

THE C.F.G. HEWARD FUND PROFILE

AS OF JUNE 30, 2009

INVESTMENT REPORT 2Q

FUND DETAILS

Overview

Recessions associated with a financial crisis that are spread around the world, are usually longer and deeper than average. The circumstances surrounding the current environment have been far more troubling and would suggest that this recession will be followed by a sluggish recovery. However, while it is clear that the tentacles of the financial crisis wove themselves around the global economy, the unprecedented coordinated response by the G20 nations finally seems to be loosening that grip. Implementing both monetary and fiscal policies, governments and central bankers have planted what appear to be the seeds for recovery and "green shoots" are beginning to sprout. Credit spreads, which had ballooned at the start of the crisis, have since fallen back. Although global economic weakness continues, the pace of deceleration has started to slow with many economic indicators seemingly in the process of bottoming. While history has proven that global economies eventually will recover, questions abound as to its timing, leadership and the quality. *It will not be as easy as a "V" or "U" or "W" shaped recovery.* Anticipating some kind of recovery, markets caught spring fever in early March, 2009. While many have begun to embrace this as the beginning of a new bull market, we believe that until we see the underlying fundamentals improve rather than just decline at a slower pace this remains part of the bottoming and turnaround process. With newly added risks from the escalation in oil and commodity costs, along with rising interest rates, we would not be surprised to see markets take a breather. Portfolios have reached a point where they need to be positioned for what we see as a dull cyclical recovery.

Review

The message from equity markets is quite clear: thawing credit conditions, rising orders from purchasing managers, drawn down inventories and a recovery (although still weak) in retail sales are important indicators that the recession is bottoming. The green shoots of recovery may be artificial in nature, but investors realized that they are sprouting under greenhouse conditions. With these factors forming the backdrop, markets extended their late winter rally climbing steadily through the second quarter. The final tally showed the TSX surging 17.56% with global markets, as measured by the MSCI World Index (CAD), recouping earlier losses to finish up 0.05%. For the same period, the Bryth portfolio registered a 12.46% return versus 10.97% for the benchmark. Markets were led by the banking and insurance sectors, industrials and transportation stocks. International mining and energy companies rallied on the back of a recovery in their respective commodity prices. By early March, after seeing what we considered to be many stocks selling below fair value and offering compelling long term prospects, we added to equities. Key moves included establishing/increasing positions in Canadian banks, increasing energy and basic materials. We also added to select areas of the consumer sector, focusing on food retailers, drug stores and the home renovation market, all beneficiaries of a strong Canadian dollar. During the quarter we booked profits in precious metals, energy and in some of our basic material and financial positions which experienced significant moves in anticipation of proposed government stimulus packages. We eliminated our exposure to India, which was also purchased during the quarter, after it appreciated more than 50.0%. On the fixed income side of the portfolio, we extended our average term through the purchase of bank and insurance companies preferred shares (with a reset option) and high quality corporate bonds, taking advantage of the higher yield spreads.

Fund Class	Fund Number	NAV (\$)
Class A	HEW 451	8.76
Class F	HEW 452	8.76
Class O	HEW 450	9.26
Fund Size (Million \$)		\$33.8
Total Distributions 2Q 2009 (per unit)		\$0.06
Inception Date		March 18, 2005

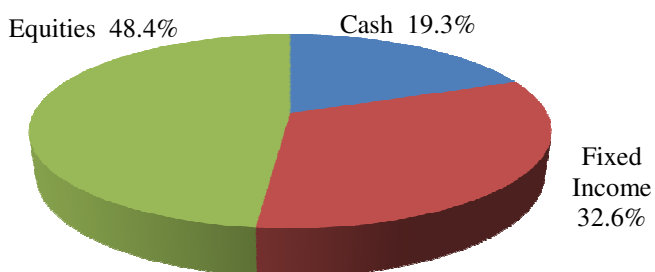
PERFORMANCE AS OF JUNE 30, 2009

	3 mths.	1 year	2 years	ANNUALIZED 3 years	4 years
<u>C.F.G. Heward</u>					
<u>Fund</u>	+10.00%	-11.42%	-8.20%	-0.43%	+2.04%
<u>Benchmark*</u>	+7.79%	-8.77%	-4.28%	+0.71%	+2.09%
<u>Ave. Global Bal- anced Fund**</u>	+8.96%	-12.21%	-7.43%	-1.10%	-

*10% Scotia 91-Day T-Bill Total Return Index/40% Scotia McLeod Short Bond Total Return Index/25% S&P/TSX Total Return Index/25% MSCI World Index Total Return (CDN)

