

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

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# GC ONE EQUITY PORTFOLIO

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](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 GC One Equity Portfolio (the "Fund") is to provide a conservative equity portfolio that emphasizes income generation with some level of growth of capital through diversified investments in Canadian and foreign equity or equity related securities.

The Fund invests in securities of other investment funds managed by Guardian Capital LP, and may also invest in other securities, including exchange traded funds, to achieve its objectives. The Manager uses strategic and tactical asset allocation to create a portfolio diversified by investment style and geographic region, with an emphasis on income generation. The portfolio generally includes exposure to Canadian equities and foreign equities. Currently, the Fund's long-term asset mix policy is 25% Canadian equities and 75% foreign equities with cash reserves incorporated in these two equity components. If the asset mix between Canadian and foreign equities varies by more than 15% from the long-term mix, the Fund is normally rebalanced. The Fund may be exposed to derivatives, used for hedging or non-hedging purposes, through its investments in underlying funds.

### 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 exposure to an equity portfolio that produces income and some growth and who plan to hold the investment for the medium to long term.

### Results of Operations

This commentary is based on the performance of Series A 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. Please

note that this Fund invests all, or substantially all, of its assets in other investment funds [the "Underlying Funds"]. Individual securities referenced in this commentary may refer to the securities held in one of the Underlying Funds, and not necessarily as a direct holding of this Fund.

The Fund's net asset value increased by 24% to \$31.6 million at December 31, 2023 from \$25.5 at December 31, 2022. Of this change, an increase of \$3.8 million was provided by investment performance and an increase of \$2.3 million was attributable to net subscriptions.

Series A units of the Fund posted a return of 14.5% for the year. The Fund's blended benchmark, 25% S&P/TSX Capped Composite Index and 75% MSCI World Index (Net C\$), returned 18.3% for the same period. The Fund's return is after the deduction of fees and expenses, unlike the benchmark's return.

Financials markets continued to be highly volatile throughout 2023, as investors contended with a persistent series of pressures and risk events. That said, signs of moderating underlying inflation, amid further indications of a desired rebalancing of supply and demand, became more prevalent toward the end of the year and saw central banks soften their tone and increasingly move to the sidelines; suggesting that the aggressive and globally synchronized tightening cycle was approaching its end. The resultant decline in market rates, combined with further indications that growth momentum continued to hold up, fueled an outsized cross-asset rally through November and December that ultimately resulted in strong overall performance for balanced portfolio investors, generally, for the year.

The Fund's tactical overweight toward equity, and especially global equity, which was the top performing asset class this year, and an underweight allocation to fixed income (the relative laggard) resulted in positive contributions to performance from asset allocation.

The negative impact of security selection within the Fund's allocations, however, detracted and resulted in the performance versus its blended benchmark. In

particular, the Fund's large weights in the underperforming Guardian i<sup>3</sup> Global Dividend Growth Fund, Guardian Fundamental Global Equity Fund and Guardian Canadian Growth Equity Fund made negative contributions to relative performance. The outperformance of holdings in the Guardian U.S. Equity All Cap Growth Fund, Guardian Canadian Focused Equity Fund and Guardian Canadian Equity Fund provided some offset.

Positions were initiated early in the year in the Guardian International Equity Select Fund and Guardian Emerging Markets Equity Fund against the view that there are good opportunities in Developed Markets (DM) outside of the US (namely, Europe, Australasia and the Far East or "EAFE") and Emerging Markets, given the better relative valuations and growth outlooks.

The decision was also made to further tilt equity exposures toward quality-growth strategies, particularly those centered on the US, as these mandates typically perform better in lower growth, higher volatility environments. Exposure to the Guardian Canadian Growth Equity Fund and Guardian Canadian Equity Select Fund (which are biased toward "lower quality" sectors, such as natural resources due to the market in which they operate) were reduced, as was exposure to the Guardian Directed Premium Yield Portfolio, with the proceeds reallocated to Guardian Fundamental Global Equity Fund and Guardian U.S. Equity All Cap Growth Fund.

