



GUARDIAN CAPITAL

**Guardian Capital ETFs**

Guardian Canadian Sector Controlled Equity Fund

Guardian i<sup>3</sup> Global Quality Growth ETF

Guardian i<sup>3</sup> US Quality Growth ETF

FINANCIAL  
STATEMENTS

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December 31, 2023



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Financial Statements and Schedule of Investment Portfolio for each of the Guardian Capital ETFs, comprising the following:	
•Statements of Financial Position	
•Statements of Comprehensive Income	
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**GUARDIAN CAPITAL LP**

March 27, 2024

The accompanying financial statements of the Guardian Capital ETFs (collectively, the “Funds”) have been prepared by Guardian Capital LP (the “Manager”), in its capacity as Manager of the Funds. The Manager is responsible for the information and representations contained in these financial statements, which have been approved by the Board of Directors of the general partner of the Manager, Guardian Capital Inc.

The Manager maintains appropriate procedures and controls to ensure that reliable financial information relating to the Funds is produced. The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and include certain amounts based upon estimates and judgments. The significant accounting policies which the Manager believes are appropriate for the Funds are described in the notes to the financial statements.

(signed) "Donald Yi",  
Chief Financial Officer



## Independent auditor's report

To the Unitholders and Trustee of

Guardian Canadian Sector Controlled Equity Fund  
Guardian i<sup>3</sup> Global Quality Growth ETF  
Guardian i<sup>3</sup> US Quality Growth ETF

(individually, a Fund)

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### Our opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP  
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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### **Other information**

Management is responsible for the other information of each Fund. The other information comprises the Annual Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Sameet Batavia.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
March 27, 2024

December 31, 2023

**Guardian Canadian Sector Controlled Equity Fund**
**Statements of Financial Position**

As at December 31	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Investments	\$ 8,348,387	\$ 5,764,323
Cash, net	439,369	108,467
Due from brokers	64,819	12,183
Short-term securities	–	–
Subscriptions receivable	12,900	–
Interest and dividends receivable	14,323	15,186
Unrealized appreciation on foreign currency contracts	–	–
Option contract assets	–	–
	<b>8,879,798</b>	<b>5,900,159</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Due to brokers	239,654	–
Redemptions payable	–	–
Distributions payable	–	–
Accrued expenses due to Manager	4,614	3,188
Unrealized depreciation on foreign currency contracts	–	–
Option contract liabilities	–	–
	<b>244,268</b>	<b>3,188</b>
<b>Net assets attributable to holders of redeemable units (NAV)</b>	<b>\$ 8,635,530</b>	<b>\$ 5,896,971</b>
<b>NAV per Series</b>		
Unhedged ETF	\$ 3,930,976	\$ 2,439,800
Series A	56,886	48,087
Series F	4,147,249	3,113,162
Series I	500,419	295,922
<b>NAV per Unit</b>		
Unhedged ETF	\$ 22.46	\$ 19.52
Series A	10.74	9.33
Series F	10.77	9.35
Series I	10.49	9.11
<b>Closing market price</b>		
Unhedged ETF	\$ 22.48	\$ 19.52

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian Canadian Sector Controlled Equity Fund

## Statements of Comprehensive Income

For the years ended December 31	2023	2022
<b>Income</b>		
Dividends	\$ 187,964	\$ 150,408
Interest for distribution purposes	–	–
Net realized gains (losses) on sale of investments	(94,656)	(353,651)
Change in unrealized appreciation (depreciation) in value of investments	1,080,106	(232,733)
Net gains (losses) on investments	1,173,414	(435,976)
Net realized gains (losses) on foreign currency contracts	–	–
Net realized gains (losses) on option contracts	–	–
Change in unrealized appreciation (depreciation) on foreign currency contracts	–	–
Change in unrealized appreciation (depreciation) on option contracts	–	–
Net gains (losses) on derivatives	–	–
Foreign exchange gains (losses)	(1,044)	927
<b>Total income (loss)</b>	<b>1,172,370</b>	<b>(435,049)</b>
<b>Operating expenses (Note 4)</b>		
Administration expenses	125,274	180,997
Management fee	39,686	27,447
Independent review committee costs	153	23
Interest charges	–	–
Transaction costs	3,647	2,869
Foreign withholding taxes	18	–
Total operating expenses	168,778	211,336
Expenses absorbed by the Manager (Note 4)	(118,079)	(175,488)
Net operating expenses	50,699	35,848
<b>Increase (decrease) in NAV from operations</b>	<b>\$ 1,121,671</b>	<b>\$ (470,897)</b>
<b>Increase (decrease) in NAV from operations per Series</b>		
Unhedged ETF	\$ 495,811	\$ (146,792)
Series A	7,751	(1,989)
Series F	564,448	(285,763)
Series I	53,661	(36,353)
<b>Increase (decrease) in NAV from operations per Unit (Note 3)</b>		
Unhedged ETF	\$ 3.14	\$ (1.74)
Series A	1.46	(0.55)
Series F	1.61	(0.90)
Series I	1.73	(0.43)

The accompanying notes and their supplementary schedules are an integral part of these financial statements.



# Guardian Canadian Sector Controlled Equity Fund

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31	2023		2022		2023		2022		2023		2022	
	Unhedged ETF	Unhedged ETF	Series A	Series A	Series F	Series F	Series I	Series I	Total	Total		
<b>NAV, beginning of year</b>	\$ 2,439,800	\$ 1,620,899	\$ 48,087	\$ 25,476	\$ 3,113,162	\$ 2,533,997	\$ 295,922	\$ 123,896	\$ 5,896,971	\$ 4,304,268		
Increase (decrease) in NAV from operations	495,811	(146,792)	7,751	(1,989)	564,448	(285,763)	53,661	(36,353)	1,121,671	(470,897)		
Distributions to unitholders:												
Income	(56,148)	(26,915)	(338)	(148)	(61,668)	(49,541)	(7,486)	(16,436)	(125,640)	(93,040)		
Capital gains	-	-	-	-	-	-	-	-	-	-		
Return of capital	(6,040)	-	-	-	-	-	-	-	(6,040)	-		
	(62,188)	(26,915)	(338)	(148)	(61,668)	(49,541)	(7,486)	(16,436)	(131,680)	(93,040)		
Redeemable unit transactions:												
Proceeds from issuance of units	1,551,695	1,477,828	3,548	24,600	684,827	1,016,071	235,010	1,575,540	2,475,080	4,094,039		
Reinvested distributions	-	2,640	338	148	54,010	42,572	7,486	16,436	61,834	61,796		
Redemption of units	(494,142)	(487,860)	(2,500)	-	(207,530)	(144,174)	(84,174)	(1,367,161)	(788,346)	(1,999,195)		
	1,057,553	992,608	1,386	24,748	531,307	914,469	158,322	224,815	1,748,568	2,156,640		
Net increase (decrease) in NAV	1,491,176	818,901	8,799	22,611	1,034,087	579,165	204,497	172,026	2,738,559	1,592,703		
<b>NAV, end of year</b>	\$ 3,930,976	\$ 2,439,800	\$ 56,886	\$ 48,087	\$ 4,147,249	\$ 3,113,162	\$ 500,419	\$ 295,922	\$ 8,635,530	\$ 5,896,971		
<b>Change in units (Note 3)</b>	2023		2022		2023		2022		2023		2022	
	Unhedged ETF	Unhedged ETF	Series A	Series A	Series F	Series F	Series I	Series I				
<b>Units issued and outstanding, beginning of year</b>	125,000	75,000	5,154	2,466	332,860	244,402	32,472	11,915				
Number of units issued	75,000	75,000	360	2,672	67,419	98,627	23,067	160,971				
Number of units reinvested	-	-	34	16	5,340	4,461	762	1,763				
Number of units cancelled upon consolidation	-	-	-	-	-	-	-	-				
	200,000	150,000	5,548	5,154	405,619	347,490	56,301	174,649				
Number of units redeemed	(25,000)	(25,000)	(252)	-	(20,562)	(14,630)	(8,604)	(142,177)				
<b>Units issued and outstanding, end of year</b>	175,000	125,000	5,296	5,154	385,057	332,860	47,697	32,472				

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian Canadian Sector Controlled Equity Fund

## Statements of Cash Flows

For the years ended December 31	2023	2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in NAV from operations	\$ 1,121,671	\$ (470,897)
Adjustments for:		
Unrealized foreign exchange (gains) losses on cash	1,079	(488)
Net realized (gains) losses on sale of investments	94,656	353,651
Net realized gains (losses) on option contracts	–	–
Change in unrealized (appreciation) depreciation in value of investments	(1,080,106)	232,733
Change in unrealized (appreciation) depreciation in foreign currency contracts	–	–
Change in unrealized (appreciation) depreciation in option contracts	–	–
Purchases of investments <sup>(1)</sup>	(2,742,139)	(3,675,621)
Proceeds from sale of investments <sup>(2)</sup>	2,363,178	2,455,775
(Increase) decrease in short-term securities, net	–	–
(Increase) decrease in interest and dividends receivable	863	(6,822)
Increase (decrease) in accrued expenses due to Manager	1,426	771
<b>Net cash from (used in) operating activities</b>	<b>(239,372)</b>	<b>(1,110,897)</b>
<b>Cash flows from (used in) financing activities</b>		
Distributions paid, net of reinvested distributions	(69,846)	(31,244)
Proceeds from issuance of units <sup>(1)</sup>	947,991	2,679,134
Redemption of units <sup>(2)</sup>	(306,792)	(1,530,744)
<b>Net cash from (used in) financing activities</b>	<b>571,353</b>	<b>1,117,145</b>
<b>Foreign exchange</b>		
Net effect of unrealized foreign exchange gains (losses) on cash	(1,079)	488
Net increase (decrease) in cash	330,902	6,736
Cash, net (bank overdraft), beginning of year	108,467	101,731
<b>Cash, net (bank overdraft), end of year</b>	<b>\$ 439,369</b>	<b>\$ 108,467</b>
Cash activity included in operating activities:		
Interest received	\$ –	\$ –
Interest paid	–	–
Dividends received, net of withholding taxes	188,809	143,586

<sup>(1)</sup> Excludes in-kind subscriptions transactions of \$1,514,189 and \$1,414,905 for the year ended December 31, 2023 and 2022.

<sup>(2)</sup> Excludes in-kind redemption transactions of \$481,554 and \$468,451 for the year ended December 31, 2023 and 2022.

