

Heward
Canadian Dividend Growth Fund
AS OF JUNE 30, 2021



FUND FACTS

Inception Date : June 30, 2009
Fund Size (million \$) : \$96.7

Portfolio Manager : Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ551	\$0.00
Class F	MAJ552	\$20.20
Class O	MAJ550	\$20.38
Class D	MAJ553	N/A

Distributions	
Q2 Income Distribution (Class O)	\$0.13
YTD Income Distribution (Class O)	\$0.27
Annual Capital Gains Distribution	N/A

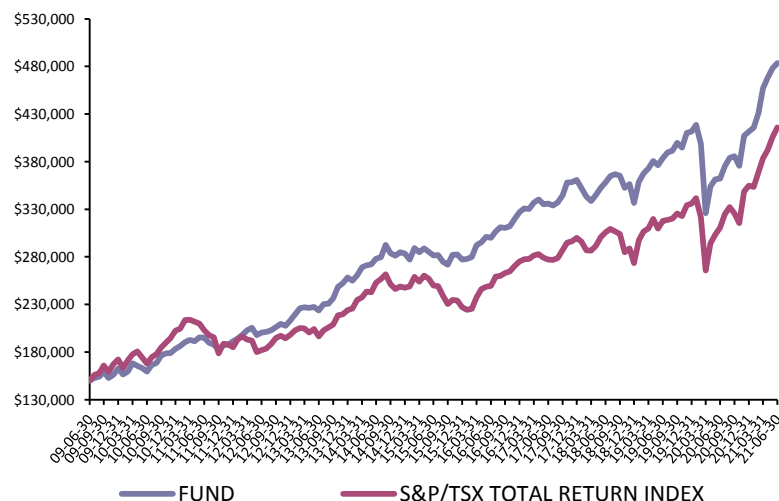
PERFORMANCE - Compounded Annual Returns (%)

	1 mth.	3 mths.	6 mths.	YTD	1 year	2 years	3 years	5 years	10 years	Since Inception
Heward Canadian Dividend Growth Fund	+1.12%	+5.78%	+17.51%	+17.51%	+33.45%	+12.24%	+10.53%	+10.01%	+9.49%	+10.24%
S&P/TSX Total Return Index	+2.48%	+8.54%	+17.28%	+17.28%	+33.85%	+14.43%	+10.80%	+10.77%	+7.44%	+8.87%

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	6.0%
EQUITY	94.0%



Sector Allocation

CONSUMER DISCRETIONARY	6.04%
CONSUMER STAPLES	10.47%
ENERGY	11.19%
FINANCIALS	26.04%
HEALTH CARE	2.05%
INDUSTRIALS	16.50%
INFORMATION TECHNOLOGY	5.87%
REAL ESTATE	2.22%
COMMUNICATION SERVICES	6.97%
UTILITIES	6.66%
CASH	5.98%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
OPEN TEXT CORP COMMON	4.38%
INTACT FINANCIAL COMMON	4.02%
BANK OF NOVA SCOTIA COMMON	3.93%
POWER CORP OF CDA SUB VTG	3.70%
TELUS CORP COMMON	3.58%
RESTAURANT BRANDS COMMON	3.40%
TORONTO DOMINION BK COMMON	3.34%
TFI INTERNATIONAL COMMON	3.29%
STANTEC INC COMMON	3.04%
ALGONQUIN PWR&UTIL COMMON	2.97%

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

We are pleased with the absolute performance of the fund which returned 5.78% in the second quarter. While the TSX delivered a higher return of 8.54%, it was driven by Shopify and the material sector, both exposures which do not fit our mandate for dividend growth. Furthermore, we are also proud to celebrate the 12-year anniversary of the fund and the fact that it continues to outperform its benchmark since inception (10.24% vs 8.87%). The fund continues to outperform its benchmark with less volatility confirming our superior risk adjusted returns. Supported by the strength in the Canadian dollar and its composition of being better positioned to benefit from the global economic recovery, Canada's TSX continued to outperform its global peers through the last quarter and on a year-to-date basis. Despite the superior results, our fund beat the benchmark by a slight margin (17.51% vs 17.28%) since the start of the year.

Top performing companies contributing in the quarter were TFI international, Power Corp, Tricon and Thomson Reuters. Aecon and Algonquin Power were the laggards this quarter. However, our work indicates that their values are not properly being reflected in the markets. As both stocks are trading 20-30% below their intrinsic values and have consistently grown their dividends, we see this as a buying opportunity. Aecon, with a 3.82% yield, is the largest construction company in Canada. Not only will it benefit from increased infrastructure spending, but it already has a solid backlog and an underappreciated Bermuda airport concession which has significant long-term value. The company has many Environmental, Social and Governance (ESG) projects in the pipeline, including a recent win with Bruce power, a zero-emission, ESG friendly plant in Ontario. Algonquin Power & Utilities is a consistently having above-average growth within the utility space. The company benefits from the long-term trend of electrification in North America, as well as the growing demand for renewable energy driven by the ESG investing from all industries. Algonquin has a long record of annual dividend increases with the most recent increase announced in May. Today it yields about 4.5%.

In spite of the strong first half for the TSX, opportunities remain plentiful. We continue to believe that a dividend growth strategy will continue to deliver solid returns. especially in this current environment of low rates.

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: RRSF, 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 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 \$703 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.