Overall, the Fund's portfolio asset mix remains overweight global equity, with a focus on quality-growth strategies that stand to benefit from a market environment in which general growth moderates to lower rates and profitability faces greater constraints. The Fund is underweight Canadian equity relative to its strategic asset allocation and has a small position in cash.

As this Fund is a fund-of-funds, it does not directly engage in proxy voting or active engagement, this is conducted by the Manager of the Underlying Funds. As the Underlying Funds are related issuers, this is conducted by the Manager of the Underlying Funds,

who 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 Underlying Fund Manager's stewardship approach, and the Underlying Fund's investment team participates in these activities in a manner suitable to the asset class and Underlying Fund. The investment teams of the Manager of the Underlying Funds 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 Underlying Funds' 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

On April 27, 2023 the Fund commenced offering Series F Units for distribution to eligible investors.

There is no doubt the coming year will provide new developments and challenges that will cause markets to re-evaluate the prospects of what lies ahead. That said, the confidence intervals around forecasts at the moment are narrower than they have been in years, as the key drivers of the underlying resilience in the global economy still largely remain in place and the key headwinds of high interest rates and inflation look to subside.

Accordingly, the outlook for moderating inflation, declining interest rates and low but positive economic growth for the months ahead appears conducive to positive, if unspectacular, risk asset performance that could allow for a collective sigh of relief following three highly volatile years.

This recent history, however, combined with the continued prevalence of risks to the outlook, underline the importance of maintaining a focus on managing risk exposures — and the decades-best opportunities

present in the bond market for safe, income-generating assets provide a plus in this column.

### 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 0.04% 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 invests all, or substantially all, of its assets in other Guardian Capital Funds (the “Underlying Funds”), which are related issuers. With respect to investments in related issuers, the Manager has relied on the approval that it has received from the Independent Review Committee (“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 and will not pay any performance fee in respect of any investment in the Guardian Strategic Income Fund.

### Management Fees

No management fees are payable or collected for Series I units of the Fund. Series A and Series F 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 A management fee is 1.40% per annum. The Series F 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.

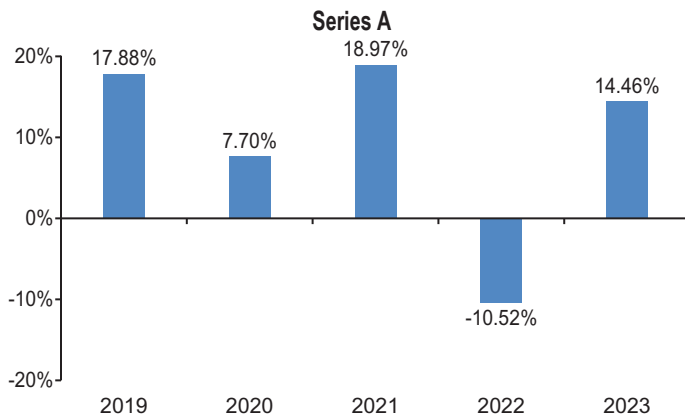
	Series A	Series F	Series I
Investment management and other general administration	35.7%	100.0%	n/a
Trailer Commission	64.3%	n/a	n/a

## Past Performance

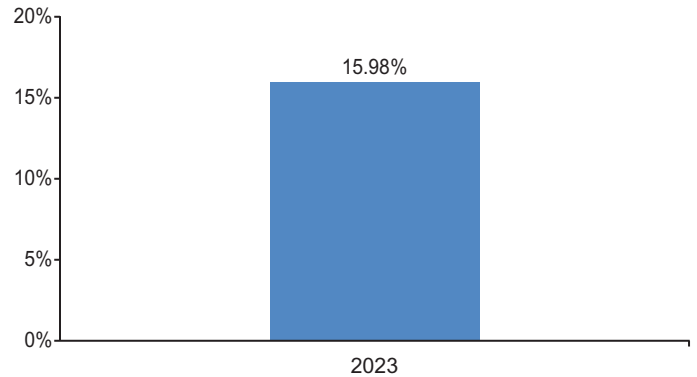
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or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



