

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

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# GUARDIAN FUNDAMENTAL GLOBAL EQUITY FUND

JUNE 30, 2023

This interim management report of fund performance contains financial highlights, but does not contain either the interim financial report or interim financial statements of the investment fund. You can obtain a copy of the interim financial report or interim 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](http://www.guardiancapital.com/investmentsolutions) or SEDAR+ at [www.sedarplus.ca](http://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 primary objective of the Guardian Fundamental Global Equity Fund (the "Fund") is to achieve long-term capital appreciation through investment in a portfolio of high quality equity or equity-related securities of issuers throughout the world.

The sub-advisor uses a disciplined, fundamental bottom-up approach to security selection. The Fund is broadly diversified by issuer, sector and geographic region, without being subject to minimum or maximum allocation constraints by country.

### 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 long-term capital growth and want to diversify their portfolio globally.

### 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 8% to \$674.4 million at June 30, 2023 from \$729.8 at December 31, 2022. Of this change, an increase of \$57.9 million was provided by investment performance and a decrease of \$113.3 million was attributable to net redemptions.

Series I units of the Fund posted a return of 8.2% for the period. The Fund's benchmark, the MSCI World Index (Net C\$), returned 12.4% for the same period. The Fund's return is after the deduction of fees and expenses, unlike the benchmark's return.

The Fund is managed using a bottom-up investment process, meaning that the Fund does not employ top-down macroeconomic analysis or forecasting as a

driver of investment decisions. During the period, the majority of Central Banks continued to raise interest rates in an attempt to combat persistently high inflation. While interest rates have risen considerably, their effects are typically expected to lag by up to 18 months, meaning the economy has not yet felt the full force of the new rate environment. Inflation-induced price increases are likely to continue, and those companies without sufficient pricing power will be forced to absorb more costs than they can pass on, pressuring corporate margins. Geopolitical risk remains high, particularly in Europe due to Russia's invasion of Ukraine.

The Fund underperformed its benchmark primarily due to stock selection. Avoiding holdings in the poorly-performing Energy and Utilities sectors added value during the period. Stock selection within the Financials sector also added value to relative returns. Top individual security contributors include Booking Holdings, Novo Nordisk, and Alphabet. Booking continues to benefit from a strong rebound in travel demand, with bookings and revenues trending above 2019 levels. Novo Nordisk has significantly increased guidance for full year sales, reflecting strong uptake and improved supply of its new obesity drug, Wegovy. Alphabet shares benefited as it became clear that its conversational AI chatbot, Bard, was capable of rivaling ChatGPT.

Conversely, the combination of an underweight allocation and stock selection within the Information Technology sector, as well as stock selection in the Consumer Discretionary sector had a negative effect on performance. Individual securities detracting from performance include UnitedHealth Group, Automatic Data Processing (ADP), and Nike. Concerns around government healthcare funding levels has weighed on shares of UnitedHealth Group. ADP shares dipped after reporting weaker-than-expected results in one segment of its business, despite its larger and higher-margin segment beating expectations. Concerns over consumer spending caused Nike's shares to decline during the period.

In April, the Fund trimmed its holding of Novo Nordisk after very strong performance, reinvesting

proceeds into existing holdings Accenture and Novozymes, both on valuation grounds.

The Fund tends to be overweight Consumer Discretionary, Information Technology, and Health Care companies, with typically no exposure to Energy, Materials, Utilities, Real Estate or Financials, due to lack of pricing power, cyclicalities, high leverage or heavy regulation, among other reasons. There were no major trades that caused shifts in the Fund's positioning, however in March a sector reclassification moved Mastercard to Financials from Information Technology and ADP to Industrials from Information Technology.

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

The Fund continues to pursue a consistent bottoms-up investment strategy that targets stocks with the following characteristics:

- have significantly higher and more sustainable earnings and cash flow growth rates than the market average. Each company is exposed to a long term secular growth industry, has produced consistent and sustainable earnings and cash flow growth in the past and is expected to do so in the future.
- have significantly better quality characteristics than the market average, with a broad definition of quality to include better returns on invested capital, conservative balance sheet structure, well diversified stable, reliable businesses, with few structural barriers to sustainable growth; and
- are not overvalued at the time of purchase, taking into account their long term earnings and cash flow growth potential, and, good growth and quality characteristics incorporating previous valuation ranges.

