

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

GUARDIAN CANADIAN EQUITY INCOME FUND

DECEMBER 31, 2023

This annual management report of fund performance contains financial highlights, but does not contain either the annual financial report or annual financial statements of the investment fund. You can obtain a copy of the annual financial report or annual financial statements at your request, and at no cost, by calling 1-866-383-6546, by writing to us at Guardian Capital LP, Commerce Court West, 199 Bay Street, Suite 2700, P.O. Box 201, Toronto, Ontario, M5L 1E8, or by visiting our website at www.guardiancapital.com/investmentsolutions or SEDAR+ at www.sedarplus.ca.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The principal objective of the Guardian Canadian Equity Income Fund (the “Fund”) is the achievement of a high level of stable income, with an attractive total return, by investing primarily in Canadian dividend-paying equity securities and other flow-through securities.

The Manager primarily uses a fundamental, bottom-up approach to security analysis, and seeks out income trusts and higher yielding equities with stable and predictable revenue and cash flow, a diversified customer base, and focused management, and invest in the securities of those which can be obtained at a reasonable price. The Fund will be broadly diversified by issuer. The Fund will maintain a Canadian equity focus, however, due to increased global integration and cross-border corporate transactions, the Fund may invest up to 20% of its market value in individual foreign equities that have either significant business operations in Canada or are listed on the TSX. The Fund may invest in convertible debentures up to a maximum of 20% of the market value of the Fund.

Risk

The risks associated with investing in the Fund remain as discussed in the prospectus. The Fund may be suitable for investors with a medium tolerance for risk, particularly those who seek stable income and capital gains through an investment in primarily income-oriented Canadian equity securities.

Results of Operations

This commentary is based on the performance of Series I units of the Fund. Returns for other Series of units may vary, largely due to differences in fees and expenses. Please refer to the Past Performance section for specific Series level performance details.

The Fund’s net asset value decreased by 6% to \$187.1 million at December 31, 2023 from \$199.1 at December 31, 2022. Of this change, an increase of

\$15.5 million was provided by investment performance and a decrease of \$27.5 million was attributable to net redemptions.

Series I units of the Fund posted a return of 8.5% for the year. The Fund’s benchmark, the S&P/TSX Composite Index, returned 11.8% for the same period. The Fund’s return is after the deduction of fees and expenses, unlike the benchmark’s return.

Canadian equity markets remained volatile for much of year, driven by economic uncertainty, high inflation and volatile interest rates. However, stocks staged a strong rally during the fourth quarter of 2023, as investors began to anticipate central bank interest rate cuts in 2024 and a soft landing for the economy.

Central banks in Canada and the US continued to increase rates through mid-year then held rates steady as inflation levels moderated to 3.1%, well below levels to start the year. While economic activity slowed during the year, resilient consumers aided the Canadian and US economies in avoiding a recession, for now.

The S&P/TSX Composite Index delivered a total return of 11.7% for the year. Information Technology (+68%) was the best-performing sector, led by very strong performance from Shopify. High dividend paying sectors such as Communication Services, Utilities and Real Estate underperformed as short-term interest rates increased substantially, despite 10-year Canada bond yields declining overall for the year. The Energy sector delivered positive returns but also underperformed following a decline in oil prices to US\$72 per barrel to close out the year.

The Fund underperformed its benchmark, due to both negative sector allocation and negative stock selection. The underperformance can be attributed to high dividend stocks underperforming. The Fund’s overweight allocation in the Health Care sector contributed to performance, due to both positive stock selection and positive sector allocation. The Fund was underweight in both the Materials and Industrials sectors, which contributed to performance. In the Materials sector this was attributed to positive sector

allocation, while in the Industrials sector this was due to positive stock selection. Being underweight in the Information Technology sector detracted from performance, due to negative sector allocation and negative stock selection, as did a slight underweight allocation in the Financials sector, mainly due to negative stock selection.

