

CFG Custom Portfolio Corporation

Financial Statements

For the year ended December 31, 2019 and the period from July 31, 2018 to December 31, 2018

Independent Auditor's Report

To the Shareholders of CFG Custom Portfolio Corporation, including:

Class A-3 Conservative Equity,
Class D-3 Income,
Class E-3 Balanced,
Class F-3 Balanced Growth,
Class I-3 Option Writing,
Class J-3 Global Tactical Balanced
Class K-3 Legacies Growth, and
Class L-3 Conviction Equity:

Opinion

We have audited the financial statements of CFG Custom Portfolio Corporation (the "Company"), including Class A-3 Conservative Equity, Class D-3 Income, Class E-3 Balanced, Class F-3 Balanced Growth, Class I-3 Option Writing, Class J-3 Global Tactical Balanced, Class K-3 Legacies Growth and Class L-3 Conviction Equity, which comprise the statements of financial position as at December 31, 2019 and December 31, 2018, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the funds of CFG Custom Portfolio Corporation as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Mississauga, Ontario

May 15, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

CFG Custom Portfolio Corporation

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CFG Custom Portfolio Corporation
Class A-3 Conservative Equity
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current assets		
Investments (Schedule of investment portfolio)	\$ 46,040,204	\$ 47,000,359
Cash and cash equivalents (Note 4)	8,806,705	20,286,725
Accrued interest	25,815	37,242
Accrued dividends	61,267	56,931
Subscriptions receivable	12,243	9,032
Prepaid income taxes	376,311	159,466
Total assets	55,322,545	67,549,755
Liabilities		
Current liabilities		
Accrued liabilities (Note 7)	146,813	108,123
Redemptions payable	27,037	26,976
Derivative liabilities (Schedule of investment portfolio)	-	3,135,058
Total liabilities (excluding net assets attributable to holders of redeemable shares)	173,850	3,270,157
Net assets attributable to holders of redeemable shares	\$ 55,148,695	\$ 64,279,598
Series Net Assets Attributable to Holders of Redeemable Shares		
Series A	\$ 55,148,695	\$ 55,759,057
Series D	-	8,520,541
	\$ 55,148,695	\$ 64,279,598
Number of Shares Outstanding (Note 5)		
Series A	3,103,216	3,407,758
Series D	-	645,720
Net Assets Attributable to Holders of Redeemable Shares per Share		
Series A	\$ 17.77	\$ 16.36
Series D	\$ -	\$ 13.20

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"

Director

CFG Custom Portfolio Corporation
Class A-3 Conservative Equity
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Interest	\$ 404,093	\$ 142,962
Dividends	684,998	385,740
Foreign withholding taxes	(3,163)	(7,586)
Income trust distribution	250,099	47,080
Realized gain (loss) on sale of investments	5,469,206	(2,728,997)
Unrealized appreciation (depreciation) of investments	2,735,198	(7,272,991)
Exchange on foreign currencies	(22,498)	(4,000)
	<u>9,517,933</u>	<u>(9,437,792)</u>
Expenses		
Management fees (Note 7)	151,188	103,668
Harmonized sales tax	40,323	22,700
Bank charges and interest	24,609	5,369
General operating expenses	272,984	172,051
Portfolio transaction costs	4	-
	<u>489,108</u>	<u>303,788</u>
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 9,028,825	\$ (9,741,580)
Increase (decrease) in net assets attributable to holders of redeemable shares		
Series A	\$ 8,962,251	\$ (8,354,091)
Series D	66,574	(1,387,489)
	<u>\$ 9,028,825</u>	<u>\$ (9,741,580)</u>
Increase (decrease) in net assets attributable to holders of redeemable shares per share (Note 13)		
Series A	\$ 2.69	\$ (2.64)
Series D	\$ 0.89	\$ (2.15)

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class A-3 Conservative Equity
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares
For the periods ended December 31

	Series A		Series D		Series I		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	\$ 55,759,057	\$ 57,379,777	\$ 8,520,541	\$ 10,677,218	\$ -	\$ -	\$ 64,279,598	\$ 68,056,995
Operations:								
Increase (decrease) in net assets attributable to holders of redeemable shares	8,962,251	(8,354,091)	66,574	(1,387,489)	-	-	9,028,825	(9,741,580)
Redeemable share transactions								
Proceeds from issuance of shares	15,642,539	10,383,536	20,306	352,519	-	-	15,662,845	10,736,055
Reinvested distributions	3,470,965	3,532,327	-	602,290	-	-	3,470,965	4,134,617
Redemptions	(25,200,942)	(3,643,276)	(8,607,421)	(1,121,707)	-	-	(33,808,363)	(4,764,983)
	(6,087,438)	10,272,587	(8,587,115)	(166,898)	-	-	(14,674,553)	10,105,689
Distribution to Shareholders (Note 6)	(3,485,175)	(3,539,216)	-	(602,290)	-	-	(3,485,175)	(4,141,506)
Net (decrease) in net assets attributable to holders of redeemable shares for the period	(610,362)	(1,620,720)	(8,520,541)	(2,156,677)	-	-	(9,130,903)	(3,777,397)
Net assets attributable to holders of redeemable shares, end of period	\$ 55,148,695	\$ 55,759,057	\$ -	\$ 8,520,541	\$ -	\$ -	\$ 55,148,695	\$ 64,279,598

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class A-3 Conservative Equity
Schedule of Investment Portfolio
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
FIXED INCOME- Long			
Canada Govt 1.25 02/01/20	5,000,000	4,992,750	4,997,400
Total FIXED INCOME-Long		4,992,750	4,997,400
CANADIAN EQUITY- Long			
Brookfield Asset Management Inc Class A	28,200	1,335,698	2,115,846
Canada Goose Holdings Inc	59,600	3,478,490	2,801,796
Canadian Tire Corp Ltd	19,400	3,041,317	2,711,150
CCL Industries Inc	47,000	2,124,800	2,600,040
H&R Real Estate Investment Trust	126,300	2,879,149	2,664,930
iShares S&P/TSX Canadian Preferred Share Index ETF	230,000	2,792,039	2,833,600
Maple Leaf Foods Inc	94,300	2,218,733	2,440,484
NFI Group Inc	68,400	3,009,406	1,822,860
Savaria Corp	131,000	1,757,075	1,827,450
Shaw Communications Inc	105,000	2,842,204	2,766,750
Suncor Energy Inc	50,400	2,133,375	2,145,024
Toronto-Dominion Bank/The	35,300	1,961,544	2,570,899
Waste Connections Inc	18,800	2,217,497	2,217,460
Total CANADIAN EQUITY-Long		31,791,327	31,518,289
FOREIGN EQUITY- Long			
Amazon.Com Inc	800	1,843,463	1,918,501
Northrop Grumman Corp	5,600	2,542,785	2,499,864
Salesforce.com Inc	10,700	2,209,454	2,258,494
Visa Inc	8,100	1,936,982	1,975,238
Total FOREIGN EQUITY-Long		8,532,684	8,652,097

CFG Custom Portfolio Corporation
Class A-3 Conservative Equity
Schedule of Investment Portfolio (continued)

As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
DERIVATIVE ASSETS- Long			
Invesco QQQ Trust Series 1 1/15/2021 Put 190	40,500	564,817	420,487
Invesco QQQ Trust Series 1 1/17/2020 Put 170	15,700	206,455	408
SPDR S&P 500 ETF Trust 1/15/2021 Put 305	23,600	568,294	450,845
SPDR S&P 500 ETF Trust 1/17/2020 Put 275	5,800	103,056	677
Total DERIVATIVE ASSETS- Long		1,442,623	872,417
Total Investment Assets		46,759,384	46,040,204
Other Net Assets			9,108,491
Net Assets Attributable to Holders of Redeemable Shares			\$ 55,148,695

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class A-3 Conservative Equity
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 9,028,825	\$ (9,741,580)
Adjustments for:		
Purchase of investments	(109,196,451)	(80,955,279)
Proceeds on disposition of investments	115,225,952	89,341,894
Net realized (gain) loss on sale of investments	(5,469,206)	2,728,997
Decrease in accrued interest	11,427	56,443
(Increase) decrease in accrued dividends	(4,336)	39,701
Increase in prepaid income taxes	(216,845)	-
Increase in accrued liabilities	38,690	19,523
Unrealized (appreciation) depreciation of investments	(2,735,198)	7,272,991
Net cash provided by operating activities	6,682,858	8,762,690
Cash flows from financing activities		
Proceeds from issue of shares	15,662,845	10,736,055
Increase in subscriptions receivable	(3,211)	-
Redemption of shares	(33,808,363)	(4,764,983)
Increase in redemptions payable	61	10,976
Cash distributions	(14,210)	(6,889)
Net cash flows (used in) provided by financing activities	(18,162,878)	5,975,159
(Decrease) increase in cash	(11,480,020)	14,737,849
Cash and cash equivalents, beginning of period	20,286,725	5,548,876
Cash and cash equivalents, end of period	\$ 8,806,705	\$ 20,286,725
Interest received	415,520	199,405
Dividends and distributions received, net of withholding taxes	927,596	464,934
Interest paid	24,454	5,246

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class D-3 Income
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current assets		
Investments (Schedule of investment portfolio)	\$ 72,286,114	\$ 68,238,330
Cash and cash equivalents (Note 4)	1,651,357	7,958,139
Accrued interest	238,993	230,624
Accrued dividends	71,815	142,803
Subscriptions receivable	5,263	108
Prepaid income taxes	328,768	106,932
Total assets	74,582,310	76,676,936
Liabilities		
Current liabilities		
Accrued liabilities (Note 7)	162,316	105,080
Distributions payable	308,705	27
Redemptions payable	91,797	25,912
Derivative liabilities (Schedule of investment portfolio)	213,865	1,643,437
Total liabilities (excluding net assets attributable to holders of redeemable shares)	776,683	1,774,456
Net assets attributable to holders of redeemable shares	\$ 73,805,627	\$ 74,902,480
Series Net Assets Attributable to Holders of Redeemable Shares		
Series A	\$ 73,805,627	\$ 66,935,954
Series D	-	7,966,526
	\$ 73,805,627	\$ 74,902,480
Number of Shares Outstanding (Note 5)		
Series A	6,167,575	5,939,348
Series D	-	730,503
Net Assets Attributable to Holders of Redeemable Shares per Share		
Series A	\$ 11.97	\$ 11.27
Series D	\$ -	\$ 10.91

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"

Director

CFG Custom Portfolio Corporation
Class D-3 Income
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Interest	\$ 1,524,551	\$ 504,196
Dividends	1,557,459	682,421
Foreign withholding recoveries (taxes)	(7,726)	632
Income trust distribution	213,964	194,942
Realized gain (loss) on sale of investments	3,553,509	(2,288,272)
Unrealized appreciation (depreciation) of investments	2,054,757	(3,124,623)
Exchange on foreign currencies	(17,942)	(112,731)
	8,878,572	(4,143,435)
Expenses		
Management fees (Note 7)	188,621	110,105
Harmonized sales tax	51,050	21,721
Bank charges and interest	15,643	23,112
General operating expenses	339,551	185,248
Portfolio transaction costs	6	-
	594,871	340,186
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 8,283,701	\$ (4,483,621)
Increase in net assets attributable to holders of redeemable shares		
Series A	\$ 8,250,697	\$ (3,957,683)
Series D	33,004	(525,938)
	\$ 8,283,701	\$ (4,483,621)
Increase in net assets attributable to holders of redeemable shares per share (Note 13)		
Series A	\$ 1.31	\$ (0.68)
Series D	\$ 0.39	\$ (0.70)

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation

Class D-3 Income

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series D		Series I		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	\$ 66,935,954	\$ 66,796,211	\$ 7,966,526	\$ 9,264,113	\$ -	\$ -	\$ 74,902,480	\$ 76,060,324
Operations:								
Increase (decrease) in net assets attributable to holders of redeemable shares	8,250,697	(3,957,683)	33,004	(525,938)	-	-	8,283,701	(4,483,621)
Redeemable share transactions								
Proceeds from issuance of shares	23,264,861	10,199,100	20,660	244,660	-	-	23,285,521	10,443,760
Reinvested distributions	-	2,711	956	179,294	-	-	956	182,005
Redemptions	(20,909,513)	(4,659,546)	(8,020,190)	(1,016,309)	-	-	(28,929,703)	(5,675,855)
	2,355,348	5,542,265	(7,998,574)	(592,355)	-	-	(5,643,226)	4,949,910
Distributions to shareholders (Note 6)	(3,736,372)	(1,444,839)	(956)	(179,294)	-	-	(3,737,328)	(1,624,133)
Net increase (decrease) in net assets attributable to holders of redeemable shares for the period	6,869,673	139,743	(7,966,526)	(1,297,587)	-	-	(1,096,853)	(1,157,844)
Net assets attributable to holders of redeemable shares, end of period	\$ 73,805,627	\$ 66,935,954	\$ -	\$ 7,966,526	\$ -	\$ -	\$ 73,805,627	\$ 74,902,480

