

## FUND FACTS

**Inception Date :** April 19, 2017  
**Fund Size (million \$) :** \$5.6

**Portfolio Manager :** Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ751	N/A
Class F	MAJ752	\$10.39
Class O	MAJ750	\$10.58
Class D	MAJ753	N/A

Distributions	
Q2 Income Distribution (Class O)	\$0.04
YTD Income Distribution (Class O)	\$0.04
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
<b>Heward Global Leaders Fund</b>	<b>+4.14%</b>	<b>+2.74%</b>	<b>+9.39%</b>	<b>+9.39%</b>	<b>+4.95%</b>	<b>+5.39%</b>			<b>+3.12%</b>
Global Leaders Benchmark*	+2.71%	+1.35%	+10.46%	+10.46%	+3.74%	+6.56%			+4.72%

\*80% MSCI World, 10% S&P/TSX Total Return Index, 10% FTSE TMX Canada 91 Day TBill Index

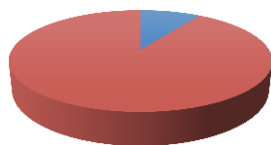
## OBJECTIVES AND STRATEGY

The Heward Global Leaders Fund seeks to generate consistent risk adjusted returns over the long term by identifying high-quality global businesses that are attractively priced. These companies are typically leaders in their respective business field, have high defensible barriers to entry, strong free-cash-flow generation, solid management, high returns on invested capital and consistent return of capital via dividends. By focusing on predictable high-quality global businesses, the goal is to preserve capital during market corrections and downturns while generating value over an economic cycle. The Fund is comprised of 35-50 leading global businesses from four regions: North America, Europe, Asia-Pacific and Japan.

## WHAT DOES THE FUND INVEST IN?

### Current Asset Mix

CASH	9.2%
EQUITY	90.8%



### Sector Allocation

CONSUMER DISCRETIONARY	8.42%
CONSUMER STAPLES	13.23%
ENERGY	8.22%
FINANCIALS	16.75%
HEALTH CARE	11.78%
INDUSTRIALS	6.37%
INFORMATION TECHNOLOGY	12.67%
MATERIALS	6.47%
COMMUNICATION SERVICES	6.91%
CASH	9.17%



### TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
WALT DISNEY CO COMMON	2.61%
HONEYWELL INTL INC COMMON	2.45%
HOME DEPOT INC COMMON	2.43%
ABBOTT LABS COMMON	2.36%
MERCK & CO INC COMMON	2.35%
AMERICAN EXPRESS CO COMMON	2.31%
ROYAL DUTCH SHELL SPONS ADR A	2.28%
JOHNSON & JOHNSON COMMON	2.28%
VERIZON COMMUNICATIO COMMON	2.27%
BARRICK GOLD CORP COMMON	2.21%

## WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors that value capital appreciation. They aim to participate in long-term growth opportunities available in equity markets.

## HOW THE FUND PERFORMED

If anyone ever wondered what drives markets, the last month has proven it is the perception of Federal Reserve policy and the direction of interest rates. The big debate facing stocks is if increased monetary accommodation with collapsing bond yields, coupled with trade hopes, offset the slowing global growth? For the past 4 weeks, the collapse in yields and the China trade truce/agreement helped to propel stocks higher and the S&P 500 to new highs despite slowing growth and reduced earnings expectations. The US economy remains resilient and inflation remains tame and well below the Federal Reserve's 2% target. Importantly, consumer confidence measures rose in May. The Conference Board's consumer confidence index is 4.1% above its year ago level, and the University of Michigan's consumer sentiment index is 2.9% above its year-earlier level. In our view the resilience in these confidence indicators reflects the steady jobs gains recorded in recent years as well as rising incomes.

In terms of our preferred sector exposure, we maintain a positive outlook towards: Health Care (pharmaceuticals, medical services), Technology (software, cloud computing), Financials (US banking and diversified financial services), Consumer Discretionary and Industrials. Gold is seeing renewed interest by investors as a "safe haven" asset during periods of equity and fixed income market uncertainty. We will own a portfolio weight between 5 – 7%. The long-term trend for bullion appears higher and we are positioned accordingly. Contrary to popular belief, historically, the best environment for equities is in a period of modest growth and stable inflation, the "Goldilocks economy". We may be approaching this phase again! The economy drives corporate earnings and the direction of earnings is driven by economic activity, which remains in uptrend. While constructive on global equities longer term, we will monitor the political and economic landscape closely and reassess our positions as we move through the summer months.

## QUICK FACTS AND FUND CHARACTERISTICS

**CHARACTERISTICS:**

- Equity portfolio with international exposure
- 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

### Geoffrey Heward

#### Senior Vice President, Portfolio Manager

A third generation Heward and portfolio management professional, Geoffrey Heward began his career with Cazenove & Co. in London, England, in 1986. Later, he returned to Canada and joined Merrill Lynch in Toronto, focusing on international equities. Geoff has extensive investment experience having also worked with Sanwa Bank, Scotia Capital Markets and Desjardins Securities, where he held the position of Vice President, Equity Capital Markets. In 2007, having lived away from Montreal for more than 20 years, Geoff returned to join the family firm.

**Co-managers:** Devon Prangle, CFA

## 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 \$699 million

## FOR MORE INFORMATION

### PLEASE CONTACT HEWARD INVESTMENT MANAGEMENT INC.

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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 Leaders Benchmark has been used since the inception of the Heward Global Leaders Fund on April 30<sup>th</sup>, 2017. It reflects the Fund's investment policy of 80% global equity, 10% Canadian 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.