



R.N. Croft Financial Group Inc.

# The Active Portfolio Program

## Class E-4 GAIInS Tactical Balanced (TCG474)

### Objective and strategy

The investment objective of E-4 GAIInS Tactical Balanced is to use a tactically-balanced portfolio of Canadian and global equity and fixed income investments to produce superior capital appreciation in favourable market conditions and preserve capital in more volatile markets.

Based on relative market returns and volatility measures, each month the GAIInS Tactical Balanced portfolio manager may choose to rebalance a select range of Canadian and Global index funds or ETFs, varying between a maximum of 70% equity to 90% fixed income investments. The portfolio manager also may choose to include up to 20% alternative strategies, including options, futures or other derivatives, as appropriate to decrease volatility and increase returns.

### Benchmark

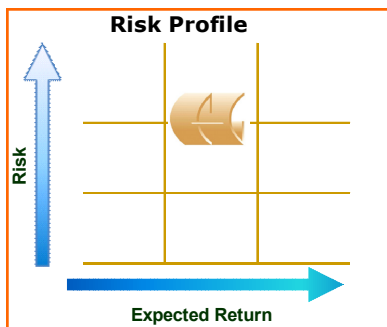
The benchmark for this Share Class is the Croft RealWorld Balanced Index, which is based on the FPX Balanced Index, adjusted for a 1% management fee.

### Liquidity

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

### Reporting

The price of the Share Class is reported on the R.N. Croft Financial Group Inc website at [www.croftgroup.com](http://www.croftgroup.com). Clients may view their pro-rata ownership of the underlying securities of the Share Class by accessing the Corporate Class Platform area of the website and using the calculator feature at [www.croftgroup.com/products/pools.asp](http://www.croftgroup.com/products/pools.asp). Clients must select the Share Class and the number of shares owned to view contents of the portfolio.



### Suitability and risk profile

This portfolio has moderate equity volatility risk and is suitable for Balanced mandate investors, who have a longer time horizon and the ability to withstand a 10% drop in the value of their portfolio. The targeted moderate risk, higher returns, and tax profile make the GAIInS Tactical Balanced portfolio especially suitable for registered plans, Individual Pension Plans, and universal life investments.

### Top holdings

	Symbol	Security	Weight
Canadian Cash	CAD		1.17%
US Cash	USD		4.79%
Canadian Cash	MIP610	Manulife Investment Savings	4.45%
Cdn Fixed Income	CLF	CLAYMORE 1-5 YR LADDERED GOVERNMENT BOND ETF	9.95%
Cdn Fixed Income	CAB	CLAYMORE ADVANTAGED CANADIAN BOND ETF	10.11%
Global Fixed Income	BWX	SPDR LEHMAN INTERNATIONAL TREASURY BOND ETF	15.02%
Canadian F.I./Equity	CDZ	CLAYMORE S&P/TSX CANADIAN DIVIDEND ETF	10.44%
Canadian Equity	CRQ	CLAYMORE CANADIAN FUNDAMENTAL INDEX ETF	9.66%
US Equity	CLU	CLAYMORE US FUNDAMENTAL INDEX ETF	14.66%
Global Equity	CIE	CLAYMORE INTERNATIONAL FUNDAMENTAL INDEX ETF	9.74%
Global Equity	PXH	POWERSHARES FTSE RAFI EMERGING MARKETS PORTFOLIO	10.01%

As at July 29, 2011

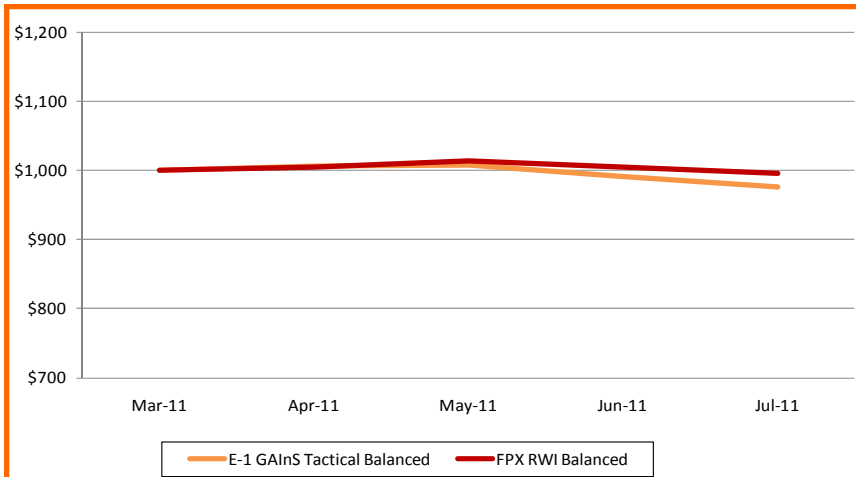
### Costs and Fees

**Portfolio Fees\*** **1.65%**

Please refer to the Offering Memorandum for the Active Management Portfolio Program for further fee disclosure. The Offering Memorandum is available on the Croft website at [www.croftgroup.com](http://www.croftgroup.com) or by contacting R.N. Croft Financial Group Inc.

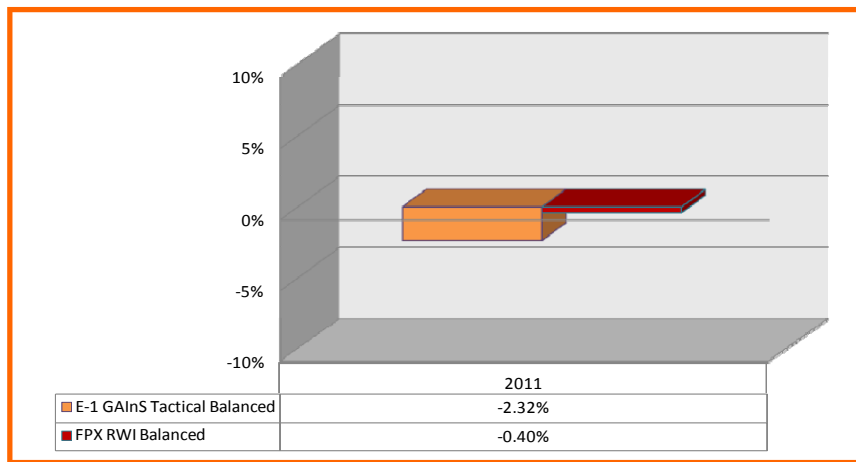
# Class E-4 GAIInS Tactical Balanced vs. Benchmark

## Cumulative Returns<sup>1</sup>



As at July 29, 2011

## Annual Returns<sup>1</sup>



As at July 29, 2011

### Portfolio Statistics

Returns	Portfolio	Benchmark
1-month	-1.52%	-0.96%
3-months	-2.99%	-0.96%
6-months	-	-
1-year	-	-
3-year	-	-
Inception*	-2.32%	-0.40%
Annual standard deviation	1.14%	6.48%
Sharpe Ratio	(3.14)	(0.22)
Maximum up month	0.20%	0.81%
Maximum down month	-1.60%	-0.96%

\* Inception Feb. 28, 2011

### DISCLAIMER & NOTES

Portfolio Management services provided by R.N. Croft Financial Group Inc. All metrics as at 07/29/2011. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance is based on actual returns to 7/29/2011 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 withholding taxes. Performance data have not been audited and are for illustrative purposes only. R.N. Croft Financial Group Inc. 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: 1877-289-2884.



### 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 Depository 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.

### Time Horizon 6+ years

This is a medium-risk portfolio with a longer time horizon. Moderate volatility in this portfolio may increase risk of capital loss, discouraging early withdrawals.