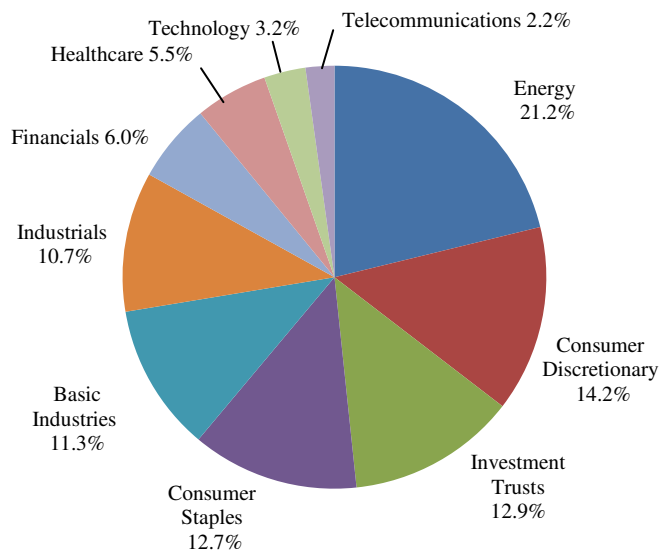
** globefund.com; June 30, 2009

ASSET MIX



Investment Policy: Equity 50%, Fixed Income 45%, Cash 5% (+/- 20%)

EQUITY SECTOR ALLOCATION



THE C.F.G. HEWARD FUND PROFILE

AS OF JUNE 30, 2009

CHAIRMAN



Chilion Heward has been in the investment industry since 1952. He founded the firm in 1981 after serving thirty years with Jones Heward & Co. He developed and continues to maintain a strong global network of personal relationships with advisors, bankers and investment dealers. He is the chairman of the investment policy committee.

ABOUT THE FIRM

Headquarters: Montreal, Quebec

Founded: 1981

Staff: 21 Portfolio Managers: 6

Investment Style: Growth at a Reasonable Price (GARP) with a value bias.

Investment Process: Top-down / Bottom-up

Investment Objective: To provide long-term capital growth

Assets Under Management: \$750 million

TOP TEN EQUITY HOLDINGS

Stock name	% of equities
Scottish Oriental	10.1%
Canadian Natural Resources Ltd.	3.7%
Coca Cola Co.	3.4%
Canadian Tire Ltd.	3.4%
Suncor Energy	3.2%
CGI Group Inc.	3.2%
Anglo American plc.	3.1%
Talisman Energy Inc.	3.1%
Owens Illinois Inc.	3.0%
Aberdeen New Dawn	2.8%

FUND MANAGERS



Willem Hanskamp, has over thirty four years experience in the investment industry. As a member of the investment policy committee, his focus is on foreign equities and fixed income investments.



Renato Anzovino, CFA has nineteen years of experience in the investment industry. As a member of the investment policy committee, his focus is on Canadian equities and company valuations.



Maurice Conti has over thirty years experience in the investment industry. As a member of the investment policy committee, his focus is on North American equity markets.

FUND DETAILS

Fund Type: Canadian Balanced Pooled Fund with foreign exposure (up to 30% of the assets may be held in foreign securities).

Fund Manager: C.F.G. Heward Investment Management Ltd.

Investment Objectives: The C.F.G. Heward Fund seeks to achieve safety of capital and a superior long-term rate of return. This will be achieved via a balanced approach of various fixed income and equity vehicles derived from the global marketplace.

Inception Date: March 18, 2005

Registered Account Eligibility: RRSP, RESP, RRIF, IPP

Minimum Investment: \$150,000
(\$50,000 for accredited investors)

Distribution Frequency: Income: Quarterly
Capital Gains: Annually

Management Fees: Class A: 2%, Class F: 1%, Class O: Neg.

Provinces of Distribution: QC, ON, AB, NB, BC

Custodian: RBC Dexia Investor Services Trust

Trustee: RBC Dexia Investor Services Trust

Auditors: BDO Dunwoody S.E.N.C.R.L./LLP

CONTACT US



C.F.G. Heward Investment Management Ltd.
2115 rue de la Montagne
Montreal, Quebec
H3G 1Z8

Tel: +1 514 985 5757 Fax: +1 514 985 5755

Primary contact: Helen Barfuth

Email: hbarfurth@heward.com

Website: www.heward.com

Management fees and administrative expenses all may be associated with pooled fund investments. Please read the offering memorandum before investing. The indicated rates are the historical compound total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Pooled fund is not guaranteed, its value changes frequently and past performance may not be repeated.