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class D-3 Income
Schedule of Investment Portfolio
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
FIXED INCOME- Long			
AG Growth International 4.5 12/31/2022	2,200,000	2,200,650	2,233,000
Alimentation Couche-Tard 4.214 8/21/2020	4,000,000	4,064,000	4,051,280
AT&T Inc 3.825 11/25/2020	4,000,000	4,065,200	4,056,120
Capital Desjardins Inc 4.954 12/15/2026	342,000	386,323	359,083
Cargojet Inc 5.75 4/30/2024	906,000	928,275	941,108
Cargojet Inc 5.75 4/30/2025	600,000	604,471	618,000
Constellation Software 8.1 3/31/2040	1,947,200	2,282,476	2,570,304
Enbridge Pipelines Inc 4.45 4/6/2020	4,000,000	4,046,800	4,023,860
Fiera Capital Corp 5 6/30/2023	959,000	978,601	1,006,662
Fiera Capital Corp 5.6 7/31/2024	426,000	434,398	440,484
Hsbc Bank Canada 2.938 1/14/2020	4,000,000	4,019,400	4,001,020
Hydro One Inc 1.62 4/30/2020	4,500,000	4,424,850	4,494,915
Loblaw Cos Ltd 5.22 6/18/2020	4,000,000	4,067,000	4,054,580
Morneau Shepell Inc 4.75 6/30/2021	265,000	275,507	355,550
Parkland Fuel Corp 5.5 5/28/2021	2,270,000	2,309,725	2,305,469
Premium Brands Hldgs Cor 4.6 12/31/2023	700,000	700,000	756,770
Premium Brands Hldgs Cor 4.65 4/30/2021	1,170,000	1,193,146	1,316,250
Total FIXED INCOME-Long		36,980,821	37,584,455
CANADIAN EQUITY- Long			
Algonquin Power & Utilities Corp	121,200	2,225,335	2,226,444
Bank of Montreal 4.85% PFD	60,900	1,564,284	1,566,348
Bank of Nova Scotia 4.85% PFD	60,700	1,553,962	1,564,846
Brookfield Asset Management Inc Float PFD	116,600	1,220,637	1,405,030
Brookfield Infrastructure Partners LP	32,900	1,718,774	2,133,894
Brookfield Renewable Partners LP 5% PFD	66,100	1,626,377	1,539,469
Canadian National Railway Co	20,000	2,366,403	2,349,400
Capital Power Corp 5.75% PFD	52,600	1,320,604	1,359,710
Chartwell Retirement Residences	108,705	1,658,248	1,510,999
Enbridge Inc 5.15% PFD	63,400	1,582,502	1,654,740
Exchange Income Corp	49,969	1,676,955	2,233,115
Intact Financial Corp 4.9% PFD	67,800	1,609,690	1,284,810
Keg Royalties Income Fund/The	117,400	2,013,806	1,792,698
Toronto-Dominion Bank 4.85% PFD	61,100	1,560,986	1,577,602
Tricon Capital Group Inc	202,200	2,075,615	2,149,386
WPT Industrial Real Estate Investment Trust	115,000	1,918,382	2,058,116
Total CANADIAN EQUITY-Long		27,692,558	28,406,607

CFG Custom Portfolio Corporation
Class D-3 Income
Schedule of Investment Portfolio (continued)

As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
FOREIGN EQUITY- Long			
Constellation Brands Inc	10,000	2,400,799	2,462,575
Starbucks Corp	22,000	2,563,765	2,510,257
Total FOREIGN EQUITY-Long		4,964,564	4,972,832
REAL ESTATE- Long			
Greater Edmonton Retail Ltd Partnership	10	300,000	330,000
Total REAL ESTATE-Long		300,000	330,000
DERIVATIVE ASSETS- Long			
Canadian National Railway Company 1/15/2021 Put 115	20,000	134,325	131,000
Constellation Brands Inc 1/15/2021 Put 180	10,000	254,525	197,266
Invesco QQQ Trust Series 1 1/15/2021 Put 200	35,000	760,404	476,941
Starbucks Corp 1/15/2021 Put 85	22,000	255,339	187,013
Total DERIVATIVE ASSETS- Long		1,404,593	992,220
Total Investment Assets		71,342,536	72,286,114
DERIVATIVE LIABILITIES- Short			
Canadian National Railway Company 1/17/2020 Call 120	(20,000)	(30,000)	(11,000)
Constellation Brands Inc 1/17/2020 Call 190	(10,000)	(66,860)	(67,485)
iShares 20+ Year Treasury Bond 1/17/2020 Put 135	(61,500)	(54,936)	(85,402)
Qqq Us 01/03/20 P210	(35,000)	(25,597)	(7,722)
Starbucks Corp 1/17/2020 Call 87.5	(22,000)	(61,638)	(42,256)
Total DERIVATIVE LIABILITIES-Short		(239,031)	(213,865)
Total Investment Portfolio		71,103,505	72,072,249
Other Net Assets			1,733,378
Net Assets Attributable to Holders of Redeemable Shares			\$ 73,805,627

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class D-3 Income
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 8,283,701	\$ (4,483,621)
Adjustments for:		
Purchase of investments	(117,157,326)	(149,967,320)
Proceeds on disposition of investments	117,288,236	148,898,768
Net realized (gain) loss on investments	(3,553,509)	2,288,272
(Increase) decrease in accrued interest	(8,369)	30,836
Decrease in accrued dividends	70,988	73,308
Increase in prepaid income taxes	(221,836)	-
Increase in accrued liabilities	57,236	19,219
Unrealized (appreciation) depreciation of investments	(2,054,757)	3,124,623
Net cash provided by (used in) operating activities	2,704,364	(15,915)
Cash flows from financing activities		
Proceeds from issue of shares	23,285,521	10,443,760
(Increase) decrease in subscriptions receivable	(5,155)	6,000
Redemption of shares	(28,929,703)	(5,675,855)
Increase in redemptions payable	65,885	25,912
Cash distributions	(3,736,372)	(1,442,128)
Increase in distributions payable	308,678	17
Net cash flows (used in) provided by financing activities	(9,011,146)	3,357,706
(Decrease) increase in cash	(6,306,782)	3,341,791
Cash and cash equivalents, beginning of period	7,958,139	4,616,348
Cash and cash equivalents, end of period	\$ 1,651,357	\$ 7,958,139
Interest received	1,516,182	535,032
Dividends and distributions received, net of withholding taxes	1,834,685	951,303
Interest paid	15,412	22,937

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class E-3 Balanced
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current assets		
Prepaid income taxes	\$ -	\$ 36,419
Liabilities		
Current liabilities		
Bank indebtedness (Note 4)	-	9,323
Accrued liabilities (Note 7)	-	21,707
Total liabilities (excluding net assets attributable to holders of redeemable shares)	-	31,030
Net assets attributable to holders of redeemable shares	\$ -	\$ 5,389
Series Net Assets Attributable to Holders of Redeemable Shares		
Series A	\$ -	\$ -
Series D	-	5,389
	\$ -	\$ 5,389
Number of Shares Outstanding (Note 5)		
Series A	-	-
Series D	-	-
Net Assets Attributable to Holders of Redeemable Shares per Share		
Series A	\$ -	\$ -
Series D	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"
Director

CFG Custom Portfolio Corporation
Class E-3 Balanced
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Interest	\$ (5,389)	\$ 68,246
Dividends	-	84,808
Income trust distribution	-	26,909
Realized loss on sale of investments	-	(210,620)
Unrealized depreciation of investments	-	(392,666)
Exchange on foreign currencies	-	(16,341)
	(5,389)	(439,664)
Expenses		
Management fees (Note 7)	-	15,349
Harmonized sales tax	-	2,195
Bank charges and interest	-	2,152
General operating expenses	-	27,017
	-	46,713
Decrease in net assets attributable to holders of redeemable shares	\$ (5,389)	\$ (486,377)
Increase in net assets attributable to holders of redeemable shares		
Series A	\$ (5,389)	\$ (462,937)
Series D	-	(23,440)
	\$ (5,389)	\$ (486,377)
Increase in net assets attributable to holders of redeemable shares per share (Note 13)		
Series A	\$ -	\$ (0.59)
Series D	\$ -	\$ (0.50)

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation

Class E-3 Balanced

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series D		Total	
	2019	2018	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	\$ 5,389	\$ 16,415,810	\$ -	\$ 593,537	\$ 5,389	\$ 17,009,347
Operations:						
(Decrease) in net assets attributable to holders of redeemable shares	(5,389)	(462,937)	-	(23,440)	(5,389)	(486,377)
Redeemable share transactions						
Proceeds from issuance of shares	-	116,264	-	224	-	116,488
Reinvested distributions	-	-	-	29,352	-	29,352
Redemptions	-	(15,357,532)	-	(570,321)	-	(15,927,853)
	-	(15,241,268)	-	(540,745)	-	(15,782,013)
Distributions to shareholders (Note 6)	-	(706,216)	-	(29,352)	-	(735,568)
Net (decrease) in net assets attributable to holders of redeemable shares for the period	(5,389)	(16,410,421)	-	(593,537)	(5,389)	(17,003,958)
Net assets attributable to holders of redeemable shares, end of period	\$ -	\$ 5,389	\$ -	\$ -	\$ -	\$ 5,389

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class E-3 Balanced
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Decrease in net assets attributable to holders of redeemable shares	\$ (5,389)	\$ (486,377)
Adjustments for:		
Purchase of investments	-	(24,565,654)
Proceeds on disposition of investments	-	37,986,180
Net realized loss on sale of investments	-	210,620
Decrease in accrued interest	-	32,695
Decrease in accrued dividends	-	41,957
Decrease in prepaid income taxes	36,419	-
(Decrease) increase in accrued liabilities	(21,707)	3,599
Unrealized depreciation of investments	-	392,666
Net cash provided by operating activities	9,323	13,615,686
Cash flows from financing activities		
Proceeds from issue of shares	-	116,488
Redemption of shares	-	(15,927,853)
Cash distributions	-	(706,216)
Net cash flows used in financing activities	-	(16,517,581)
Increase (decrease) in cash	9,323	(2,901,895)
(Bank indebtedness) cash and cash equivalents, beginning of period	(9,323)	2,892,572
Cash (bank indebtedness), end of period	\$ -	\$ (9,323)
Interest received	-	100,941
Dividends and distributions received, net of withholding taxes	-	153,674
Interest paid	-	2,152

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class F-3 Balanced Growth
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current liabilities		
Investments (Schedule of investment portfolio)	\$ 40,177,060	\$ 28,889,462
Cash	3,503,143	10,688,572
Accrued interest	21,808	-
Accrued dividends	113,742	54,565
Subscriptions receivable	956	106
Prepaid income taxes	233,602	47,420
Total assets	44,050,311	39,680,125
Liabilities		
Current liabilities		
Accrued liabilities (Note 7)	84,234	30,666
Distributions payable	64,352	-
Redemptions payable	31,963	-
Derivative liabilities (Schedule of investment portfolio)	83,433	19,755
Total liabilities (excluding net assets attributable to holders of redeemable shares)	263,982	50,421
Net assets attributable to holders of redeemable shares	\$ 43,786,329	\$ 39,629,704
Number of Shares Outstanding (Note 5)	2,357,807	2,399,110
Net Assets Attributable to Holders of Redeemable Shares per Share	\$ 18.57	\$ 16.52

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "*Chris Croft*"

Director

CFG Custom Portfolio Corporation
Class F-3 Balanced Growth
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Interest	\$ 219,328	\$ 12,706
Dividends	1,085,247	223,745
Foreign withholding taxes	(93,628)	(9,691)
Income trust distribution	228,237	89,329
Realized gain on sale of investments	3,647,593	975,292
Unrealized appreciation (depreciation) of investments	1,240,637	(3,225,612)
Exchange on foreign currencies	(60,201)	(14,974)
	<u>6,267,213</u>	<u>(1,949,205)</u>
Expenses		
Management fees (Note 7)	111,542	31,007
Harmonized sales tax	17,237	4,651
Bank charges and interest	58,823	2,434
General operating expenses	200,912	55,380
Investment transaction costs	12	-
	<u>388,526</u>	<u>93,472</u>
Increase (decrease) in net assets attributable to holders of redeemable shares	<u>\$ 5,878,687</u>	<u>\$ (2,042,677)</u>
Increase in net assets attributable to holders of redeemable shares		
Series A	\$ 5,878,687	\$ (2,027,264)
Series D	-	(15,413)
	<u>\$ 5,878,687</u>	<u>\$ (2,042,677)</u>
Increase in net assets attributable to holders of redeemable shares per share (Note 13)		
Series A	\$ 2.42	\$ (1.22)
Series D	\$ -	\$ (0.48)

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class F-3 Balanced Growth
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares
For the periods ended December 31

	Series A		Series D		Total	
	2019	2018	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	\$ 39,629,704	\$ 24,315,133	\$ -	\$ 344,175	\$ 39,629,704	\$ 24,659,308
Operations:						
Increase (decrease) in net assets attributable to holders of redeemable shares	5,878,687	(2,027,264)	-	(15,413)	5,878,687	(2,042,677)
Redeemable share transactions						
Proceeds from issuance of shares	4,674,137	17,990,802	-	103,027	4,674,137	18,093,829
Reinvested distributions	-	-	-	5,528	-	5,528
Redemptions	(5,421,819)	(235,476)	-	(431,789)	(5,421,819)	(667,265)
	(747,682)	17,755,326	-	(323,234)	(747,682)	17,432,092
Distributions to shareholders (Note 6)	(974,380)	(413,491)	-	(5,528)	(974,380)	(419,019)
Net increase in net assets attributable to holders of redeemable shares for the period	4,156,625	15,314,571	-	(344,175)	4,156,625	14,970,396
Net assets attributable to holders of redeemable shares, end of period	\$ 43,786,329	\$ 39,629,704	\$ -	\$ -	\$ 43,786,329	\$ 39,629,704