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian Canadian Sector Controlled Equity Fund

## Schedule of Investment Portfolio

As at December 31, 2023

Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value	Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value
<b>EQUITY INVESTMENTS - 96.7%</b>				<b>UTILITIES - 4.2%</b>			
<b>COMMUNICATION SERVICES - 2.1%</b>				1,559	Brookfield Infrastructure Corporation, Class 'A'	\$ 87,895	\$ 72,868
7,720	TELUS Corporation	\$ 213,601	\$ 182,038	2,383	Brookfield Renewable Corporation, Class 'A'	105,396	90,888
		213,601	182,038	3,657	Fortis Inc.	202,264	199,343
<b>CONSUMER DISCRETIONARY - 5.2%</b>						395,555	363,099
4,300	Restaurant Brands International Inc.	360,534	445,179	<b>Total Equity Investments</b>			
		360,534	445,179	<b>Transaction costs</b>			
<b>CONSUMER STAPLES - 11.2%</b>				<b>Total investments - 96.7%</b>			
3,209	Loblaw Companies Limited	388,509	411,650	<b>7,385,166 8,348,387</b>			
12,998	Maple Leaf Foods Inc.	353,151	328,070	<b>Transaction costs</b>			
3,273	Metro Inc.	227,956	224,495	<b>(2,838) -</b>			
		969,616	964,215	<b>Total investments - 96.7%</b>			
<b>ENERGY - 8.1%</b>				<b>7,382,328 8,348,387</b>			
3,365	Cameco Corporation	129,711	192,242	<b>Other net assets - 3.3%</b>			
3,669	Canadian Natural Resources Limited	264,759	318,506	<b>Net assets attributable to unitholders - 100.0%</b>			
4,428	Suncor Energy Inc.	165,995	187,969	<b>\$ 287,137</b>			
		560,465	698,717	<b>\$ 8,635,524</b>			
<b>FINANCIALS - 25.8%</b>							
3,813	Bank of Montreal	482,074	499,922				
7,473	Brookfield Corporation	366,644	397,190				
2,759	Canadian Imperial Bank of Commerce	158,932	176,024				
189	Fairfax Financial Holdings Limited	180,360	231,054				
439	Intact Financial Corporation	79,577	89,495				
3,939	Royal Bank of Canada	517,444	527,826				
1,593	Sun Life Financial Inc.	106,453	109,471				
1,119	The Toronto-Dominion Bank	98,158	95,809				
3,260	TMX Group Limited	87,720	104,483				
		2,077,362	2,231,274				
<b>INDUSTRIALS - 21.2%</b>							
682	Boyd Group Services Inc.	148,066	189,930				
4,244	Canadian Pacific Kansas City Limited	420,257	444,941				
8,960	Element Fleet Management Corporation	145,331	193,178				
8,638	Finning International Inc.	298,397	331,008				
6,878	SNC-Lavalin Group Inc.	217,275	293,415				
1,899	Stantec Inc.	132,524	202,016				
926	Thomson Reuters Corporation	136,579	179,394				
		1,498,429	1,833,882				
<b>INFORMATION TECHNOLOGY - 13.3%</b>							
7,389	Celestica Inc.	133,661	286,767				
3,124	CGI Inc., Class 'A'	360,072	443,452				
7,531	Open Text Corporation	353,956	419,401				
		847,689	1,149,620				
<b>MATERIALS - 4.6%</b>							
1,741	Agnico Eagle Mines Limited	122,179	126,484				
1,420	CCL Industries Inc., Class 'B'	89,746	84,618				
1,592	Teck Resources Limited, Class 'B'	81,405	89,168				
1,412	Wheaton Precious Metals Corporation	78,008	92,302				
		371,338	392,572				
<b>REAL ESTATE - 1.0%</b>							
1,799	Canadian Apartment Properties Real Estate Investment Trust	90,577	87,791				
		90,577	87,791				

# Guardian Canadian Sector Controlled Equity Fund

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 1: Formation of the Fund

Guardian Canadian Sector Controlled Equity Fund (the "Fund") was formed on February 24, 2021. The Fund commenced operations on March 26, 2021 and issued Unhedged ETF Units. The ETF Units are available for purchase or sale on the stock exchange. Subsequently, various series of Mutual Fund units were issued on June 7, 2021. The primary objective of the Fund is to achieve long-term growth of capital while maintaining steady current dividend income by investing, directly or indirectly, primarily in common shares or other equity-related securities issued by Canadian companies with a focus on reducing exposure to resources. The address of the Fund and the Manager's principal business office is Suite 2700, 199 Bay Street, Toronto, Ontario, M5L 1E8.

### Note 2 (j): Offsetting of financial instruments

In the normal course of business, the Fund enters into various master netting arrangements or other similar arrangements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy. The following table presents the recognized financial assets and financial liabilities that are offset, or those that are subject to enforceable master netting arrangements or other similar arrangements but have not been offset, as at December 31, 2023 and 2022. The "Net" column shows what the impact of the Fund's Statements of Financial Position would be if all set-off rights were exercised.

Financial Assets and Liabilities	Gross Position	Less: Items Offset	Net Position for Financial Statements	Financial Instruments with Offset Rights	Cash Collateral Received	Net Position After Exercise of Offset Rights
As at December 31, 2023						
Derivative assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative liabilities	-	-	-	-	-	-
As at December 31, 2022						
Derivative assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative liabilities	-	-	-	-	-	-

The Fund is subject to enforceable master netting arrangements in the form of ISDA arrangements with the counterparties to its derivative contracts. Under the terms of certain of these arrangements, offsetting of derivative contracts is permitted for same day settlements when contracts with the same counterparty mature simultaneously, and in other cases only in the event of bankruptcy or default of either party to the agreement. The Fund's arrangements with its brokers also permit offsetting of amounts receivable and payable in respect of securities purchased or sold in the normal course of business.

# Guardian Canadian Sector Controlled Equity Fund

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 3: Increase (decrease) in NAV from operations per unit per series

The weighted average number of units outstanding during the period used to calculate the increase (decrease) in NAV from operations per unit per series is as follows:

For the years ended December 31	2023	2022
Unhedged ETF	158,151	84,315
Series A	5,316	3,618
Series F	351,026	318,446
Series I	31,057	85,038

As at December 31, 2023, two unitholders held approximately 35% of the Fund's NAV, their holdings were 22% and 13% respectively (December 31, 2022 - one unitholder, approximately 15%). The investment activity of these unitholders could have a material impact on the operations and returns of the Fund.

### Note 4: Operating expenses

The Manager currently charges to the Fund management fees and, where applicable, administration fees, based on the NAV, and the annual rates of these fees are as follows:

As at December 31	2023	2022
<b>Annual management fee rate</b>		
Unhedged ETF	0.50%	0.50%
Series A	1.50%	1.50%
Series F	0.50%	0.50%
Series I	0.00%	0.00%

The Manager may absorb some of the operating expenses of the Fund at its discretion, and may stop absorbing such expenses at any time.

### Note 5: Income taxes

The Fund has the following tax losses available to be carried forward and applied against capital gains or income in the current and future years:

As at December 31	2023	2022
Capital losses	\$ 403,854	\$ 272,172
Non-capital losses	–	–

The losses expire on the following dates:

	Amount expiring	Date of expiry
Non-capital losses	\$ –	–

# Guardian Canadian Sector Controlled Equity Fund

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 8 (a) (i): Currency risk:

The table below summarizes the Fund's direct net exposure to currency risk from monetary items and non-monetary items.

As at December 31, 2023	Financial Assets and Liabilities	Forward Contracts	Net **	% of NAV
USD	\$ 42,152	\$ -	42,152	0.5%
Other currencies	-	-	-	-
Net currency exposure	\$ 42,152	\$ -	42,152	0.5%

As at December 31, 2022	Financial Assets and Liabilities	Forward Contracts	Net **	% of NAV
USD	\$ 24,386	\$ -	24,386	0.4%
Other currencies	-	-	-	-
Net currency exposure	\$ 24,386	\$ -	24,386	0.4%

\*\* Includes both monetary and non-monetary items, as applicable

If the foreign currencies increased or decreased by 5% in relation to the Canadian dollar, with all other variables held constant, the approximate increase or decrease in the Fund's NAV are as follows:

As at December 31	2023	2022
Change in NAV	\$ 2,000	\$ 1,000
% of NAV	0.0%	0.0%

In practice, the actual trading results could differ, and the difference could be material.

### Note 8 (a) (ii): Interest rate risk:

The Fund is exposed to interest rate risk through its investments in short-term securities. This risk is not considered to be significant to the Fund as the Fund invests predominantly in equity securities.

### Note 8 (a) (iii): Other price risk:

The table below summarizes the Fund's exposure to other price risk through its holding of investments:

As at December 31	2023	2022
Total equity Investments	\$ 8,348,387	\$ 5,764,323
% of NAV	96.7%	97.8%

If the prices for the investments held by the Fund increased or decreased by 5%, with all other variables held constant, the approximate increase or decrease in the Fund's NAV are as follows:

As at December 31	2023	2022
Change in NAV	\$ 417,000	\$ 288,000
% of NAV	4.8%	4.9%

In practice, the actual trading results could differ, and the difference could be material.

# Guardian Canadian Sector Controlled Equity Fund

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 8 (b): Concentration risk:

The tables below summarize the Fund's exposure to countries and investment sectors, as a percentage of NAV:

<b>Countries, as at December 31</b>	<b>2023</b>	<b>2022</b>
Canada	95.6%	96.8%
United States of America	1.1%	1.0%
Other countries	–	–
Short-Term Securities	–	–
Other net assets (liabilities)	3.3%	2.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Investment sectors, as at December 31</b>	<b>2023</b>	<b>2022</b>
Communication services	2.1%	6.1%
Consumer discretionary	5.2%	13.6%
Consumer staples	11.2%	5.8%
Energy	8.1%	8.1%
Financials	25.8%	24.9%
Industrials	21.2%	19.1%
Information technology	13.3%	9.3%
Materials	4.6%	6.7%
Real estate	1.0%	1.0%
Utilities	4.2%	3.2%
Investment funds	–	–
Short-term securities	–	–
Other net assets (liabilities)	3.3%	2.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Note 8 (d): Credit risk:

The Fund is exposed to credit risk through its investments in investment grade short-term securities, or in a mutual fund which holds investments in investment-grade short-term securities. The risk is not considered to be material to the Fund as it predominantly invests in equity securities.

