


ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

GUARDIAN i³ GLOBAL REIT ETF

DECEMBER 31, 2020



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 1-866-718-6517, by writing to us at Guardian Capital LP, Commerce Court West, 199 Bay Street, Suite 3100, P.O. Box 201, Toronto, Ontario, M5L 1E8, or by visiting our website at www.guardiancapitallp.com or SEDAR at www.sedar.com.

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.



GUARDIAN CAPITAL

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

Guardian i³ Global REIT ETF (the “Fund”) seeks to provide exposure to the global real estate market by primarily investing in a diversified portfolio of publicly traded real estate investment trusts (“REITs”) and common stock of real estate operating corporations (“REOCs”). The Fund may also achieve its investment objectives by investing in other investment funds or exchange-traded funds. The Manager employs a system-driven bottom-up research approach to assess relative value and capital growth potential within a broad stock-selection universe. The Manager uses a quantitative approach, including in particular machine learning techniques, to analyze multiple fundamental factors and incorporate financial and alternative data. The Manager seeks real estate issuers that it believes has potential for both capital growth and sustainable dividend yield. The Fund maintains a mid-large capitalization bias and is broadly diversified by issuer, sector and geographic region, normally holding between 30 and 70 REITs and common stocks of REOCs listed on a stock exchange across a minimum of (i) six sub-industries of the GICS Real Estate sector, and (ii) six countries, at any point in time. The Fund will generally limit investments in emerging market securities to 15% of the Fund’s net asset value at the time of investment. The Fund may use derivatives to hedge against potential loss and to reduce the impact of currency fluctuations on 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 exposure to equity securities of issuers with business operations around the world.

Results of Operations

(This Fund’s first prospectus was dated July 21, 2020, and the ETF Units were first listed for trading on the TSX on August 11, 2020. In accordance with regulatory requirements, investment performance for a fund that has

been in existence for less than one year cannot be shown.)

The Fund’s net asset value was \$4.8 million at December 31, 2020, of which a \$0.1 million decrease was provided by investment performance and an increase of \$4.9 million came from net subscriptions.

The Hedged and Unhedged Units of the Fund both underperformed its benchmark, the FTSE EPRA/NAREIT Developed Index (Net C\$), from the Fund’s inception to the end of the year. The difference in performance between the Hedged and Unhedged Units of the Fund is attributable to foreign currency exposure and the exchange rate.

The global REIT sector underperformed the broader global equity universe during the year, as lingering concerns over global economic activity, the sustainability of cash flow and earnings, and distressed yield levels weighed on the minds of investors.

The best-performing REITs in the asset class reflected short-term opportunistic buying, driven by high momentum and volatility characteristics. Unless momentum is supported by positive fundamentals, the Fund would not be chasing the market and abandoning its Quality investment philosophy. The Fund underperformed primarily driven by negative security selection, as well as the effect of allocation at the industry level, as the Fund remained focused on Quality REITs. With the announcement of vaccines, a deep-Value, cyclical rally ensued in the fourth quarter, where many cheaper low-Quality REITs regained some of their losses through a short-term bounce.

With the outbreak of the COVID-19 crisis, markets plummeted in the first quarter and the CBOE Volatility Index (“the VIX”) traded near its all-time highs. At inception of the Fund, it was, and remains, focused on owning high-Quality global REITs with strong fundamentals, visible cash flows and sustainable growing earnings.

Specialized REITs outperformed during the year, but experienced a slight pullback in Q4, which was not unexpected as investors took profits. These REITs continued to exhibit the highest-projected EPS growth compared to other equities. In contrast, retail and office REITs saw sharp price spikes due to rapidly-

changing views of the pandemic and bargain hunters looking for cheap securities, without any fundamental support.

The Fund remains underweight toward commercial (offices) and consumer REITs (i.e., malls and shopping centres), which have performed well in the short-term, but are still recovering from distressed levels and severe underperformance over the past year.

Earnings and payout sustainability, as well as growth momentum, remains positive across the holdings in the Fund.