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class F-3 Balanced Growth
Schedule of Investment Portfolio
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
FIXED INCOME- Long			
Constellation Software 8.1 3/31/2040	515,000	628,126	679,800
Delta 9 Cannabis Inc 8.5 7/17/2022	600,000	503,620	390,000
Parkland Fuel Corp 5.5 5/28/2021	1,236,000	1,257,630	1,255,313
Superior Plus Lp 5.125 8/27/2025	891,600	875,997	903,302
Total FIXED INCOME-Long		3,265,373	3,228,415
CANADIAN EQUITY- Long			
AG Growth International Inc	44,900	1,947,772	2,085,156
Agnico Eagle Mines Ltd	14,500	1,231,838	1,159,710
Aurora Cannabis Inc	235,000	929,409	655,650
Boyd Group Services Inc	6,700	691,299	1,353,400
Brookfield Renewable Partners LP 5% PFD	40,500	879,906	943,245
Capital Power Corp 5.75% PFD	34,600	877,650	894,410
Dream Industrial Real Estate Investment Trust	120,400	1,101,458	1,582,056
Enbridge Inc	39,999	1,723,267	2,065,148
Park Lawn Corp	42,500	1,090,125	1,244,825
Stella-Jones Inc	23,600	934,909	885,472
Suncor Energy Inc	32,200	1,344,802	1,370,432
Total CANADIAN EQUITY-Long		12,752,435	14,239,504

CFG Custom Portfolio Corporation
Class F-3 Balanced Growth
Schedule of Investment Portfolio (continued)

As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
FOREIGN EQUITY- Long			
Amazon.Com Inc	690	1,622,961	1,654,707
Annaly Capital Management Inc	75,000	917,405	916,896
AT&T Inc	26,000	1,007,115	1,318,669
Bank of America Corp	22,800	902,238	1,042,154
Blackstone Mortgage Trust Inc	19,000	923,672	917,778
Bright Horizons Family Solutions Inc	5,100	603,375	994,736
Invesco Mortgage Capital Inc	42,000	908,439	907,551
iPath Series B S&P 500 VIX Short-Term Futures ETN	87,300	2,764,411	1,713,065
Iron Mountain Inc	32,700	1,370,651	1,352,501
iShares Emerging Markets High Yield Bond ETF	37,500	2,327,947	2,302,459
SPDR Gold Shares	9,100	1,623,906	1,687,646
SPDR S&P 500 ETF Trust	3,100	1,310,749	1,294,901
Starwood Property Trust Inc	30,000	918,901	967,899
Targa Resources Corp	21,000	1,037,340	1,112,773
Thermo Fisher Scientific Inc	3,700	1,394,171	1,559,980
United States Oil Fund LP	62,000	921,990	1,030,739
Viasat Inc	4,300	456,844	408,468
Visa Inc	6,000	1,379,735	1,463,140
Total FOREIGN EQUITY-Long		22,391,849	22,646,061
DERIVATIVE ASSETS- Long			
CCL Industries Inc 1/17/2020 Call 56	24,800	102,920	23,560
iShares S&P/TSX 60 Index ETF 6/19/2020 Put 25.5	52,000	43,680	39,520
Total DERIVATIVE ASSETS- Long		146,600	63,080
Total Investment Assets		38,556,257	40,177,060
DERIVATIVE LIABILITIES-Short			
Amazon.com Inc 1/24/2020 Call 1800	(600)	(25,650)	(53,184)
SPDR S&P 500 ETF Trust 1/24/2020 Call 322	(3,100)	(14,883)	(15,690)
Stella-Jones Inc 1/17/2020 Call 38	(23,600)	(16,520)	(11,210)
ViaSat Inc 1/17/2020 Call 75	(4,300)	(4,186)	(3,348)
Total DERIVATIVE LIABILITIES-Short		(61,239)	(83,433)
Total Investment Portfolio		38,495,018	40,093,627
Other Net Assets			3,692,701
Net Assets Attributable to Holders of Redeemable Units			43,786,329

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class F-3 Balanced Growth
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 5,878,687	\$ (2,042,677)
Adjustments for:		
Purchase of investments	(108,203,605)	(16,673,486)
Proceeds on disposition of investments	101,867,914	8,744,505
Net realized gain on investments	(3,647,593)	(975,292)
Increase in accrued interest	(21,808)	-
Increase in accrued dividends	(59,177)	(2,965)
Increase in prepaid income taxes	(186,181)	-
Increase in accrued liabilities	53,568	5,182
Unrealized (appreciation) depreciation of investments	(1,240,637)	3,225,612
Net cash used in operating activities	(5,558,832)	(7,719,121)
Cash flows from financing activities		
Proceeds from issue of shares	4,674,137	18,093,829
(Increase) in subscriptions receivable	(850)	-
Redemption of shares	(5,421,819)	(667,265)
Increase (decrease) in redemptions payable	31,963	(129,252)
Cash distributions	(974,380)	(413,491)
Increase in distributions payable	64,352	-
Net cash flows (used in) provided by financing activities	(1,626,597)	16,883,821
(Decrease) increase in cash	(7,185,429)	9,164,700
Cash, beginning of period	10,688,572	1,523,872
Cash, end of period	\$ 3,503,143	\$ 10,688,572

Interest received	197,520	12,706
Dividends and distributions received, net of withholding taxes	1,160,679	300,419
Interest paid	58,793	2,382

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class I-3 Option Writing
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current assets		
Investments (Schedule of investment portfolio)	\$ 10,776,396	\$ 26,174,634
Cash and cash equivalents (Note 4)	18,652,353	12,726,582
Accrued dividends	37,401	89,425
Subscriptions receivable	1,282	-
Prepaid income taxes	96,726	29,961
Total assets	29,564,158	39,020,602
Liabilities		
Current liabilities		
Accrued liabilities (Note 7)	96,052	69,676
Distributions payable	127,943	3
Redemptions payable	38,778	-
Derivative liabilities (Schedule of investment portfolio)	141,370	473,417
Tax withheld on distribution	9,042	8,571
Total liabilities (excluding net assets attributable to holders of redeemable shares)	413,185	551,667
Net assets attributable to holders of redeemable shares	\$ 29,150,973	\$ 38,468,935
Number of Shares Outstanding (Note 5)	2,854,380	3,924,195
Net Assets Attributable to Holders of Redeemable Shares per Share	\$ 10.21	\$ 9.80

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "Chris Croft"
Director

CFG Custom Portfolio Corporation
Class I-3 Option Writing
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Interest	\$ 64,609	\$ 39,270
Dividends	1,026,524	311,211
Foreign withholding taxes	(3,867)	(825)
Income trust distribution	22,163	248,669
Realized gain (loss) on sale of investments	371,196	(5,523,324)
Unrealized appreciation (depreciation) of investments	2,458,443	(947,149)
Exchange on foreign currencies	(214,244)	219,360
	<u>3,724,824</u>	<u>(5,652,788)</u>
Expenses		
Management fees (Note 7)	82,397	50,068
Harmonized sales tax	25,934	17,217
Bank charges and interest	157	1,750
General operating expenses	148,965	90,121
Portfolio transaction costs	67	-
	<u>257,520</u>	<u>159,156</u>
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 3,467,304	\$ (5,811,944)
Increase (decrease) in net assets attributable to holders of redeemable shares per share (Note 13)	\$ 1.08	\$ (1.36)

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class I-3 Option Writing
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares
For the periods ended December 31

	Series A		Total	
	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	\$ 38,468,935	\$ 50,010,928	\$ 38,468,935	\$ 50,010,928
Operations:				
Increase (decrease) in net assets attributable to holders of redeemable shares	3,467,304	(5,811,944)	3,467,304	(5,811,944)
Redeemable share transactions				
Proceeds from issuance of shares	10,857,550	6,065,903	10,857,550	6,065,903
Reinvested distributions	222,228	339,927	222,228	339,927
Redemptions	(21,966,417)	(10,015,061)	(21,966,417)	(10,015,061)
	(10,886,639)	(3,609,231)	(10,886,639)	(3,609,231)
Distributions to shareholders (Note 6)	(1,898,627)	(2,120,818)	(1,898,627)	(2,120,818)
Net decrease in net assets attributable to holders of redeemable shares for the period	(9,317,962)	(11,541,993)	(9,317,962)	(11,541,993)
Net assets attributable to holders of redeemable shares, end of period	\$ 29,150,973	\$ 38,468,935	\$ 29,150,973	\$ 38,468,935

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class I-3 Option Writing
Schedule of Investment Portfolio
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
CANADIAN EQUITY- Long			
Bce Inc 4.38% PFD	25,500	460,450	421,260
Enbridge Inc	30,000	1,505,711	1,548,900
iShares S&P/TSX Canadian Preferred Share Index ETF	100,000	1,217,000	1,232,000
Pembina Pipeline Corp	200	8,940	9,626
Premium Income Corp 5.75% PFD	250,000	3,749,476	3,657,500
Total CANADIAN EQUITY-Long		6,941,577	6,869,286
FOREIGN EQUITY- Long			
Advanced Micro Devices Inc	5,000	189,825	297,586
Amazon.Com Inc	600	1,416,857	1,438,876
Apple Inc	4,000	1,083,356	1,524,396
Bank of America Corp	5,000	198,825	228,543
SPDR S&P 500 ETF Trust	1,000	394,005	417,710
Total FOREIGN EQUITY-Long		3,282,868	3,907,110
Total Investment Assets		10,224,444	10,776,396
DERIVATIVE LIABILITIES-Short			
Apple Inc 01/03/20 Call 292.5	(2,000)	(5,902)	(7,631)
Amazon.com Inc 2/21/2020 Call 1950	(300)	(22,960)	(12,420)
BCE Inc 01/17/20 Put 64	(10,000)	(16,570)	(38,250)
Enbridge Inc 7/17/2020 Call 50	(30,000)	(50,700)	(75,600)
JPMorgan Chase & Co 1/17/2020 Put 135	(5,000)	(22,275)	(7,008)
Pembina Pipeline Corp 01/17/20 Call 46	(200)	(220)	(461)
Total DERIVATIVE LIABILITIES-Short		(118,627)	(141,370)
Total Investment Portfolio		10,105,817	10,635,026
Other Net Assets			18,515,947
Net Assets Attributable to Holders of Redeemable Units			29,150,973

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class I-3 Option Writing
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 3,467,304	\$ (5,811,944)
Adjustments for:		
Purchase of investments	(48,783,527)	(73,823,696)
Proceeds on disposition of investments	66,679,357	86,537,908
Net realized (gain) loss on investments	(371,196)	5,523,324
Decrease in accrued dividends	52,024	32,000
(Increase) in prepaid income taxes	(66,765)	-
Increase in accrued liabilities	26,376	14,736
Increase in tax withheld on distribution	471	2,435
Unrealized (appreciation) depreciation in value of investments	(2,458,443)	947,149
Net cash provided by operating activities	18,545,601	13,421,912
Cash flows from financing activities		
Proceeds from issue of shares	10,857,550	6,065,903
(Increase) decrease in subscriptions receivable	(1,282)	139,252
Redemption of shares	(21,966,417)	(10,015,061)
Increase in redemptions payable	38,778	-
Cash distributions	(1,676,399)	(1,780,891)
Increase in distributions payable	127,940	-
Net cash flows used in financing activities	(12,619,830)	(5,590,797)
Increase in cash	5,925,771	7,831,115
Cash and cash equivalents, beginning of period	12,726,582	4,895,467
Cash and cash equivalents, end of period	\$ 18,652,353	\$ 12,726,582
Interest received	64,609	39,270
Dividends and distributions received, net of withholding taxes	1,096,844	591,055
Interest paid	-	1,627

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class J-3 Global Tactical Balanced
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current assets		
Investments (Schedule of investment portfolio)	\$ 3,383,588	\$ 5,091,481
Cash	642,238	1,659,894
Accrued dividends	9,195	9,871
Prepaid income taxes	8,356	143
Total assets	4,043,377	6,761,389
Liabilities		
Current liabilities		
Accrued liabilities (Note 7)	6,666	3,760
Distributions payable	13,529	-
Derivative liabilities (Schedule of investment portfolio)	7,966	832,677
Total liabilities (excluding net assets attributable to holders of redeemable shares)	28,161	836,437
Net assets attributable to holders of redeemable shares	\$ 4,015,216	\$ 5,924,952
Number of Shares Outstanding (Note 5)	512,507	667,970
Net Assets Attributable to Holders of Redeemable Shares per Share	\$ 7.83	\$ 8.87

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "*Chris Croft*"
Director

CFG Custom Portfolio Corporation
Class J-3 Global Tactical Balanced
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Interest	\$ 16,880	\$ 4,853
Dividends	51,608	42,130
Foreign withholding taxes	(4,862)	(3,438)
Income trust distribution	40,223	36,006
Realized (loss) gain on sale of investments	(1,405,923)	853,699
Unrealized appreciation (depreciation) of investments	1,306,060	(1,604,968)
Exchange on foreign currencies	43,364	(10,779)
	47,350	(682,497)
Expenses		
Management fees (Note 7)	13,481	6,677
Harmonized sales tax	2,225	1,073
Bank charges and interest	6,239	6,810
General operating expenses	24,286	12,021
Portfolio transaction costs	4	-
	46,235	26,581
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 1,115	\$ (709,078)
Increase (decrease) in net assets attributable to holders of redeemable shares per share (Note 13)	\$ -	\$ (1.10)

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class J-3 Global Tactical Balanced
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares
For the periods ended December 31

	Series A		Total	
	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	\$ 5,924,952	\$ 6,457,197	\$ 5,924,952	\$ 6,457,197
Operations:				
Increase (decrease) in net assets attributable to holders of redeemable shares	1,115	(709,078)	1,115	(709,078)
Redeemable share transactions				
Proceeds from issuance of shares	979,030	407,838	979,030	407,838
Redemptions	(2,281,022)	(57,999)	(2,281,022)	(57,999)
	(1,301,992)	349,839	(1,301,992)	349,839
Distributions to shareholders (Note 6)	(608,859)	(173,006)	(608,859)	(173,006)
Net (decrease) in net assets attributable to holders of redeemable shares for the period	(1,909,736)	(532,245)	(1,909,736)	(532,245)
Net assets attributable to holders of redeemable shares, end of period	\$ 4,015,216	\$ 5,924,952	\$ 4,015,216	\$ 5,924,952