# Guardian Canadian Sector Controlled Equity Fund

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 9: Classification of financial instruments for fair value measurement

The summary of the Fund's investments, classified based upon a fair value hierarchy, is as follows:

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Equity investments	\$ 8,348,387	\$ -	\$ -	\$ 8,348,387
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ 8,348,387</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,348,387</b>
Percentage of total investments	100.0%	-	-	100.0%

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Equity investments	\$ 5,764,323	\$ -	\$ -	\$ 5,764,323
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ 5,764,323</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,764,323</b>
Percentage of total investments	100.0%	-	-	100.0%

The summary of significant transfers between levels during the periods are as follows:

For the year ended December 31, 2023	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

For the year ended December 31, 2022	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Note 10: Related party transactions

Units of the Fund held by the Manager, its affiliates, their officers, and funds it manages are as follows:

As at December 31	2023	2022
Unhedged ETF - number of units	140,428	69,587
Unhedged ETF - percentage of issued units	80.2%	55.7%
Series A - number of units	505	502
Series A - percentage of issued units	9.5%	9.7%
Series F - number of units	518	509
Series F - percentage of issued units	0.1%	0.2%
Series I - number of units	1,078	1,053
Series I - percentage of issued units	2.2%	3.2%

### Note 11: Investments in unconsolidated structured entities

The Fund has invested in unconsolidated structured entities ("SE"). Details of these investments are as follows:

	Total net assets of the SE	Fair value of Fund's Investment in SE
<b>As at December 31, 2023</b>	<b>\$ -</b>	<b>\$ -</b>



# Guardian Canadian Sector Controlled Equity Fund

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

**Note 11: Investments in unconsolidated structured entities (continued)**

	Total net assets of the SE	Fair value of Fund's investment in SE
As at December 31, 2022	\$ -	\$ -

December 31, 2023

## Guardian i<sup>3</sup> Global Quality Growth ETF

### Statements of Financial Position

As at December 31	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Investments	\$ 9,140,645	\$ 9,467,838
Cash, net	271,844	235,151
Due from brokers	—	—
Short-term securities	—	—
Subscriptions receivable	—	—
Interest and dividends receivable	14,895	8,902
Unrealized appreciation on foreign currency contracts	15,748	50,416
Option contract assets	—	—
	<b>9,443,132</b>	<b>9,762,307</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	—	—
Due to brokers	—	—
Redemptions payable	—	—
Distributions payable	—	—
Accrued expenses due to Manager (Note 4)	6,436	6,974
Unrealized depreciation on foreign currency contracts	615	321
Option contract liabilities	—	—
	<b>7,051</b>	<b>7,295</b>
<b>Net assets attributable to holders of redeemable units (NAV)</b>	<b>\$ 9,436,081</b>	<b>\$ 9,755,012</b>
<b>NAV per Series</b>		
Unhedged Units	\$ 3,601,623	\$ 3,811,269
Hedged Units	5,834,458	5,943,743
<b>NAV per Unit</b>		
Unhedged Units	\$ 24.01	\$ 19.06
Hedged Units	23.34	18.29
<b>Closing market price</b>		
Unhedged Units	\$ 24.14	\$ 19.05
Hedged Units	23.36	18.29

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Statements of Comprehensive Income

For the years ended December 31	2023	2022
<b>Income</b>		
Dividends	\$ 139,488	\$ 121,552
Interest for distribution purposes	–	–
Net realized gains (losses) on sale of investments	139,868	(1,321,754)
Change in unrealized appreciation (depreciation) in value of investments	2,018,637	(2,280,237)
Net gains (losses) on investments	2,297,993	(3,480,439)
Net realized gains (losses) on foreign currency contracts	122,914	(565,947)
Net realized gains (losses) on option contracts	–	–
Change in unrealized appreciation (depreciation) on foreign currency contracts	(34,962)	(73,312)
Change in unrealized appreciation (depreciation) on option contracts	–	–
Net gains (losses) on derivatives	87,952	(639,259)
Foreign exchange gains (losses)	(5,879)	226,585
Other Income	–	–
<b>Total income (loss)</b>	<b>2,380,066</b>	<b>(3,893,113)</b>
<b>Operating expenses (Note 4)</b>		
Administration expenses	123,856	148,575
Management fee	69,292	77,430
Independent review committee costs	248	37
Interest charges	237	–
Transaction costs	2,097	3,117
Foreign withholding taxes	26,348	15,472
Other expenses	47	–
Total operating expenses	222,125	244,631
Expenses absorbed by the Manager (Note 4)	(116,682)	(139,626)
Net operating expenses	105,443	105,005
<b>Increase (decrease) in NAV from operations</b>	<b>\$ 2,274,623</b>	<b>\$ (3,998,118)</b>
<b>Increase (decrease) in NAV from operations per Series</b>		
Unhedged Units	\$ 825,553	\$ (1,190,505)
Hedged Units	1,449,070	(2,807,613)
<b>Increase (decrease) in NAV from operations per Unit (Note 3)</b>		
Unhedged Units	\$ 4.87	\$ (6.14)
Hedged Units	5.13	(8.77)

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31	2023		2022		2023		2022	
	Unhedged Units	Unhedged Units	Hedged Units	Hedged Units	Total	Total	Total	Total
<b>NAV, beginning of year</b>	\$ 3,811,269	\$ 4,454,811	\$ 5,943,743	\$ 8,801,249	\$ 9,755,012	\$ 13,256,060		
Increase (decrease) in NAV from operations	825,553	(1,190,505)	1,449,070	(2,807,613)	2,274,623	(3,998,118)		
Distributions to unitholders:								
Income	(13,073)	(6,672)	(20,745)	(11,025)	(33,818)	(17,697)		
Capital gains	-	-	-	-	-	-		
	(13,073)	(6,672)	(20,745)	(11,025)	(33,818)	(17,697)		
Redeemable unit transactions:								
Proceeds from issuance of units	-	551,984	-	523,529	-	1,075,513		
Reinvested distributions	-	1,651	-	2,868	-	4,519		
Redemption of units	(1,022,126)	-	(1,537,610)	(565,265)	(2,559,736)	(565,265)		
	(1,022,126)	553,635	(1,537,610)	(38,868)	(2,559,736)	514,767		
Net increase (decrease) in NAV	(209,646)	(643,542)	(109,285)	(2,857,506)	(318,931)	(3,501,048)		
<b>NAV, end of year</b>	\$ 3,601,623	\$ 3,811,269	\$ 5,834,458	\$ 5,943,743	\$ 9,436,081	\$ 9,755,012		

Change in units (Note 3)	2023		2022	
	Unhedged Units	Unhedged Units	Hedged Units	Hedged Units
<b>Units issued and outstanding, beginning of year</b>	200,000	175,000	325,000	325,000
Number of units issued	-	25,000	-	25,000
Number of units reinvested	-	87	-	157
Number of units cancelled upon consolidation	-	(87)	-	(157)
	200,000	200,000	325,000	350,000
Number of units redeemed	(50,000)	-	(75,000)	(25,000)
<b>Units issued and outstanding, end of year</b>	150,000	200,000	250,000	325,000

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Statements of Cash Flows

For the years ended December 31	2023	2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in NAV from operations	\$ 2,274,623	\$ (3,998,118)
Adjustments for:		
Unrealized foreign exchange (gains) losses on cash	(835)	827
Net realized (gains) losses on sale of investments	(139,868)	1,321,754
Net realized gains (losses) on option contracts	–	–
Change in unrealized (appreciation) depreciation in value of investments	(2,018,637)	2,280,237
Change in unrealized (appreciation) depreciation in foreign currency contracts	34,962	73,312
Change in unrealized (appreciation) depreciation in option contracts	–	–
Purchases of investments	(2,719,851)	(9,333,874)
Proceeds from sale of investments	5,205,549	9,302,635
(Increase) decrease in short-term securities, net	–	–
(Increase) decrease in interest and dividends receivable	(5,993)	(5,084)
Increase (decrease) in accrued expenses due to Manager	(538)	(2,647)
<b>Net cash from (used in) operating activities</b>	<b>2,629,412</b>	<b>(360,958)</b>
<b>Cash flows from (used in) financing activities</b>		
Distributions paid, net of reinvested distributions	(33,818)	(13,178)
Proceeds from issuance of units	–	1,075,513
Redemption of units	(2,559,736)	(565,265)
<b>Net cash from (used in) financing activities</b>	<b>(2,593,554)</b>	<b>497,070</b>
<b>Foreign exchange</b>		
Net effect of unrealized foreign exchange gains (losses) on cash	835	(827)
Net increase (decrease) in cash	36,693	135,285
Cash, net (bank overdraft), beginning of year	235,151	99,866
<b>Cash, net (bank overdraft), end of year</b>	<b>\$ 271,844</b>	<b>\$ 235,151</b>
Cash activity included in operating activities:		
Interest received	\$ –	\$ –
Interest paid	237	–
Dividends received, net of withholding taxes	107,147	100,996

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Schedule of Investment Portfolio

As at December 31, 2023

Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value	Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value
<b>EQUITY INVESTMENTS - 96.9%</b>				<b>MATERIALS - 2.1%</b>			
<b>COMMUNICATION SERVICES - 6.1%</b>				491	The Sherwin-Williams Company	\$ 155,558	\$ 201,934
3,088	Alphabet Inc., Class 'C'	\$ 370,982	\$ 573,844			155,558	201,934
		370,982	573,844	<b>Total Equity Investments</b>			
<b>CONSUMER DISCRETIONARY - 11.0%</b>						<b>7,004,596</b>	<b>9,140,645</b>
2,848	Amazon.com Inc.	465,596	570,591	<b>Transaction costs</b>			
206	LVMH Moët Hennessy-Louis Vuitton SE	250,803	220,122			(3,654)	-
635	McDonald's Corporation	207,117	248,271	<b>Total investments - 96.9%</b>			
		923,516	1,038,984			<b>7,000,942</b>	<b>9,140,645</b>
<b>CONSUMER STAPLES - 8.8%</b>				<b>Forward currency contracts, net - 0.1%</b>			
592	Costco Wholesale Corporation	386,035	515,266	<b>(Note 2 (i))</b>			
2,060	Nestle SA	335,968	314,701				15,133
		722,003	829,967	<b>Other net assets - 3.0%</b>			
<b>ENERGY - 0.8%</b>							280,303
475	EOG Resources Inc.	87,276	75,755	<b>Net assets attributable to unitholders - 100.0%</b>			
		87,276	75,755			\$	<b>9,436,081</b>
<b>FINANCIALS - 4.3%</b>							
347	FactSet Research Systems Inc.	193,712	218,276				
531	Visa Inc., Class 'A'	155,707	182,291				
		349,419	400,567				
<b>HEALTH CARE - 9.4%</b>							
875	Agilent Technologies Inc.	162,596	160,409				
2,440	AstraZeneca PLC, ADR	200,401	216,691				
208	Eli Lilly & Company	171,035	159,877				
493	STERIS PLC	131,462	142,918				
302	UnitedHealth Group Inc.	202,646	209,649				
		868,140	889,544				
<b>INDUSTRIALS - 18.4%</b>							
17,052	Atlas Copco AB, Class 'B'	263,568	333,327				
545	Rockwell Automation Inc.	193,479	223,122				
1,696	Schneider Electric SE	356,013	449,066				
256	W.W. Grainger Inc.	172,232	279,734				
2,419	Wolters Kluwer NV	309,407	453,474				
		1,294,699	1,738,723				
<b>INFORMATION TECHNOLOGY - 36.0%</b>							
364	Accenture PLC, Class 'A'	142,746	168,426				
1,803	Apple Inc.	309,755	457,728				
662	ARM Holdings PLC	53,526	65,595				
319	ASML Holding NV	270,884	316,754				
673	Autodesk Inc.	185,822	216,069				
197	Broadcom Inc.	134,608	289,962				
767	Microchip Technology Inc.	71,635	91,205				
1,155	Microsoft Corporation	355,077	572,703				
338	MongoDB Inc.	107,005	182,219				
831	NVIDIA Corporation	237,347	542,641				
287	ServiceNow Inc.	214,272	267,363				
325	Synopsys Inc.	150,326	220,662				
		2,233,003	3,391,327				

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 1: Formation of the Fund

Guardian i<sup>3</sup> Global Quality Growth ETF (the "Fund") was formed on July 21, 2020. On August 7, 2020, the Fund issued Unhedged Units and Hedged Units, and commenced operations. The primary objective of the Fund is the achievement of long-term capital appreciation by investing in a portfolio of equity or equity-related securities of issuers with business operations located throughout the world. The address of the Fund and the Manager's principal business office is Suite 2700, 199 Bay Street, Toronto, Ontario, M5L 1E8.

