



## Enhanced Conservative Income Mandate

CFG Model Portfolio

Reporting as of August 31, 2020

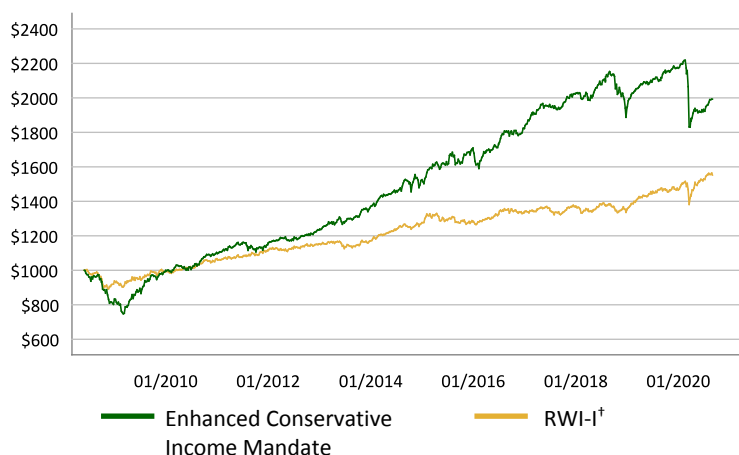
### Portfolio Description

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 yield-bearing assets (such as bonds, preferred shares and REITs) via the Income Share Class, as well as exposure to balanced growth and capital preservation strategies such covered calls, collars and option spreads via the Alternative Strategies Share Class, and 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 70% Income Share Class, 10% Equity Share Class and 20% Alternative Strategies 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*	10 Y*	SI*
Returns	1.58%	3.64%	-6.93%	-5.88%	0.83%	4.30%	6.78%	5.79%
	-0.18%	2.62%	4.47%	5.31%	5.07%	3.94%	4.16%	3.65%
Sharpe Ratio	6.54	3.46	-0.69	-0.48	-0.09	0.34	0.80	0.59
	-0.53	2.62	0.67	0.43	0.50	0.47	0.70	0.55
Maximum Drawdown	0.00%	-0.57%	-15.20%	-17.47%	-17.47%	-17.47%	-17.47%	-25.22%
	-0.70%	-0.70%	-8.10%	-8.77%	-8.77%	-8.77%	-8.77%	-11.06%

\*Annualized returns

Inception date May 31, 2008 as 70% TCG534 and 30% TCG531

TCG539 Option Writing introduced January 2, 2017 as a 15% allocation with an additional 5% TCG534 replacing allocation to TCG531

### Portfolio

Symbol	Security	Weight
TCG534	Income Share Class	70%
TCG531	Equity Share Class	10%
TCG538*	Alternative Strategies Share Class	20%
Distribution		Monthly
Benchmark†	Real World Index – Income	

\*Introduced January 2020 as a 20% allocation replacing 15% TCG539 and 5% TCG534

### Top 10 Holdings (effective)

Security	Weight
T 3.825 11/25/20	7.57%
REIUCN 3.746 05/30/22	5.07%
RY 2.03 03/15/21	4.95%
TD 2.045 03/08/21	4.94%
RCICN 5.34 03/22/21	4.40%
SAPCN 2.196 06/23/21	4.34%
QQQ US 01/21/22 C260	4.07%
CSUCN FLOAT 03/31/40	3.20%
AFNCN 4 1/2 12/31/22	2.64%
ALGONQUIN POWER & UTILITIES CORP	2.27%

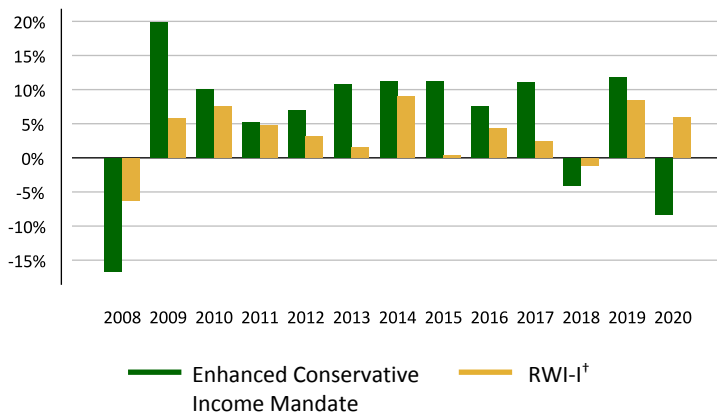
### Annual Returns

Period	Enhanced Conservative	RWI-I†
2020	-8.28%	5.94%
2019	11.79%	8.40%
2018	-4.04%	-1.11%
2017	11.12%	2.40%
2016	7.50%	4.30%
2015	11.16%	0.31%
2014	11.26%	8.97%
2013	10.84%	1.55%
2012	6.90%	3.14%
2011	5.16%	4.80%

### Standard Deviation

Period	Enhanced	RWI-I†
Since Inception	7.50%	4.65%
3 years	8.48%	5.42%
5 years	7.39%	4.70%

## 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 actual, marked to market as of close on the date quoted

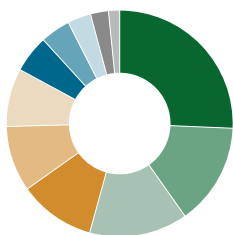
Portfolio management services provided by R N Croft Financial Group Inc. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance is based on the actual historical returns of the underlying pools, which are net of embedded management fees, operating fees, transaction costs and all withholding taxes, but are not adjusted for any account or relationship manager fees. The inception date is the inception date of the underlying pooled funds. Performance data have not been audited and are for illustrative purposes only. The results presented are not those of an actual performance record, as no client accounts held the underlying securities in the specific proportions of this mandate. The results are based on simulated or hypothetical performance results that have certain inherent limitations, including the fact that they are designed with the benefit of hindsight. R N Croft Financial Group Inc. is a licensed Portfolio Manager and Investment Fund Manager serving individual and institutional clients throughout Canada. Valuations and performance results are reported in Canadian dollars. Additional information regarding calculating and reporting performance is available upon request. Please contact R N Croft Financial Group Inc., 801-251 Consumers Road, Toronto, ON M2J 4R3, Telephone: 905-695-7777 or Toll-free: 1-877-249-2884.

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



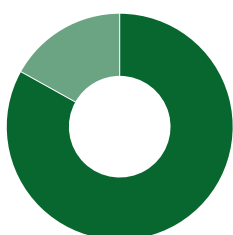
Bonds & Debentures	44.5%
Equity	20.6%
Cash	16.7%
Preferred	11.7%
Option	6.0%
Private Equity	0.4%

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



Financials	25.7%
Communication Services	14.6%
Information Technology	14.1%
Real Estate	10.9%
Industrials	9.4%
Utilities	8.3%
Consumer Discretionary	5.3%
Energy	4.3%
Health Care	3.3%
Consumer Staples	2.6%
Materials	1.6%

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



Canada	83.1%
United States	16.9%