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class J-3 Global Tactical Balanced
Schedule of Investment Portfolio
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
CANADIAN EQUITY- Long			
Crescent Point Energy Corp	40,000	394,213	231,600
Invesco Canadian Preferred Share Index ETF	20,000	335,000	283,200
Invesco S&P Global ex. Canada High Dividend Low Volatility Inde	10,000	204,367	210,400
iShares Canadian Real Return Bond Index ETF	11,000	273,290	271,810
iShares Core Canadian Long Term Bond Index ETF	8,000	203,502	202,960
iShares Global Agriculture Index ETF	1,741	75,172	75,559
iShares S&P/TSX Capped REIT Index ETF	3,800	74,290	74,062
iShares S&P/TSX Capped Utilities Index ETF	2,800	74,339	74,452
iShares S&P/TSX Global Base Metals Index ETF	6,000	70,260	69,660
iShares US IG Corporate Bond Index ETF CAD-Hedged	9,000	220,050	220,140
Total CANADIAN EQUITY-Long		1,924,483	1,713,843
FOREIGN EQUITY- Long			
Canadian Natural Resources Ltd	3,000	93,640	125,951
iShares 20+ Year Treasury Bond ETF	1,500	272,693	263,739
iShares Global Energy ETF	3,000	116,457	120,034
PIMCO 15+ Year U.S. TIPS Index ETF	2,400	230,142	224,353
SPDR Gold Shares	2,200	417,074	408,002
Total FOREIGN EQUITY-Long		1,130,006	1,142,079
DERIVATIVE ASSETS- Long			
Amazon.com Inc 1/17/2020 Put 1600	900	58,531	771
Amazon.com Inc 01/17/20 Call 1900	600	34,105	11,486
Coming Inc 1/21/2022 Call 35	8,000	31,750	19,467
eBay Inc 6/19/2020 Call 36	6,500	23,026	18,980
Invesco QQQ Trust Series 1 1/15/2021 Call 185	1,500	65,622	70,208
NASDAQ 100 Stock Index 3/20/2020 Put 8400	100	41,478	22,231
NASDAQ 100 Stock Index 6/19/2020 Call 8800	100	54,406	50,192
NASDAQ 100 Stock Index 01/17/20 Put 8250	200	55,148	4,322
NASDAQ 100 Stock Index 03/20/20 Call 8400	100	39,769	66,597
NASDAQ 100 Stock Index 03/20/20 Put 8275	100	44,222	16,041
Netflix Inc 3/20/2020 Put 315	1,500	30,164	33,366

CFG Custom Portfolio Corporation
Class J-3 Global Tactical Balanced
Schedule of Investment Portfolio (continued)
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
DERIVATIVE ASSETS- Long (Continued)			
S&P 500 Index 3/20/2020 Put 3130	300	36,656	19,919
S&P 500 Index 6/19/2020 Call 3275	400	55,530	49,680
SPDR S&P 500 ETF Trust 1/15/2021 Call 285	1,000	54,421	61,736
S&P 500 Index 01/17/20 Put 3100	600	52,339	5,139
S&P 500 Index 3/20/2020 Put 3130	200	24,890	39,531
S&P 500 Index 03/20/20 Put 3100	300	41,587	17,754
Twitter Inc 6/19/2020 Call 36	7,500	23,824	20,246
Total DERIVATIVE ASSETS- Long		767,466	527,665
Total Investment Assets		3,821,955	3,383,588
DERIVATIVE LIABILITIES- Short			
Spdr Gold Tr Gold Shs 03/20/20 Call 145	(2,200)	(4,098)	(7,966)
Total DERIVATIVE LIABILITIES-Short		(4,098)	(7,966)
Total Investment Portfolio		3,817,857	3,375,622
Other Net Assets			639,594
Net Assets Attributable to Holders of Redeemable Shares			4,015,216

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class J-3 Global Tactical Balanced
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	\$ 1,115	\$ (709,078)
Adjustments for:		
Purchase of investments	(38,425,822)	(9,979,924)
Proceeds on disposition of investments	39,209,141	10,291,114
Net realized loss (gain) on investments	1,405,923	(853,699)
Decrease in accrued dividends	676	818
Increase in prepaid income taxes	(8,213)	-
Increase (decrease) in accrued liabilities	2,906	(2,541)
Increase (decrease) in distribution payable	13,529	(580)
Unrealized (appreciation) depreciation in value of investments	(1,306,060)	1,604,968
Net cash provided by operating activities	893,195	351,078
Cash flows from financing activities		
Proceeds from issue of shares	979,030	407,838
Redemption of shares	(2,281,022)	(57,999)
Cash distributions	(608,859)	(173,006)
Net cash flows (used in) provided by financing activities	(1,910,851)	176,833
(Decrease) increase in cash	(1,017,656)	527,911
Cash, beginning of period	1,659,894	1,131,983
Cash, end of period	\$ 642,238	\$ 1,659,894

Interest received	16,880	4,853
Dividends and distributions received, net of withholding taxes	88,535	75,516
Interest paid	6,153	6,810
Dividends and distributions paid	2,928	-

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class K-3 Legacies Growth
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current assets		
Investments (Schedule of investment portfolio)	\$ 2,668,089	\$ -
Cash	31,879	-
Accrued dividends	4,333	-
Subscriptions receivable	45,000	-
Total assets	2,749,301	-
Liabilities		
Current liabilities		
Accrued liabilities (Note 7)	2,361	-
Distributions payable	11,579	-
Derivative liabilities (Schedule of investment portfolio)	12,744	-
Tax withheld on distribution	43	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	26,727	-
Net assets attributable to holders of redeemable shares	\$ 2,722,574	\$ -
Number of Shares Outstanding (Note 5)	276,374	-
Net Assets Attributable to Holders of Redeemable Shares per Share	\$ 9.85	\$ -

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "*Chris Croft*"

Director

CFG Custom Portfolio Corporation
Class K-3 Legacies Growth
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Interest	\$ 759	\$ -
Dividends	17,524	-
Foreign withholding taxes	(2,655)	-
Realized loss on sale of investments	(43,082)	-
Unrealized appreciation of investments	65,900	-
Exchange on foreign currencies	(989)	-
	15,628	-
Expenses		
Management fees (Note 7)	2,930	-
Harmonized sales tax	410	-
Bank charges and interest	516	-
General operating expenses	5,273	-
Portfolio transaction costs	12	-
	9,141	-
Increase in net assets attributable to holders of redeemable shares	\$ 28,316	\$ -
Increase in net assets attributable to holders of redeemable shares per share (Note 13)	\$ 0.11	\$ -

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class K-3 Legacies Growth
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares
For the periods ended December 31

	Series A		Total	
	2019	2018	2019	2018
Operations:				
Increase in net assets attributable to holders of redeemable shares	\$ 28,316	\$ -	\$ 28,316	\$ -
Redeemable share transactions				
Proceeds from issuance of shares	2,836,137	-	2,836,137	-
Reinvested distributions	41,778	-	41,778	-
Redemptions	(119,717)	-	(119,717)	-
	2,758,198	-	2,758,198	-
Distributions to shareholders (Note 6)	(63,940)	-	(63,940)	-
Net increase in net assets attributable to holders of redeemable shares for the year	2,722,574	-	2,722,574	-
Net assets attributable to holders of redeemable shares, end of year	\$ 2,722,574	\$ -	\$ 2,722,574	\$ -

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class K-3 Legacies Growth
Schedule of Investment Portfolio
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
FOREIGN EQUITY- Long			
Alibaba Group Holding Ltd	600	145,167	165,158
Big Lots Inc	3,600	127,952	134,182
Enphase Energy Inc	4,200	162,338	142,428
Essential Properties Realty Trust Inc	4,100	140,713	132,014
Hanesbrands Inc	7,700	149,395	148,397
Inmode Ltd	2,600	132,409	132,409
Inphi Corp	1,460	144,103	140,252
Jabil Inc	2,600	138,372	139,459
JD.com Inc	3,000	131,981	137,164
Kirkland Lake Gold Ltd	2,500	141,992	142,985
Park Hotels & Resorts Inc	4,500	148,636	151,083
Pretium Resources Inc	11,000	143,815	158,890
RH	500	148,149	138,540
Sibanye Gold Ltd	13,600	139,666	175,265
SolarEdge Technologies Inc	1,600	194,148	197,452
Spartan Motors Inc	5,800	139,525	136,092
Star Bulk Carriers Corp	9,200	136,671	141,009
StoneCo Ltd	3,000	134,515	155,308
Total FOREIGN EQUITY-Long		2,599,548	2,668,089
Total Investment Assets		2,599,548	2,668,089
DERIVATIVE LIABILITIES-Short			
Sibanye Gold Ltd 1/17/2020 Call 10	(13,600)	(7,532)	(7,943)
SolarEdge Technologies Inc 1/17/2020 Call 95	(1,000)	(2,571)	(4,802)
Total DERIVATIVE LIABILITIES-Short		(10,103)	(12,744)
Total Investment Portfolio		2,589,445	2,655,345
Other Net Assets			67,229
Net Assets Attributable to Holders of Redeemable Shares			2,722,574

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class K-3 Legacies Growth
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Increase in net assets attribution to holders of redeemable shares	\$ 28,316	\$ -
Adjustments for:		
Purchase of investments	(14,029,926)	-
Proceeds on disposition of investments	11,397,399	-
Net realized loss on investments	43,082	-
(Increase) in accrued dividends	(4,333)	-
Increase (decrease) in accrued liabilities	2,361	-
Increase (decrease) in tax withheld on distribution	43	-
Unrealized (appreciation) in value of investments	(65,900)	-
Net cash used in operating activities	(2,628,958)	-
Cash flows from financing activities		
Proceeds from issue of shares	2,836,137	-
(Increase) in subscriptions receivable	(45,000)	-
Redemption of shares	(119,717)	-
Cash distributions	(22,162)	-
Increase in distributions payable	11,579	-
Net cash flows provided by financing activities	2,660,837	-
Increase in cash	31,879	-
Cash, end of year	\$ 31,879	\$ -
Interest received	759	-
Dividends and distributions received, net of withholding taxes	10,536	-
Interest paid	495	-

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class L-3 Conviction Equity
Statement of Financial Position
As at December 31

	2019	2018
Assets		
Current assets		
Investments (Schedule of investment portfolio)	\$ 4,462,582	\$ -
Cash	119,645	-
Accrued dividends	6,258	-
Total assets	4,588,485	-
Liabilities		
Current liabilities		
Accrued liabilities (Note 7)	3,235	-
Derivative liabilities (Schedule of investment portfolio)	39,395	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	42,630	-
Net assets attributable to holders of redeemable shares	\$ 4,545,855	\$ -
Number of Shares Outstanding (Note 5)	445,906	-
Net Assets Attributable to Holders of Redeemable Shares per Share	\$ 10.19	\$ -

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of the R. N. Croft Financial Group Inc.

Signed: "*Chris Croft*"

Director

CFG Custom Portfolio Corporation
Class L-3 Conviction Equity
Statement of Comprehensive Income
For the periods ended December 31

	2019	2018
Income		
Dividends	\$ 6,258	\$ -
Realized (loss) on sale of investments	(44,689)	-
Unrealized appreciation of investments	163,005	-
Exchange on foreign currencies	(2,656)	-
	121,918	-
Expenses		
Management fees (Note 7)	1,512	-
Harmonized sales tax	363	-
Bank charges and interest	488	-
General operating expenses	1,360	-
	3,723	-
Increase in net assets attributable to holders of redeemable shares	\$ 118,195	\$ -
Increase in net assets attributable to holders of redeemable shares per share (Note 13)	\$ 0.31	\$ -

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class L-3 Conviction Equity
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares
For the periods ended December 31

	Series A		Total	
	2019	2018	2019	2018
Operations:				
Increase in net assets attributable to holders of redeemable shares	\$ 118,195	\$ -	\$ 118,195	\$ -
Redeemable share transactions				
Proceeds from issuance of shares	4,445,160	-	4,445,160	-
Redemptions	(17,500)	-	(17,500)	-
	4,427,660	-	4,427,660	-
Net increase in net assets attributable to holders of redeemable shares for the year	4,545,855	-	4,545,855	-
Net assets attributable to holders of redeemable shares, end of year	\$ 4,545,855	\$ -	\$ 4,545,855	\$ -

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class L-3 Conviction Equity
Schedule of Investment Portfolio
As at December 31, 2019

Description	Quantity	\$Cost	\$Fair Value
CANADIAN EQUITY- Long			
iShares S&P/TSX Canadian Preferred Share Index ETF	45,000	553,213	554,400
Premium Income Corp 5.75% PFD	22,600	328,455	330,638
Total CANADIAN EQUITY-Long		881,668	885,038
FOREIGN EQUITY- Long			
Advanced Micro Devices Inc	10,000	539,621	595,171
Alibaba Group Holding Ltd	2,000	527,715	550,527
Amazon.Com Inc	300	723,422	719,438
Apple Inc	1,500	533,048	571,648
JPMorgan Chase & Co	1,000	179,286	180,913
Microsoft Corp	2,500	493,621	511,658
NetFlix Inc	1,000	404,824	419,929
Total FOREIGN EQUITY-Long		3,401,538	3,549,284
DERIVATIVE ASSETS- Long			
Apple Inc 2/21/2020 Call 290	1,000	11,842	18,039
JPMorgan Chase & Co 2/21/2020 Call 140	2,500	8,517	10,220
Total DERIVATIVE ASSETS- Long		20,359	28,260
Total Investment Assets		4,303,565	4,462,582
DERIVATIVE LIABILITIES- Short			
Alibaba Group Holding Ltd 1/17/2020 Call 220	(1,000)	(3,817)	(1,856)
Apple Inc 2/21/2020 Put 290	(1,000)	(15,921)	(13,173)
JPMorgan Chase & Co 1/17/2020 Call 140	(1,000)	(2,138)	(2,076)
JPMorgan Chase & Co 2/21/2020 Put 140	(2,500)	(17,856)	(14,276)
Netflix Inc 01/03/20 Put 335	(500)	(3,651)	(8,014)
Total DERIVATIVE LIABILITIES-Short		(43,383)	(39,395)
Total Investment Portfolio		4,260,182	4,423,187
Other Net Assets			122,668
Net Assets Attributable to Holders of Redeemable Shares			4,545,855

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation
Class L-3 Conviction Equity
Statement of Cash Flows
For the periods ended December 31

	2019	2018
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable shares	\$ 118,195	\$ -
Adjustments for:		
Purchase of investments	(5,401,845)	-
Proceeds on disposition of investments	1,096,974	-
Net realized loss on investments	44,689	-
(Increase) in accrued dividends	(6,258)	-
Increase (decrease) in accrued liabilities	3,235	-
Unrealized (appreciation) in value of investments	(163,005)	-
Net cash used in operating activities	(4,308,015)	-
Cash flows from financing activities		
Proceeds from issue of shares	4,445,160	-
Redemption of shares	(17,500)	-
Net cash flows provided by financing activities	4,427,660	-
Increase in cash	119,645	-
Cash, end of year	\$ 119,645	\$ -

Interest paid 470 -

The accompanying notes are an integral part of these financial statements.