Recent Developments

Following a year that reflected a remarkable recovery for stocks and one of the fastest bear markets in history due to the threat of the pandemic, equities and other risk assets continue to benefit from high liquidity and record low interest rates in the foreseeable future. Aggressive efforts by the Federal Reserve and other major central banks to support the global economy in the wake of potential economic collapse caused by the coronavirus pandemic, coupled with positive vaccine news, fueled fourth-quarter rallies in riskier corners of the financial markets, as well as in certain sectors that had suffered the most earlier in the year.

That said, the recent rotation in broader markets toward low-Quality, high-Beta stocks is, in the Fund Manager's opinion, unsustainable. Further multiple expansion, particularly in stocks already trading at expensive levels, will need to be driven by earnings results and operational performance in the coming year.

We are now seeing US and foreign growth rates start to moderate, as reflected in many Purchasing Managers Indexes (PMIs) around the world stabilizing, albeit at healthy levels.

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. The Manager also incurs operating expenses on behalf of the Fund and is then reimbursed by the Fund for such expenses. The Manager is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange.

Management Fees

Hedged and Unhedged units are subject to a management fee which is based on a percentage of the average NAV during each month, calculated and accrued daily, and payable monthly. The management fee is 0.70% per annum. The services received in consideration of the management fee include investment management and other general administration services. In the event that the Fund invests in another investment fund to obtain exposure to the constituent securities, the Fund may pay the management fee on the portion of the Fund's assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager. As a result, the actual Management Fee may be higher than that shown.

Past Performance

In accordance with regulatory requirements, investment performance for a fund that has been in existence for less than one year 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 (Unhedged Units)

| | For the period from inception, Aug. 7, 2020, to Dec. 31, 2020 |
|---------------------------------------------------------------------|------------------------------------------------------------------------|
| Net Assets per unit, Beginning of Period ^[1] | \$20.00 |
| Increase (decrease) from operations per unit: ^[1] | |
| Total revenue | 0.25 |
| Total expenses | (0.10) |
| Realized gains (losses) | (0.14) |
| Unrealized gains (losses) | (0.97) |
| Total increase (decrease) from operations per unit | (0.96) |
| Distributions per unit from: ^{[1] [2] [3]} | |
| Income (excluding dividends) | - |
| Canadian dividends | - |
| Foreign dividends | 0.07 |
| Capital gains | 0.06 |
| Return of capital | - |
| Total Distributions per unit | 0.13 |
| Net Assets per unit, End of Period ^[1] | \$18.89 |

[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] Distributions were paid in cash or certain distributions were reinvested in additional units of the Fund. Immediately following such reinvestment, the number of units outstanding was consolidated so that the net assets per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

[3] The tax characteristics of distributions are reported annually by the Fund to CDS Clearing and Depository Services Inc. ("CDS"). CDS makes this information available to brokers who provide it to unitholders through standard tax reporting.

Ratios and Supplemental Data (Unhedged Units)

| | For the period from inception, Aug. 7, 2020, to Dec. 31, 2020 |
|------------------------------------------------------------|------------------------------------------------------------------------|
| Total net asset value (000's) ^[1] | \$2,361 |
| Number of units outstanding ^[1] | 125,000 |
| Management expense ratio ^[2] | 1.06% |
| Management expense ratio before waivers and absorptions | 4.21% |
| Trading expense ratio ^[3] | 0.25% |
| Portfolio turnover rate ^[4] | 19.53% |
| Net asset value per unit ^[1] | \$18.89 |
| Closing market price | \$18.74 |

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

[2] The management expense ratio ("MER") 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. For new series launched, the MER is annualized from the date of the first external purchase. 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 an Fund.