Top contributing securities to performance during the year include SNC-Lavalin, Altagas, and Element Fleet Management. No exposure to Cenovus Energy also contributed to performance during the year. On the other end of the spectrum, positions in Open Text, Northland Power, and Nutrien detracted from performance. No exposure to Shopify and Cameco detracted from performance during the year.

The Fund sold its position in Magna, given the increasing likelihood of a recession which will delay the expected recovery in the auto sector. The Fund also sold its position in SNC-Lavalin following very strong performance over the past year, as the positive valuation re-rating had largely played out as expected following a substantial de-risking of the business. The Fund also sold its position in BCE and switched into Rogers Communications based upon growing concerns about BCE's dividend payout ratio and premium relative valuation, as well as an improved fundamental outlook for Rogers following their successful completion of Shaw Communications and their successful handling of the network outage in 2022. The Fund initiated a new position in Barrick Gold to add to their gold exposure, which should provide more ballast to the portfolio should a recessionary environment unfold.

The Manager integrates ESG considerations into its investment analysis and stewardship activities with the objective of enhancing long-term investment performance. Active engagement and proxy voting are a core part of the Manager's stewardship approach, and the Fund's investment team participates in these activities in a manner suitable to the asset class and Fund. Our investment teams focus on ESG and other factors which they believe could be financially material and/or impact the long-term sustainability of the company. The consideration of ESG issues is one of a

number of elements in the portfolio construction process and, may or may not have a material influence on portfolio composition at any given time. For more information, the Manager posts its annual proxy voting reports, along with an annual Responsible Investing Report and its Responsible Investing Policies on its website:
<https://www.guardiancapital.com/investmentsolutions/>

Recent Developments

Following the strong rally in equity markets to close out 2023, stocks appear to be discounting that the economy will avoid a recession and that inflation will continue to moderate, allowing central banks to start cutting interest rates in early 2024. Therefore, the primary risks to equity markets are that the negative impacts on the economy from the aggressive rate hikes are yet to be fully realized and that central bank rate cuts will be delayed beyond current market expectations. While the economy has proven to be resilient so far, the risk of a recession remains elevated. Given the macro economic environment remains uncertain, along with the potential for volatility to accelerate from subdued levels, the Fund's portfolio remains somewhat defensively biased.

The Manager continues to have a positive outlook on the Energy sector despite concerns about a negative impact on oil demand due to a potential recession. Oil fundamentals remain strong as inventories, including SPR's, remain well below average following massive drawdowns in 2021 and 2022. In addition, OPEC+ remains steadfast in managing supply to defend higher oil prices, overall demand remains healthy, and the aggressive SPR releases have ended. Energy stocks offer attractive free cash flow yields, shareholder friendly capital return policies, strong balance sheets and attractive valuations.

The Utilities sector also looks attractive, given its defensive attributes in a volatile market. With interest rate increases likely at an end, what has been a major headwind for the sector should turn into a positive tailwind at some point next year as rates decline. As well, valuations have come down substantially and the

sector has growth that is less economically sensitive should a recession occur.

With price-earnings multiples below long-term averages in Canada, the Manager believes current valuations appear to be discounting further negative forward earnings revisions. While there remains a lot of uncertainty, we continue to see good opportunities in high quality dividend stocks that generate steady and growing income to help ride-out volatile markets, as well as retain good upside potential when market conditions improve. In addition, the Manager believes Canadian stocks remain well positioned relative to their US peers, given the Canadian stocks offer a more attractive relative valuation following a year of substantial underperformance.

Related Party Transactions

Guardian Capital LP, the Manager of the Fund, is considered to be a “related party” of the Fund. The Manager is responsible for the day-to-day operations of the Fund and also acts as the portfolio manager, managing the investment portfolio of the Fund. These services are in the normal course of operations and the Fund pays a management fee to the Manager for these services, based on the average Net Asset Value of the Fund, as detailed in the Management Fees section below. The Manager is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange.