CFG Custom Portfolio Corporation

Notes To Financial Statements

As at December 31, 2019 and 2018

1. THE CORPORATION

The CFG Custom Portfolio Corporation (the "Corporation") is an open-ended mutual fund corporation, incorporated on August 18, 2006 under the laws of Canada, which commenced operations on October 19, 2006. Each class of shares of the Corporation represents a separate segregated investment fund with its own investment objective. An investment in a class is represented by shares of that class. R.N. Croft Financial Group Inc. is the manager (the "Manager") of the Corporation.

The investment objective of each class of shares is as follows:

Class A-3 - The investment objective of the CFG Custom Portfolio Corporation, Equity Share Class (the "Class") is to generate reliable capital growth by investing in an equity portfolio that is well-diversified across the major sectors of the Canadian and, as appropriate, U.S. and international financial markets. To achieve the stated objectives, the Investment Committee (IRC) may invest the Class in large-to-mid-capitalization common shares and equities with both low systematic risk and higher expected returns through capital appreciation, dividend income, or a combination of both. The IRC may also invest the Class in exchange traded funds, convertible securities and/or various option strategies to gain exposure across geographic regions and sectors. To optimize the Class portfolio for current market conditions, the IRC may change sector and geographic allocations, as well as tactical approach and investment style. Tactically, the IRC may sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, buy puts to hedge against downside market movements, write cash secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class D-3 - The investment objective of the CFG Custom Portfolio Corporation, Income Share Class (the "Class") is to generate a stable stream of income and maintain moderate, reliable capital growth by investing in a portfolio that is well-diversified across the major sectors and asset classes of the Canadian and, as appropriate, U.S. and international markets. To achieve the stated objectives, the Investment Committee (IRC) may invest the Class in cash equivalents, bonds, convertible debentures, preferred shares, income trusts, real estate investment trusts, dividend paying common shares, income producing exchange traded funds and stable equities with low systematic risk. To optimize the Class portfolio for current market conditions, the IRC may change asset, sector and geographic allocations, as well as tactical approach and investment style. Tactically, the IRC may sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class E-3 - The investment objective of the CFG Custom Portfolio Corporation, Morris Balanced Income Class (the "Class") is to strike a balance between safety of principal, enhanced income strategies and capital appreciation. The Class will hold cash, investment grades, preferred shares, blue chip stocks that typically pay out above average dividends, real estate investment trusts (REITs), income trusts and exchange traded funds across all geographic regions and sectors. The Investment Committee

CFG Custom Portfolio Corporation
Notes To Financial Statements
As at December 31, 2019 and 2018

1. THE CORPORATION - continued

may utilize speculative strategies where the maximum exposure does not exceed 5% of the asset value of the portfolio and can extend the use of leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the Class's asset value. The Class may write covered call options to generate tax advantaged income, buy puts to hedge against adverse market movements, write cash secured puts to acquire shares, or buy calls as a stock replacement strategy. This Class is actively managed and intends to meet its objectives by investing in the following securities: investment grade government and corporate bonds; mortgage backed securities; preferred shares; individual equities diversified by sector, geographic region and style; exchange traded index funds (equity and income); and real estate investment trusts (REITs). The Class will utilize various option strategies designed to reduce risk and generate income. Speculative strategies include leveraged exchange traded funds, small cap stocks (market capitalization less than \$1 billion) and micro-cap stocks (market capitalization less than \$100 million).

Class F-3 - The strategy begins with a disciplined but flexible approach to pool management. The main source for capital appreciation will be long global equity positions focused in Canada and the US, complimented with the tactical use of options and cash, and the strategic use of fixed income assets. The disciplined strategy seeks opportunities across geographic regions, investment sectors and market capitalizations. The strategy includes both an analytical approach by analyzing the financials of companies, and technical approach in which market valuations guide the timing of trades.

Class I-3 - The investment objective of the CFG Custom Portfolio Corporation, Option Writing Class (the "Class") is to generate above average cash flow by investing in a portfolio of common and/or convertible securities combined with the sale of options. The Class expects to receive both dividend and/or distribution income from the underlying securities as well as premium from the sale of call and/or put options. To achieve the stated objectives, the Class may be invested in large-to-mid capitalization common shares, dividend-paying equities and other Canadian and, as appropriate, U.S. and international securities such as ETFs with both lower systematic risk and higher expected returns through capital appreciation, dividend income, or a combination of both. To optimize the Class portfolio for current market conditions, the portfolio manager may change sector and geographic allocations, as well as tactical approach and investment style. Tactically, the portfolio manager will typically sell covered call options on securities held directly in the Class portfolio or that can be acquired through various derivative strategies, but may also buy puts to hedge against downside market movements, write cash-secured puts to acquire shares, or buy calls as a stock replacement strategy. The Class may also utilize leverage to a maximum of 20% in aggregate (at the time of incurring leverage) of the portfolio's asset value.

Class J-3 - The Global Tactical Balanced Fund (the "Pool") seeks to generate Tax Efficient Yield by using 3 different Yield sources and to diversify the assets to assist in reducing the volatility in the long-term and protecting the assets from downside risk. The Pool seeks to provide a better risk adjusted return overall than its benchmark Indexes, and to grow the assets while producing 150% of the Yield measured by its benchmark Indexes. The Pool will seek to limit its drawdown risk to 50% of the Benchmark

CFG Custom Portfolio Corporation

Notes To Financial Statements

As at December 31, 2019 and 2018

1. THE CORPORATION - continued

Index it uses to measure its relative return.

Class K-3 - The Legacies Growth Fund (the "Pool") seeks to generate superior returns from high capital growth and covered call premium income on a concentrated equity portfolio. The Pool generally utilizes an active swing trading investment approach to buy leading stocks and stock options on Canadian, U.S. and international markets. To a lesser extent the Pool may short deteriorating stocks. We seek low risk entry on leading stocks acting well and on pullback buy, utilize stops to minimize losses, and lock in gains to generate superior returns with less risk than the benchmark. The Pool utilizes an active swing trading investment approach in a concentrated equity portfolio of 8 – 15 positions. Stops are set prior to buying generally at 1/2 average gain %, and 10% or lower. Strive for 2 to 1 average win loss ratio. Cash and shorts increase if lack of stocks setting up, trading poorly, or markets negative. The Pool looks to write short-term near the money covered calls to generate attractive total premium and price returns. In choppy markets the Pool holds more cash and writes short-term Iron Condors on range bound leading stocks.

Class L-3 - This Conviction Equity Fund (the "Class") seeks to provide investors with capital growth through exposure to a limited number of quality North American companies. This Class will typically invest in 5 to 10 large cap liquid securities selected from listed North American common shares, or shares convertible into the common stock. The share class may also purchase long-term call options and / or sell cash secured put options to acquire the underlying constituent securities. The share class may from time to time sell (write) covered calls against the common shares or sell index calls on the broader market, to provide limited downside protection and generate tax advantaged cash flow. The Class may also purchase protective puts on the constituent common shares or index puts on the broader market, to hedge against down turns in the market. The Class seeks out companies with strong earnings and cash flow history as well as a management team that is committed to growth and returning capital to shareholders. Prospective large cap companies with market capitalizations in excess of CDN \$10 billion are evaluated using traditional qualitative measures like quality of management and industry leadership, as well as quantitative measures such as dividend growth and yield, earnings growth, earnings stability and cash flow growth.

The address of the Corporation's registered office is 801-251 Consumers Road, Toronto, Ontario M2J 4R3.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The currency of presentation for these financial statements is the Canadian dollar.

The financial statements were approved by R.N. Croft Financial Group Inc. (the "Manager") and authorized for issue on May 15, 2020.

CFG Custom Portfolio Corporation
Notes To Financial Statements
As at December 31, 2019 and 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following is a summary of significant accounting policies followed by the Corporation:

(a) Financial Instruments

In accordance with IFRS 9 Financial Instruments, the Corporation recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Corporation's investments and liabilities are measured at fair value through profit or loss (FVTPL), including certain investments in debt securities which have been designated at FVTPL. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Corporation, as set out in the Corporation's offering document.

The Corporation's obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount. All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Corporation's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its Net Asset Value for transactions with shareholders.

Interest income from investments in bonds and short-term investments is recognized at the effective interest rate. Accrued interest is shown separately in the statements of financial position based on the debt instruments' stated rates of interest. Dividends are recognized as income on the ex-dividend rate. The cost of investments is determined using the average cost method.

The Corporation does not hold any financial instruments subject to master netting agreements or other agreements which would provide a right to offset. Therefore, the Corporation does not offset financial assets and liabilities in its statements of financial position, as there is no unconditional right to offset.

(b) Cash and cash equivalents

Cash and cash equivalents comprise demand deposits and short-term, highly liquid investments including money market and investment saving funds.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Corporation uses the last traded market price of both financial assets and financial liabilities where the last traded price falls within that days' bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair values established for the Corporation's investments are classified into three levels that reflect the significance and observability of the inputs to the valuation techniques used in making the fair value measurements. When securities are valued using unadjusted quoted market prices for identical assets, they are classified as Level 1. The fair values determined using valuation models or techniques that require the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices are classified as Level 2. In the limited circumstances that fair values are determined using valuation techniques that are not supported by observable market data, they are classified as Level 3. Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Corporation's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer except for an investment in a limited partnership which is classified as Level 3, all of the Corporation's investments are classified as Level 1.

(d) Designation of Financial Assets and Liabilities

The Corporation measures cash and investments, including derivatives, at fair value. Changes in fair value are recorded in profit or loss.

The Corporation's business model is one in which the financial assets and liabilities are managed with the objective of realizing cash flows through the sale of assets and liabilities. Performance is measured and decisions are made based on the fair value of instruments. This is consistent with the FVTPL classification and measurement in both periods.

Accrued income and subscriptions receivable are expected to give rise to solely contractual payments of principal and interest, where applicable, and are carried at amortized cost. Similarly, redemptions payable and accrued liabilities are carried at amortized cost.

(e) Impairment of Financial Assets

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income and comprehensive income and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income and comprehensive income.

The Company applies the simplified approach for trade receivables. Using the simplified

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

Prior to July 31, 2018, the Corporation assesses whether there is objective evidence that a financial asset at amortized cost is impaired. Where such evidence exists, the Corporation recognizes an impairment loss as the difference between the carrying value of the asset and the present value of estimated future cash flows, discounted at the asset's original effective interest rate.

(f) Valuation of Share Classes

A different net asset value is calculated for each class of shares. Investments and cash are allocated to the specific class of shares to which they relate. Other assets and liabilities are allocated to the class of shares they relate to as applicable, or to all classes of shares on a pro-rata basis. The net asset value for each class of shares is calculated by subtracting the liabilities specifically related to that class from the specific assets of that class, and adjusting this amount for the proportionate share of the assets and liabilities that are not specifically related to any class. Revenues and expenses directly attributed to a class of share are charged directly to that share class. Other expenses are allocated proportionately to each class based upon the relative net assets of each class.

(g) Investment Transactions and Income

Investment transactions are accounted for as of the trade date. Interest income is accrued daily at the effective interest rate. Interest receivable is shown separately in the statement of financial position based on the debt instruments' stated rates of interest. Dividend income is recognized as income on the ex dividend date. The cost of investments is determined using the average cost method.

(h) Transaction Costs

Transaction costs, such as brokerage commissions, incurred on the purchase and sales of a security are charged as an expense for the period and shown as transaction costs on the Statements of Comprehensive Income.

