

HEWARD
CANADIAN DIVIDEND GROWTH FUND
AS OF JUNE 30, 2023



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

FUND FACTS

Inception Date: June 30, 2009
Fund Size (million \$): \$136.9

Portfolio Manager: Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class F	MAJ552	19.26
Class O	MAJ550	19.45
Class D	MAJ553	19.44

Distributions	
Q2 Income Distribution (Class O)	0.16
YTD Income Distribution (Class O)	0.32
Annual Capital Gains Distribution	0.00

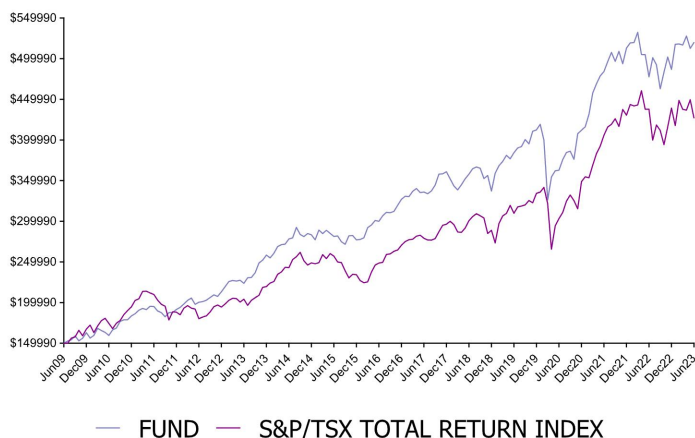
PERFORMANCE - Compounded Annual Returns %

	1 mth.	3 mths.	6 mths.	YTD	1 year	2 years	3 years	5 years	10 years	Since Inception
CANADIAN DIVIDEND GROWTH FUND	1.42	0.60	6.79	6.79	8.85	3.63	12.75	7.75	8.80	9.29
S&P/TSX Total Return Index	3.35	1.10	5.70	5.70	10.43	3.03	12.43	7.62	8.43	8.02

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



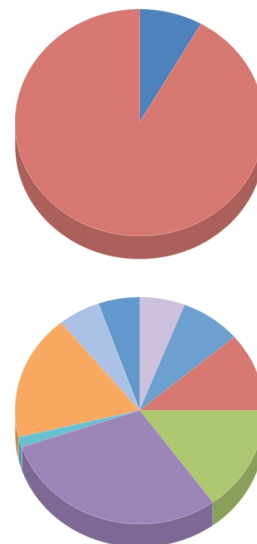
WHAT DOES THE FUND INVEST IN?

Current Asset Mix

CASH 8.89%
EQUITY 91.11%

Sector Allocation

COMMUNICATION SERVICES 5.87%
CONSUMER DISCRETIONARY 7.36%
CONSUMER STAPLES 9.54%
ENERGY 13.00%
FINANCIALS 28.17%
HEALTH CARE 1.23%
INDUSTRIALS 15.29%
INFORMATION TECHNOLOGY 5.25%
UTILITIES 5.37%



TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
TORONTO DOMINION BK COMMON	3.78
OPEN TEXT CORP COMMON	3.70
CDN NATURAL RES COMMON	3.63
ROYAL BANK CDA COMMON	3.56
INTACT FINANCIAL COMMON	3.51
POWER CORP OF CDA SUB VTG	3.49
BANK OF NOVA SCOTIA COMMON	3.34
STANTEC INC COMMON	3.29
TELUS CORP COMMON	3.28
RESTAURANT BRANDS COMMON	3.25

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

As the second quarter came to an end, markets continued to be dominated by volatility. Investors have seen far higher interest rate hikes, a banking crisis (including the demise of Credit Suisse) and much disappointment over China's attempt to emerge from the Covid-Zero shutdowns. All of these have made the big rally in risk assets even more impressive. During the quarter, the Heward dividend growth fund returned 0.60%, its benchmark S&P TSX which posted a 1.1% return. The difference can be explained by the fund not owning Shopify, which contributed almost 1.0% to the index.

Top performers in our portfolio included Finning, Restaurant Brands, the TMX Group, Stantec and Intact within the financials. The laggard this quarter was the Northwest Company, a retailer specializing in underserved rural markets where they face very little competition. While selling goods that are classified as "necessities", the company faced margin pressure this quarter, which caused selling pressure after reporting their results. Management has already started to address their cost issues, while freight expenses, which is one of their largest cost items, has already started to show improvements as per industry data. The mid-term outlook remains positive, fueled by several large development energy projects (LNG & TMX Pipeline) and the continued flow of immigrants into Canada. At current levels the company is trading at an historically low valuation and carries an attractive yield (5%) with a growing dividend. We continue to believe that Canada is well positioned (a solid banking system, an abundance of natural resources and strong immigration) to weather any potential economic slowdown that may arise as a result of the Bank of Canada's continuing fight to bring down inflation. This should create a perfect environment for dividend stocks (especially dividend growth stocks) who have not been properly valued due to rising interest rates.

QUICK FACTS AND FUND CHARACTERISTICS

- CHARACTERISTICS:
- Low average beta of 0.75
 - 30-40 stocks
 - Minimal cyclical exposure
 - 100% Canadian Equity

FUND TYPE: Canadian Dividend Growth Fund

REGISTERED ACCOUNT ELIGIBILITY: RRRSP, 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 \$683 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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