### Note 2 (i): Foreign currency forward contracts

The following is a summary of the currency derivatives of the Fund. All currency contracts relate solely to the Hedged Units of the Fund:

As at December 31, 2023

Counterparty	Credit Rating for Counterparty *	Settlement Date	Currency Buys	Par Value	Currency Sells	Par Value	Forward Rate	Current Rate	Unrealized gain (loss)
CIBC World Markets Inc.	A-1	2024-01-31	CAD	896,781	EUR	611,000	0.681	0.686	\$ 6,102
CIBC World Markets Inc.	A-1	2024-01-31	CAD	4,422,891	USD	3,351,000	0.758	0.759	6,098
CIBC World Markets Inc.	A-1	2024-01-31	CAD	206,255	SEK	1,548,000	7.505	7.636	3,548
CIBC World Markets Inc.	A-1	2024-01-31	CAD	194,176	CHF	124,000	0.639	0.637	(615)
<b>Foreign currency forward contracts, net</b>									<b>\$ 15,133</b>

As at December 31, 2022

Counterparty	Credit Rating for Counterparty *	Settlement Date	Currency Buys	Par Value	Currency Sells	Par Value	Forward Rate	Current Rate	Unrealized gain (loss)
CIBC World Markets Inc.	A-1	2023-01-25	CAD	4,816,786	USD	3,520,000	0.731	0.738	\$ 47,859
CIBC World Markets Inc.	A-1	2023-01-25	CAD	541,529	EUR	373,000	0.689	0.691	1,375
CIBC World Markets Inc.	A-1	2023-01-25	CAD	379,784	CHF	258,000	0.679	0.681	1,051
CIBC World Markets Inc.	A-1	2023-01-25	CAD	57,774	DKK	296,000	5.123	5.134	121
CIBC World Markets Inc.	A-1	2023-01-25	DKK	592,000	CAD	115,296	0.195	0.195	10
CIBC World Markets Inc.	A-1	2023-01-25	CAD	57,547	DKK	296,000	5.144	5.134	(106)
CIBC World Markets Inc.	A-1	2023-01-25	USD	112,000	CAD	151,953	1.357	1.355	(215)
<b>Foreign currency forward contracts, net</b>									<b>\$ 50,095</b>

\* The credit rating of each counterparty (as rated by S&P Global Ratings, a division of S&P Global) of the forward foreign currency contracts held by the Fund meets or exceeds the minimum designated rating.

### Note 2 (j): Offsetting of financial instruments

In the normal course of business, the Fund enters into various master netting arrangements or other similar arrangements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy. The following table presents the recognized financial assets and financial liabilities that are offset, or those that are subject to enforceable master netting arrangements or other similar arrangements but have not been offset, as at December 31, 2023 and 2022. The "Net" column shows what the impact of the Fund's Statements of Financial Position would be if all set-off rights were exercised.

Financial Assets and Liabilities	Gross Position	Less: Items Offset	Net Position for Financial Statements	Financial Instruments with Offset Rights	Cash Collateral Received	Net Position After Exercise of Offset Rights
As at December 31, 2023						
Derivative assets	\$ 15,748	\$ -	\$ 15,748	\$ -	\$ -	\$ 15,748
Derivative liabilities	(615)	-	(615)	-	-	(615)
As at December 31, 2022						
Derivative assets	\$ 50,416	\$ -	\$ 50,416	\$ -	\$ -	\$ 50,416
Derivative liabilities	(321)	-	(321)	-	-	(321)

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 2 (j): Offsetting of financial instruments (continued)

The Fund is subject to enforceable master netting arrangements in the form of ISDA arrangements with the counterparties to its derivative contracts. Under the terms of certain of these arrangements, offsetting of derivative contracts is permitted for same day settlements when contracts with the same counterparty mature simultaneously, and in other cases only in the event of bankruptcy or default of either party to the agreement. The Fund's arrangements with its brokers also permit offsetting of amounts receivable and payable in respect of securities purchased or sold in the normal course of business.

### Note 3: Increase (decrease) in NAV from operations per Unit

The weighted average number of units outstanding during the period used to calculate the increase (decrease) in NAV from operations per unit per series is as follows:

For the years ended December 31	2023	2022
Unhedged Units	169,521	193,904
Hedged Units	282,329	320,000

As at December 31, 2023, one unitholder held approximately 36% of the Fund's NAV (December 31, 2022 - one unitholder, approximately 29%). The investment activity of this unitholder could have a material impact on the operations and returns of the Fund.

### Note 4: Operating expenses

The Manager currently charges to the Fund management fees and, where applicable, administration fees, based on the NAV, and the annual rates of these fees are as follows:

As at December 31	2023	2022
<b>Annual management fee rate</b>		
Hedged Units	0.65%	0.65%
Unhedged Units	0.65%	0.65%

The Manager may absorb some of the operating expenses of the Fund at its discretion, and may stop absorbing such expenses at any time.

### Note 5: Income taxes

The Fund has the following tax losses available to be carried forward and applied against capital gains or income in the current and future years:

As at December 31	2023	2022
Capital losses	\$ 1,671,529	\$ 1,419,728
Non-capital losses	—	—

The losses expire on the following dates:

	Amount expiring	Date of expiry
Non-capital losses	\$ —	—



# Guardian i<sup>3</sup> Global Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 8 (a) (i): Currency risk:

The Hedged Units aim to minimize currency exposure between the foreign currency and Canadian dollar with respect to the Canadian dollar value of the net assets attributed to the relevant Hedged Units. By entering into the forward foreign currency exchange contracts, the Hedged Units effectively hedged its exposure to foreign currency risk. The tables below summarize the Fund's other non-hedged series' direct net exposure to currency risk from monetary and non-monetary items.

As at December 31, 2023	Financial Assets and Liabilities	Forward Contracts	Net **	% of NAV
USD	\$ 7,150,521	\$ (4,416,793)	2,733,728	29.0%
Euro	1,441,450	(890,678)	550,772	5.8%
Other currencies	648,816	(397,498)	251,318	2.7%
Net currency exposure	\$ 9,240,787	\$ (5,704,969)	3,535,818	37.5%

As at December 31, 2022	Financial Assets and Liabilities	Forward Contracts	Net **	% of NAV
USD	\$ 7,692,617	\$ (4,617,188)	3,075,429	31.5%
Euro	901,322	(540,154)	361,168	3.7%
Other currencies	911,745	(378,733)	533,012	5.5%
Net currency exposure	\$ 9,505,684	\$ (5,536,075)	3,969,609	40.7%

\*\* Includes both monetary and non-monetary items, as applicable

If the foreign currencies increased or decreased by 5% in relation to the Canadian dollar, with all other variables held constant, the approximate increase or decrease in the Fund's NAV are as follows:

As at	December 31, 2023	December 31, 2022
Change in NAV	\$ 177,000	\$ 198,000
% of NAV	1.9%	2.0%

In practice, the actual trading results could differ, and the difference could be material.

### Note 8 (a) (ii): Interest rate risk:

The Fund is exposed to interest rate risk through its investments in short-term securities. This risk is not considered to be significant to the Fund as the Fund invests predominantly in equity securities.

### Note 8 (a) (iii): Other price risk:

The table below summarizes the Fund's exposure to other price risk through its holding of investments:

As at	December 31, 2023	December 31, 2022
Other price risk	\$ 9,140,645	\$ 9,467,838
% of NAV	96.9%	97.1%

If the prices for the investments held by the Fund increased or decreased by 5%, with all other variables held constant, the approximate increase or decrease in the Fund's NAV are as follows:

As at	December 31, 2023	December 31, 2022
Change in NAV	\$ 457,000	\$ 473,000
% of NAV	4.8%	4.8%

In practice, the actual trading results could differ, and the difference could be material.

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 8 (b): Concentration risk:

The tables below summarize the Fund's exposure to countries and investment sectors, as a percentage of NAV:

<b>Countries, as at December 31</b>	<b>2023</b>	<b>2022</b>
Australia	–	3.5%
Canada	–	–
France	7.1%	3.7%
Germany	–	–
Ireland	1.8%	1.8%
Netherlands	8.2%	5.5%
Norway	–	3.4%
Sweden	3.5%	2.9%
Switzerland	3.3%	6.4%
United Kingdom	3.0%	3.0%
United States of America	70.0%	66.9%
Other countries	–	–
Forward currency contracts, net	0.1%	0.5%
Other net assets (liabilities)	3.0%	2.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Investment sectors, as at December 31</b>	<b>2023</b>	<b>2022</b>
Communication services	6.1%	5.5%
Consumer discretionary	11.0%	4.2%
Consumer staples	8.8%	13.4%
Energy	0.8%	11.5%
Financials	4.3%	1.5%
Health care	9.4%	14.6%
Industrials	18.4%	15.8%
Information technology	36.0%	28.5%
Materials	2.1%	2.1%
Real estate	–	–
Forward currency contracts, net	0.1%	0.5%
Other net assets (liabilities)	3.0%	2.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Note 8 (d): Credit risk:

The Fund is exposed to credit risk through its investments in investment grade short-term securities, or in a mutual fund which holds investments in investment-grade short-term securities. The risk is not considered to be material to the Fund as it predominantly invests in equity securities.