## 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 0.19% 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.

GuardCap Asset Management Limited ("GAML") is an affiliate of the Manager and has entered into a sub-advisory agreement with the Manager to provide investment advice concerning the Fund's investment portfolio. The Manager made payments to GAML in accordance with the sub-advisory agreement, based on the Net Asset Value of the Fund, during the year. With respect to the appointment of and payment to its

affiliate as sub-advisor for the Fund, the Manager has relied on the positive recommendation that it has received from the IRC. The recommendation requires the Manager to comply with its current policy and procedures regarding the selection of an affiliated subadvisor and to report periodically to the IRC.

### Management Fees

No management fees are payable or collected for Series I units of the Fund. Series W and Series WF 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 Series WF management fee is 0.50% 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	Series WF
Investment management and other general administration	n/a	33.3%	100.0%
Trailer Commission	n/a	66.7%	n/a

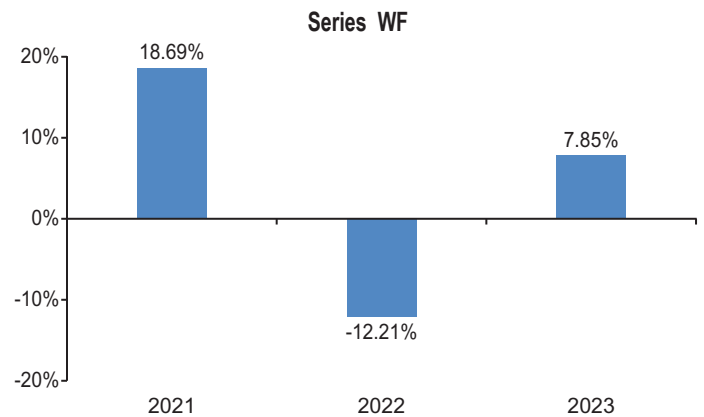
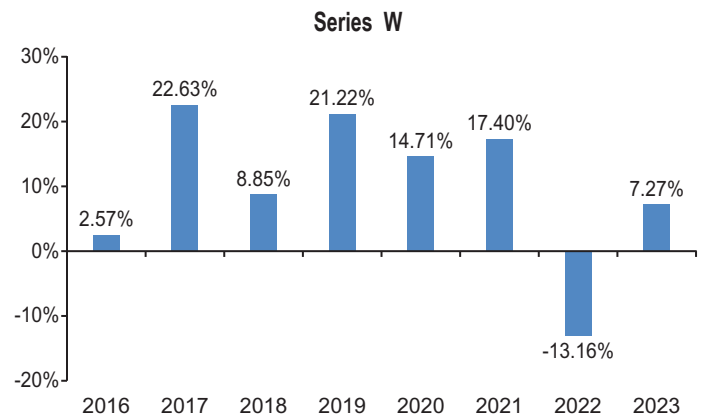
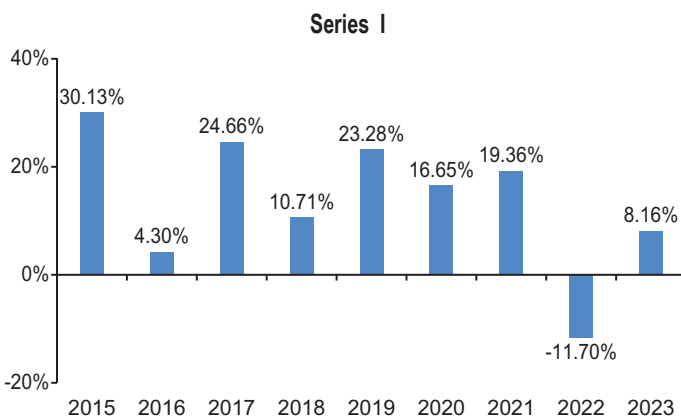
## Past Performance

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 period from January 1, 2023 to June 30, 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.

The performance shown for Series I below includes results prior to April 22, 2015 when the Fund was not a reporting issuer. Had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer during such period, the expenses of the Series I units of the Fund would likely have been higher. The financial statements for the period when the Fund was not a reporting issuer, are available on the Manager's website at [www.guardiancapital.com](http://www.guardiancapital.com) or upon request.



## Annual Compound Returns

The tables below shows the historical compound returns of the Fund's Units for the periods indicated, as at June 30, 2023. The returns of a broad based market index are also shown.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception *
Series I (%)	17.90	8.14	9.76	n/a	14.69
MSCI World Index (Net C\$) (%)	21.57	11.10	9.22	n/a	10.66

\* Inception date - August 1, 2014.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
Series W (%)	15.95	6.35	7.94	n/a	10.76

MSCI World Index (Net C\$) (%)	21.57	11.10	9.22	n/a	9.34
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\* Inception date - April 23, 2015.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
Series WF (%)	17.23	7.53	n/a	n/a	9.32

MSCI World Index (Net C\$) (%)	21.57	11.10	n/a	n/a	13.36
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\* Inception date - April 24, 2020.

