

Heward  
Equity Fund  
AS OF SEPTEMBER 30, 2020



## FUND FACTS

**Inception Date :** November 1, 2016  
**Fund Size (million \$) :** \$20.7

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

Fund Class	Fund Number	NAV (\$)
Class A	MAJ451	\$12.04
Class F	MAJ452	\$12.02
Class O	MAJ450	\$13.98
Class D	MAJ453	N/A

Distributions	
Q3 Income Distribution (Class O)	\$0.08
YTD Income Distribution (Class O)	\$0.24
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>-1.23%</b>	<b>+3.29%</b>	<b>+14.62%</b>	<b>-5.71%</b>	<b>-3.95%</b>	<b>+1.08%</b>	<b>+3.93%</b>			<b>+5.48%</b>
Global Equity Benchmark*	-1.58%	+4.49%	+19.28%	+0.37%	+4.50%	+4.48%	+5.81%			+6.65%

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

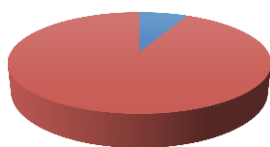
## OBJECTIVES AND STRATEGY

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?

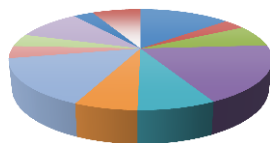
### Current Asset Mix

CASH	7.4%
EQUITY	92.6%



### Sector Allocation

CONSUMER DISCRETIONARY	13.77%
CONSUMER STAPLES	3.25%
ENERGY	6.92%
FINANCIALS	18.49%
HEALTH CARE	7.85%
INDUSTRIALS	6.35%
INFORMATION TECHNOLOGY	15.23%
MATERIALS	3.93%
REAL ESTATE	4.06%
COMMUNICATION SERVICES	9.74%
UTILITIES	3.01%
CASH	7.39%



### TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
BANK OF NOVA SCOTIA COMMON	3.22%
OPEN TEXT CORP COMMON	3.00%
DEUTSCHE POST AG SPONSORED ADR	2.93%
DOLLAR TREE INC COMMON	2.83%
INTACT FINANCIAL COMMON	2.76%
POWER CORP OF CDA SUB VTG	2.74%
DOLLARAMA COMMON	2.72%
ROYAL DSM N V SPN ADR0.25 ORDEU1.5	2.67%
CANADIAN TIRE CORP CLASS A NON VTG	2.60%
AMAZON COM INC COMMON	2.54%

## 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

The late September sell-off was more about re-thinking assumptions that the U.S. and global economies would continue to recover, buoyed by the central banks' largesse. The pace of the global recovery, a possible second COVID wave and Geopolitics have become paramount in investors' minds. However, recent developments in the U.S. were more likely responsible for triggering the end of quarter sell-off. The death of Supreme Court Justice Ginsburg had no direct effect on markets, but the political conflict it has engendered does create much uncertainty over whether any kind of fiscal stimulus can be thrashed out soon. Also, the street seems to have taken some of Fed Chairman Powell's comments out of context.

In spite of these developments occurring, markets provided decent returns through the third quarter. Our fund generated a return of 3.29%, underperforming its benchmark which posted a 4.49% return – largely due to no gold or Shopify within the portfolio. The recovery is losing pace and it will continue to need support. It is policy (print and spend until inflation rises) that will allow the economic recovery this time around to be much quicker than was the case following the Great Financial Crisis (in the case of Europe three times quicker - Credit Suisse). An easy policy will be maintained until unemployment returns to politically and socially acceptable levels. These policies just about guarantee a prolonged period of modest growth and stable inflation, which is an ideal environment for equities. Aside from nosebleed valuations for the market's ten largest stocks, it would be difficult to describe investor sentiment as overly ebullient, and if you look hard enough under the surface (or wait for market opportunities) value can be found. While interest will remain in the "big superstars", we have already seen the initial moves of a rotation as investors begin to focus on late cycle sectors, a signal that markets are broadening out. While not willing to go over-weight equities until we have a clearer picture with regards to the coronavirus, we will continue to fine tune our portfolios concentrating on the technology, healthcare, consumer and financial sectors.

## 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 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 \$765 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 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.