# Guardian i<sup>3</sup> Global Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 9: Classification of financial instruments for fair value measurement

The summary of the Fund's investments, classified based upon a fair value hierarchy, is as follows:

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Equity investments	\$ 9,140,645	\$ -	\$ -	\$ 9,140,645
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment Funds	-	-	-	-
Derivatives - assets	-	15,748	-	15,748
Derivatives - liabilities	-	(615)	-	(615)
<b>Total</b>	<b>\$ 9,140,645</b>	<b>\$ 15,133</b>	<b>\$ -</b>	<b>\$ 9,155,778</b>
Percentage of total investments	99.8%	0.2%	-	100.0%

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Equity investments	\$ 9,467,838	\$ -	\$ -	\$ 9,467,838
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment Funds	-	-	-	-
Derivatives - assets	-	50,416	-	50,416
Derivatives - liabilities	-	(321)	-	(321)
<b>Total</b>	<b>\$ 9,467,838</b>	<b>\$ 50,095</b>	<b>\$ -</b>	<b>\$ 9,517,933</b>
Percentage of total investments	99.5%	0.5%	-	100.0%

The summary of significant transfers between levels during the periods are as follows:

For the year ended December 31, 2023	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

For the year ended December 31, 2022	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Note 10: Related party transactions

As at December 31, 2023, the Manager, its affiliates and Funds it manages have 36% (2022 - 29%) ownership of the Fund.

### Note 11: Investments in unconsolidated structured entities

The Fund has invested in unconsolidated structured entities ("SE"). Details of these investments are as follows:

	Total net assets of the SE	Fair value of Fund's investment in SE
<b>As at December 31, 2023</b>	<b>\$ -</b>	<b>\$ -</b>

	Total net assets of the SE	Fair value of Fund's investment in SE
<b>As at December 31, 2022</b>	<b>\$ -</b>	<b>\$ -</b>

December 31, 2023

## Guardian i<sup>3</sup> US Quality Growth ETF

### Statements of Financial Position

As at December 31	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Investments	\$ 7,131,434	\$ 4,375,860
Cash, net	265,812	281,414
Due from brokers	—	—
Short-term securities	—	—
Subscriptions receivable	—	—
Interest and dividends receivable	10,634	463
Unrealized appreciation on foreign currency contracts	3,276	22,760
Option contract assets	—	—
	<b>7,411,156</b>	<b>4,680,497</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	—	—
Due to brokers	—	—
Redemptions payable	—	—
Distributions payable	—	—
Accrued expenses due to Manager	4,091	2,915
Unrealized depreciation on foreign currency contracts	—	—
Option contract liabilities	—	—
	<b>4,091</b>	<b>2,915</b>
<b>Net assets attributable to holders of redeemable units (NAV)</b>	<b>\$ 7,407,065</b>	<b>\$ 4,677,582</b>
<b>NAV per Series</b>		
Unhedged Units	\$ 4,982,530	\$ 2,394,082
Hedged Units	2,424,535	2,283,500
<b>NAV per Unit</b>		
Unhedged Units	\$ 24.91	\$ 19.15
Hedged Units	24.25	18.27
<b>Closing market price</b>		
Unhedged Units	\$ 25.01	\$ 19.11
Hedged Units	24.25	18.25

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> US Quality Growth ETF

## Statements of Comprehensive Income

For the years ended December 31	2023	2022
<b>Income</b>		
Dividends	\$ 51,874	\$ 49,325
Interest for distribution purposes	–	–
Net realized gains (losses) on sale of investments	127,556	(708,128)
Change in unrealized appreciation (depreciation) in value of investments	1,108,830	(1,264,796)
Net gains (losses) on investments	1,288,260	(1,923,599)
Net realized gains (losses) on foreign currency contracts	65,264	(310,298)
Net realized gains (losses) on option contracts	–	–
Change in unrealized appreciation (depreciation) on foreign currency contracts	(19,484)	(36,686)
Change in unrealized appreciation (depreciation) on option contracts	–	–
Net gains (losses) on derivatives	45,780	(346,984)
Foreign exchange gains (losses)	(4,341)	113,653
Total income (loss)	1,329,699	(2,156,930)
<b>Operating expenses (Note 4)</b>		
Administration expenses	116,189	141,206
Management fee	28,685	34,759
Independent review committee costs	120	18
Interest charges	77	–
Transaction costs	136	568
Foreign withholding taxes	7,448	7,167
Total operating expenses	152,655	183,718
Expenses absorbed by the Manager (Note 4)	(112,300)	(136,077)
Net operating expenses	40,355	47,641
<b>Increase (decrease) in NAV from operations</b>	<b>\$ 1,289,344</b>	<b>\$ (2,204,571)</b>
<b>Increase (decrease) in NAV from operations per Series</b>		
Unhedged Units	\$ 663,150	\$ (836,692)
Hedged Units	626,194	(1,367,879)
<b>Increase (decrease) in NAV from operations per Unit (Note 3)</b>		
Unhedged Units	\$ 6.16	\$ (6.69)
Hedged Units	5.78	(9.53)

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> US Quality Growth ETF

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31	2023		2022		2023		2022	
	Hedged Units	Hedged Units	Unhedged Units	Unhedged Units	Total	Total	Total	Total
<b>NAV, beginning of year</b>	\$ 2,283,500	\$ 4,103,856	\$ 2,394,082	\$ 3,231,311	\$ 4,677,582	\$ 7,335,167		
Increase (decrease) in NAV from operations	626,194	(1,367,879)	663,150	(836,692)	1,289,344	(2,204,571)		
Distributions to unitholders:								
Income	(3,350)	(1,314)	(3,270)	(1,326)	(6,620)	(2,640)		
Capital gains	-	-	-	-	-	-		
	(3,350)	(1,314)	(3,270)	(1,326)	(6,620)	(2,640)		
Redeemable unit transactions:								
Proceeds from issuance of units	-	-	2,415,855	-	2,415,855	-		
Reinvested distributions	-	864	-	789	-	1,653		
Redemption of units	(481,809)	(452,027)	(487,287)	-	(969,096)	(452,027)		
	(481,809)	(451,163)	1,928,568	789	1,446,759	(450,374)		
Net increase (decrease) in NAV	141,035	(1,820,356)	2,588,448	(837,229)	2,729,483	(2,657,585)		
<b>NAV, end of year</b>	\$ 2,424,535	\$ 2,283,500	\$ 4,982,530	\$ 2,394,082	\$ 7,407,065	\$ 4,677,582		

Change in units (Note 3)	2023		2022	
	Unhedged Units	Unhedged Units	Hedged Units	Hedged Units
<b>Units issued and outstanding, beginning of year</b>	125,000	125,000	125,000	150,000
Number of units issued	100,000	-	-	-
Number of units reinvested	-	41	-	47
Number of units cancelled upon consolidation	-	(41)	-	(47)
	225,000	125,000	125,000	150,000
Number of units redeemed	(25,000)	-	(25,000)	(25,000)
<b>Units issued and outstanding, end of year</b>	200,000	125,000	100,000	125,000

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> US Quality Growth ETF

## Statements of Cash Flows

For the years ended December 31	2023	2022
<b>Cash flows from operating activities</b>		
Increase (decrease) in NAV from operations	\$ 1,289,344	\$ (2,204,571)
Adjustments for:		
Unrealized foreign exchange (gains) losses on cash	(1,369)	898
Net realized (gains) losses on sale of investments	(127,556)	708,128
Net realized gains (losses) on option contracts	–	–
Change in unrealized (appreciation) depreciation in value of investments	(1,108,830)	1,264,796
Change in unrealized (appreciation) depreciation in foreign currency contracts	19,484	36,686
Change in unrealized (appreciation) depreciation in option contracts	–	–
Purchases of investments <sup>(1)</sup>	(1,606,359)	(4,330,182)
Proceeds from sale of investments <sup>(2)</sup>	1,534,335	4,931,977
(Increase) decrease in short-term securities, net	–	–
(Increase) decrease in interest and dividends receivable	(10,171)	135
Increase (decrease) in accrued expenses due to Manager	1,176	(1,525)
<b>Net cash from (used in) operating activities</b>	<b>(9,946)</b>	<b>406,342</b>
<b>Cash flows from (used in) financing activities</b>		
Distributions paid, net of reinvested distributions	(6,620)	(987)
Proceeds from issuance of units <sup>(1)</sup>	64,111	–
Redemption of units <sup>(2)</sup>	(64,516)	(143,555)
<b>Net cash from (used in) financing activities</b>	<b>(7,025)</b>	<b>(144,542)</b>
<b>Foreign exchange</b>		
Net effect of unrealized foreign exchange gains (losses) on cash	1,369	(898)
Net increase (decrease) in cash	(15,602)	260,902
Cash, net (bank overdraft), beginning of year	281,414	20,512
<b>Cash, net (bank overdraft), end of year</b>	<b>\$ 265,812</b>	<b>\$ 281,414</b>
Cash activity included in operating activities:		
Interest received	\$ –	\$ –
Interest paid	77	–
Dividends received, net of withholding taxes	34,255	42,293

<sup>(1)</sup> Excludes in-kind subscriptions transactions of \$2,351,744 for the year ended December 31, 2023 and \$nil for 2022.

<sup>(2)</sup> Excludes in-kind redemption transactions of \$904,580 the year ended December 31, 2023 and \$nil for 2022.

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

# Guardian i<sup>3</sup> US Quality Growth ETF

## Schedule of Investment Portfolio

As at December 31, 2023

Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value	Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value
<b>EQUITY INVESTMENTS - 96.3%</b>				<b>EQUITY INVESTMENTS - continued</b>			
<b>COMMUNICATION SERVICES - 6.3%</b>							
2,495	Alphabet Inc., Class 'C'	\$ 344,156	\$ 463,647	253	Synopsys Inc.	\$ 135,541	\$ 171,777
		344,156	463,647			2,892,171	3,831,514
<b>CONSUMER DISCRETIONARY - 8.7%</b>				<b>MATERIALS - 1.5%</b>			
2,019	Amazon.com Inc.	355,938	404,503	267	The Sherwin-Williams Company	88,360	109,809
16	AutoZone Inc.	54,731	54,550			88,360	109,809
242	McDonald's Corporation	82,839	94,617				
749	The TJX Companies Inc.	82,293	92,650				
		575,801	646,320				
<b>CONSUMER STAPLES - 5.2%</b>				<b>Total Equity Investments</b>			
444	Costco Wholesale Corporation	315,756	386,449			<b>5,750,654</b>	<b>7,131,434</b>
		315,756	386,449			<b>Transaction costs</b>	<b>(51)</b>
<b>ENERGY - 0.6%</b>				<b>Total investments - 96.3%</b>			
278	EOG Resources Inc.	49,174	44,337			<b>5,750,603</b>	<b>7,131,434</b>
		49,174	44,337				
<b>FINANCIALS - 3.0%</b>				<b>Forward currency contracts, net - 0.0%</b>			
204	FactSet Research Systems Inc.	115,750	128,324				3,276
278	Visa Inc., Class 'A'	82,540	95,437				272,355
		198,290	223,761				
<b>HEALTH CARE - 10.7%</b>				<b>Net assets attributable to unitholders - 100.0%</b>			
720	AbbVie Inc.	142,528	147,127				<b>\$ 7,407,065</b>
460	Agilent Technologies Inc.	84,694	84,329				
290	Amgen Inc.	96,568	110,137				
161	Eli Lilly & Company	130,929	123,751				
193	STERIS PLC	51,539	55,950				
278	UnitedHealth Group Inc.	195,833	192,988				
148	Vertex Pharmaceuticals Inc.	70,299	79,406				
		772,390	793,688				
<b>INDUSTRIALS - 8.6%</b>							
685	AMETEK Inc.	124,658	148,935				
202	Caterpillar Inc.	65,323	78,754				
302	PACCAR Inc.	32,563	38,886				
64	Parker-Hannifin Corporation	31,570	38,879				
349	Rockwell Automation Inc.	126,819	142,880				
168	W.W. Grainger Inc.	133,623	183,575				
		514,556	631,909				
<b>INFORMATION TECHNOLOGY - 51.7%</b>							
321	Accenture PLC, Class 'A'	132,207	148,530				
241	Adobe Inc.	171,439	189,589				
1,605	Apple Inc.	307,433	407,461				
519	ARM Holdings PLC	42,309	51,426				
76	ASML Holding NV	74,398	75,854				
677	Autodesk Inc.	190,158	217,353				
251	Broadcom Inc.	194,389	369,444				
1,006	Cadence Design Systems Inc.	242,743	361,302				
608	Microchip Technology Inc.	59,470	72,298				
908	Microsoft Corporation	329,895	450,228				
254	MongoDB Inc.	97,959	136,934				
203	Monolithic Power Systems Inc.	130,161	168,845				
356	Motorola Solutions Inc.	143,058	146,971				
630	NVIDIA Corporation	243,704	411,388				
242	NXP Semiconductors NV	62,747	73,291				
203	Roper Technologies Inc.	133,094	145,929				
250	ServiceNow Inc.	201,466	232,894				



