

# HEWARD INCOME FUND

AS OF MARCH 31, 2024



**HEWARD**  
INVESTMENT MANAGEMENT INC.

## FUND FACTS

Inception Date: November 1, 2016  
Fund Size (million \$): \$70.5

Portfolio Manager: Heward Investment Management Inc.  
Fund Manager: Majestic Asset Management

Fund Class	Fund Number	NAV (\$)
Class F	MAJ652	10.70
Class O	MAJ650	12.43
Class D	MAJ653	0.00

Distributions	
Q1 Income Distribution (Class O)	0.09
YTD Income Distribution (Class O)	0.09
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
HEWARD INCOME FUND	0.69	1.62	6.29	1.62	6.06	2.66	1.91	3.02		3.05
FixedIncomeBenchmark*	0.48	-0.98	6.51	-0.98	2.39	0.42	-1.09	0.47		0.98

\*10% FTSE TMX Canada 91 Day TBill Index, 90% FTSE-TMX Canada Universe Bond Index

Returns are presented net of management and advisory fees.

Past Performance is not indicative of future returns. See "Important Information" for details.

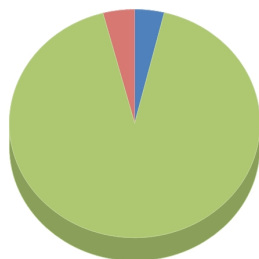
## OBJECTIVES AND STRATEGY

The Heward Income Fund seeks to generate long term capital appreciation and investment income to provide an attractive total investment return. The fund invests in a diversified basket of debt securities, preferred shares, income trusts, real estate investment trusts, hybrid products and common shares.

## WHAT DOES THE FUND INVEST IN?

### Current Asset Mix

CASH	4.19%
FIXED INCOME	91.33%
EQUITY	4.48%
Corporate	53.69%
Federal Government	13.21%
Preferred Shares	9.38%
Provincial Government	15.05%



### TOP TEN HOLDINGS

HOLDING NAME	% OF PORTFOLIO
CANADA GOVT 2.000 JUN 01 28	8.61
PROVINCE OF QUEBEC 2.75 SEP 01 25	6.25
PROV BRITISH COLUMBIA 3.20 JUN 18 32	6.06
CANADA GOVT 1.000 JUN 01 27	4.60
QUEBEC PROV 2.500 SEP 01 26	2.74
CENTRAL 1 CR UN 1.323 JAN 29 26	2.66
TORONTO-DOMINION BANK 4.68 JAN 08 29	2.60
DOLLARAMA INC 1.505 SEP 20 27	2.19
INTER PIPELINE LTD 2.734 APR 18 24	2.15
ALIMENTATION COUCHE-TARD 4.603 JAN 25 29	2.15

The current asset mix, sector allocation and top ten holdings represent a snapshot of the Fund's investments as of the date of this fact sheet. The Fund's investments may change over time.

## WHO SHOULD INVEST IN THIS FUND?

The Fund caters to risk-averse investors who seek a stream of income through exposure to fixed income securities.

## HOW THE FUND PERFORMED

Better than expected economic growth trends and rather sticky inflation numbers significantly changed the narrative about potential interest rate cuts during the quarter under review. Early in the year expectations were for a fairly aggressive rate cut scenario. These expectations were tempered as the quarter proceeded. As a result, bond market rates, which had started to price in the more aggressive rate cut scenario, retraced a good part of the decline. This resulted in another negative quarter for bond investment returns in general. Because of our shorter than benchmark average duration for the bond portfolio and our concentration on higher yielding corporate bonds, the bond component of the fund outperformed the benchmark. Moreover, the preferred share component added significantly to the total return. As a result, the fund achieved a positive return of 1.6% for the quarter under review compared to a 1.2% loss for the portfolio benchmark.

We still expect rates to be cut by the middle of the year, in Canada probably a little earlier than in the US. However, there will likely be fewer cuts than originally expected. Given the fact that short term rates are still much higher than longer term rates the potential for long bond rates to come down substantially is thus limited. We will therefore continue to focus on lower than benchmark duration, looking more to the 4-to-6-year terms for reinvestment purposes. We will also continue to hold preferred shares as their yields are still much higher than most other fixed income vehicles.

## QUICK FACTS AND FUND CHARACTERISTICS

**CHARACTERISTICS:**

- Fixed Income portfolio of primarily Canadian holdings
- 35-45 Holdings
- Low to moderate risk
- Steady income and moderate growth

**FUND TYPE:** Fixed Income

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

IPP, FHSA

**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 ADMINISTRATOR:** SGGG Fund Services Inc.

**CUSTODIAN:** National Bank Independent Network

**TRUSTEE:** TSX Trust Company

**AUDITORS:** Deloitte

## LEAD MANAGER



**Willem Hanskamp**

**Partner & Senior Portfolio Manager**

Willem Hanskamp started his career as an Analyst with the Amsterdam-Rotterdam Bank in 1972. Later, Mr. Hanskamp joined Credit Lyonnais Netherlands and Paribas Netherlands, where he specialized in global research and portfolio management. Willem moved to Canada and joined Heward in 1990. Today, Willem Hanskamp's areas of concentration are Canadian, overseas (EAFE) and fixed-income securities.

**Co-managers:** Renato Anzovino, CFA & Maurice Conti

## ABOUT THE PORTFOLIO MANAGER

**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 \$705 million

## FOR MORE INFORMATION ABOUT THE FUND'S STRATEGY PLEASE CONTACT

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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 returns. 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 Heward Canadian Dividend Growth Fund on June 30, 2009. It reflects the Fund's investment policy of 100% equities. 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 and 45% global equity, 10% cash (+/- 20%). The Income Benchmark has been used since the inception of the Heward Income Fund on November 1st, 2016. It reflects the Fund's investment policy of 90% fixed income, 10% cash (+/- 20%). 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 equities, 10% Canadian equities 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.

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