(i) Translation of Foreign Currencies

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on each valuation day. Purchases and sales of investments, income and expenses are translated into Canadian dollars at the exchange rates prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains (losses) on investments, assets and liabilities, are included in "realized gain (loss) on sale of investments" and "unrealized exchange on foreign currencies and other net assets", respectively and recorded in the Statements of Comprehensive Income.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(j) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The following discusses the most significant accounting judgements and estimates that the Corporation has made in preparing the financial statements:

Classification and measurement of investments

In classifying and measuring financial instruments, the Corporation is required to make significant judgements about whether or not the business of the Corporation is to invest on a total return basis for the purpose of measuring instruments at fair value. The most significant judgements made include the determination that certain investments are held for trading.

Fair values

Management relies on values quoted in an active market in accounting for investments at fair value. In the less common circumstance where an investment isn't quoted in an active market, management estimates the fair value by evaluating the fair value of the underlying assets, net of liabilities, and forecasted operational performance of the entity. Inputs management includes in its fair value determination require significant judgement or estimation.

Functional and presentation currency

The primary activity of the Corporation is to invest in Canadian and US securities and to offer Canadian investors a higher return compared to other products available in Canada. The Corporation considers the Canadian dollar the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, the Corporation's functional and presentation currency.

CFG Custom Portfolio Corporation
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(k) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share

The increase (decrease) in net assets attributable to holders of redeemable shares per share in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable shares divided by the weighted average number of shares of that respective class outstanding during the year.

(l) Changes in Accounting Policies

IFRS 9 Financial Instruments – Recognition and Measurement

On July 31, 2018 the corporation adopted IFRS 9 Financial Instruments, which introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 also introduces an expected loss impairment model for all financial assets not measured at fair value through profit or loss that requires recognition of expected credit losses rather than incurred losses as applied under the current standard.

The Corporation has elected to adopt the standard prospectively on July 31, 2018. Upon transition to IFRS 9, the Corporation's financial assets and financial liabilities previously classified as fair value through profit and loss (FVTPL) under IAS39 continued to be categorized as fair value through profit and loss. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9. Accordingly, the implementation of IFRS 9 did not have a significant impact on the Corporation's financial statements.

IFRS 15 Revenue from Contracts with Customers

On July 31, 2018, the Corporation adopted IFRS 15 using the modified retrospective approach. IFRS 15 replaces IAS 18 Revenue, and establishes a single five-step model framework for determining the nature, amount, and timing of revenue recognition.

Revenue associated with principal trading and investment income are excluded from the scope of IFRS 15. Adoption of the new standard had no impact on the determination of revenue from these sources.

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4. CASH AND CASH EQUIVALENTS

The following tables detail Class A-3, D-3 and I-3's cash and cash equivalents at December 31, 2019 and December 31, 2018.

Class A-3:

	December 31, 2019	December 31, 2018
Cash	2,230,514	13,253,846
Demand investment savings	6,576,191	7,032,879
Total	8,806,705	20,286,725

Class D-3:

	December 31, 2019	December 31, 2018
Cash	694,041	7,958,139
Demand investment savings	957,316	-
Total	1,651,357	7,958,139

Class I-3:

	December 31, 2019	December 31, 2018
Cash	18,652,353	10,722,931
Demand investment savings	-	2,003,651
Total	18,652,353	12,726,582

There were no cash equivalents in Class E-3, F-3, J-3, K-3 and L-3.

5. REDEEMABLE SHARES

The Corporation is authorized to issue an unlimited number of shares in each class of shares. The classes and shares offered are:

- Common Shares
- Class A-3 Shares (Canadian Conservative Equity shares)
- Class D-3 Shares (Income shares)
- Class E-3 Shares (Balanced shares)
- Class F-3 Shares (Balanced Growth shares)
- Class I-3 Shares (Option Writing shares)
- Class J-3 Shares (Global Tactical Balanced shares)
- Class K-3 Shares (Legacies Growth shares)
- Class L-3 Shares (Conviction Equity shares)

Each of the Class A, D, E, F, I, J, K and L Shares (cumulatively the "Share Classes") are issuable in series, with 50 series of these shares currently authorized.

The common shares are voting and entitled to dividends as declared at the discretion of the Board of Directors. Such dividends may be paid only from assets of the Corporation applicable to the Common shares. The Share Classes are non-voting, redeemable and retractable shares. The

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5. REDEEMABLE SHARES - continued

redemption price is determined based upon the Net Asset Value per Share. Dividends may be declared at the discretion of the Board of Directors. Such dividends may be paid only from net assets of the Corporation applicable to the specific class of shares.

The Corporation issued 1 common share upon inception for cash proceeds of \$100. A summary of the Corporation's Share Classes issued and outstanding is as follows for year ended December 31, 2019:

	Outstanding, beginning of year	Issued	Reinvested distributions	Redeemed	Outstanding, end of year
Class A-3					
Series A	3,407,758	914,981	196,070	(1,415,593)	3,103,216
Series D	645,720	1,523	-	(647,243)	-
Class D-3					
Series A	5,939,348	1,995,523	-	(1,767,296)	6,167,575
Series D	730,503	1,885	86	(732,474)	-
Class F-3					
Series A	2,399,110	255,377	-	(296,680)	2,357,807
Class I-3					
Series A	3,924,195	1,060,857	21,803	(2,152,475)	2,854,380
Class J-3					
Series A	667,970	116,173	-	(271,636)	512,507
Class K-3					
Series A	-	284,310	4,337	(12,273)	276,374
Class L-3					
Series A	-	447,691	-	(1,785)	445,906

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5. REDEEMABLE SHARES - continued

A summary of the Corporation's Share Classes issued and outstanding is as follows for period ended December 31, 2018:

	Outstanding, beginning of period	Issued	Reinvested distributions	Redeemed	Outstanding, end of period
Class A-3					
Series A	2,869,647	546,638	190,642	(199,169)	3,407,758
Series D	655,958	23,830	39,924	(73,992)	645,720
Class D-3					
Series A	5,488,776	841,035	231	(390,694)	5,939,348
Series D	780,551	21,066	15,593	(86,707)	730,503
Class E-3					
Series A	1,068,869	7,863	-	(1,076,732)	-
Series D	56,496	21	2,872	(59,389)	-
Class F-3					
Series A	1,370,118	1,042,697	-	(13,705)	2,399,110
Series D	31,509	9,215	503	(41,227)	-
Class I-3					
Series A	4,294,410	536,544	30,416	(937,175)	3,924,195
Class J-3					
Series A	631,586	42,152	-	(5,768)	667,970

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6. DISTRIBUTIONS (DIVIDENDS) PAID TO SHAREHOLDERS

The Board of Directors of the Corporation may declare dividends, at its discretion, payable on any class of the Corporation. Distributions paid to shareholders are calculated on a per share basis. Unless stated in writing in advance of the dividend date, dividends are automatically reinvested in shares of the Corporation.

During the year, the Corporation declared and paid \$4,054,841 (2018 - \$1,902,824) in Canadian dividends, \$3,978,756 (2018 - \$6,118,856) in capital gains dividends and \$2,734,712 (2018 - \$1,192,370) in return of capital. A breakdown is as follows:

	2019			2018		
	Capital gains dividends	Canadian dividends	Return of Capital	Capital gains dividends	Canadian dividends	Return of Capital
Class A-3	\$ 2,140,123	\$ 876,307	\$ 468,745	\$3,223,386	\$ 356,712	\$ 561,408
Class D-3	1,388,988	1,496,355	851,985	416,870	816,402	390,861
Class E-3	-	-	-	574,816	160,752	-
Class F-3	388,047	586,333	-	211,892	207,127	-
Class I-3	61,598	1,068,334	768,695	1,540,077	340,640	240,101
Class J-3	-	26,999	581,860	151,815	21,191	-
Class K-3	-	513	63,427	-	-	-
Class L-3	-	-	-	-	-	-
Total	\$ 3,978,756	\$ 4,054,841	\$2,734,712	\$ 6,118,856	\$1,902,824	\$1,192,370

During the year, the Corporation declared and paid a special distribution of \$1,021,244 to Class F-3.

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7. RELATED PARTY TRANSACTIONS

(a) Management Fees and Performance Bonus

In consideration for management services and investment advice provided to the Corporation, each class pays a management fee to the Manager per annum which is calculated and accrued monthly. A breakdown is as follows:

		2019		2018	
	Rate (2)	Management Fees	Unpaid/Accrued Management Fees (1)	Management Fees	Unpaid/Accrued Management Fees (1)
Class A-3					
Series A	0.25%	\$ 148,547	\$ 12,967	\$ 62,095	\$ 12,019
Series D	0.85%	2,641	-	41,573	7,462
Class D-3					
Series A	0.25%	186,176	16,115	73,131	14,462
Series D	0.85%	2,445	-	36,974	6,920
Class E-3					
Series A	0.25%	-	-	13,308	4,567
Series D	0.85%	-	-	2,041	-
Class F-3					
Series A	0.25%	111,542	11,590	29,560	6,166
Series D	0.85%	-	-	1,447	406
Class I-3	0.25%	82,397	6,602	50,068	8,590
Class J-3	0.25%	13,481	913	6,677	1,291
Class K-3	0.25%	2,930	569	-	-
Class L-3	0.50%	1,512	1,512	-	-
Total		\$ 551,671	\$ 50,268	\$ 316,874	\$ 61,883

(1) Included in accrued liabilities for financial statement presentation purposes.

(2) Rate is applicable for Series A and D only. The other series charge \$nil or insignificant management fees.

(b) Operating Expenses

The Corporation bears all of the costs and expenses relating to the operation of the business and affairs of the Corporation including all audit, registrar and transfer agency fees, taxes and brokerage commissions. The Manager pays certain of these expenses on behalf of the Corporation and is then reimbursed by the Corporation. The Manager may waive or absorb certain expenses of the Corporation. The decision to do so is reviewed annually and determined at the sole discretion of the Manager.

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8. INCOME TAXES

The Corporation qualified as a mutual fund corporation under the Income Tax Act (Canada). Accordingly, all interest and foreign dividends, net of applicable expenses, are taxed at full corporate rates with credits, subject to certain limitations, for foreign taxes paid.

As a mutual fund corporation, taxable dividends received from Canadian corporations and foreign affiliates are subject to a tax of 38.33%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders at a rate of 38.33% of each \$1 of dividends paid. As at December 31, 2019, all refundable taxes paid on such income was fully offset based on taxable dividends declared and paid during the year.

The Corporation is generally subject to tax at full corporate rates on 50% of its net realized capital gains. This tax can be eliminated by "capital gains redemptions" as defined by income tax legislation, out of the Corporation's realized and undistributed capital gains within 60 days of the end of its fiscal year, making payment to its shareholders of a "capital gains dividend" out of the Corporation's realized and undistributed capital gains, or by a combination of both. As a result, no provision for income taxes with respect to capital gains is made in these financial statements.

All interest and foreign dividends, net of applicable expenses, are taxed at full corporate rates with credits, subject to certain limitations, for foreign taxes paid.

9. CAPITAL MANAGEMENT

R.N. Croft Financial Group Inc., as the fund manager, is responsible for managing the Corporation's assets and liabilities in line with each Class of shares' mandate and the business affairs of the Corporation. The Corporation's dividend policy is to declare and pay such dividends equal to the excess of revenues that would otherwise be taxable over expenses applicable to each Class of shares.

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10. FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Corporation's financial instruments by category as at December 31, 2019 and December 31, 2018.

Class A-3:

December 31, 2019

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	45,167,787	-	45,167,787
Cash	8,806,705	-	8,806,705
Subscriptions receivable	-	12,243	12,243
Accrued interest	-	25,815	25,815
Accrued dividends	-	61,267	61,267
Derivative assets	872,417	-	872,417
Total	54,846,909	99,325	54,946,234

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Redemptions payable	-	27,037	27,037
Accrued liabilities	-	146,813	146,813
Total	-	173,850	173,850

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10. FINANCIAL INSTRUMENTS BY CATEGORY - continued

Class A-3:

December 31, 2018

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	45,895,492	-	45,895,492
Cash	20,286,725	-	20,286,725
Subscriptions receivable	-	9,032	9,032
Accrued interest	-	37,242	37,242
Accrued dividends	-	56,931	56,931
Derivative assets	1,104,867	-	1,104,867
Total	67,287,084	103,205	67,390,289

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Redemptions payable	-	26,976	26,976
Accrued liabilities	-	108,123	108,123
Derivative liabilities -investments	3,135,058	-	3,135,058
Total	3,135,058	135,099	3,270,157

Class D-3:

December 31, 2019

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	71,293,894	-	71,293,894
Cash	1,651,357	-	1,651,357
Subscriptions receivable	-	5,263	5,263
Accrued interest	-	238,993	238,993
Accrued dividends	-	71,815	71,815
Derivative assets	992,220	-	992,220
Total	73,937,471	316,071	74,253,542

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Redemptions payable	-	91,797	91,797
Distributions payable	-	308,705	308,705
Accrued liabilities	-	162,316	162,316
Derivative liabilities -investments	213,865	-	213,865
Total	213,865	562,818	776,683

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10. FINANCIAL INSTRUMENTS BY CATEGORY - continued

Class D-3:

December 31, 2018

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	67,904,814	-	67,904,814
Cash	7,958,139	-	7,958,139
Subscriptions receivable	-	108	108
Accrued interest	-	230,624	230,624
Accrued dividends	-	142,803	142,803
Derivative assets	333,516	-	333,516
Total	76,196,469	373,535	76,570,004

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Redemptions payable	-	25,912	25,912
Distributions payable	-	27	27
Accrued liabilities	-	105,080	105,080
Derivative liabilities -investments	1,643,437	-	1,643,437
Total	1,643,437	131,019	1,774,456

Class E-3:

December 31, 2018

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Bank indebtedness	9,323	-	9,323
Accrued liabilities	-	21,707	21,707
Derivative liabilities -investments	-	-	-
Total	9,323	21,707	31,030