# Guardian i<sup>3</sup> US Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 1: Formation of the Fund

Guardian i<sup>3</sup> US Quality Growth ETF (the "Fund") was formed on July 21, 2020. The primary objective of the Fund is the achievement of long-term capital appreciation by investing in equity and equity-related securities of issuers whose principal business operations are located in the United States. On August 7, 2020, the Fund issued Unhedged Units and Hedged Units. The address of the Fund and the Manager's principal business office is Suite 2700, 199 Bay Street, Toronto, Ontario, M5L 1E8.

### Note 2 (i): Foreign currency forward contracts

The following is a summary of the currency derivatives of the Fund. All currency contracts relate solely to the Hedged Units of the Fund:

As at December 31, 2023

Counterparty	Credit Rating for Counterparty <sup>*</sup>	Settlement Date	Currency Buys	Par Value	Currency Sells	Par Value	Forward Rate	Current Rate	Unrealized gain (loss)
CIBC World Markets	A-1	2024-01-31	CAD	2,375,770	USD	1,800,000	0.758	0.759	\$ 3,276
<b>Foreign currency forward contracts, net</b>									<b>\$ 3,276</b>

As at December 31, 2022

Counterparty	Credit Rating for Counterparty <sup>*</sup>	Settlement Date	Currency Buys	Par Value	Currency Sells	Par Value	Forward Rate	Current Rate	Unrealized gain (loss)
CIBC World Markets Inc.	A-1	2023-01-25	CAD	2,290,710	USD	1,674,000	0.731	0.738	\$ 22,760
<b>Foreign currency forward contracts, net</b>									<b>\$ 22,760</b>

<sup>\*</sup> The credit rating of each counterparty (as rated by S&P Global Ratings, a division of S&P Global) of the forward foreign currency contracts held by the Fund meets or exceeds the minimum designated rating.

### Note 2 (j): Offsetting of financial instruments

In the normal course of business, the Fund enters into various master netting arrangements or other similar arrangements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy. The following table presents the recognized financial assets and financial liabilities that are offset, or those that are subject to enforceable master netting arrangements or other similar arrangements but have not been offset, as at December 31, 2023 and 2022. The "Net" column shows what the impact of the Fund's Statements of Financial Position would be if all set-off rights were exercised.

Financial Assets and Liabilities	Gross Position	Less: Items Offset	Net Position for Financial Statements	Financial Instruments with Offset Rights	Cash Collateral Received	Net Position After Exercise of Offset Rights
As at December 31, 2023						
Derivative assets	\$ 3,276	\$ -	\$ 3,276	\$ -	\$ -	\$ 3,276
Derivative liabilities	-	-	-	-	-	-
As at December 31, 2022						
Derivative assets	\$ 22,760	\$ -	\$ 22,760	\$ -	\$ -	\$ 22,760
Derivative liabilities	-	-	-	-	-	-

The Fund is subject to enforceable master netting arrangements in the form of ISDA arrangements with the counterparties to its derivative contracts. Under the terms of certain of these arrangements, offsetting of derivative contracts is permitted for same day settlements when contracts with the same counterparty mature simultaneously, and in other cases only in the event of bankruptcy or default of either party to the agreement. The Fund's arrangements with its brokers also permit offsetting of amounts receivable and payable in respect of securities purchased or sold in the normal course of business.

# Guardian i<sup>3</sup> US Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 3: Increase (decrease) in NAV from operations per Unit

The weighted average number of units outstanding during the period used to calculate the increase (decrease) in NAV from operations per unit per series is as follows:

For the years ended December 31	2023	2022
Hedged Units	108,425	143,493
Unhedged Units	107,603	125,000

As at December 31, 2023, one unitholder held approximately 51% of the Fund's NAV (December 31, 2022 - one unitholder, approximately 67%). The investment activity of this unitholder could have a material impact on the operations and returns of the Fund.

### Note 4: Operating expenses

The Manager currently charges to the Fund management fees and, where applicable, administration fees, based on the NAV, and the annual rates of these fees are as follows:

As at December 31	2023	2022
<b>Annual management fee rate</b>		
Hedged Units	0.55%	0.55%
Unhedged Units	0.55%	0.55%

The Manager may absorb some of the operating expenses of the Fund at its discretion, and may stop absorbing such expenses at any time.

### Note 5: Income taxes

The Fund has the following tax losses available to be carried forward and applied against capital gains or income in the current and future years:

As at December 31	2023	2022
Capital losses	\$ 842,852	\$ 810,129
Non-capital losses	-	-

The losses expire on the following dates:

	Amount expiring	Date of expiry
Non-capital losses	\$ -	-

# Guardian i<sup>3</sup> US Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 8 (a) (i): Currency risk:

The Hedged Units aim to minimize currency exposure between the foreign currency and Canadian dollar with respect to the Canadian dollar value of the net assets attributed to the relevant Hedged Units. By entering into the forward foreign currency exchange contracts, the Hedged Units effectively hedged its exposure to foreign currency risk. The tables below summarize the Fund's other non-hedged series' direct net exposure to currency risk from monetary and non-monetary items.

As at December 31, 2023	Financial Assets and Liabilities	Forward Contracts	Net **	% of NAV
USD	\$ 7,266,066	\$ (2,372,494)	4,893,572	66.1%
Other currencies	–	–	–	–
Net currency exposure	\$ 7,266,066	\$ (2,372,494)	4,893,572	66.1%

As at December 31, 2022	Financial Assets and Liabilities	Forward Contracts	Net **	% of NAV
USD	\$ 4,587,854	\$ (2,267,950)	2,319,904	49.6%
Other currencies	–	–	–	–
Net currency exposure	\$ 4,587,854	\$ (2,267,950)	2,319,904	49.6%

\*\* Includes both monetary and non-monetary items, as applicable

If the foreign currencies increased or decreased by 5% in relation to the Canadian dollar, with all other variables held constant, the approximate increase or decrease in the Fund's NAV are as follows:

As at	December 31, 2023	December 31, 2022
Change in NAV	\$ 245,000	\$ 116,000
% of NAV	3.3%	2.5%

In practice, the actual trading results could differ, and the difference could be material.

### Note 8 (a) (ii): Interest rate risk:

The Fund is exposed to interest rate risk through its investments in short-term securities. This risk is not considered to be significant to the Fund as the Fund invests predominantly in equity securities.

### Note 8 (a) (iii): Other price risk:

The table below summarizes the Fund's exposure to other price risk through its holding of investments:

As at December 31	2023	2022
Other price risk	\$ 7,131,434	\$ 4,375,860
% of NAV	96.3%	93.5%

If the prices for the investments held by the Fund increased or decreased by 5%, with all other variables held constant, the approximate increase or decrease in the Fund's NAV are as follows:

As at December 31	2023	2022
Change in NAV	\$ 357,000	\$ 219,000
% of NAV	4.8%	4.7%

In practice, the actual trading results could differ, and the difference could be material.

# Guardian i<sup>3</sup> US Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 8 (b): Concentration risk:

The tables below summarize the Fund's exposure to countries and investment sectors, as a percentage of NAV:

<b>Countries, as at December 31</b>	<b>2023</b>	<b>2022</b>
Ireland	2.0%	2.0%
Netherlands	2.0%	–
United Kingdom	0.7%	–
United States of America	91.6%	91.5%
Other countries	–	–
Forward currency contracts, net	–	0.5%
Other net assets (liabilities)	3.7%	6.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Investment sectors, as at December 31</b>	<b>2023</b>	<b>2022</b>
Communication services	6.3%	5.8%
Consumer discretionary	8.7%	4.4%
Consumer staples	5.2%	9.5%
Energy	0.6%	10.2%
Financials	3.0%	1.1%
Health care	10.7%	16.8%
Industrials	8.6%	5.7%
Information technology	51.7%	38.5%
Materials	1.5%	1.5%
Real estate	–	–
Forward currency contracts, net	–	0.5%
Other net assets (liabilities)	3.7%	6.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Note 8 (d): Credit risk:

The Fund is exposed to credit risk through its investments in investment grade short-term securities, or in a mutual fund which holds investments in investment-grade short-term securities. The risk is not considered to be material to the Fund as it predominantly invests in equity securities.

# Guardian i<sup>3</sup> US Quality Growth ETF

## Supplementary Schedules to the Notes to the Financial Statements

December 31, 2023

### Note 9: Classification of financial instruments for fair value measurement

The summary of the Fund's investments, classified based upon a fair value hierarchy, is as follows:

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Equity investments	\$ 7,131,434	\$ -	\$ -	\$ 7,131,434
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment Funds	-	-	-	-
Derivatives - assets	-	3,276	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ 7,131,434</b>	<b>\$ 3,276</b>	<b>\$ -</b>	<b>\$ 7,131,434</b>
Percentage of total investments	100.0%	-	-	100.0%

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Equity investments	\$ 4,375,860	\$ -	\$ -	\$ 4,375,860
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment Funds	-	-	-	-
Derivatives - assets	-	22,760	-	22,760
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ 4,375,860</b>	<b>\$ 22,760</b>	<b>\$ -</b>	<b>\$ 4,398,620</b>
Percentage of total investments	99.5%	0.5%	-	100.0%

The summary of significant transfers between levels during the periods are as follows:

For the year ended December 31, 2023	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

For the year ended December 31, 2022	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Note 10: Related party transactions

As at December 31, 2023, the Manager, its affiliates and Funds it manages have 51% (2022 - 67%) ownership of the Fund.

