

Heward
Equity Fund
AS OF DECEMBER 31, 2021



FUND FACTS

Inception Date : November 1, 2016
Fund Size (million \$) : \$26.6

Portfolio Manager : Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class A	MAJ451	\$15.20
Class F	MAJ452	\$15.14
Class O	MAJ450	\$17.64
Class D	MAJ453	N/A

Distributions	
Q4 Income Distribution (Class O)	\$0.29
YTD Income Distribution (Class O)	\$0.54
Annual Capital Gains Distribution	\$0.86

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	+4.38%	+8.31%	+10.81%	+26.57%	+26.57%	+13.64%	+14.80%	+9.90%		+10.67%
Global Equity Benchmark*	+2.69%	+6.22%	+7.19%	+19.82%	+19.82%	+13.97%	+15.60%	+9.99%		+10.37%

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

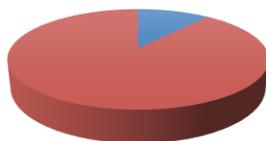
OBJECTIVES AND STRATEGY

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	11.0%
EQUITY	89.0%



Sector Allocation

CONSUMER DISCRETIONARY	10.25%
CONSUMER STAPLES	2.35%
ENERGY	10.61%
FINANCIALS	17.04%
HEALTH CARE	10.00%
INDUSTRIALS	8.59%
INFORMATION TECHNOLOGY	15.78%
MATERIALS	2.57%
REAL ESTATE	2.63%
COMMUNICATION SERVICES	6.90%
UTILITIES	2.27%
CASH	11.02%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
BANK OF NOVA SCOTIA COMMON	3.71%
INTL BUSINESS MCHN COMMON	3.19%
TORONTO DOMINION BK COMMON	3.11%
QUALCOMM INC COMMON	3.05%
CVS HEALTH CORP COMMON	2.95%
INTACT FINANCIAL COMMON	2.79%
WHITECAP RESOURCES COMMON	2.74%
ROYAL BANK CDA COMMON	2.63%
ROYAL DSM N V SPN ADR0.25 ORDEU1.5	2.57%
DOLLARAMA COMMON	2.55%

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

Economic growth peaked last summer, and while a cooling growth rate tends to unnerve investors, “peak growth” does not rhyme with “no growth”. There is still a tremendous amount of stimulus in the system, which will lead to a slower pace of normalization. Global growth is likely to surprise in 2022 as the world economy fully re-opens by the second half. Both consumer and business spending should be robust as balance sheets have improved and excess liquidity remains elevated. Financial conditions, with real bond yields deeply into negative territory and tight credit spreads, remain quite accommodative.

With this as a back drop and in spite of investors dealing with conflicting signals, equity markets marched forward with little in any way of a pullback. Active management, stock selection and our disciplined approach resulted in our fund generating a return of 26.57% (8.31% Q4), easily beating its benchmark which posted a 19.82% (6.22% Q4) return.

While we expect global growth rates to be above potential in 2022, the prospect of a winter COVID wave and a drag from the Omicron variant pose a downside risk. Meanwhile, investors should not fear the start of rate hike cycle. History shows that the transition from easing to tightening usually creates volatility, but also proves positive for equities. Performance favors equities over fixed income, as the latter tends to suffer from rising bond yields. History also shows that stocks have been the most volatile in midterm election years with sizeable corrections. Yet, the larger than usual corrections have historically turned out to be great buying opportunities, with the S&P 500 higher one year later every time since 1962. With these historical trends in mind, and not having seen a market correction of any significance since the start of the recovery (April 2020) we felt a more cautious stance going into year end was appropriate. We also believe there are enough macro issues (geopolitical, economic & medical) short term to warrant an under-weight position through Q1/22. Mind full of these, we continue to believe that markets will end the year marginally higher than their 2021 peaks.

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

Partner & Senior 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 \$698 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.