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 (Hedged Units)

| | For the period from inception, Aug. 7, 2020, to Dec. 31, 2020 |
|---------------------------------------------------------------------|------------------------------------------------------------------------|
| Net Assets per unit, Beginning of Period ^[1] | \$20.00 |
| Increase (decrease) from operations per unit: ^[1] | |
| Total revenue | 0.26 |
| Total expenses | (0.17) |
| Realized gains (losses) | 0.42 |
| Unrealized gains (losses) | (0.85) |
| Total increase (decrease) from operations per unit | (0.34) |
| Distributions per unit from: ^{[1][2][3]} | |
| Income (excluding dividends) | - |
| Canadian dividends | - |
| Foreign dividends | 0.07 |
| Capital gains | 0.30 |
| Return of capital | - |
| Total Distributions per unit | 0.37 |
| Net Assets per unit, End of Period ^[1] | \$19.48 |

[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] Distributions were paid in cash or certain distributions were reinvested in additional units of the Fund. Immediately following such reinvestment, the number of units outstanding was consolidated so that the net assets per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

[3] The tax characteristics of distributions are reported annually by the Fund to CDS Clearing and Depository Services Inc. ("CDS"). CDS makes this information available to brokers who provide it to unitholders through standard tax reporting.

Ratios and Supplemental Data (Hedged Units)

| | For the period from inception, Aug. 7, 2020, to Dec. 31, 2020 |
|------------------------------------------------------------|------------------------------------------------------------------------|
| Total net asset value (000's) ^[1] | \$2,435 |
| Number of units outstanding ^[1] | 125,000 |
| Management expense ratio ^[2] | 1.06% |
| Management expense ratio before waivers and absorptions | 4.21% |
| Trading expense ratio ^[3] | 0.25% |
| Portfolio turnover rate ^[4] | 19.53% |
| Net asset value per unit ^[1] | \$19.48 |
| Closing market price | \$19.40 |

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

[2] The management expense ratio ("MER") 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. For new series launched, the MER is annualized from the date of the first external purchase. 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 an Fund.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2020

| Portfolio Allocation | % of Net Asset Value |
|---------------------------------|----------------------|
| Real estate | 98.6% |
| Forward currency contracts, net | 0.1% |
| Other Net Assets | 1.3% |

| Geographic Allocation | % of Net Asset Value |
|---------------------------------|----------------------|
| Australia | 3.1% |
| Belgium | 5.4% |
| Canada | 4.3% |
| China | 3.1% |
| Germany | 7.9% |
| Hong Kong | 0.9% |
| Singapore | 1.8% |
| United Kingdom | 3.3% |
| United States of America | 68.8% |
| Forward currency contracts, net | 0.1% |
| Other net assets (liabilities) | 1.3% |

| Top 25 Holdings | % of Net Asset Value |
|-------------------------------------------|----------------------|
| Medical Properties Trust Inc. | 5.1% |
| Prologis Inc., REIT | 3.9% |
| Equinix Inc. | 3.7% |
| American Tower Corporation, REIT | 3.6% |
| STAG Industrial Inc. | 3.5% |
| Vonovia SE | 3.5% |
| CyrusOne Inc. | 3.5% |
| Agree Realty Corporation | 3.5% |
| Mid-America Apartment Communities Inc. | 3.4% |
| Segro PLC | 3.3% |
| SBA Communications Corporation, Class 'A' | 3.1% |
| Goodman Group | 3.1% |
| Longfor Group Holdings Limited | 3.1% |
| Americold Realty Trust | 3.0% |
| Aedifica SA, REIT | 2.9% |
| QTS Realty Trust Inc., Class 'A' | 2.8% |
| TAG Immobilien AG | 2.8% |
| Alexandria Real Estate Equities Inc. | 2.8% |
| Summit Industrial Income REIT | 2.7% |
| Warehouses De Pauw CVA | 2.5% |
| Public Storage | 2.5% |
| Healthcare Realty Trust Inc. | 2.5% |
| Equity LifeStyle Properties Inc., REIT | 2.3% |
| Duke Realty Corporation, REIT | 2.3% |
| Equity Residential, REIT | 2.2% |

Top 25 Holdings as a percentage of net asset value **77.6%**


Total Net Asset Value **\$4,796,636**

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available. If the Fund has invested in other investment funds, the prospectus and other information about the underlying investment funds are available on the internet via www.sedar.com.

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