### Note 11: Investments in unconsolidated structured entities

The Fund has invested in unconsolidated structured entities ("SE"). Details of these investments are as follows:

	Total net assets of the SE	Fair value of Fund's investment in SE
<b>As at December 31, 2023</b>	<b>\$ -</b>	<b>\$ -</b>

	Total net assets of the SE	Fair value of Fund's investment in SE
<b>As at December 31, 2022</b>	<b>\$ -</b>	<b>\$ -</b>

**Guardian Capital ETFs**  
**NOTES TO FINANCIAL STATEMENTS**

**1. The Funds:**

These notes accompany and form part of the attached financial statements of each of the Guardian Capital ETFs (a “Fund”, or the “Funds”). The Funds are governed by a Master Declaration of Trust (the “Declaration of Trust”), and Guardian Capital LP (the “Manager”) is the manager and trustee of each Fund. Information regarding each Fund’s formation, and certain other supplementary information pertaining to each Fund, is contained in the Supplementary Schedules to the Notes to the Financial Statements of each Fund (“the Supplementary Schedules”) which accompany and form part of each Fund’s financial statements.

The Schedule of Investment Portfolio, and where applicable option contracts, swaps, forwards, and futures of each Fund is as at December 31, 2023. The Statements of Financial Position are as at December 31, 2023, and December 31, 2022. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the years ended December 31, 2023, and December 31, 2022, except for any Funds formed during either year, in which case the period is from commencement of operations to December 31, 2023, and December 31, 2022, as applicable.

Throughout this document, reference to the period or periods refers to the reporting periods described above.

Ticker	Name of Fund	Date of Formation	Date of Commencement of Operations
GCSC	Guardian Canadian Sector Controlled Equity Fund	February 24, 2021	June 7, 2021
GIQG	Guardian i <sup>3</sup> Global Quality Growth ETF	July 21, 2020	August 7, 2020
GIQU	Guardian i <sup>3</sup> US Quality Growth ETF	July 21, 2020	August 7, 2020

**2. Material accounting policy information:**

Effective January 1, 2023, the Funds adopted the IAS 1 amendment with regards to disclosure of material accounting policies. This amendment did not have a material impact on these financial statements.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2023 that have a material effect on the financial statements of the Funds.

**a) Basis of presentation**

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The financial statements are presented in Canadian dollars, which is the Funds’ functional currency.

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise indicated.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for financial instruments at Fair Value Through Profit and Loss (“FVTPL”), which are measured at fair value.

The financial statements have been authorized for issuance by the Manager on March 27, 2024.

**b) Critical accounting estimates and judgements**

The preparation of financial statements requires the Manager to use judgement in establishing and applying the Funds’ accounting policies, and to make estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. The most material areas where the Manager has used estimates and applied judgement are as follows:

**(i) Estimates**

Determination of the fair value of investments which do not have quoted market prices:

Information about how the Funds determine fair value is described in Note 2 (e). Information about assumptions and estimates associated with the determination of fair value of financial instruments with significant unobservable inputs that have significant risks of actual values being materially different are included in Note 9.

**Guardian Capital ETFs**  
**NOTES TO FINANCIAL STATEMENTS**

**2. Material accounting policy information (continued):**

**b) Critical accounting estimates and judgements (continued)**

**(ii) Judgements**

In classifying and measuring financial instruments held by the Funds, the Manager is required to make material judgements in determining the most appropriate classification in accordance with IFRS 9 – Financial Instruments (“IFRS 9”). The Manager has assessed the Funds’ business models and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate classification of the Funds’ financial instruments. In reaching this conclusion, the Manager considered the manner in which all financial assets and financial liabilities are managed, and how performance is evaluated.

**c) Subsidiaries**

Each Fund is considered to be an investment entity and, as such, if it has subsidiaries or joint ventures it will account for them at FVTPL.

The Funds currently do not have any subsidiaries or joint ventures.

**d) Financial instruments**

The Funds classify and measure financial instruments in accordance with IFRS 9. The Funds’ investments and derivative assets and liabilities are measured at FVTPL.

**e) Fair value measurement**

Fair value is the price that would be received on the sale of an asset or paid to retire a liability in an orderly transaction between market participants at the measurement date. When available, the Funds determine the fair value of financial instruments, such as securities listed upon a recognized public stock exchange including exchange traded funds, at the last traded market price, where the last traded price falls within the bid-ask spread. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm’s length and orderly basis.

In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value, based on the specific facts and circumstances.

Over the counter securities, for example fixed-income securities, forwards, options and other derivative financial instruments, or foreign currency contracts are valued at the mean of the bid and ask prices received from recognized investment dealers.

Investments in other investment Funds that are not exchange traded funds, which may include one of the Guardian Funds, are valued at the closing net asset value per unit reported by the administrators of such Funds. Investment funds, including exchange traded funds are termed “Underlying Funds” in these financial statements.

If a security is not listed upon a recognized stock exchange or a market for a financial instrument is not active, the Funds establish fair value using valuation techniques. Valuation techniques include using recent arm’s length transactions between knowledgeable, willing parties, reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and other models. The selected technique makes maximum use of market inputs, relies as little as possible on estimates provided by the Manager, incorporates all factors that market participants would consider in setting a price and is consistent with accepted methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of risk-return factors inherent in the financial instruments.

The carrying values of cash, subscriptions receivable, interest receivable, payable for investments purchased, redemptions payable, distributions payable, and accrued liabilities substantially equal their fair values due to their short-term nature.

**f) Net assets attributable to unitholders (“NAV”)**

NAV of each Fund represents the fair value of the Fund’s assets minus the Fund’s liabilities, and is equal to the various series of redeemable units issued by the Fund (“Units”).

The Units are presented at their redemption amount, and are considered to be a liability of the Fund, as they impose an obligation on the Fund to pay distributions on the Units in cash if requested by the unitholder.

A different NAV is calculated for each series of Units of a Fund. The NAV of a particular series of Units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

The Funds’ accounting policies for measuring fair value of their portfolio investments are identical to those used in the calculation of their NAV for transactions with unitholders, except where the last traded market price for financial assets and liabilities are not within the bid-ask spread. As at all dates presented, there were no differences between the Funds’ net assets attributable to holder of redeemable units and the NAV for transactions with unitholders.

**Guardian Capital ETFs**  
**NOTES TO FINANCIAL STATEMENTS**

**2. Material accounting policy information (continued):**

**g) Income recognition**

Total income (loss) includes dividends, interest for distribution purposes, net realized gains (losses) on sale of investments, changes in unrealized appreciation (depreciation) in value of investments, net realized gains (losses) on foreign currency contracts, net realized gains (losses) on option contracts, swaps and futures, change in unrealized appreciation (depreciation) on foreign currency contracts, net gains (losses) on derivatives, foreign exchange gains (losses), other income, and securities lending income.

Dividend income is recognized on the ex-dividend date. The interest for distribution purposes represents the coupon interest received by the Funds, accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon fixed income securities which are amortized on a straight line basis over the term to maturity. Net realized gains (losses) on sale of investments and change in unrealized appreciation (depreciation) in investments are determined on an average cost basis. Net realized gains (losses) on foreign currency contracts represent the amount realized on closing out such derivative contracts. Changes in unrealized appreciation (depreciation) in foreign currency contracts represents the gains (losses) which would result if such contracts were closed out on the valuation date. Securities lending income is accrued daily over the period the securities are loaned.

Distributions received from Underlying Funds and other flow through entities are recorded as dividends, interest for distribution purposes, net realized gains (losses) on sale of investments or a return of capital, based on the best information available to the Manager. Due to the nature of those investments, actual allocations could vary from this information. Amounts recorded as a return of capital reduce the tax cost of those investments to the Funds.

Income, realized gain (loss) and unrealized appreciation (depreciation) are allocated among the series on a pro-rata basis, with the exception of unrealized and realized appreciation (depreciation) on forward currency contracts relating to the hedged series, which are allocated on a pro-rata basis to only the hedged series.

**h) Expenses**

All expenses are recognized in the Statements of Comprehensive Income on an accrual basis. Brokerage commissions and other transaction costs are expensed in the year incurred, and are reported as "Transaction costs" in the Comprehensive Income.

**i) Foreign currency balances and transactions**

The fair values of investments and other assets and liabilities denominated in foreign currencies are converted into each Fund's functional currency at the rates of exchange prevailing on each valuation date. Purchases and sales of investments, income and expenses are converted at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) on completed transactions and cash balances are included in net realized gains (losses) on sale of investments and unrealized gains (losses) are included in change in unrealized appreciation (depreciation) in value of investments.

**j) Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Funds may also enter into various master netting agreements or other similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

**k) Future changes in accounting policies**

The Manager has determined that there are no IFRS Accounting Standards which have been issued but not yet effective which could materially impact the Funds' financial statements.

**3. Units:**

The ETF Units are listed on the Toronto Stock Exchange (the "Exchange"), and investors can buy or sell ETF Units on the Exchange through registered brokers and dealers in the province or territory where the investor resides.

Each Fund is authorized to issue an unlimited number of redeemable and transferrable Units. The Funds mainly offer any or all of these series - Hedged Units, Unhedged Units, Series A Units, Series F Units and Series I Units (each a "Series"). Each series of the fund may have specific characteristics such as minimum investment requirement, the compensation payable to dealers, distributions, expenses and currency hedging overlay strategies. The changes in the number of issued Units of each Series are disclosed in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

The capital of each Fund consists of the NAV. In accordance with each Fund's investment objectives stated in each Fund's Supplementary Schedules and the risk management policies stated in Note 8, each Fund invests its capital in appropriate investments.



**Guardian Capital ETFs**  
**NOTES TO FINANCIAL STATEMENTS**

**3. Units (continued):**

The increase (decrease) in NAV from operations per Unit of a Series for each Fund is calculated by dividing the increase (decrease) in NAV from operations of the Series by the weighted average number of units of the Series outstanding during the period. The weighted average number of Units outstanding for each Series of a Fund is disclosed in such Fund's Supplementary Schedules.

**4. Operating expenses:**

Each Fund is responsible for all of the expenses related to the operation and conduct of its business, including: management fees, which are paid to the Manager; Independent Review Committee costs; foreign withholding taxes; transaction costs; interest charges; administration expenses; the HST on all of these expenses; and any income taxes to which the Fund may be subject. Administration expenses consist of the costs of audits, legal and regulatory, trustee, custody, registrar and transfer agency, unitholder servicing and reporting, accounting and other related costs. The Manager incurs these expenses on behalf of each Fund and is subsequently reimbursed by each Fund

Any management fees charged on investments that are duplicative (charged on an investment, and charged a second time at the fund level) have been removed.