The MSCI World Index (Net, C\$) is a broad measure of both large and mid cap equities across Developed Countries.

## 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 and unaudited interim financial statements.

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

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019
Net Assets per Unit, Beginning of Period <sup>[1]</sup>	\$27.72	\$31.76	\$27.18	\$23.48	\$19.18
<b>Increase (decrease) from operations per Unit:<sup>[1]</sup></b>					
Total revenue	0.25	0.43	0.36	0.33	0.23
Total expenses	(0.06)	(0.13)	(0.13)	(0.12)	(0.06)
Realized gains (losses)	1.29	0.86	1.40	0.26	0.35
Unrealized gains (losses)	0.97	(5.11)	3.67	3.51	3.12
Total increase (decrease) from operations per Unit	2.45	(3.95)	5.30	3.98	3.64
Distributions per Unit from: <sup>[1] [2]</sup>					
Income (excluding dividends)	(0.23)	–	–	–	–
Canadian dividends	–	–	–	–	–
Foreign dividends	–	(0.25)	–	(0.19)	(0.15)
Capital gains	–	(0.06)	(0.44)	–	–
Return of capital	–	–	–	–	–
Total Distributions per Unit	(0.23)	(0.31)	(0.44)	(0.19)	(0.15)
Net Assets per Unit, End of Period <sup>[1]</sup>	\$29.75	\$27.72	\$31.76	\$27.18	\$23.48

[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 period.

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

### Ratios and Supplemental Data (Series I)

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019
Total net asset value (000's) <sup>[1]</sup>	\$581,541	\$648,326	\$783,651	\$597,436	\$366,986
Number of units outstanding <sup>[1]</sup>	19,545,074	23,388,132	24,671,865	21,981,943	15,627,774
Management expense ratio <sup>[2]</sup>	0.21%	0.21%	0.21%	0.21%	0.21%
Management expense ratio before waivers and absorptions	0.21%	0.21%	0.21%	0.21%	0.21%
Trading expense ratio <sup>[3]</sup>	0.01%	0.01%	0.02%	0.04%	0.06%
Portfolio turnover rate <sup>[4]</sup>	3.45%	10.48%	14.59%	11.65%	9.93%
Net asset value per Unit <sup>[1]</sup>	\$29.75	\$27.72	\$31.76	\$27.18	\$23.48

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

[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.

[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 Fund's Net Assets per Unit (Series W)**

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019
Net Assets per Unit, Beginning of Period <sup>[1]</sup>	\$20.32	\$23.93	\$20.67	\$18.02	\$14.87
<b>Increase (decrease) from operations per Unit:<sup>[1]</sup></b>					
Total revenue	0.19	0.13	0.27	0.25	0.18
Total expenses	(0.23)	(0.40)	(0.48)	(0.43)	(0.38)
Realized gains (losses)	0.95	0.09	1.06	0.18	0.29
Unrealized gains (losses)	0.54	(2.76)	2.82	2.66	2.97
Total increase (decrease) from operations per Unit	1.45	(2.94)	3.67	2.66	3.06
Distributions per Unit from: <sup>[1] [2]</sup>					
Income (excluding dividends)	–	–	–	–	–
Canadian dividends	–	–	–	–	–
Foreign dividends	–	–	–	–	–
Capital gains	–	(0.46)	(0.33)	–	–
Return of capital	–	–	–	–	–
Total Distributions per Unit	–	(0.46)	(0.33)	–	–
Net Assets per Unit, End of Period <sup>[1]</sup>	\$21.80	\$20.32	\$23.93	\$20.67	\$18.02

[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 period.

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

**Ratios and Supplemental Data (Series W)**

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019
Total net asset value (000's) <sup>[1]</sup>	\$35,825	\$32,130	\$33,656	\$24,453	\$21,267
Number of units outstanding <sup>[1]</sup>	1,643,155	1,580,843	1,406,392	1,183,075	1,180,260
Management expense ratio <sup>[2]</sup>	1.87%	1.87%	1.88%	1.90%	1.91%
Management expense ratio before waivers and absorptions	1.87%	1.87%	1.88%	1.90%	1.91%
Trading expense ratio <sup>[3]</sup>	0.01%	0.01%	0.02%	0.04%	0.06%
Portfolio turnover rate <sup>[4]</sup>	3.45%	10.48%	14.59%	11.65%	9.93%
Net asset value per Unit <sup>[1]</sup>	\$21.80	\$20.32	\$23.93	\$20.67	\$18.02

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

[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.

