

Heward
Canadian Dividend Growth Fund
AS OF MARCH 31, 2021



FUND FACTS

Inception Date : June 30, 2009
Fund Size (million \$) : \$91.4

Portfolio Manager : Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ551	\$0.00
Class F	MAJ552	\$19.18
Class O	MAJ550	\$19.39
Class D	MAJ553	N/A

Distributions	
Q1 Income Distribution (Class O)	\$0.14
YTD Income Distribution (Class O)	\$0.14
Annual Capital Gains Distribution	N/A

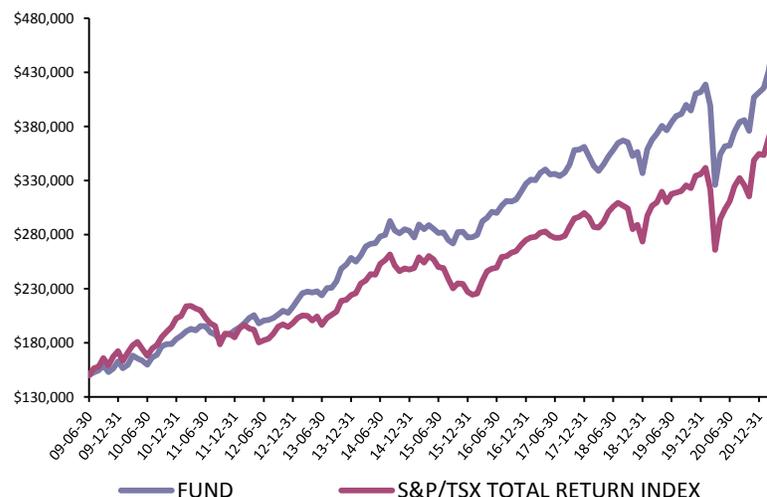
PERFORMANCE - Compounded Annual Returns (%)

	1 mth.	3 mths.	6 mths.	YTD	1 year	2 years	3 years	5 years	10 years	Since Inception
Heward Canadian Dividend Growth Fund	+6.05%	+11.09%	+18.49%	+11.09%	+40.28%	+10.69%	+10.52%	+9.36%	+9.01%	+9.95%
S&P/TSX Total Return Index	+3.87%	+8.05%	+17.75%	+8.05%	+44.25%	+11.24%	+10.19%	+10.05%	+6.00%	+8.31%

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	6.4%
EQUITY	93.6%



Sector Allocation

CONSUMER DISCRETIONARY	6.53%
CONSUMER STAPLES	11.66%
ENERGY	10.87%
FINANCIALS	25.87%
HEALTH CARE	1.97%
INDUSTRIALS	15.93%
INFORMATION TECHNOLOGY	4.86%
REAL ESTATE	2.27%
COMMUNICATION SERVICES	6.75%
UTILITIES	6.94%
CASH	6.37%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
OPEN TEXT CORP COMMON	4.35%
INTACT FINANCIAL COMMON	3.89%
BANK OF NOVA SCOTIA COMMON	3.80%
RESTAURANT BRANDS COMMON	3.59%
STANTEC INC COMMON	3.43%
TFI INTERNATIONAL COMMON	3.31%
TELUS CORP COMMON	3.30%
TORONTO DOMINION BK COMMON	3.24%
ALGONQUIN POWER&UTIL COMMON	3.24%
POWER CORP OF CDA SUB VTG	3.23%

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

Markets have finally come around and seem to have taken a liking to dividend growth stocks. This has been reflected in our first quarter performance as the fund posted a return of 11.09%, easily besting its benchmark which came in at 8.05%. The key to the over 300bps outperformance was solid stock selection, especially considering that the fund is well underweighted (relative to the index) in financials and energy, the two top performing sectors that led the Canadian market higher. The rebound in energy was a key in allowing the Canadian market to be a top performer globally.

We would like to reiterate our thoughts from our last commentary. The market was starting to focus on the “return to normal”, where previously quality defensive sectors like consumer staples underperformed in Q4. Though that sector is described as defensive and mature, we believed select opportunities in that sector remained very attractive, and were underappreciated by investors. Our faith was finally rewarded as the market/investors realized the value that existed in these stocks. Our overweight in these sectors (consumer staples & industrials) was key to the outperformance during the quarter. Top performing companies during the quarter were, TFI International, Stantec, Scotiabank, Aecon & CNQ.

Despite these uncertain times our strategy has remained unchanged. Now, with the market taking note of these underappreciated opportunities, these companies (and our fund) have been rewarded. Regardless of what is going on within markets, the backbone to our strategy will not change. We will continue to seek out companies that are undervalued, have high levels of earnings visibility and predictability and most importantly grow their dividends. This type of company is a special breed and should command a premium, not a discount as we see today. In this low interest rate environment investors are slowly (finally) recognizing the power of dividend growth, which should allow these stocks to continue to perform well. Over the last few years equity investors have fled the Canadian equity market in search of better opportunities. Now, with being one of the top-performing global markets, this trend may be about to reverse.

QUICK FACTS AND FUND CHARACTERISTICS

- CHARACTERISTICS:**
- Low average beta 0.74
 - 30-40 stocks
 - Minimal cyclical exposure
 - 100% Canadian Equity

FUND TYPE: Canadian Dividend Growth Fund

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 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: 17

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 \$678 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.