

Heward  
Equity Fund  
AS OF JUNE 30, 2020



## FUND FACTS

**Inception Date :** November 1, 2016  
**Fund Size (million \$) :** \$20.8

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

Fund Class	Fund Number	NAV (\$)
Class A	MAJ451	\$11.73
Class F	MAJ452	\$11.69
Class O	MAJ450	\$13.61
Class D	MAJ453	N/A

Distributions	
Q2 Income Distribution (Class O)	\$0.08
YTD Income Distribution (Class O)	\$0.16
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
<b>Heward Equity Fund</b>	<b>+0.67%</b>	<b>+10.97%</b>	<b>-8.72%</b>	<b>-8.72%</b>	<b>-5.77%</b>	<b>+0.84%</b>	<b>+4.23%</b>			<b>+4.94%</b>
Global Equity Benchmark*	+1.59%	+14.16%	-3.94%	-3.94%	+1.73%	+2.74%	+4.94%			+5.85%

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

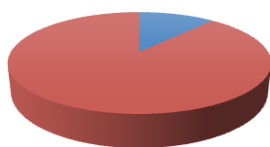
## OBJECTIVES AND STRATEGY

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?

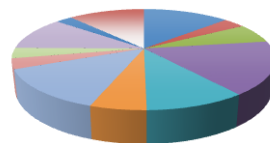
### Current Asset Mix

CASH	11.5%
EQUITY	88.5%



### Sector Allocation

CONSUMER DISCRETIONARY	13.07%
CONSUMER STAPLES	3.28%
ENERGY	6.26%
FINANCIALS	16.90%
HEALTH CARE	10.21%
INDUSTRIALS	5.63%
INFORMATION TECHNOLOGY	13.17%
MATERIALS	3.32%
REAL ESTATE	3.38%
COMMUNICATION SERVICES	10.82%
UTILITIES	2.47%
CASH	11.48%



### TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
DOLLAR TREE INC COMMON	3.35%
BANK OF NOVA SCOTIA COMMON	3.25%
DEUTSCHE POST AG SPONSORED ADR	3.13%
OPEN TEXT CORP COMMON	3.06%
TELUS CORP COMMON	2.85%
DOLLARAMA COMMON	2.83%
ALPHABET INC CLASS C	2.78%
POWER CORP OF CDA SUB VTG	2.72%
CANADIAN TIRE CORP CLASS A NON VTG	2.72%
ORACLE CORP COMMON	2.61%

## 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

COVID 19 has exposed the frailty of both the global financial system and its geopolitical structure. It has created a world where GDP would decline, one in which one-third of its population was in one form of lockdown or another, and in which geopolitical tensions have risen. Credit or debt has displaced savings, money was printed out of thin air and markets no longer determine the level of interest rates: that has become a function of central banks. All of this has resulted in increased volatility and fear which has been followed by optimism and recovering markets. As a result, after a disastrous first quarter, markets experienced a snap back as previously locked down economies started to re-open. The portfolio also snapped back, generating a 10.97% (-8.72% YTD) return, which while welcomed, did underperformed its benchmark which posted a 14.16% (-3.94% YTD) mark.

While there are many variations on how the recovery will eventually play out, to us it looks like a small “V” then developing into a “square root” shaped comeback. In spite of infections having picked up pace in parts of the U.S. and rising in several EM economies, output and activity have begun to recover in all major economies. Monetary indicators have shown the positive effects of generous central bank and government support, and labor market consequences have been limited by extensive government programs. The recovery however, will be gradual, in spite of what equity markets may be signaling, and stock/sector selection will be key. Having returned the portfolio to a more neutral stance, we have concentrated on Technology, Healthcare and stocks that will benefit from the work/shop at home “new world” that has developed. Our focus has been on quality multi-national and Canadian companies that have both rising earnings and a clearer predictability of those earnings. Furthermore, all of our recent purchases carry good dividends as well as the ability to grow those dividends. If the recovery unfolds as we project, and using market pull-backs, we anticipate adding to equities, all the while watching polls and trends that will be developing leading up to the U.S. elections.

## 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 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 Independent 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 \$636 million

## FOR MORE INFORMATION

**PLEASE CONTACT HEWARD INVESTMENT MANAGEMENT INC.**

2115 rue de la Montagne,  
Montreal, QC H3G 1Z8

[www.heward.com](http://www.heward.com)

**Telephone:** (514) 985-5757

**Toll Free:** 1-800-567-5257

**Fax:** (514) 985-5755

**Email:** [info@heward.com](mailto:info@heward.com)

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.