



## FUND FACTS

Inception Date: April 19, 2017  
Fund Size (million \$): \$10.7

Portfolio Manager: Heward Investment Management Inc.

Fund Class	Fund Number	NAV (\$)
Class F	MAJ752	11.18
Class O	MAJ750	11.13
Class D	MAJ753	0.00

Distributions	
Q2 Income Distribution (Class O)	0.10
YTD Income Distribution (Class O)	0.11
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
GLOBAL LEADERS FUND	1.28	0.60	3.70	3.70	11.45	3.34	7.51	6.62		5.61
GlobalLeaderBenchmark	2.89	3.42	9.95	9.95	17.27	2.56	9.00	6.95		6.69

\*80% MSCI World, 10% S&P/TSX Total Return Index, 10% FTSE TMX Canada 91 Day TBill Index

## OBJECTIVES AND STRATEGY

The Heward Global Leaders Fund seeks to generate consistent risk adjusted returns over the long term by identifying high-quality global businesses that are attractively priced. These companies are typically leaders in their respective business field, have high defensible barriers to entry, strong free-cash-flow generation, solid management, high returns on invested capital and consistent return of capital via dividends. By focusing on predictable high-quality global businesses, the goal is to preserve capital during market corrections and downturns while generating value over an economic cycle. The Fund is comprised of 35-50 leading global businesses from four regions: North America, Europe, Asia-Pacific and Japan.

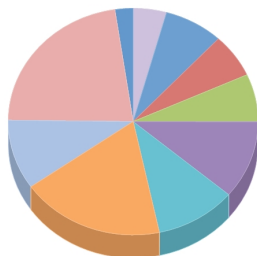
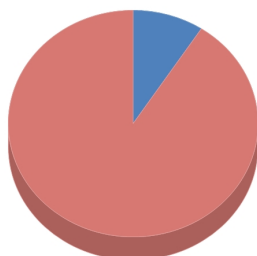
## WHAT DOES THE FUND INVEST IN?

### Current Asset Mix

CASH	9.93%
EQUITY	90.07%

### Sector Allocation

COMMUNICATION SERVICES	4.15%
CONSUMER DISCRETIONARY	7.01%
CONSUMER STAPLES	5.31%
ENERGY	5.47%
FINANCIALS	9.08%
HEALTH CARE	9.56%
INDUSTRIALS	17.23%
INFORMATION TECHNOLOGY	8.07%
MATERIALS	19.49%
UTILITIES	2.27%



### TOP TEN HOLDINGS

STOCK NAME	% OF PORTFOLIO
CAMECO CORP	3.73
SONY GRP CORPORATION ADR (1 ORD)	3.35
BAE SYS PLC SP ADR ( 4 ORDS)	3.27
DEUTSCHE TELEKOM AG SP ADR (1 ORD)	3.25
AMERICAN EXPRESS COMMON	3.24
MDA LTD.	3.22
CISCO SYSTEMS INC COMMON	2.89
WALMART INC COMMON	2.73
SANOFI ADR	2.68
KINROSS GOLD CORP COMMON	2.67

## WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors that value capital appreciation. They aim to participate in long-term growth opportunities available in equity markets

## HOW THE FUND PERFORMED

As of June 30th, 2023, the fund was up 3.70% year-to-date and up 11.45% for one year. As a reminder, recall that risk assets limped out of 2022 with the S&P 500 selling off 6% in December which engendered widespread expectations of a hard landing for the economy in the new year (a view we did not agree with then). The market has also contended with an extension of higher interest rates and witnessed three of the five largest bank failures in US history. With that said, many markets were buoyant mainly led by the US mega cap tech up over 50%. Broadly, US equities have performed well due to a few reasons, the surprising strength in US growth, it now appears that nominal GDP grew around 5.5% in the first half of 2023, the remarkable health of the labor market (3.4% US unemployment lowest since 1969), and US inflation has trended lower. Analysis from Bloomberg shows that technology outperformance against the S&P 500 sparked by the Artificial Intelligence (AI) frenzy is comparable to the NASDAQ Bubble of the late 1990s.

In terms of portfolio changes we bought Kering (which is the maker of Gucci and owns other iconic brands). We trimmed some European luxury names Essilor Luxottica, L'Oreal and LVMH after strong gains. We increased our exposure in Japan via the Japanese ETF (IWJ) and added to Sony Group. Last quarter we bought MDA Ltd., a Canadian based developer of space technologies. We own leading industrials focused on construction, infrastructure, aerospace, and the defense industries. We also own gold equities and have higher than normal cash levels (getting approx. 5%). We have lagged our benchmark due to our conservative investment stance and not owning mega technology. We see the US Federal Reserve raising rates 1-2 more times and keeping interest rates higher for longer. Combined with an inverted yield curve, this concerns us. In our view, significantly reduced liquidity in the financial system and stricter and tougher lending standards, all urge caution for investors and businesses.

## QUICK FACTS AND FUND CHARACTERISTICS

**CHARACTERISTICS:**

- Equity portfolio with international exposure
- 35-50 Holdings
- Moderate risk
- Medium to long-term appreciation

**FUND TYPE:** Global Equity

**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



**Geoffrey Heward**

**Partner & Senior Portfolio Manager**

A third generation Heward and portfolio management professional, Geoffrey Heward began his career with Cazenove & Co. in London, England, in 1986. Later, he returned to Canada and joined Merrill Lynch in Toronto, focusing on international equities. Geoff has extensive investment experience having also worked with Sanwa Bank, Scotia Capital Markets and Desjardins Securities, where he held the position of Vice President, Equity Capital Markets. In 2007, having lived away from Montreal for more than 20 years, Geoff returned to join the family firm.

Co-managers: 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.**

2115 rue de la Montagne,

Montreal, QC H3G 1Z8

[www.heward.com](http://www.heward.com)

Telephone: (514) 985-5757

Toll Free: 1-800-567-5257

Fax: (514) 985-5755

Email: [info@heward.com](mailto:info@heward.com)

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 Leaders Benchmark has been used since the inception of the Heward Global Leaders Fund on April 19th, 2017. It reflects the Fund's investment policy of 80% global equity, 10% Canadian 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.