

Heward
Canadian Dividend Growth Fund
AS OF DECEMBER 31, 2019



FUND FACTS

Inception Date : June 30, 2009
Fund Size (million \$) : \$62.2

Portfolio Manager : Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ551	\$10.95
Class F	MAJ552	\$17.90
Class O	MAJ550	\$18.13
Class D	MAJ553	N/A

Distributions	
M12 Income Distribution (Class O)	\$0.12
YTD Income Distribution (Class O)	\$0.56
Annual Capital Gains Distribution	\$0.62

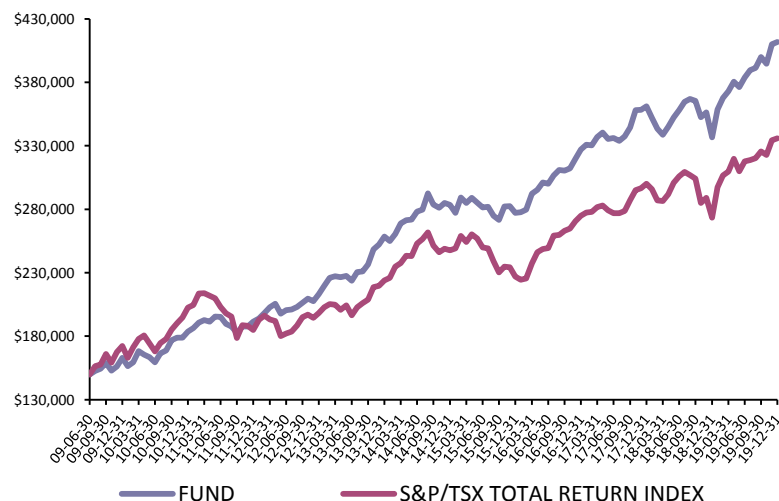
PERFORMANCE - Compounded Annual Returns (%)

	1 mth.	3 mths.	6 mths.	YTD	1 year	2 years	3 years	5 years	10 years	Since Inception
Heward Canadian Dividend Growth Fund	+0.41%	+2.97%	+7.28%	+22.29%	+22.29%	+6.80%	+7.98%	+7.76%	+9.71%	+10.09%
S&P/TSX Total Return Index	+0.45%	+3.17%	+5.72%	+22.88%	+22.88%	+5.81%	+6.89%	+6.28%	+6.90%	+7.98%

OBJECTIVES AND STRATEGY

The Heward Canadian Dividend Growth Fund invests in high-quality Canadian equities that have a history of consistently growing their dividends. The fund screens for companies that engage in businesses we understand, sell products based on needs, and demonstrate long-term earnings visibility and predictability. Special attention is paid to proven and seasoned management teams that successfully increase free cash flows and operate lean companies with low levels of financial leverage. Stocks that meet these criteria should have ample cash flows to return to shareholders in the form of dividends and in doing so demonstrate their financial soundness.

Growth of \$150,000 Invested on June 30, 2009



WHAT DOES THE FUND INVEST IN?

Current Asset Mix

CASH	7.0%
EQUITY	93.0%



Sector Allocation

CONSUMER DISCRETIONARY	7.81%
CONSUMER STAPLES	11.86%
ENERGY	12.26%
FINANCIALS	23.26%
HEALTH CARE	1.89%
INDUSTRIALS	14.40%
INFORMATION TECHNOLOGY	7.00%
REAL ESTATE	2.86%
COMMUNICATION SERVICES	7.34%
UTILITIES	4.35%
CASH	6.98%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
OPEN TEXT CORP COMMON	3.97%
BANK OF NOVA SCOTIA COMMON	3.91%
TELUS CORP COMMON	3.89%
ROYAL BANK CDA COMMON	3.56%
TORONTO DOMINION BK COMMON	3.53%
TMX GROUP LIMITED COMMON	3.45%
CINEPLEX INC COMMON	3.44%
CANADIAN TIRE CORP CLASS A NON VTG	3.38%
SUNCOR ENERGY INC COMMON	3.30%
INTACT FINANCIAL COMMON	3.17%

WHO SHOULD INVEST IN THIS FUND?

The Heward Canadian Dividend Growth Fund caters to risk-averse investors that value income. They seek a growing stream of dividends through exposure to high-quality equities with a history of cash flow growth and competent management teams.

HOW THE FUND PERFORMED

In 2019 Canadian markets were one of the top performing markets with a return of 22.88%. The material sector (led by gold) accounted for 3.0% of this return. While our strategy does not allow gold investments (gold stocks are not dividend growers), and despite the shiny material's run in 2019, the portfolio posted a return of (22.29%). The strategy was able to provide almost comparable returns in spite of running with more defensive positions and higher cash balances.

Top performers for the quarter included: Power Financial, TFI International, Stantec, and Jamieson Wellness. Also making a big contribution was Cineplex, which received a buy out offer at more than 40% above where it was trading. Canadian banks were laggards through the fourth quarter as investor concerns centered on the higher loan provisions that were taken. Given the Canadian Banks' economic forecasts of slower economic growth going forward, this was viewed this as a conservative measure, but did put pressure on earnings forecasts. We believe these types of decisions prove yet again, that Canadian banks are among the most prudent and well managed financial institutions in the world. Unlike most, they are willing to forgo short-term performance to insure long-term financial viability.

We continue to have a positive outlook for Canada and Canadian equity markets over the next decade, especially for companies that fit within our dividend growth strategy. Looking forward we see several avenues of economic growth which include: immigration, nation wide infrastructure projects, technology investments, pipeline construction and the west coast LNG project. All should make positive contributions to economic expansion. Also, there is our wealth of "human capital". Canada is home to a vibrant and diverse workforce that is well-educated and making significant inroads in technology, artificial intelligence (AI) and gaming. Furthermore, the high demand for IT services is becoming a major factor for employment growth throughout the country. As always, we remain true to our disciplined process. We remain convinced that the potential of the Canadian economy is being well underestimated by investors (especially foreigners) due to several factors, yet remains on solid footings.

QUICK FACTS AND FUND CHARACTERISTICS

- CHARACTERISTICS:**
- Low average beta 0.64
 - 25-35 stocks
 - Minimal cyclical exposure
 - 100% Canadian Equity

FUND TYPE: Canadian Dividend Growth Fund

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

MINIMUM INVESTMENT: \$150,000 (or investors who meet criterias "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 Equity Fund.

Co-managers: Willem Hanskamp & Maurice Conti

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 capital growth and preservation of capital

ASSETS UNDER MANAGEMENT: Approximately \$707 million

FOR MORE INFORMATION

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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 items. Pooled Funds are not guaranteed, their value changes frequently and past performance may not be repeated. The S&P/TSX Total Return Index Benchmark has been used since the inception of the Fund June 30, 2009. It reflects the Fund's Investment policy of 100% Canadian equities.



HEWARD
INVESTMENT MANAGEMENT INC.