

THE C.F.G. HEWARD CANADIAN DIVIDEND GROWTH FUND AS OF SEPTEMBER 30, 2009

INVESTMENT OVERVIEW 3Q

Overview

Twelve months after a financial meltdown that followed on the heels of the Lehman Brothers collapse, which required over a trillion dollars of emergency liquidity and a remarkable show of unity among G20 nations, global leaders and Central Bankers can take a moment to relax. However, as difficult and stressful their past task may have been, more daunting work awaits. Most importantly, they will need to identify the moment when global economies can stand and move forward on their own, without further heaping of support. While some credit for the success in stabilization must go to fiscal stimulus, perhaps more is due to the massive support provided to the financial sector since the crisis began. Banks have been recapitalized, money markets have normalized and most importantly there has been no other Lehman like collapse. Notwithstanding government support programs and stimulus packages targeting infrastructure, global economies are ultimately driven by consumption. To this end, we need to see major exporting economies such as China, Japan, and Germany boost consumption while debtor nations like the U.S. boost savings. Meanwhile, on the back of inventory rebuilds, improving real estate markets and some easing in bank lending conditions, GDP growth continues to be revised upwards. With a steep yield curve into the foreseeable future, a low interest environment and government intervention, liquidity will provide support for asset prices. Equities will receive further support from earnings as the operating leverage kicks in and productivity gains will be the main feature of a "jobless recovery". While capacity utilization may be trending upwards, the tremendous amount of slack that continues to haunt global manufacturing should alleviate inflationary fears.

Review

Equity markets are currently discounting the recession's end as well as a "V" shaped recovery. With emerging markets leading the recovery, export and commodity oriented economies, such as Canada, have been major beneficiaries. If you add to this the more positive news flows that are starting to emerge from the developed economies, especially in the U.S., you are now painting a more optimistic landscape for Canadian equities. Through the third quarter stocks have rallied on the back of better than expected earnings reports and in anticipation of further increases in the coming quarters. Riding this wave of enthusiasm, the fund returned 6.02 % for the quarter. The TSX index generated returns of 10.61%. The fund, which initiated operations at the beginning of the third quarter, is designed to provide investors with the potential for long-term growth in dividends by focusing on companies with non-cyclical cash flows, strong and more visible earnings, solid management teams and a track record of high dividend payments. While quite possibly incurring short term underperformance as measured against the TSX, the long term strategy of focusing on value oriented dividend paying stocks should not only outperform, but do so with significantly lower volatility. Over its first three months of operations the fund realigned over exposed areas and initiated positions in several key sectors, ending the quarter 92.0% invested. With the exception of the materials, precious metals and technology, the fund has exposure to all other sectors of the Canadian market. During the quarter, with markets having pushed valuations to levels where many stocks are no longer cheap, the fund booked profits in its energy, drug stores, engineering and financial holdings. The fund will continue to adhere to a strict discipline of taking money off the table as individual securities hit their target levels. On market pullbacks, we will use the same disciplines to buy or add to existing holdings.

FUND DETAILS

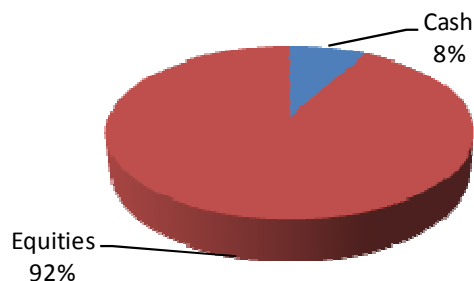
Fund Class	Fund Number	NAV (\$)
Class A	HEW 551	\$10.58
Class F	HEW 552	\$10.58
Class O	HEW 550	\$10.58
Fund Size		\$3,118,033
Total Distributions 3Q 2009 (per unit)		\$0.02
Inception Date		June 30, 2009

PERFORMANCE AS OF SEPTEMBER 30, 2009

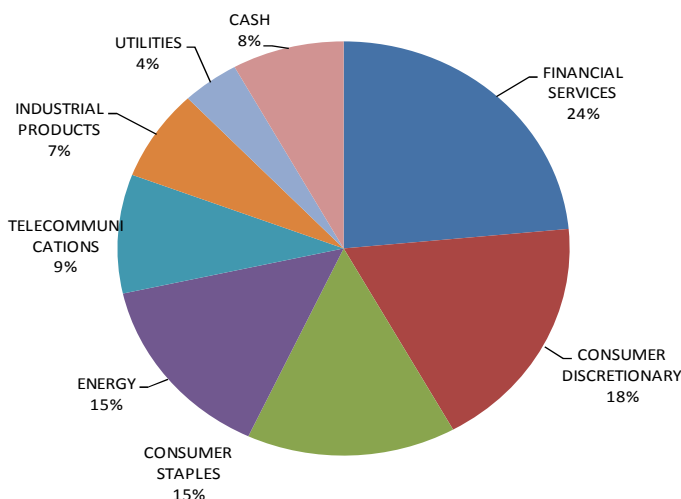
	<u>3 mths.</u>	<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>
<u>C.F.G. CDN Div</u> <u>Fund</u>	+6.02%	-	-	-	-
<u>S&P/TSX Index</u>	+10.61%	+0.51%	-7.24%	+1.85%	+3.65%
<u>Ave. Canadian</u> <u>Equity Fund*</u>	+9.39%	-0.63%	-9.55%	-2.11%	-

*globefund.com; September 30, 2009

ASSET MIX



SECTOR ALLOCATION



THE C.F.G. HEWARD CANADIAN DIVIDEND GROWTH FUND AS OF SEPTEMBER 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: \$800 million

TOP TEN EQUITY HOLDINGS

Stock name	% of portfolio
TRANSCANADA CORPORATION	5.24%
THOMSON REUTERS CORP	5.18%
POWER CORP OF CANADA	5.16%
CANADIAN NATIONAL RAILWAY CO	4.99%
ROYAL BANK OF CANADA	4.98%
SHAW COMMUNICATIONS INC CL B	4.97%
ENCANA CORP	4.97%
TORONTO DOMINION BK	4.89%
ROGERS COMMUNICATIONS - CL B	4.85%
SHOPPERS DRUG MART CORP	4.79%

FUND MANAGERS



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. He is the lead manager on the CFG Heward Dividend Growth Fund.



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.



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 Dividend Growth Fund

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

Investment Objectives: The C.F.G. Heward Dividend Growth Fund seeks to maximize income and achieve modest long term capital appreciation. The Fund will strive for two objectives; income and growth for investors

Inception Date: June 30, 2009

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: Renato Anzovino

Email: ranzovino@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.