The Manager also receives an Administration Fee from the Fund, amounting to 0.18% of the average daily net asset value of the Fund, in return for the payment by the Manager of all the variable operating expenses of the Fund. The Independent Review Committee (“IRC”) has approved the Manager’s Policy for this item and the Manager relies on this approval as a standing instruction from the IRC. The Manager received the Administration Fee and paid Fund expenses in accordance with this Policy during the period.

The Fund may invest some of its available short term cash in money market funds managed by Guardian Capital LP, deemed a related issuer. With respect to investments in related issuers, the Manager has relied

on the approval that it has received from the IRC. The approval requires the Manager to comply with its current policy and procedures regarding investments in related issuers and to report periodically to the IRC. The Manager will not duplicate management fees paid to an underlying fund that is a related issuer.

Management Fees

No management fees are payable or collected for Series I units of the Fund. Series W units are subject to a management fee which is based on a percentage of the average Series NAV during each month, calculated and accrued daily, and payable monthly. The Series W management fee is 1.50% per annum. The table below provides a breakdown of services received in consideration of the management fees, as a percentage of the management fees, for the period.

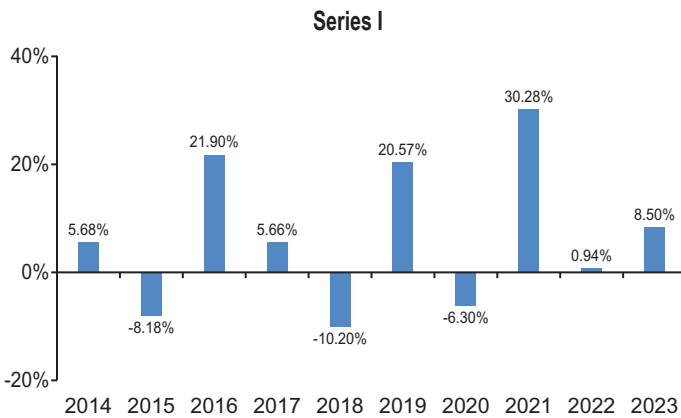
	Series I	Series W
Investment management and other general administration	n/a	33.3%
Trailer Commission	n/a	66.7%

Past Performance

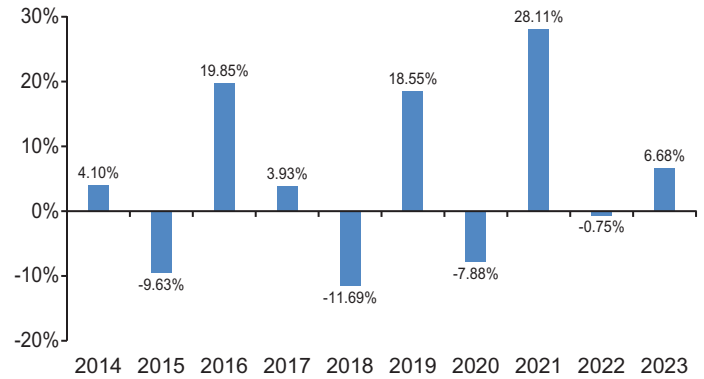
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance of the Fund does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar charts show the Fund's performance for the annual period from January 1, 2023 to December 31, 2023, and illustrates how the Fund's performance has changed from year to year. The chart shows in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of that financial year.



Series W



Annual Compound Returns

The tables below show the historical compound returns of the Fund's Units for the periods indicated, as at December 31, 2023. The returns of a broad based market index are also shown.

	1 Yr	3 Yrs	5 Yrs	10 Yrs
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Series I (%)	8.50	12.58	10.02	6.11
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S&P/TSX Composite Index (%)	11.75	9.59	11.30	7.62
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* Inception date - September 1, 2003.

