R.N. Croft Financial Group Inc.

The Active Portfolio Program

Class C-4 Strategic Balanced Share (Series R, A, I)

Objective and strategy

The Class C-4 Strategic Balanced Share aims to create long-term capital appreciation by striking a balance between Canadian enhanced income strategies and long-term equity growth. This is done by seeking a balance between equity and income-producing securities.

Managers may write covered call options on all or part of the securities in its portfolio to the extent such securities are held directly, or in respect of securities that the Share Class has the right or obligation to acquire under forward contracts or other derivative instruments. The managers may also, from time to time, buy puts to hedge against downside market movements, write puts to acquire shares, or buy calls as a stock replacement strategy. Managers may from time to time use leverage to a maximum of 50% in the aggregate (at the time of incurring leverage) of the Share Class's gross asset value.

Top holdings

	Symbol	Security	Weight
Income	XBB	ISHARES DEX UNIV BOND ETF	21.60%
Cash	1CAD	ACCOUNT BALANCE CAD	12.73%
Alternative	GLD	SPDR GOLD TRUST ETF	9.11%
Income	CPD	CLAYMORE S&P CDN PFD ETF	8.98%
Equity	SPY	SPDR S&P 500 ETF	8.13%
Equity	CIE	CLAYMORE INTL FUND ETF TU	6.62%
Equity	PXH	POWERSHR FTSE RAFI EMG MK	4.15%
Real Estate	REI.UN	RIOCAN R/ESTATE INV T/U	1.62%
Real Rtn Bond	A21461	CDA-REAL RETRN 4.25%IDC21	1.54%
Real Rtn Bond	A03692	CDA-REAL RET 4% 1DC31	1.34%

As at July 30, 2011

Costs and Fees

Portfolio Fees*	Series R	1.650%
Portfolio Fees*	Series A	0.000%
Portfolio Fees*	Series I	0.000%

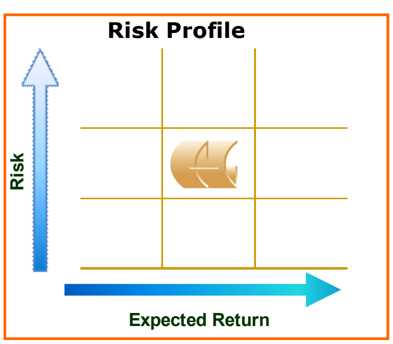
*The embedded portfolio management expense ratio shown includes a) all R. N. Croft management fees, specific to this product and b) relationship Manager fees of 1%, but does not include c) any non-Croft embedded fees.

Benchmark

The benchmark for this Share Class is the Croft RealWorld Balanced Index, which is based on the FPX Balanced Index, adjusted for a 1% management fee.

Liquidity

The Share Class is available for withdrawal and is not subject to any deferred sales charges. Transactions in the Share Class occur only when the net asset value (NAV) is calculated, every Wednesday.



Suitability and risk profile

This Share Class is suitable for income investors seeking dividends with below-average equity volatility risk. Investors seeking to use this Share Class are medium-term investors with a time horizon of seven or more years. Suitable investors are those that have the ability to withstand a drop in the value of their portfolios.

