

Heward
Equity Fund
AS OF DECEMBER 31, 2018



FUND FACTS

Inception Date : November 1, 2016
Fund Size (million \$) : \$19.9

Portfolio Manager : Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ451	\$11.49
Class F	MAJ452	\$11.31
Class O	MAJ450	\$13.18
Class D	MAJ453	N/A

Distributions	
Q4 Income Distribution (Class O)	\$0.07
YTD Income Distribution (Class O)	\$0.27
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	-5.06%	-7.50%	-4.91%	-4.21%	-4.21%	+2.94%			+5.19%
Global Equity Benchmark*	-4.76%	-8.54%	-7.59%	-4.90%	-4.90%	+2.08%			+3.53%

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

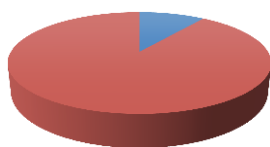
OBJECTIVES AND STRATEGY

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	10.0%
EQUITY	90.0%



Sector Allocation

CONSUMER DISCRETIONARY	8.73%
CONSUMER STAPLES	4.28%
ENERGY	11.23%
FINANCIALS	17.31%
HEALTH CARE	7.17%
INDUSTRIALS	12.14%
INFORMATION TECHNOLOGY	8.35%
MATERIALS	7.63%
COMMUNICATION SERVICES	11.87%
UTILITIES	1.32%
CASH	9.97%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
WALT DISNEY CO COMMON	3.60%
BANK OF NOVA SCOTIA COMMON	3.41%
DOLLAR TREE INC COMMON	3.40%
BLACKSTONE GROUP UNIT	3.27%
SUNCOR ENERGY INC COMMON	3.25%
NUTRIEN LTD COMMON	3.06%
CDN NATL RAILWAY COMMON	3.04%
AT&T INC COMMON	2.93%
OPEN TEXT CORP COMMON	2.90%
HONEYWELL INTL INC COMMON	2.89%

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

Global markets began the year positively, as tight labor markets, weak inflation and potential business investment contributed to investor optimism and slightly excessive P/E's. Possible trade wars coupled with a rising interest rate environment caused markets to stumble in February, before recovering through the mid part of the year. With autumn bringing renewed uncertainty on the trade front and fears of a policy mistake by the U.S. Fed, investors seemed to panic with volatility more than doubling since the end of September. October bore witness to one of the worst monthly stock performances in years, until December's selloff decimated markets. By the time the smoke had cleared the Heward Equity Fund had suffered a loss of 7.50% for the final quarter and -4.21% for the year. Both marks however, bested the benchmark which posted returns of -8.54% and -4.90% respectively. Top performers in the fund were Cisco Systems (16.27%), Aecon Group (12.03%) and Abbot Labs (9.72%). The laggards for the year were Dollarama (-38.90%), Deutsche Post AG (-32.56%) and AT&T Inc (-18.61%).

The final few months of 2018 may have set the tone for what we are likely to see in 2019. Markets and monetary policy are now colliding, but the story has yet to fully play out. The tightening cycle is still at an early stage in the U.S. and has not even begun in other regions. However, while a rocky road lies ahead, the conditions for a major bear market or recession are not yet in place. Furthermore, the extent to which many market participants are conflating the potential slowdown in both economic activity and earnings growth for 2019 with a recession remains surprising. In fact, it seems that the process of capitulation may have started. There has been a doubling in bearish sentiment since September, and valuations are now down to fair (almost attractive) levels. We continue to believe that the still-accommodative monetary policy, the yet to be seen supply side effects of the tax cut, reflationary policies in China and the euro zone will pave the way for better global economic growth than the current market sell off is pricing in. This leaves a window for risk assets to show renewed strength, but it remains to be seen whether prices will reach new peaks.

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 \$657 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.