

Heward
Equity Fund
AS OF DECEMBER 31, 2019



FUND FACTS

Inception Date : November 1, 2016
Fund Size (million \$) : \$23.3

Portfolio Manager : Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ451	\$12.99
Class F	MAJ452	\$12.92
Class O	MAJ450	\$15.09
Class D	MAJ453	N/A

Distributions	
M12 Income Distribution (Class O)	\$0.08
YTD Income Distribution (Class O)	\$0.34
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	10 years	Since Inception
Heward Equity Fund	-0.79%	+1.87%	+3.23%	+17.14%	+17.14%	+5.93%	+7.47%			+8.83%
Global Equity Benchmark*	+0.38%	+4.12%	+5.90%	+18.92%	+18.92%	+6.34%	+7.41%			+8.16%

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

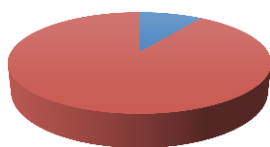
OBJECTIVES AND STRATEGY

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	9.6%
EQUITY	90.4%



Sector Allocation

CONSUMER DISCRETIONARY	9.18%
CONSUMER STAPLES	8.22%
ENERGY	9.63%
FINANCIALS	15.10%
HEALTH CARE	2.43%
INDUSTRIALS	11.81%
INFORMATION TECHNOLOGY	11.59%
MATERIALS	10.45%
REAL ESTATE	1.47%
COMMUNICATION SERVICES	10.51%
CASH	9.61%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
BANK OF NOVA SCOTIA COMMON	3.48%
WALGREENS BOOTS ALNC COMMON	3.29%
DEUTSCHE POST AG SPONSORED ADR	3.27%
POWER FINANCIAL CORP COMMON	3.01%
CANADIAN TIRE CORP CLASS A NON VTG	2.89%
WESTROCK CO COMMON	2.88%
AT&T INC COMMON	2.84%
WALT DISNEY CO COMMON	2.83%
CISCO SYSTEMS INC COMMON	2.68%
NUTRIEN LTD COMMON	2.68%

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

2019 produced a slowdown in global growth with deceleration spread relatively evenly across the major economies. The two main demand-side reasons were namely: 1) reduced U.S. fiscal stimulus and 2) tighter financial conditions. Negative surprises were concentrated in Europe, especially Germany, and several emerging market (EM) countries, causing many strategists and economists to worry that we are on an inexorable path to a hard landing. While the enduring uncertainty clearly did damage to global growth, markets found a way to look through the short-term pessimism and instead focused on the macro message which remained supportive for risk taking.

In spite of the pessimism which had been rife as the world economy was buffeted by trade conflicts and relations between the U.S. and China seem to have been riding a rollercoaster, markets continued to track higher. This enabled our equity fund to generate returns 1.87% for the final quarter and 17.14% for 2019. Led by U.S. markets, the equity benchmark produced returns of 4.11% for the quarter and 18.92% through 2019.

The global economy should bottom out sometime in the first part of 2020. Inflation should stay low so monetary policy is likely to remain supportive. There are green shoots of recovery, especially in China, while the money aggregates (real M1 & M2, best leading indicators) seem to be laying the foundations for recovery. The global auto industry, which accounts for about 4% of GDP, is also showing signs of bottoming. Furthermore, a recovery in the global inventory cycle, which after being a headwind for most of the last two years, may now become a tailwind. Excess inventories have been run down and are now back to normal, if not below normal, in Europe, China and most of Asia. Meanwhile, there has been a cyclical tone to the market over the last few months, one which may dominate 2020. Industrials, technology and financials have acted well, with energy and materials now participating. Given our cautiously optimistic outlook, we are looking to invest our cash, but not chasing, rather using our disciplined approach to stock selection, on market opportunities.

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 \$707 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.