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10. FINANCIAL INSTRUMENTS BY CATEGORY - continued

Class F-3:

December 31, 2019

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	40,113,980	-	40,113,980
Cash	3,503,143	-	3,503,143
Subscriptions receivable	-	956	956
Accrued interest	-	21,808	21,808
Accrued dividends	-	113,742	113,742
Derivative assets	63,080	-	63,080
Total	43,680,203	136,506	43,816,709

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Redemptions payable	-	31,963	31,963
Distributions payable	-	64,352	64,352
Accrued liabilities	-	84,234	84,234
Derivative liabilities -investments	83,433	-	83,433
Total	83,433	180,549	263,982

December 31, 2018

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	28,889,462	-	28,889,462
Cash	10,688,572	-	10,688,572
Subscriptions receivable	-	106	106
Accrued dividends	-	54,565	54,565
Total	39,578,034	54,671	39,632,705

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Accrued liabilities	-	30,666	30,666
Derivative liabilities -investments	19,755	-	19,755
Total	19,755	30,666	50,421

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10. FINANCIAL INSTRUMENTS BY CATEGORY - continued

Class I-3:

December 31, 2019

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	10,776,396	-	10,776,396
Cash	18,652,353	-	18,652,353
Subscriptions receivable	-	1,282	1,282
Accrued dividends	-	37,401	37,401
Total	29,428,749	38,683	29,467,432

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Redemptions payable	-	38,778	38,778
Distributions payable	-	127,943	127,943
Accrued liabilities	-	96,052	96,052
Derivative liabilities -investments	141,370	-	141,370
Total	141,370	262,773	404,143

December 31, 2018

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	25,937,897	-	25,937,897
Cash	12,726,582	-	12,726,582
Accrued dividends	-	89,425	89,425
Derivative assets	236,737	-	236,737
Total	38,901,216	89,425	38,990,641

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Distribution payable	-	3	3
Accrued liabilities	-	69,676	69,676
Derivative liabilities -investments	473,417	-	473,417
Total	473,417	69,679	543,096

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10. FINANCIAL INSTRUMENTS BY CATEGORY - continued

Class J-3:

December 31, 2019

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	2,855,923	-	2,855,923
Cash	642,238	-	642,238
Accrued dividends	-	9,195	9,195
Derivative assets	527,665	-	527,665
Total	4,025,826	9,195	4,035,021

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Distributions payable	-	13,529	13,529
Accrued liabilities	-	6,666	6,666
Derivative liabilities -investments	7,966	-	7,966
Total	7,966	20,195	28,161

December 31, 2018

Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	4,409,345	-	4,409,345
Cash	1,659,894	-	1,659,894
Accrued dividends	-	9,871	9,871
Derivative assets	682,136	-	682,136
Total	6,751,375	9,871	6,761,246

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Accrued liabilities	-	3,760	3,760
Derivative liabilities -investments	832,677	-	832,677
Total	832,677	3,760	836,437

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10. FINANCIAL INSTRUMENTS BY CATEGORY - continued

Class K-3:

December 31, 2019			
Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	2,668,089	-	2,668,089
Cash	31,879	-	31,879
Subscriptions receivable	-	45,000	45,000
Accrued dividends	-	4,333	4,333
Total	2,699,968	49,333	2,749,301

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Distributions payable	-	11,579	11,579
Accrued liabilities	-	2,361	2,361
Derivative liabilities -investments	12,744	-	12,744
Total	12,744	13,940	26,684

Class L-3:

December 31, 2019			
Assets	Financial assets at FVTPL	Financial assets at amortized cost	Total
Non-derivative financial assets - investments	4,434,322	-	4,434,322
Cash	119,645	-	119,645
Accrued dividends	-	6,258	6,258
Derivative assets	28,260	-	28,260
Total	4,582,227	6,258	4,588,485

Liabilities	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Total
Accrued liabilities	-	3,235	3,235
Derivative liabilities -investments	39,395	-	39,395
Total	39,395	3,235	42,630

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11. FAIR VALUE HIERARCHY

Financial instruments are classified within a three level fair value hierarchy which reflects the significance of the inputs required to measure fair value:

Level 1 unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 inputs that are not based on observable market data.

The following tables illustrate the classification of the Corporation's financial instruments within the fair value hierarchy as at December 31, 2019 and December 31, 2018:

Class A-3				
Financial assets and liabilities at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equities	40,170,387	-	-	40,170,387
Bonds	4,997,400	-	-	4,997,400
Derivative assets	872,417	-	-	872,417
Derivative liabilities	-	-	-	-
	46,040,204	-	-	46,040,204
Financial assets and liabilities at fair value as at December 31, 2018				
	Level 1	Level 2	Level 3	Total
Equities	42,414,692	-	-	42,414,692
Bonds	3,480,800	-	-	3,480,800
Derivative assets	1,104,867	-	-	1,104,867
Derivative liabilities	(3,135,058)	-	-	(3,135,058)
	43,865,301	-	-	43,865,301

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11. FAIR VALUE HIERARCHY - continued

Class D-3				
Financial assets and liabilities at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equities	33,379,439	-	-	33,379,439
Bonds	37,584,455	-	-	37,584,455
Derivative assets	992,220	-	-	992,220
Derivative liabilities	(213,865)	-	-	(213,865)
Private investments	-	-	330,000	330,000
	71,742,249	-	330,000	72,072,249

Financial assets and liabilities at fair value as at December 31, 2018				
	Level 1	Level 2	Level 3	Total
Equities	39,388,363	-	-	39,388,363
Bonds	28,186,451	-	-	28,186,451
Derivative assets	333,516	-	-	333,516
Derivative liabilities	(1,643,437)	-	-	(1,643,437)
Private investments	-	-	330,000	330,000
	66,264,893	-	330,000	66,594,893

The only level 3 valuation relates to a long-term investment in a limited partnership's units that are not traded in an active market. As at December 31, 2019 and 2018, management assesses the cost of the units to approximate their fair value. There have been no changes in the level 3 partnership units held and no gains or losses recorded during 2019 and 2018. In estimating fair value, the Corporation reviews management-reported financial performance of the partnership; the expected future return to be generated by the investment; as well as the inherent liquidity risk in owning the partnership units.

Class F-3				
Financial assets and liabilities at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equities	36,885,565	-	-	36,885,565
Bonds	3,228,415	-	-	3,228,415
Derivative assets	63,080	-	-	63,080
Derivative liabilities	(83,433)	-	-	(83,433)
	40,093,627	-	-	40,093,627

Financial assets and liabilities at fair value as at December 31, 2018				
	Level 1	Level 2	Level 3	Total
Equities	28,889,462	-	-	28,889,462
Derivative liabilities	(19,755)	-	-	(19,755)
	28,869,707	-	-	28,869,707

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11. FAIR VALUE HIERARCHY - continued

Class I-3				
Financial assets and liabilities at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equities	10,776,396	-	-	10,776,396
Derivative assets	-	-	-	-
Derivative liabilities	(141,370)	-	-	(141,370)
	10,635,026	-	-	10,635,026
Financial assets and liabilities at fair value as at December 31, 2018				
	Level 1	Level 2	Level 3	Total
Equities	25,937,897	-	-	25,937,897
Derivative assets	236,737	-	-	236,737
Derivative liabilities	(473,417)	-	-	(473,417)
	25,701,217	-	-	25,701,217
Class J-3				
Financial assets and liabilities at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equities	2,855,923	-	-	2,855,923
Derivative assets	527,665	-	-	527,665
Derivative liabilities	(7,966)	-	-	(7,966)
	3,375,622	-	-	3,375,622
Financial assets and liabilities at fair value as at December 31, 2018				
	Level 1	Level 2	Level 3	Total
Equities	4,409,345	-	-	4,409,345
Derivative asset	682,136	-	-	682,136
Derivative liabilities	(832,677)	-	-	(832,677)
	4,258,804	-	-	4,258,804
Class K-3				
Financial assets and liabilities at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equities	2,668,089	-	-	2,668,089
Derivative liabilities	(12,744)	-	-	(12,744)
	2,655,345	-	-	2,655,345

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11. FAIR VALUE HIERARCHY - continued

Class L-3				
Financial assets and liabilities at fair value as at December 31, 2019				
	Level 1	Level 2	Level 3	Total
Equities	4,434,322	-	-	4,434,322
Derivative assets	28,260	-	-	28,260
Derivative liabilities	(39,395)	-	-	(39,395)
	4,423,187	-	-	4,423,187

There were no transfers between levels in either 2019 or 2018.

The Corporation's equity and bond positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Where certain of the Corporation's equities do not trade frequently and therefore observable prices may not be available, the fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS

Class Risk

Mutual fund corporations sometimes issue different classes of shares of the same mutual fund corporation. Each class has its own fees and expenses, which the mutual fund tracks separately. However, if one is unable to meet its financial obligations, the other classes are legally responsible for making up the difference.

Investment/Market Risk

The value of Shares and any income and gains associated with them can fluctuate significantly and may be quite volatile. Subscribers should be aware that they may not achieve their anticipated returns and may, in fact, suffer significant loss. It is therefore prudent and necessary to consider the use of such pools within an appropriately balanced investment portfolio.

i) **Equity Risk**

The Classes invest in equity securities (also called stocks or shares). The value of the Classes will be affected by changes in the market price of those securities. The securities business is speculative, prices are volatile and market movements are difficult to predict. The price of a stock is affected by individual company developments and by general economic and financial conditions in those countries where the issuer of the stock is located or where the stock is listed for trading.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

ii) Foreign Currency Risk

The Canadian dollar value of a Class's investments in foreign securities is affected by changes in the value of the Canadian dollar relative to those securities. While the Manager may employ currency hedging when it believes that currency exposure presents significant risk, there is no assurance that it will do so in any particular circumstance. Premiums paid for over the counter currency options purchased by a Class may reduce a Class's return.

The classes' foreign currency holdings at December 31 were:

Class	2019	2018
Class A-3	21.0 %	11.5 %
Class D-3	10.6 %	4.9 %
Class F-3	52.8 %	36.8 %
Class I-3	24.2 %	15.2 %
Class J-3	46.1 %	31.3 %
Class K-3	94.2 %	- %
Class L-3	78.2 %	- %

Sensitivity Analysis

At December 31, 2019 had the Canadian dollar strengthened or weakened by 1% in relation to the U.S. Dollar, with all other variables held constant, net assets attributable to the holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the statements of financial position would have increased or decreased by the amounts shown below. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Class	2019	2018
Class A-3	\$ 116,043	\$ 74,089
Class D-3	\$ 78,222	\$ 36,625
Class F-3	\$ 231,300	\$ 145,681
Class I-3	\$ 70,508	\$ 58,584
Class J-3	\$ 18,515	\$ 18,521
Class K-3	\$ 25,643	\$ -
Class L-3	\$ 35,530	\$ -

iii) Interest Rate Fluctuations

In the case of interest rate sensitive securities, the value of a security may change as the general level of interest rates fluctuates. When interest rates decline, the value of such securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

Sensitivity Analysis

The majority of the Corporation's investments are non-interest bearing assets. Currently only the Class-A, Class D-3 and F-3 Series Funds have direct exposure to interest rates.

The sensitivity of the interest rate sensitive positions within the Class A-3 Series Fund to interest rate movements, measured by Modified Duration is 0.09 (2018 – 0.13). An increase / decrease in interest rates by 100 bps will result in a decrease / increase of these positions by approximately 9 bps (2018 – 13bps). This affects approximately \$5 Million (2018 – 3.5 Million) of the total value of the Class A-3 Series Fund at the time of reporting.

The sensitivity of the interest rate sensitive positions within the Class D-3 Series Fund to interest rate movements, measured by Modified Duration is 0.70 (2018 – 0.35). An increase / decrease in interest rates by 100 bps will result in a decrease / increase of these positions by approximately 70 bps (2018 – 35 bps). This affects approximately \$37.6 Million (2018 – \$41 Million) of the total value of the Class D-3 Series Fund at the time of reporting.

The sensitivity of the interest rate sensitive positions within the Class F-3 Series Fund to interest rate movements, measured by Modified Duration is 1.42 (2018 – Nil). An increase / decrease in interest rates by 100 bps will result in a decrease / increase of these positions by approximately 142 bps (2018 – 0 bps). This affects approximately \$3.3 Million (2018 – Nil) of the total value of the Class F-3 Series Fund at the time of reporting.