[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 Fund's Net Assets per Unit (Series WF)**

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	Period from Apr. 21 to Dec. 31, 2020
Net Assets per Unit, Beginning of Period <sup>[1]</sup>	\$11.88	\$13.85	\$11.86	\$10.00
<b>Increase (decrease) from operations per Unit:<sup>[1]</sup></b>				
Total revenue	0.11	0.08	0.15	0.10
Total expenses	(0.06)	(0.10)	(0.13)	(0.08)
Realized gains (losses)	0.56	0.05	0.61	0.14
Unrealized gains (losses)	0.30	(1.58)	1.67	1.34
Total increase (decrease) from operations per Unit	0.91	(1.55)	2.30	1.50
Distributions per Unit from: <sup>[1] [2]</sup>				
Income (excluding dividends)	(0.06)	–	–	–
Canadian dividends	–	–	–	–
Foreign dividends	–	(0.05)	–	(0.05)
Capital gains	–	(0.23)	(0.19)	–
Return of capital	–	–	–	–
Total Distributions per Unit	(0.06)	(0.28)	(0.19)	(0.05)
Net Assets per Unit, End of Period <sup>[1]</sup>	\$12.75	\$11.88	\$13.85	\$11.86

[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 period.

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

**Ratios and Supplemental Data (Series WF)**

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	Period from Apr. 21 to Dec. 31, 2020
Total net asset value (000's) <sup>[1]</sup>	\$55,316	\$49,092	\$48,945	\$25,953
Number of units outstanding <sup>[1]</sup>	4,337,689	4,133,843	3,533,962	2,187,371
Management expense ratio <sup>[2]</sup>	0.78%	0.77%	0.77%	0.78%
Management expense ratio before waivers and absorptions	0.78%	0.77%	0.77%	0.78%
Trading expense ratio <sup>[3]</sup>	0.01%	0.01%	0.02%	0.05%
Portfolio turnover rate <sup>[4]</sup>	3.45%	10.48%	14.59%	11.65%
Net asset value per Unit <sup>[1]</sup>	\$12.75	\$11.88	\$13.85	\$11.86

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

[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.

[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.

## SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2023

Portfolio Allocation	% of Net Asset Value
Communication Services	5.7%
Consumer Discretionary	15.3%
Consumer Staples	14.5%
Financials	16.5%
Health Care	21.6%
Industrials	10.0%
Information Technology	10.8%
Materials	4.9%
Short-Term Securities	1.0%
Other net liabilities	(0.3)%
Total	100.0%

Geographic Allocation	% of Net Asset Value
China	4.6%
Denmark	12.9%
France	10.7%
Ireland	5.0%
Japan	4.6%
Switzerland	3.8%
United Kingdom	5.1%
United States of America	52.6%
Short-term securities	1.0%
Other net assets (liabilities)	(0.3)%
Total	100.0%

Top 25 Holdings	% of Net Asset Value
Booking Holdings Inc.	7.1%
EssilorLuxottica SA	7.0%
Novo Nordisk A/S, Class 'B'	7.0%
CME Group Inc., Class 'A'	6.6%
Alphabet Inc., Class 'A'	5.7%
Mastercard Inc., Class 'A'	5.6%
Accenture PLC, Class 'A'	5.0%
Yum China Holdings Inc.	4.6%
UnitedHealth Group Inc.	4.3%
MarketAxess Holdings Inc.	4.3%
Colgate-Palmolive Company	4.3%
Nestle SA	3.8%
L'Oreal SA	3.6%
Microsoft Corporation	3.6%
NIKE Inc., Class 'B'	3.6%
Automatic Data Processing Inc.	3.3%
Reckitt Benckiser Group PLC	2.8%
Chr. Hansen Holding A/S	2.5%
Novozymes A/S	2.4%
FANUC Corporation	2.4%
Intertek Group PLC	2.3%
Keyence Corporation	2.2%
Illumina Inc.	2.2%
Verisk Analytics Inc., Class 'A'	2.0%
Coloplast A/S	1.1%

**Top 25 Holdings as a percentage of net asset value**

**99.3%**

**Total Net Asset Value:**

**\$674,405,042**



**GUARDIAN CAPITAL**

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