

Heward
Equity Fund
AS OF SEPTEMBER 30, 2018



FUND FACTS

Inception Date : November 1, 2016
Fund Size (million \$) : \$21.5

Portfolio Manager : Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ451	\$12.69
Class F	MAJ452	\$12.37
Class O	MAJ450	\$14.32
Class D	MAJ453	N/A

Distributions	
Q3 Income Distribution (Class O)	\$0.05
YTD Income Distribution (Class O)	\$0.20
Annual Capital Gains Distribution	N/A

PERFORMANCE - Compounded Annual Returns (%)

	1 mth.	3 mths.	6 mths.	YTD	1 year	2 years	3 years	5 years	Since Inception
Heward Equity Fund	-0.47%	+2.80%	+5.86%	+3.56%	+9.88%				+10.29%
Global Equity Benchmark*	-0.73%	+1.03%	+5.48%	+3.97%	+8.53%				+8.96%

*10% FTSE TMX Canada 91 Day TBill Index / 45% S&P TSX Total Return Index / 45% MSCI World Index Total Return (C\$)

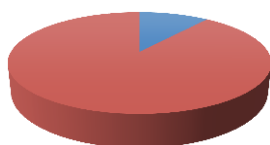
OBJECTIVES AND STRATEGY

The Heward Equity Fund seeks to achieve a superior long-term rate of return and safety of capital. The strategy is diversified across various sectors and market capitalizations in the global marketplace. The portfolio will be structured in accordance with the Manager's view of the market, therefore, sector allocations may vary significantly over time.

WHAT DOES THE FUND INVEST IN?

Current Asset Mix

CASH	10.6%
EQUITY	89.4%



Sector Allocation

CONSUMER DISCRETIONARY	7.46%
CONSUMER STAPLES	5.18%
ENERGY	9.52%
FINANCIALS	18.65%
HEALTH CARE	6.36%
INDUSTRIALS	15.87%
INFORMATION TECHNOLOGY	7.74%
MATERIALS	7.72%
COMMUNICATION SERVICES	9.43%
UTILITIES	1.50%
CASH	10.58%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
BANK OF NOVA SCOTIA COMMON	3.59%
DEUTSCHE POST AG SPONSORED ADR	3.00%
ORACLE CORP COMMON	2.80%
WALGREENS BOOTS ALNC COMMON	2.77%
BLACKSTONE GROUP UNIT	2.76%
DOLLAR TREE INC COMMON	2.71%
WALT DISNEY CO COMMON	2.68%
FINNING INTL COMMON	2.65%
CISCO SYSTEMS INC COMMON	2.64%
AT&T INC COMMON	2.63%

WHO SHOULD INVEST IN THIS FUND?

The Heward Equity Fund caters to investors that value capital preservation. They aim to participate in long-term growth opportunities available in equity markets.

HOW THE FUND PERFORMED

The current market can be classified as having elements of both fear and greed operating within it. While an unusual mixture, it is a rare occurrence, coming around roughly every three years (Longview Economics), and is typically brought on by divergent global trends, tightening monetary policy and/or tightening financial conditions. Despite the steady flow of negative news about protectionism (trade) and crises in emerging economies, global growth (while slowing) continued to hold up well. In spite of the mixed investor sentiment, the Heward Equity Fund generated a return of 2.80%, easily beating its benchmark which posted a 1.03% return for the quarter.

On the international front, Walgreen Boots (14.22%), Abbott Labs (13.49%) and Honeywell (13.24%) were our top performers. Domestically, Gibson Energy (19.62%), Alimentation Couche Tard (12.67%) and Thomson Reuters (10.90%) were the leaders. On the negative side, even though our stocks have little exposure to the widening of differentials for Western Canadian Select (WCS), negative sentiment impacted most of sector. Two of our Canadian retailing stocks were impacted by negative news of increased competition coming from abroad.

If there is one constant in financial markets, it is the prevalence of “noise”. The key to successful investing is sifting through the research, zeroing in on the little that matters and ignoring the rest. Rarely has this adage been truer than in recent months. Based on the headlines and the breathless opinions expressed in the financial media, markets should be coming apart. However, global expansion remains on track and while firming, inflation remains modest in the U.S. and well below central bank targets in the euro area and Japan. At the same time, corporate America has never been in better shape. July’s changes in policies by Chinese authorities are already being felt with the foundation having been laid for a robust recovery in 2019. With economic expansion (and U.S. tax cuts) underpinning earnings growth in the U.S., the euro zone and Japan, and expected stronger growth in China, we anticipate deploying our higher than normal cash positions (using market opportunities) once the macro picture clears.

QUICK FACTS AND FUND CHARACTERISTICS

CHARACTERISTICS:

- Equity portfolio of Canadian and global securities
- 35-45 Holdings
- Moderate risk
- Medium to long-term appreciation

FUND TYPE: Global Equity

REGISTERED ACCOUNT ELIGIBILITY: RRSP, RESP, RRIF, IPP, TFSA

MINIMUM INVESTMENT: \$150,000 (or investors who meet criteria as “accredited investor”)

DISTRIBUTION FREQUENCY: Income: Quarterly/Capital Gains: Annually

PROVINCES OF DISTRIBUTION: QC, ON, AB, NB, BC

FUND MANAGER: Majestic Asset Management LLC

FUND ADMINISTRATOR: SGGG Fund Services Inc

CUSTODIAN: National Bank Correspondent Network

TRUSTEE: TSX Trust Company

AUDITORS: KPMG Canada

LEAD MANAGER

Renato Anzovino, CFA

Vice President, Portfolio Manager

Renato Anzovino has 20 years of experience in portfolio management. Prior to joining Heward in 2003, Mr. Anzovino was a Vice President at a prominent investment management firm. His previous experience extends to the Royal Trust and the Royal Bank Financial Group, where he was a portfolio manager for their private client division. Renato is an active member of the Montreal Society of Financial Analysts. Mr. Anzovino is also the lead Portfolio Manager of the Heward Canadian Dividend Growth Fund.

Co-managers: Maurice Conti & Willem Hanskamp

ABOUT THE FIRM

HEAD OFFICE: Montreal, Quebec

FOUNDED: In 1981 and remains independently owned by the principals of the firm, thus ensuring its continued independence

STAFF: 20

PORTFOLIO MANAGERS: Stable and experienced investment management team of 6 with almost 200 years of combined experience

INVESTMENT STYLE: Growth at a Reasonable Price (GARP) with value basis.

INVESTMENT PROCESS: Top-down / Bottom-up

INVESTMENT OBJECTIVE: To provide long term growth and preservation of capital

ASSETS UNDER MANAGEMENT: Approximately \$710 million

FOR MORE INFORMATION

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Performance is calculated after brokerage costs, but before management fees. 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, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Pooled funds are not guaranteed, their value changes frequently and past performance may not be repeated. The Global Equity Benchmark has been used since the inception of the Heward Equity Fund on November 1st, 2016. It reflects the Fund’s investment policy of 45% Canadian equity, 45% global equity and 10% cash (+/- 20%). The blended returns are calculated by Heward Investment Management Inc. using end of day index level values licensed from MSCI (“MSCI Data”). For the avoidance of doubt, MSCI is not the benchmark “administrator” for, or a “contributor”, “submitter” or “supervised contributor” to, the blended returns, and the MSCI Data is not considered a “contribution” or “submission” in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided “AS IS” without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilizing any MSCI Data, models, analytics or other materials or information.