## Annual Compound Returns

The tables below shows 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	Since Inception *
Series A (%)	14.46	6.81	9.12	n/a	6.65
Blended Benchmark (%)	18.28	8.83	11.73	n/a	8.58

\* Inception date - January 16, 2018.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception *
Series I (%)	15.98	n/a	n/a	n/a	12.82
Blended Benchmark (%)	18.28	n/a	n/a	n/a	13.18

\* Inception date - August 10, 2022.

The Blended Benchmark is based on the target weighting of the Underlying Funds and their respective market indices. The Blended Benchmark is comprised of the following:

- 25% S&P/TSX Capped Composite Index - a broad measure of the largest companies listed on the Toronto

Stock Exchange, with the relative weighting of each stock capped at 10%.

- 75% MSCI World Index (C\$) - a broad measure of both large and mid cap equities across Developed Countries.

Prior to December 1, 2020, the benchmark was as follows: 40% S&P/TSX Capped Composite Index, 60% MSCI World Index (Net, C\$).

For Series F units, please note that it has not yet been 12 consecutive months since the performance inception date of this Series, thus, in accordance with regulatory requirements, investment performance cannot be shown.

## 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 A)

	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 <sup>[1]</sup>	\$11.56	\$13.27	\$11.42	\$10.64	\$9.19
<b>Increase (decrease) from operations per Unit:<sup>[1]</sup></b>					
Total revenue	0.24	0.38	0.22	0.18	0.24
Total expenses	(0.17)	(0.16)	(0.17)	(0.14)	(0.15)
Realized gains (losses)	0.13	0.16	0.41	0.02	0.14
Unrealized gains (losses)	1.47	(1.70)	1.72	0.87	1.29
Total increase (decrease) from operations per Unit	1.67	(1.32)	2.18	0.93	1.52
Distributions per Unit from: <sup>[1] [2]</sup>					
Canadian dividends	(0.09)	(0.06)	(0.01)	–	(0.08)
Foreign dividends	–	–	(0.02)	(0.02)	–
Capital gains	(0.03)	(0.25)	(0.28)	(0.01)	(0.12)
Return of capital	–	–	(0.01)	(0.01)	–
Total Distributions per Unit	(0.12)	(0.31)	(0.32)	(0.04)	(0.20)
Net Assets per Unit, End of Year <sup>[1]</sup>	\$13.11	\$11.56	\$13.27	\$11.42	\$10.64

[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 A)

	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) <sup>[1]</sup>	\$31,008	\$25,440	\$25,861	\$18,041	\$13,099
Number of units outstanding <sup>[1]</sup>	2,365,296	2,200,088	1,949,258	1,579,552	1,231,078
Management expense ratio <sup>[2]</sup>	1.56%	1.42%	1.55%	1.57%	1.63%
Management expense ratio before waivers and absorptions	1.73%	1.76%	1.71%	1.71%	1.71%
Trading expense ratio <sup>[3]</sup>	0.01%	–	0.01%	0.05%	0.04%
Portfolio turnover rate <sup>[4]</sup>	13.85%	24.87%	19.11%	20.31%	15.25%
Net asset value per Unit <sup>[1]</sup>	\$13.11	\$11.56	\$13.27	\$11.42	\$10.64

[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 period and is expressed as an annualized percentage of daily average net asset value during the year. The Manager absorbed some of the Fund's expenses, if it had not done so the MER would have been higher.

[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 period.

