90%	-1.73%	-3.28%			-3.40%

■ Enhanced Conservative Income Mandate ■ RWI-I[†]

*Annualized returns
Inception date February 29, 2016

Portfolio

Symbol	Security	Weight
TCG534	Income Share Class	75%
TCG531	Equity Share Class	10%
TCG539	Option Writing Share	15%
Distribution		Monthly
Benchmark [†]		Real World Index – Income

Top 10 Holdings (effective)

Security	Weight
ISHARES S&P/TSX CDN PFD	8.54%
LCN 3.748 03/12/19	4.49%
RY 2.77 12/11/18	4.40%
PREMIUM INCOME CORP -PFD-	4.24%
XCN 3.253 10/03/18	3.84%
DOLCN 3.095 11/05/18	3.40%
F 3.7 08/02/18 CORP	3.40%
BMO LADDERED PREFERRED SHARE	2.98%
BROOKFIELD INFRASTRUCTURE PA	2.67%
FINANCIAL 15 SPLIT CORP PFD	2.58%

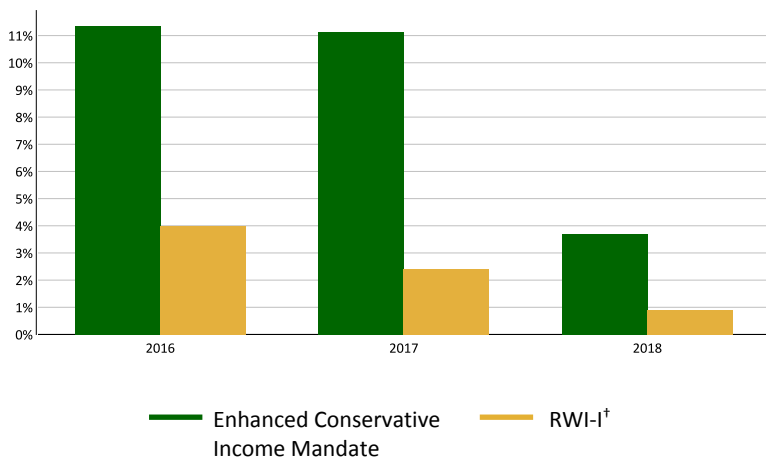
Annual Returns

Period	Enhanced Conservative	RWI-I [†]
2018	3.69%	0.89%
2017	11.12%	2.40%
2016	11.35%	3.99%

Standard Deviation

Period	Enhanced	RWI-I [†]
Since Inception	4.11%	3.27%
3 years		
5 years		

Annual Returns



Disclaimer and Notes

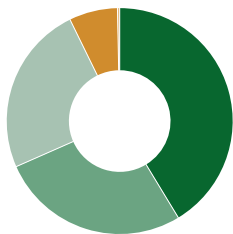
¹ Asset Allocation – CAD actual, marked to market as of close on the date quoted

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%

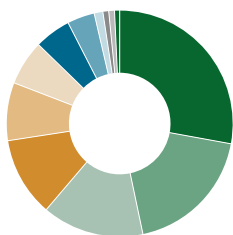
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Asset Allocation¹



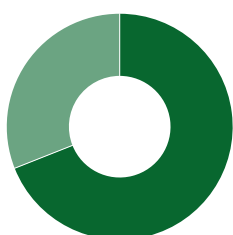
Equity	41.7%
Bonds & Debentures	27.4%
Preferred	24.6%
Cash	7.0%
Private Equity	0.3%
Option	-1.0%

Sector Allocation²



Information Technology	27.9%
Consumer Discretionary	18.8%
Industrials	14.5%
Financials	11.3%
Utilities	8.3%
Real Estate	6.4%
Consumer Staples	5.2%
Health Care	3.9%
Energy	1.2%
Telecommunication Services	0.8%
Consumer Staples	0.8%
Materials	0.7%

Geographic Allocation³



Canada	69.0%
United States	31.0%