	1 Yr	3 Yrs	5 Yrs	10 Yrs
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Series W (%)	6.68	10.69	8.17	4.36
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S&P/TSX Composite Index (%)	11.75	9.59	11.30	7.62
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* Inception date - May 29, 2012.

The S&P/TSX Composite Index is a broad measure of the Canadian equity markets.

Effective January 1, 2021, the Benchmark for this Fund has changed to the S&P/TSX Composite Index in order to better reflect the Fund's investment strategy. Old Benchmark: The S&P/TSX Composite High Dividend Index

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated. The information is derived from the Fund's audited annual financial statements.

The Fund's Net Assets per Unit (Series I)

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
Net Assets per Unit, Beginning of year ^[1]	\$20.68	\$21.48	\$17.03	\$19.10	\$16.49
Increase (decrease) from operations per Unit:^[1]					
Total revenue	0.92	0.87	0.71	0.75	0.73
Total expenses	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Realized gains (losses)	0.25	0.72	0.87	(0.73)	0.34
Unrealized gains (losses)	0.56	(1.66)	3.56	(1.96)	2.41
Total increase (decrease) from operations per Unit	1.68	(0.12)	5.09	(1.99)	3.43
Distributions per Unit from: ^{[1] [2]}					
Income (excluding dividends)	(0.03)	(0.01)	–	–	(0.02)
Canadian dividends	(0.82)	(0.75)	(0.64)	(0.76)	(0.72)
Foreign dividends	(0.04)	0.01	–	–	0.01
Capital gains	–	(0.23)	–	–	–
Return of capital	–	–	–	–	–
Total Distributions per Unit	(0.89)	(1.00)	(0.64)	(0.76)	(0.75)
Net Assets per Unit, End of year ^[1]	\$21.51	\$20.68	\$21.48	\$17.03	\$19.10

[1] Net assets per Unit and distributions per Unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per Unit is based on the weighted average number of units outstanding over the financial year.

[2] Substantially all distributions were reinvested in additional units of the Fund.

Ratios and Supplemental Data (Series I)

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
Total net asset value (000's) ^[1]	\$186,022	\$197,991	\$156,220	\$128,652	\$190,093
Number of units outstanding ^[1]	8,648,608	9,573,012	7,272,373	7,556,794	9,953,196
Management expense ratio ^[2]	0.20%	0.20%	0.21%	0.20%	0.20%
Management expense ratio before waivers and absorptions	0.20%	0.20%	0.21%	0.20%	0.20%
Trading expense ratio ^[3]	0.03%	0.03%	0.04%	0.09%	0.05%
Portfolio turnover rate ^[4]	13.84%	17.99%	46.87%	63.70%	30.18%
Net asset value per Unit ^[1]	\$21.51	\$20.68	\$21.48	\$17.03	\$19.10

[1] This information is provided as at the end of each year indicated.

[2] The management expense ratio is based on total expenses (excluding commissions, other portfolio transaction costs and withholding taxes) of the Fund and its proportionate share of the total expenses of the Underlying Funds, where applicable, for the stated year and is expressed as an annualized percentage of daily average net asset value during the year.

[3] The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and its proportionate share of the Underlying Funds' portfolio transaction costs, where applicable, expressed as an annualized percentage of daily average net asset value for the year.

[4] The Fund's portfolio turnover rate indicates how actively its portfolio advisor trades portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in the portfolio once in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

The Fund's Net Assets per Unit (Series W)

