



## Enhanced Income Mandate

CFG Model Portfolio

Reporting as of January 31, 2018

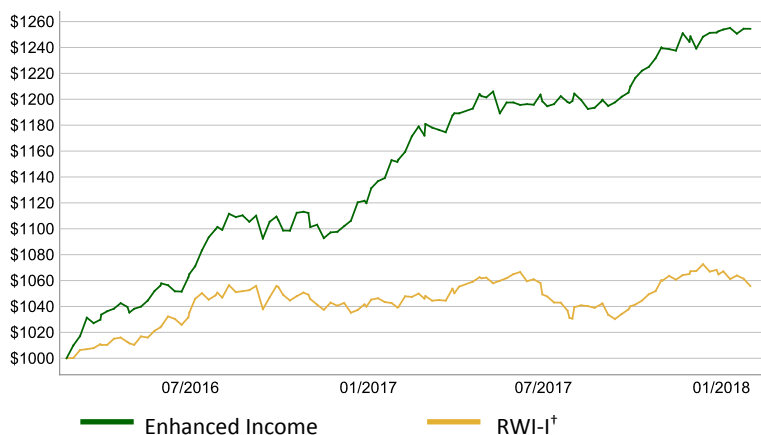
### Portfolio Description

The **Enhanced 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 direct investment in yield-bearing assets (such as bonds, preferred shares and REITs) via the Income Share Class, and with covered calls on higher-risk, growth-oriented assets in both the Income and Option Writing Share Classes.

### Investment Objective

The objective of the **Enhanced Income Mandate** is to achieve better risk-adjusted returns than a passive, low-cost, diversified portfolio benchmark (The Real World Income Index). The **Enhanced Income Mandate** aims to achieve this objective by holding in client accounts two Share Classes in target proportions of 70% Income Share Class and 30% Option Writing Class. Croft Financial Group will regularly re-balance back to target in addition to any re-balancing that takes place within each Share Class to manage market risk, take advantage of market opportunity, and minimize cash positions. 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	0.16%	1.16%	4.66%	8.92%			12.42%
	-0.86%	-0.44%	2.43%	1.58%			2.84%
Sharpe Ratio	0.97	1.22	2.63	2.20			2.67
	-3.46	-1.05	1.03	0.11			0.52
Maximum Drawdown	-0.35%	-0.95%	-0.98%	-1.39%			-1.83%
	-1.07%	-1.58%	-1.58%	-3.40%			-3.40%

■ Enhanced Income Mandate ■ RWI-I<sup>†</sup>

\*Annualized returns  
Inception date February 29, 2016

### Portfolio

Symbol	Security	Weight
TCG534	Income Share Class	70%
TCG539	Options Writing Share Class	30%
Distribution		Monthly
Benchmark <sup>†</sup>		Real World Index – Income

### Top 10 Holdings (effective)

Security	Weight
ISHARES S&P/TSX CDN PFD	13.19%
PREMIUM INCOME CORP -PFD-	6.03%
ISHARES 20+ YEAR TREASURY BOND	3.70%
FINANCIAL 15 SPLIT CORP PFD	3.10%
BMO LADDERED PREFERRED SHARE	2.66%
AGNICO EAGLE MINES LTD	2.34%
CANADIAN NATIONAL RAILWAY	2.22%
EQUINIX INC	2.08%
ALGONQUIN POWER & UTILITIES CORP	2.08%
CHARTWELL RETIREMENT RESIDENCE	2.06%

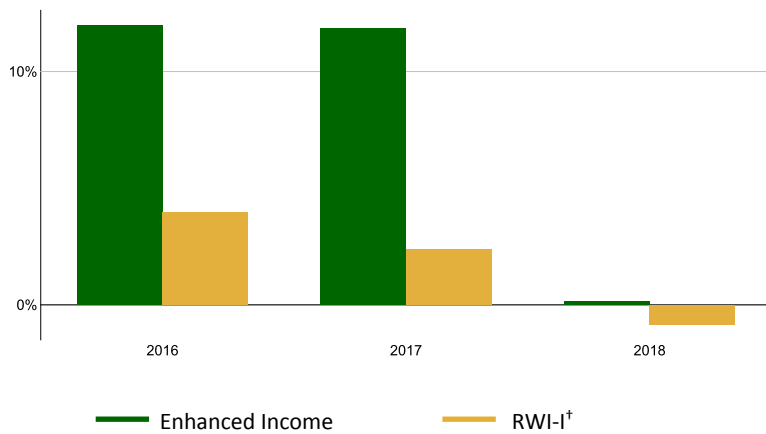
### Annual Returns

Period	Enhanced Income Mandate	RWI-I <sup>†</sup>
2018	0.16%	-0.86%
2017	11.85%	2.40%
2016	11.98%	3.99%

### Standard Deviation

Period	Enhanced Income Mandate	RWI-I <sup>†</sup>
Since Inception	3.89%	3.11%
3 years		
5 years		

### Annual Returns



### Disclaimer and Notes

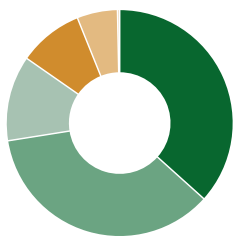
<sup>1</sup> Asset Allocation – CAD actual, marked to market as of close on the date quoted

<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%

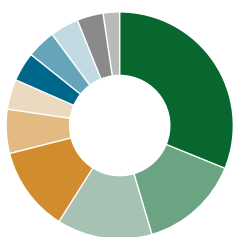
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### Asset Allocation<sup>1</sup>



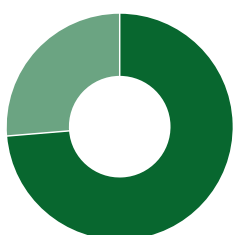
Preferred	37.0%
Equity	36.2%
Cash	12.3%
Bonds & Debentures	9.3%
Real Estate	5.8%
Private Equity	0.3%
Option	-1.0%

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



Financials	31.1%
Industrials	14.3%
Consumer Discretionary	13.6%
Information Technology	12.1%
Real Estate	6.3%
Materials	4.3%
Utilities	4.2%
Health Care	4.1%
Energy	4.1%
Consumer Staples	3.7%
Telecommunication Services	2.3%

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



Canada	73.7%
United States	26.3%