



PIE Funds Portfolios

PIE Portfolio 2 – Conservative Income Mandate

Objective: To achieve a consistent, and if appropriate, tax advantaged annual return with minimal downside risk

Strategy: The Conservative Income Portfolio intends to deliver on its objective through its holding of the PIE Income fund which invests in four distinct income producing strategies. The strategies include; 1) cash and fixed income, 2) preferred shares, 3) income trusts and 4) option writing. The portfolio also provides some growth potential through investments in the PIE Canadian Equity Fund and the PIE Alternative Strategies Fund. Portfolio re-balancing is intended to realign the portfolio bringing it back into line with its initial mandate.

Investor: This portfolio is suitable for conservative investors seeking income with minimal growth and average downside risk.

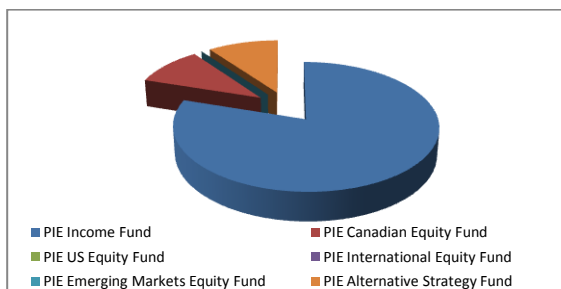
Liquidity: Funds are available for withdrawal and are not subject to deferred sales charges.

Reporting: Investors with minimum accounts of \$25,000 will receive Quarterly Reviews.

Portfolio

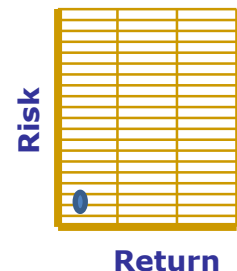
Fund	Asset Class	Fund Code Series A	Mgmt Fee	Fund Code Series I	Mgmt Fee	Weight (%)	Fund Risk	Std Dev
PIE Income	Income	TCG 440	1.80%	TCG 640	0.30%	80.00%	Low	3.402%
PIE Canadian Equity	Equity	TCG 441	1.80%	TCG 641	0.30%	10.00%	Medium	16.596%
PIE US Equity	Equity	TCG 442	1.80%	TCG 642	0.30%	0.00%	Medium	14.009%
PIE International Equity	Equity	TCG 443	1.80%	TCG 643	0.30%	0.00%	Medium	14.232%
PIE Emerging markets Equity	Equity	TCG 444	1.80%	TCG 644	0.30%	0.00%	Medium – High	20.907%
PIE Alternative Strategies	Alternative	TCG 445	1.80%	TCG 645	0.30%	10.00%	Medium	13.498%

Portfolio Allocation



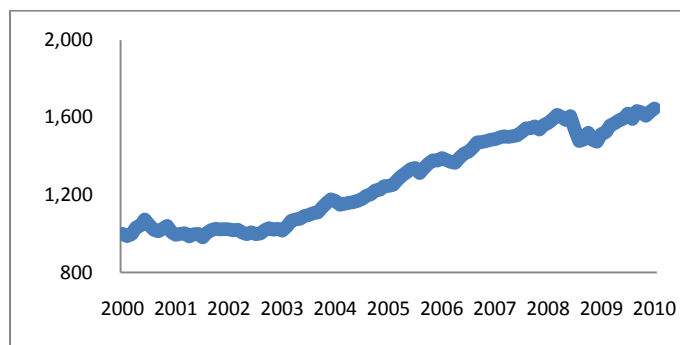
Portfolio Risk Profile

Objectives	Risk Tolerance		
Safety	0%	Low	0%
Income	0%	Low-Mid	80%
Balanced	90%	Medium	20%
Growth	10%	Mid-High	0%
		High	0%



The PIE Funds are offered by prospectus by PIE Portfolio Index Evolution Corporation, which is related, connected, and managed by R.N. Croft Financial Group Inc., which also acts as investment advisor to the Fund. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated.

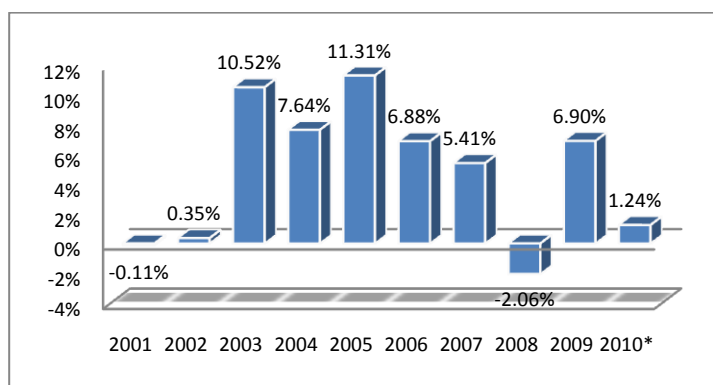
Benchmark Cumulative Performance



Benchmark Statistics (10 Year)

Compound Annual Returns	5.11%
Annual Standard Deviation	4.96%
Sharpe Ratio	0.93
Maximum % Up	3.58%
Maximum % Up	-4.26%
Average % Up	1.12%
Average % Down	-1.27%
Number of Up Months	85
Number of Down Months	35

Benchmark Annual Performance



Time Horizon – 3+ Years

This is a lower risk portfolio with a shorter time horizon. Investors in this model should experience lower volatility, allowing for withdrawals as required.

Real World Conservative Index



Croft Financial Group uses the "Croft RealWorld Indexes" as 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

Composition

Gov't of Canada Treasury Bills	20%
Gov't of Canada Laddered Bonds	50%
iShares CDN LargeCap 60 Index Fund	25%
S&P 500 Depositary Receipts	5%

PIE Portfolio Index Evolution

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