[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 F)**

	For the period from commencement of operations, April 27, 2023, to December 31, 2023
Net Assets per Unit, Beginning of Period <sup>[1]</sup>	\$10.00
<b>Increase (decrease) from operations per Unit:<sup>[1]</sup></b>	
Total revenue	0.21
Total expenses	(0.04)
Realized gains (losses)	0.10
Unrealized gains (losses)	0.76
Total increase (decrease) from operations per Unit	1.03
Distributions per Unit from: <sup>[1] [2]</sup>	
Canadian dividends	(0.04)
Capital gains	(0.01)
Return of capital	–
Total Distributions per Unit	(0.05)
Net Assets per Unit, End of Period <sup>[1]</sup>	\$10.51

[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 F)**

	For the period from commencement of operations, April 27, 2023, to December 31, 2023
Total net asset value (000's) <sup>[1]</sup>	\$110
Number of units outstanding <sup>[1]</sup>	10,510
Management expense ratio <sup>[2]</sup>	0.80%
Management expense ratio before waivers and absorptions	0.83%
Trading expense ratio <sup>[3]</sup>	0.01%
Portfolio turnover rate <sup>[4]</sup>	13.85%
Net asset value per Unit <sup>[1]</sup>	\$10.51

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

	For the year ended December 31, 2023	For the period from commencement of operations, April 28, 2022, to December 31, 2022
Net Assets per Unit, Beginning of Period <sup>[1]</sup>	\$9.40	\$10.00
<b>Increase (decrease) from operations per Unit:<sup>[1]</sup></b>		
Total revenue	0.27	0.57
Realized gains (losses)	0.13	0.10
Unrealized gains (losses)	0.97	1.01
Total increase (decrease) from operations per Unit	1.37	1.68
Distributions per Unit from: <sup>[1] [2]</sup>		
Canadian dividends	(0.08)	(0.19)
Capital gains	–	(0.22)
Return of capital	–	–
Total Distributions per Unit	(0.08)	(0.41)
Net Assets per Unit, End of Period <sup>[1]</sup>	\$10.82	\$9.40

[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 year ended December 31, 2023	For the period from commencement of operations, April 28, 2022, to December 31, 2022
Total net asset value (000's) <sup>[1]</sup>	\$459	\$107
Number of units outstanding <sup>[1]</sup>	42,436	11,396
Management expense ratio <sup>[2]</sup>	0.24%	0.10%
Management expense ratio before waivers and absorptions	0.27%	0.29%
Trading expense ratio <sup>[3]</sup>	0.01%	–
Portfolio turnover rate <sup>[4]</sup>	13.85%	24.87%
Net asset value per Unit <sup>[1]</sup>	\$10.82	\$9.40

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

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[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
Canadian equity funds	22.3%
Money market funds	0.7%
Global equity funds	76.8%
Other net assets (liabilities)	0.2%
<b>Total</b>	<b>100.0%</b>

Top 25 Holdings	% of Net Asset Value
Guardian Fundamental Global Equity Fund, Series I	33.7%
Guardian i <sup>3</sup> Global Dividend Growth Fund, Series I	31.8%
Guardian Canadian Equity Select Fund, Series I	9.5%
Guardian Canadian Growth Equity Fund, Series I	8.1%
Guardian U.S. Equity All Cap Growth Fund, Series I	4.7%
Guardian Canadian Equity Fund, Series I	2.5%
Guardian Directed Premium Yield Portfolio, ETF Units	2.4%
Guardian Canadian Focused Equity Fund, Series I	2.2%
Guardian International Equity Select Fund, Series I	1.5%
Guardian U.S. Equity Select Fund, Series I	1.5%
Guardian Emerging Markets Equity Fund, Series I	0.9%
Guardian Ultra-Short Canadian T-Bill Fund, ETF Units	0.7%
Guardian Directed Premium Yield Portfolio, Series I	0.3%

**Top 25 Holdings (as a percentage of NAV)** **99.8%**  
**Total Net Asset Value:** **\$31,577,830**



**GUARDIAN CAPITAL**

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