

HEWARD
CANADIAN DIVIDEND GROWTH FUND
AS OF MARCH 31, 2023



SOCIÉTÉ DE GESTION D'INVESTISSEMENT HEWARD INC.
HEWARD
HEWARD INVESTMENT MANAGEMENT INC.

FUND FACTS

Inception Date: June 30, 2009
Fund Size (million \$): \$132.8

Portfolio Manager: Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class F	MAJ552	19.34
Class O	MAJ550	19.49
Class D	MAJ553	19.50

Distributions	
Q1 Income Distribution (Class O)	0.16
YTD Income Distribution (Class O)	0.16
Annual Capital Gains Distribution	0.00

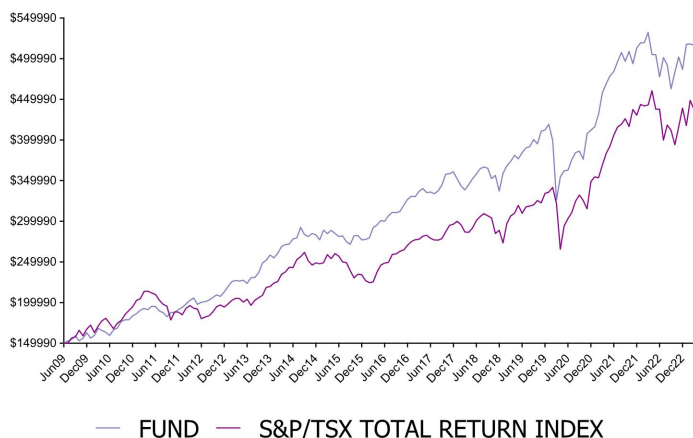
PERFORMANCE - Compounded Annual Returns %

	1 mth.	3 mths.	6 mths.	YTD	1 year	2 years	3 years	5 years	10 years	Since Inception
CANADIAN DIVIDEND GROWTH FUND	-0.26	6.15	11.62	6.15	-2.93	6.27	16.58	8.83	8.57	9.41
S&P/TSX Total Return Index	-0.22	4.55	10.79	4.55	-5.17	6.76	18.04	8.81	7.86	8.08

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 longterm 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



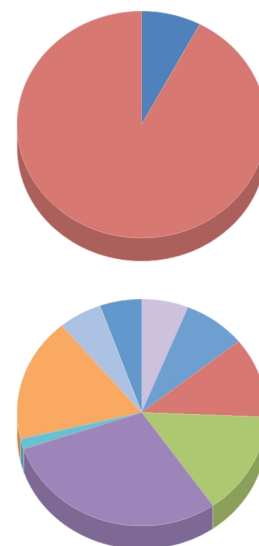
WHAT DOES THE FUND INVEST IN?

Current Asset Mix

CASH	8.39%
EQUITY	91.61%

Sector Allocation

COMMUNICATION SERVICES	6.09%
CONSUMER DISCRETIONARY	7.62%
CONSUMER STAPLES	9.73%
ENERGY	12.84%
FINANCIALS	28.08%
HEALTH CARE	1.22%
INDUSTRIALS	15.18%
INFORMATION TECHNOLOGY	5.42%
UTILITIES	5.46%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
OPEN TEXT CORP COMMON	3.69
INTACT FINANCIAL COMMON	3.64
TORONTO DOMINION BK COMMON	3.60
ROYAL BANK CDA COMMON	3.60
CDN NATURAL RES COMMON	3.53
BANK OF NOVA SCOTIA COMMON	3.48
TELUS CORP COMMON	3.40
POWER CORP OF CDA SUB VTG	3.38
RESTAURANT BRANDS COMMON	3.31
STANTEC INC COMMON	3.16

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

With markets unsure about how the year would play out with regards to inflation, interest rates and economic growth, the first quarter saw a lot of volatility. We used these opportunities which the markets presented, to add/trim positions in what we deemed to be high quality companies that became undervalued or would still perform well in a slowing economic environment. Our willingness to take advantage of these market opportunities resulted in the Heward Dividend Growth Fund generating a return of 6.15% through the first quarter. Our benchmark S&P TSX underperformed with a 4.55% mark. Aiding our performance were several of our stocks that underperformed in 2022 but posted strong performance in the first quarter (Aecon 52.7%, Open Text 30.86%, Canadian Tire 26.01%, Stantec 22.08% and TFI International 19.27%). The laggard amongst our holdings was TD Bank (-6.64% in the quarter) because of the recent "banking crisis" that came to light in the U.S. Investor angst saw abnormally large, short interest develop in TD due to its relatively higher U.S. exposure when compared to the other Canadian banks. However, Canadian banking regulations are much stricter (stronger) than those in the U.S., preventing similar problems to arise in Canada. Also, current economic data suggests a more favourable outlook for the Canadian economy relative to our neighbors to the south. Therefore, we believed it to be a buying opportunity in TD. The first quarter saw 15 of our companies increase their dividend by an average of 7.5% (from 2% to 19%). This reassured us that these companies are well positioned going forward.

The Bank of Canada's core inflation measures have now dipped below 5.0% (Year over Year) for the first time since spring of 2022. It seems Canada is experiencing a sounder price environment than many of the other developed economies, which means that the Bank of Canada's "conditional pause" will probably remain in place. Furthermore, Canada is well positioned with a solid banking system, an abundance of natural resources and a very strong immigration policy. This should all combine to allow our economy to weather the coming slowdown.

QUICK FACTS AND FUND CHARACTERISTICS

- CHARACTERISTICS:**
- Low average beta of 0.76
 - 30-40 stocks
 - Minimal cyclical exposure
 - 100% Canadian Equity

FUND TYPE: Canadian Dividend Growth Fund

REGISTERED ACCOUNT ELIGIBILITY: RRSP, RESP, RRIF, TFSA, IPP

MINIMUM INVESTMENT: \$150,000 (or investors who meet criteria of "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 30 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 \$680 million

FOR MORE INFORMATION

PLEASE CONTACT HEWARD INVESTMENT MANAGEMENT INC.

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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.



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