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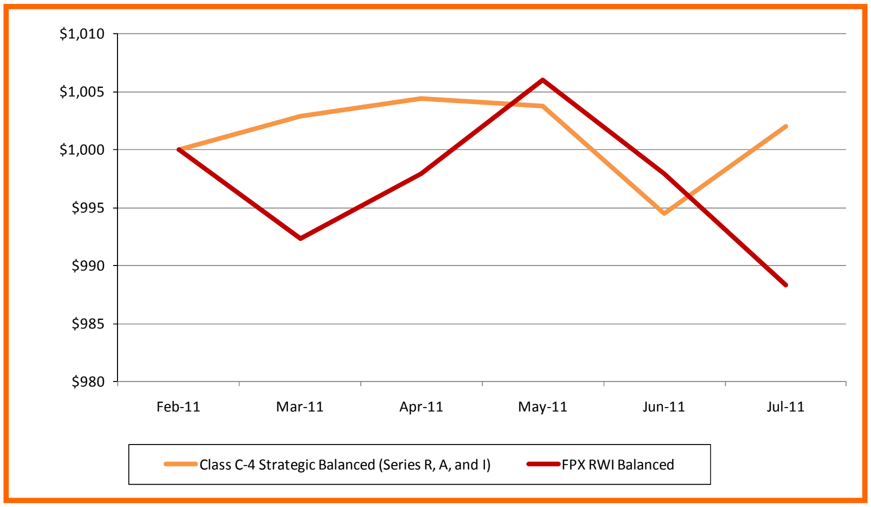
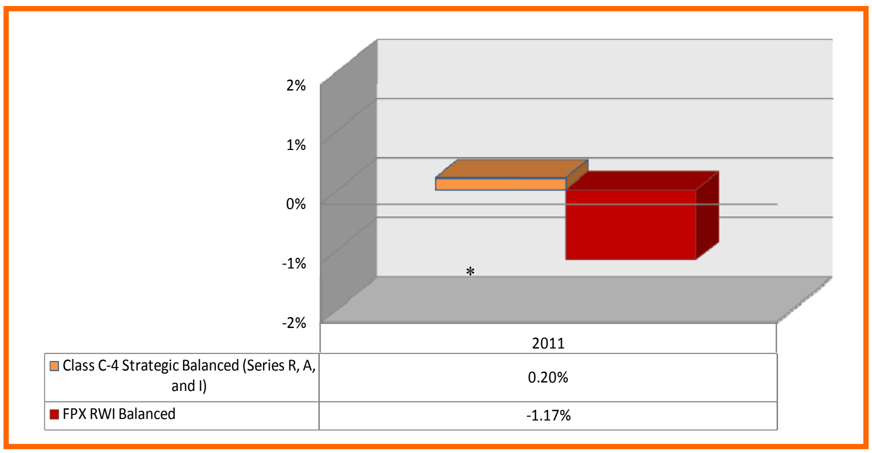
Class C-4 Strategic Balanced Share vs Benchmark Cumulative Returns



As at July 30, 2011

Annual Returns



As at July 30, 2011

REALWORLD BALANCED INDEX

Composition

Gov't of Canada Treasury Bills	10%
Gov't of Canada Laddered Bonds	40%
iShares CDN LargeCap 60 Index Fund	25%
Five country-specific iShares ETFs	15%
S&P 500 Depositary Receipts	10%

At Croft Financial Group we use what we call the "Croft RealWorld Indexes" as our passive benchmarks. These are three globally diversified index-based portfolios based on the FPX Indexes originally co-developed by Richard Croft. These indexes are diversified by asset mix and geographic region, and are rebalanced semi-annually. What makes these benchmarks different is that they are investable, and they include a basket of index-based exchange traded funds. The Croft RealWorld Indexes take the process a step further and adjust the FPX Indexes for a 1% management fee, about the average fee paid by Canadian investors for portfolio management.

Benchmark Characteristics

Unambiguous. The components are clearly specified.
Appropriate or representative. It is consistent with your portfolio objectives.
Measurable. Performance can be established frequently.
Current. It is based on marketable securities.
Investable. It can be replicated and the components can be purchased separately.

Portfolio Statistics	Portfolio	Benchmark
Returns		
1-month	0.75%	-0.96%
3-months	-0.24%	-0.96%
6-months	—	—
1-year	—	—
Since inception* (compounded)	0.20%	-1.17%
Annual standard deviation	0.39%	2.93%
Sharpe Ratio	(0.76)	(0.57)
Maximum up month	0.75%	0.81%
Maximum down month	-0.92%	-0.96%

* February 28, 2011

Time Horizon 7+ years

This is a medium-risk portfolio with a medium time horizon. Low to moderate volatility in this portfolio may increase risk of capital loss, but this portfolio is suitable for those choosing to make withdrawals.

DISCLAIMER & NOTES

Portfolio management services provided by R.N. Croft Financial Group Inc. All metrics as at 7/30/2011. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance is based on actual returns to 7/30/2011 net of embedded management and operating fees and transaction costs, but not adjusted for any account or relationship manager fees. Portfolio returns are net of all witholding taxes. Performance data have not been audited and are for illustrative purposes only. R N Croft Financial Group Ltd. is a licensed Portfolio Manager serving individual and institutional clients throughout Canada. Valuations and performance results are reported in Canadian dollars. Additional information regarding calculating and reporting performance is available upon request. Please contact R.N. Croft Financial Group, 218 Steeles Ave. East, Thornhill, ON L3T 1A6, Telephone: 905-695-7777 or Toll-free: 1-877-289-2884. APPC48182011