The Manager may absorb some of these expenses at its discretion, and at its sole discretion may stop absorbing such expenses at any time. Operating expenses absorbed by the Manager are disclosed on each Fund's Statements of Financial Position.

The NAV of each Fund attributable to Hedged Units, Unhedged Units, Series A, and Series F, as applicable, is subject to a management fee charged to the Fund and payable to the Manager. The Series I Units are not subject to a management fee. Management fees in respect of Series I Units are agreed upon directly by the unitholders and the Manager and are paid by the unitholders to the Manager outside the Fund.

The Staff of the International Ethics Standards Board for Accountants (IESBA) recently revised fee-related provisions of The International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) including greater transparency of audit fee related information. The fees paid or payable to PricewaterhouseCoopers LLP and other PwC Network firms for their services to these Funds for the period ended December 31, 2023 are: audit and audit related fees \$37,916, and non-audit services fees \$1,766.

**5. Income taxes:**

Each Fund qualify as mutual fund trusts under the provisions of the Income Tax Act (Canada) and, as such, each Fund is not subject to income taxes on its net taxable capital gains and its net income for the period, if it distributes such gains and income (less any applicable losses carried forward) to its unitholders. As required by the Declaration of Trust, the annual taxable income of each Fund is allocated and distributed to its unitholders so as to eliminate any income taxes otherwise payable by the Funds. As a result, each Fund does not record a provision for Canadian income taxes. In addition, each Fund does not record the benefit of any income tax losses carried forward. The amounts of any tax losses available to be carried forward and applied against future capital gains or income by each Fund are disclosed in each Fund's Supplementary Schedules.

Each Fund may incur foreign withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are disclosed separately as an expense in the Statements of Comprehensive Income.

For mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

If a Fund is not a mutual fund trust under the Tax Act throughout a taxation year, the Fund (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) would not be eligible for capital gains refunds under the Tax Act in such year, (iii) may be subject to the "mark-to market" rules and (iv) may be subject to a special tax under Part XII.2 of the Tax Act in such year.

**6. Soft dollar transactions:**

Soft dollar transactions represent formal pre-arranged commitments whereby a portion of the brokerage commissions paid by a Fund are allocated according to a pre-determined formula as payment for certain products or services other than order execution.

There were no soft dollar transactions in any Funds during 2023 or 2022.

**7. Distributions:**

Distributions to unitholders by the Funds are made on a periodic basis, and are reported in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. Unitholders have the option to receive distributions in cash or reinvest the distributions into additional Units of that Series for Series A, Series F and Series I Units.

**Guardian Capital ETFs**  
**NOTES TO FINANCIAL STATEMENTS**

**7. Distributions (continued):**

If, for any taxation year, after the ordinary distributions, there would remain in a Fund additional net income or net realized capital gains, the Fund will, after December 15 but on or before December 31 of that calendar year, be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions for such year to Unitholders as is necessary to ensure that the Fund will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions will be paid in the form of Units of the Fund. Any special distributions payable in Units of a Fund will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units held by a Unitholder will be automatically consolidated such that the number of Units outstanding after such distribution will be equal to the number of Units held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution.

**8. Financial risk management:**

Material market disruptions, such as those caused by pandemics, natural or environmental disasters, war, military conflicts, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds' investments and Funds' performance.

The Manager seeks to minimize potential adverse effects of risk on the Funds' performance by employing professional, experienced portfolio advisors; by daily monitoring of the Funds' positions and market events; by diversifying the investment portfolio within the constraints of the investment objectives; and by periodically using derivatives to economically hedge certain risk exposures.

Each Fund's financial instruments consist principally of cash, short-term securities, derivative instruments and investments. Each Fund is exposed to various types of financial risks that are associated with its financial instruments. The most material financial risks include market risk (which includes currency risk, interest rate risk and other price risk), concentration risk, liquidity risk and credit risk.

Certain of the Funds invest in Underlying Funds. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk to the extent these Underlying Funds invest in financial instruments that are subject to those risks.

A portion of the assets of a Fund which holds derivative financial instruments are held by broker as margin or collateral. Margin or collateral may be comprised of cash or securities pledged. Securities pledged as collateral or deposited to meet margin requirements follow the fair value policies outlined above and are identified in the Schedule of Investment Portfolio. In addition, these securities are included in "Investments" in the Statements of Financial Position if held by the Fund.

On a daily basis, the Manager reviews the credit risk of all counterparties with which the Funds transact, and the credit rating of all investments, and ensures that they remain within established ranges of exposure as outlined in the Funds' investment policies. The Funds' custodian is approved by Canadian Securities Administrators to act as a custodian.

These risks and related risk management practices employed by the Funds, and where applicable the Underlying Funds, are discussed below:

**a) Market risk**

Market risk consists of currency risk, interest rate risk and other price risk. The Manager monitors each Fund's overall market positions on a daily basis, and positions are maintained within established ranges as outlined in each Fund's investment policies. The market risk of each Fund is discussed below and further disclosed in each Fund's Supplementary Schedules.

**(i) Currency risk**

The Funds may hold monetary assets and liabilities that are denominated in currencies other than the functional currency of the Fund. Such Funds may therefore be exposed to currency risk, as the value of the net assets denominated in other currencies will fluctuate with changes in exchange rates. The risk of price fluctuations of non-fixed income securities resulting from the fluctuations of foreign currency exchange rates are discussed in other price risk. The currency risk of each Fund is disclosed in each Fund's Supplementary Schedules.

Currency risk on forward currency contracts relate only to the hedged series of the respective Fund, and any income or loss related to those contracts relate solely to the hedged Series of that Fund.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate in value with movements in future expected, or actual interest rates. The Manager moderates this risk through diversification of securities across various industry sectors and duration within specified limits as outlined in the investment policies of each Fund. The interest rate risk of each Fund is disclosed in each Fund's Supplementary Schedules.

**(iii) Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, Underlying Funds, derivatives

**Guardian Capital ETFs**  
**NOTES TO FINANCIAL STATEMENTS**

**8. Financial risk management (continued):**

**a) Market risk (continued)**

and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value except for options on securities which might result in the forfeiture of the underlying security to satisfy the option. The other price risk of each Fund is disclosed in each Fund's Supplementary Schedules.

The Manager moderates this risk through a careful selection of securities within specified limits as outlined in the investment policies of each Fund, and through diversification of the investment portfolios.

**b) Concentration risk**

The Funds are exposed to the possible risks inherent in the concentration of the investment portfolios in a small number of industries, countries and other investment sectors. The Manager moderates this risk through diversification of investment sectors in which it invests, and a careful selection of securities in each investment sector within established ranges, as outlined in the investment policies of each Fund. The concentration risk of each Fund is disclosed in each Fund's Supplementary Schedules.

**c) Liquidity risk**

The Funds are exposed to daily cash needs related to the redemption of Units, and to the discharge of financial obligations related to their daily operations. The ability to meet these needs is managed, directly through Underlying Funds, by retaining sufficient cash within each Fund, and investing mainly in securities which are considered readily realizable and highly liquid. The Funds are subject to securities regulations which limit the amount of illiquid investments they may hold. In addition, the Funds may borrow from the Custodian on a short-term basis at the Canadian or United States bank prime rate plus 1.0%. All liabilities of the Funds are short-term in nature and are due within 60 days.

**d) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Funds may be exposed to credit risk through their holding of debt securities and Underlying Funds which hold debt securities, and their dealings with counterparties to the over-the-counter derivative instruments held by the Funds. On a daily basis, the Manager reviews the credit risk of all counterparties with which the Funds transact, and the credit rating of all investments, and ensures that they remain within established ranges of exposure as outlined in the Fund's investment policies. The Funds can also be exposed to credit risk to the extent that the custodian may not be able to settle trades for cash. Canadian securities regulations require that the Funds employ a custodian that meets certain capital requirements. The Funds' custodian is approved by Canadian Securities Administrators to act as a custodian. The credit risk of each Fund is disclosed in each Fund's Supplementary Schedules.

**9. Classification of financial instruments for fair value measurements:**

Each Fund's financial instruments which are recorded at fair value are categorized based upon a fair value hierarchy, which is as follows: Level 1 – quoted market prices; Level 2 – internal models using observable market information as inputs; and, Level 3 – internal models without observable market information inputs. The fair values of each Fund's financial instruments as categorized within the fair value hierarchy have been disclosed in each Fund's Supplementary Schedules, accompanied by a schedule of material transfers between these levels.

**a) Underlying Funds**

Each Fund's investments in Underlying Funds are classified as Level 1, as the Underlying Funds are actively traded and reliable prices are observable.

**b) Equity investments and options**

Each Fund's equity and option investments are classified as Level 1 when the investment is actively traded and a reliable quoted market price is observable. Certain of the Funds' investments do not trade frequently and, therefore, observable prices may not be available. In such cases, fair value is determined using observable market data, and the fair value is classified as Level 2, unless the determination of fair values requires significant unobservable data, in which case the measurement is classified as Level 3.

**c) Bonds and short-term securities**

Bonds include government and corporate bonds and mortgage-backed securities. These instruments do not have quoted market prices, but are valued using market bid and ask prices where available. Since the inputs that are significant to valuation are generally observable, the Funds' bonds and short-term securities are classified as Level 2.

**d) Foreign currency contracts**

Foreign currency contracts do not have quoted market prices, but are valued using foreign currency bid and ask quotations. Since the inputs that are significant to valuation are generally observable, they are classified as Level 2.

**10. Related party unitholders:**

Units of each Fund which are held by the Manager and its associates are disclosed in each Fund's Supplementary Schedules.

**Guardian Capital ETFs**  
**NOTES TO FINANCIAL STATEMENTS**

**11. Investments in unconsolidated structured entities:**

From time to time, in accordance with their investment policies, each Fund may invest in Underlying Funds, mortgage-related and other asset-backed securities, and other investments which are considered to be unconsolidated structured entities. The Fund's risk from structured entities is limited to the amounts invested by the Funds. The Fund's maximum exposure to loss from its interests in Investee funds is equal to the total fair value of its investments in investee funds. Details of investments in structured entities are provided in each Fund's Schedule of Investment Portfolio and supplementary schedules.



# GUARDIAN CAPITAL

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You can find more information about each Fund in the Fund's Prospectus, Fund Facts or ETF Facts, as applicable, and in its respective Management Report of Fund Performance. For a free copy of these documents, call us toll free at 1-866-383-6546 or ask your investment advisor. You can also find these documents and other information about the Funds, at [www.guardiancapital.com](http://www.guardiancapital.com) or at [www.sedarplus.ca](http://www.sedarplus.ca).

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