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
Net Assets per Unit, Beginning of year ^[1]	\$14.28	\$14.72	\$11.68	\$13.08	\$11.26
Increase (decrease) from operations per Unit:^[1]					
Total revenue	0.63	0.23	0.48	0.52	0.49
Total expenses	(0.28)	(0.29)	(0.31)	(0.31)	(0.29)
Realized gains (losses)	0.17	0.04	0.56	(0.45)	0.16
Unrealized gains (losses)	0.35	(0.33)	2.22	(1.51)	2.23
Total increase (decrease) from operations per Unit	0.87	(0.35)	2.95	(1.75)	2.59
Distributions per Unit from: ^{[1] [2]}					
Income (excluding dividends)	(0.01)	–	–	–	(0.01)
Canadian dividends	(0.34)	(0.23)	(0.22)	(0.33)	(0.24)
Foreign dividends	(0.02)	–	–	–	–
From foreign dividends	–	–	–	–	–
Capital gains	–	(0.10)	–	–	–
Return of capital	–	–	–	–	–
Total Distributions per Unit	(0.37)	(0.33)	(0.22)	(0.33)	(0.25)
Net Assets per Unit, End of year ^[1]	\$14.86	\$14.28	\$14.72	\$11.68	\$13.08

[1] Net assets per Unit and distributions per Unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per Unit is based on the weighted average number of units outstanding over the financial year.

[2] Substantially all distributions were reinvested in additional units of the Fund.

Ratios and Supplemental Data (Series W)

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
Total net asset value (000's) ^[1]	\$1,059	\$1,096	\$1,001	\$549	\$654
Number of units outstanding ^[1]	71,308	76,699	68,010	47,018	49,983
Management expense ratio ^[2]	1.90%	1.90%	1.90%	1.90%	1.89%
Management expense ratio before waivers and absorptions	1.90%	1.90%	1.90%	1.90%	1.89%
Trading expense ratio ^[3]	0.03%	0.03%	0.04%	0.09%	0.05%
Portfolio turnover rate ^[4]	13.84%	17.99%	46.87%	63.70%	30.18%
Net asset value per Unit ^[1]	\$14.86	\$14.28	\$14.72	\$11.68	\$13.08

[1] This information is provided as at the end of each year indicated.

[2] The management expense ratio is based on total expenses (excluding commissions, other portfolio transaction costs and withholding taxes) of the Fund and its proportionate share of the total expenses of the Underlying Funds, where applicable, for the stated year and is expressed as an annualized percentage of daily average net asset value during the year.

[3] The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and its proportionate share of the Underlying Funds' portfolio transaction costs, where applicable, expressed as an annualized percentage of daily average net asset value for the year.

[4] The Fund's portfolio turnover rate indicates how actively its portfolio advisor trades portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in the portfolio once in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2023

Portfolio Allocation	% of Net Asset Value
Communication services	4.9%
Consumer discretionary	1.0%
Energy	22.7%
Financials	26.6%
Health care	1.7%
Industrials	9.7%
Information technology	4.9%
Materials	7.5%
Real estate	6.2%
Utilities	11.2%
Short-term securities	3.4%
Other net assets (liabilities)	0.2%
Total	100.0%

Top 25 Holdings	% of Net Asset Value
Royal Bank of Canada	6.8%
The Toronto-Dominion Bank	5.9%
Canadian Natural Resources Limited	5.8%
Open Text Corporation	4.9%
Bank of Montreal	4.7%
Canadian National Railway Company	4.3%
Suncor Energy Inc.	4.0%
Enbridge Inc.	3.9%
Manulife Financial Corporation	3.7%
Agnico Eagle Mines Limited	3.6%
Guardian Canadian Short-Term Investment Fund, Series I	3.4%
AltaGas Limited	3.0%
Element Fleet Management Corporation	2.8%
Intact Financial Corporation	2.8%
TELUS Corporation	2.7%
The Bank of Nova Scotia	2.7%
Finning International Inc.	2.6%
TC Energy Corporation	2.5%
Pembina Pipeline Corporation	2.5%
Barrick Gold Corporation	2.2%
Rogers Communications Inc., Class 'B'	2.2%
Keyera Corporation	2.0%
ARC Resources Limited	2.0%
Canadian Apartment Properties Real Estate Investment Trust	1.8%
Fortis Inc.	1.8%

Top 25 Holdings (as a percentage of NAV) **84.6%**
Total Net Asset Value: **\$187,081,655**



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