No other share classes had interest rate sensitivity at this time.

iv) **Other Price Risk**

Other price risk is the risk that value of the instruments will fluctuate as a result of the changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer, or factors affecting all instruments traded in the market. All securities present a risk of loss of capital. Some of these risks include:

a) *Credit risk*

Credit risk represents the potential loss that the Corporation would incur if the issuer of a financial instrument failed to perform in accordance with the terms of their obligations to the Corporation. The term credit risk is generally associated with bonds and discount notes, and the risk that the issuer will default in the payments of either principal or interest. Class I-3, J-3, K-3 and L-3 did not hold any fixed-income instruments. The following table details Class A-3, D-3 and F-3's credit risk exposure by credit rating at December 31, 2019 and December 31, 2018.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

Class A-3:

	As of December 31, 2019			
	AAA	A	BBB	not rated
Canada Govt 1.25 02/01/20	4,997,400			
Total	4,997,400	-	-	-

	As of December 31, 2018			
	AA	A	BBB	not rated
Ford Credit Canada Co 2.939 02/19/19			3,480,800	
Total	-	-	3,480,800	-

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

Class D-3:

	As of December 31, 2019			
	Aa2	A	A-	A3
Capital Desjardins Inc 4.954 12/15/2026		359,083		
Hydro One Inc 1.62 4/30/2020			4,494,915	
HSBC Bank Canada 2.938 1/14/2020				4,001,020
Total	-	359,083	4,494,915	4,001,020

	BB	BBB	BBB+	not rated
Parkland Fuel Corp 5.5 5/28/2021	2,305,469			
Alimentation Couche-Tard 4.214 8/21/2020		4,051,280		
Loblaw Cos Ltd 5.22 6/18/2020		4,054,580		
AT&T Inc 3.825 11/25/2020		4,056,120		
Constellation Software 8.1 3/31/2040		2,570,304		
Enbridge Pipelines Inc 4.45 4/6/2020			4,023,860	
AG Growth International 4.5 12/31/2022				2,233,000
Cargojet Inc 5.75 4/30/2024				941,108
Cargojet Inc 5.75 4/30/2025				618,000
Fiera Capital Corp 5 6/30/2023				1,006,662
Fiera Capital Corp 5.6 7/31/2024				440,484
Morneau Shepell Inc 4.75 6/30/2021				355,550
Premium Brands Hldgs Cor 4.6 12/31/2023				756,770
Premium Brands Hldgs Cor 4.65 4/30/2021				1,316,250
Total	2,305,469	14,732,284	4,023,860	7,667,824

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

	As of December 31, 2018			
	Aa2	A	AA	A-
Capital Desjardins Inc 4.954 12/15/2026		360,063		
Canadian Utilities Ltd 5.432 1/23/2019				4,006,120
Hydro One Inc 1.62 4/30/2020				4,446,180
Morgan Stanley 2.5 1/24/2019				2,356,186
Royal Bank of Canada 2.98 05/07/19	4,011,020			
Royal Bank of Canada 2.99 12/6/2024	380,785			
Toronto-Dominion Bank 2.447 4/2/2019			4,003,180	
Total	4,391,805	360,063	4,003,180	10,808,486

	Baa1	Baa3	BBB-	not rated
Bank of Nova Scotia 3.036 10/18/2024	379,872			
Constellation Software Float 3/31/2040			1,949,552	
Ford Credit Canada Co 2.939 2/19/2019		4,000,920		
Morneau Shepell Inc 4.75 6/30/2021				292,798
Premium Brands Hldgs Cor 4.6 12/31/2023				733,250
Premium Brands Hldgs Cor 4.65 4/30/2021				1,266,525
Total	379,872	4,000,920	1,949,552	2,292,573

Class F-3:

	As of December 31, 2019			
	BB	BBB	BBB-	not rated
Parkland Fuel Corp 5.5 5/28/2021	1,255,313			
Superior Plus LP 5.125 8/27/2025	903,302			
Constellation Software 8.1 3/31/2040		679,800		
Delta 9 Cannabis Inc 8.5 7/17/2022				390,000
Total	2,158,615	679,800	-	390,000

Class F-3 did not hold any fixed-income instruments as at December 31, 2018.

b) *Liquidity risk*

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to daily cash redemptions, however, the Corporation maintains sufficient cash on hand to fund anticipated redemptions.

The Corporation may invest in derivatives, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Corporation may not be able to quickly liquidate its investments in these instruments at

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

amounts which approximate their fair values, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. The Manager monitors the Corporation's liquidity position on a daily basis.

The current liabilities of each Class are generally payable in less than 90 days of origination. Maturities of derivative liabilities vary as indicated on the applicable schedule of investment portfolio.

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

c) Foreign Security Risk

Some Classes invest a substantial portion of their assets in foreign securities. The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains which a Class has derived from movements in a particular market. A Class that holds foreign securities may have difficulty enforcing legal rights in jurisdictions outside Canada.

d) Industry and Geographic Concentration Risk

The Corporation's investment philosophy may cause the Classes to focus on specific industries and to avoid others. Moreover, the Corporation will be authorized to allocate the Class's assets without limitation among geographic regions and individual countries. As a result, a Class may from time to time, have greater exposure to particular industries, countries, or regions than other similar Classes.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

e) American Depository Securities and Receipt Risk

In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, a Class may hold these securities through an American Depository Security and Receipt (an "ADR"). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. corporation. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. corporation to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors. These factors include the fees and expenses associated with holding an ADR, the currency exchange rate relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of the Class, as a holder of an ADR, may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the Class if it holds the ADR.

f) Portfolio Turnover Risk

The operation of a Class may result in a high annual portfolio turnover rate. The Classes have not placed any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Corporation, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate (e.g., greater transaction costs such as brokerage fees) and may involve different tax consequences.

g) Broad Authority of R.N. Croft Financial Group Inc. Risk

The Corporation, through its manager, has broad discretion over the conduct of a Class's undertaking, selection of the specific companies in which a Class invests and over the types of transactions in which a Class engages.

h) Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes to laws or administrative practice could occur during the term of a Class which may adversely affect the Class. For example, the regulatory or tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by a Class and the ability of the Class to pursue its investment strategies. Interpretation of the law or administrative practice may affect the characterization of a Class's earnings as capital gains or income which may increase the level of tax borne by investors as a result of increased dividend paid by the Class.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

i) Conflicts of Interest Risk

The Corporation may be subject to conflicts of interest due to the fact that R.N. Croft also provides discretionary portfolio management services to other clients who do not hold shares of one or more Classes. The Corporation's investment decisions for a Class are made independently of those made for other clients. R.N. Croft makes all reasonable efforts to price and allocate securities fairly if traded for both the Corporation and other clients. In all cases, R.N. Croft has policies to ensure it allocates trades in a fair and reasonable manner for all clients, including the Corporation. The decision to use the same or different securities for other client accounts and one or more Class of the Corporation is based on the investment objectives, risk tolerances, and constraints identified as identified by R.N. Croft when discharging its fiduciary obligations for all clients and the Corporation, including its individual Classes.

j) Regulatory Risk

Some industries, such as financial services, healthcare and telecommunications, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. The value of a Class that buys these investments may rise and fall substantially due to changes in these factors.

k) Derivative Risk

The Classes may use derivatives as permitted by the Canadian securities regulatory authorities. A derivative is an instrument, the value of which is derived from the value of other securities or from the movement of interest rates, exchange rates, or market indices. Derivatives are often used for hedging against the risk of potential losses, such as losses due to changes in interest or foreign exchange rates. Derivatives also allow mutual funds to realize the benefits of changes in the value of a security without having to invest directly in that security. This is especially useful since it is often less expensive to purchase a derivative instrument than the actual security. There are also certain instances where holding a derivative is less risky than holding the underlying security.

Derivatives have their own special risks. Here are some of the common risks:

- o Using derivatives to hedge against risk may not always work and while the use of derivatives may reduce losses, they could also limit potential gains.
- o The price of a derivative may not accurately reflect the value of the underlying currency or security.
- o There is no guarantee that an investor can close a derivative contract when it wants to. If an exchange imposes trading limits, it could also affect the ability of an investor to close out its positions in derivatives. These events could prevent an investor from making a profit or limiting its losses.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

- o The other party to a derivative contract may not be able to live up to its agreement to complete the transaction.

l) Use of Options Risk

A Class may purchase and write exchange-traded and over-the-counter put and call options on debt and equity securities, commodities, currencies and indices (both narrow-based and broad-based). A put option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to deliver a specified amount of the securities or currencies to the writer of the option on or before a fixed date at a predetermined price. A put option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index drops below a predetermined level on or before a fixed date.

A call option on securities or currencies gives the purchaser of the option, upon payment of a premium, the right to call upon the writer to deliver a specified amount of the securities or currencies on or before a fixed date at a predetermined price. A call option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index rises above a predetermined level on or before a fixed date.

A Class's ability to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market. Over-the-counter ("OTC") options are purchased from or sold to securities dealers, financial institutions or other parties (the "Counterparty") through direct bilateral agreements with the Counterparty. In contrast to exchange listed options, which generally have standardized terms and performance mechanics, all the terms of an OTC option, including such terms as method of settlement, term, exercise price, premium, guarantees and security, are set by the negotiation of the parties. Unless the parties provide for it, there is no central clearing or guarantee function in an OTC option. As a result, if the Counterparty fails to make or take delivery of the security, currency or other instrument underlying an OTC option it has entered into with the Class or fails to make a cash settlement payment due in accordance with the terms of that option, the Class will lose any premium it paid for the option as well as any anticipated benefit of the transaction.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

Call options may be purchased to provide exposure to increases in the market (e.g., with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that a Class intends to purchase. Similarly, put options may be purchased to hedge against a decrease in the market generally or in the price of securities or other investments held by the Class. Buying options may reduce the Class's returns, but by no more than the amount of the premiums paid for the options. Writing covered call options (i.e., where the Class owns the security or other investment that is subject to the call) may limit the Class's gain on portfolio investments if the option is exercised because the Class will have to sell the underlying investments below the current market price. Also, writing put options may require the Class to buy the underlying investment at a disadvantageous price above the current market price. Writing uncovered call options (i.e., where the Class does not own the security or other investment that is subject to the call) entails the risk that the price of the underlying investment at the time the option is exercised theoretically could have risen without limit. The risk of loss of uncovered put options written by the Class is limited in the exercise price of the option less the premium received. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary market risks.

m) Counterparty Risk

Due to the nature of some of the investments that a Class may undertake, a Class relies on the ability of the counterparty to the transaction to perform its obligations. In the event that counterparty fails to complete its obligations, the Class bears the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements in the event of the default or bankruptcy of counterparty.

n) Securities Lending, Repurchase and Reverse Repurchase Transactions Risk

The Classes may engage in securities lending, repurchase and reverse repurchase transactions in order to earn additional returns. Securities lending is an agreement whereby a Class lends securities through an authorized agent in exchange for a fee and some form of acceptable collateral. Under a repurchase transaction, a Class agrees to sell securities for cash while, at the same time, assumes an obligation to repurchase the same securities for cash (usually at a higher price) at a later date. A reverse repurchase transaction is an agreement where by a Class buys securities for cash while, at the same time, agrees to resell the same securities (usually at a higher price) at a later date.

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12. CERTAIN RISK FACTORS ASSOCIATED WITH FINANCIAL INSTRUMENTS - continued

The risks associated with securities lending, repurchase and reverse repurchase transactions arise when the counterparty to such transaction defaults under the investment agreement and the Class is forced to make a claim in order to recover its investment. In securities lending or a repurchase transaction, the Class could incur a loss if the value of the securities loaned or sold by the Class has increased in value relative to the value of the collateral held by the Class. In the case of a reverse repurchase transaction, the Class could incur a loss if the value of the securities purchased by the Class decreases in value relative to the value of the collateral held by the Class. The Classes generally manage the risks associated with these types of investments by:

- a. holding collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be; adjusting the amount to the collateral each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within a 102% limit; and
- b. limiting the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to under 50% of the total assets (without including the collateral) of the Class.

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13. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE

The increase in net assets attributable to holders of redeemable shares per share for the periods ended December 31, 2019 and 2018 is calculated as follows:

Class A-3:

Series A

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 8,962,251	\$ (8,354,091)
Weighted average shares outstanding during the year	3,337,632	3,168,089
Increase in net assets attributable to holders of redeemable shares per share	\$ 2.69	\$ (2.64)

Series D

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 66,574	\$ (1,387,489)
Weighted average shares outstanding during the year	74,558	646,345
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.89	\$ (2.15)

Class D-3:

Series A

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 8,250,697	\$ (3,957,683)
Weighted average shares outstanding during the year	6,285,594	5,799,330
Increase in net assets attributable to holders of redeemable shares per share	\$ 1.31	\$ (0.68)

Series D

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 33,004	\$ (525,938)
Weighted average shares outstanding during the year	84,279	748,604
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.39	\$ (0.70)

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13. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued

Class E-3:

Series A

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ (5,389)	\$ (462,937)
Weighted average shares outstanding during the year	-	788,682
Increase in net assets attributable to holders of redeemable shares per share	\$ -	\$ (0.59)

Series D

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ -	\$ (23,440)
Weighted average shares outstanding during the year	-	47,176
Increase in net assets attributable to holders of redeemable shares per share	\$ -	\$ (0.50)

Class F-3:

Series A

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 5,878,687	\$ (2,027,264)
Weighted average shares outstanding during the year	2,427,408	1,656,918
Increase in net assets attributable to holders of redeemable shares per share	\$ 2.42	\$ (1.22)

Series D

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ -	\$ (15,413)
Weighted average shares outstanding during the year	-	31,980
Increase in net assets attributable to holders of redeemable shares per share	\$ -	\$ (0.48)

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13. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE - continued

Class I-3

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 3,467,304	\$ (5,811,944)
Weighted average shares outstanding during the year	3,214,402	4,259,609
Increase in net assets attributable to holders of redeemable shares per share	\$ 1.08	\$ (1.36)

Class J-3

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 1,115	\$ (709,078)
Weighted average shares outstanding during the year	634,516	644,068
Increase in net assets attributable to holders of redeemable shares per share	\$ -	\$ (1.10)

Class K-3

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 28,316	\$ -
Weighted average shares outstanding during the year	255,091	-
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.11	\$ -

Class L-3

	2019	2018
Increase in net assets attributable to holders of redeemable shares	\$ 118,195	\$ -
Weighted average shares outstanding during the year	377,226	-
Increase in net assets attributable to holders of redeemable shares per share	\$ 0.31	\$ -

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14. SUBSEQUENT EVENTS

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Corporation's performance and financial results.

15. FILING OF FINANCIAL STATEMENTS

The Corporation is relying on the exemption in section 2.11 of National Instrument 81-106 - Investment Fund Continuous Disclosure not to publicly file its financial statements for the year ended December 31, 2019.