

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

GUARDIAN CANADIAN BOND FUND

JUNE 30, 2020

This interim management report of fund performance contains financial highlights, but does not contain either the interim financial report or annual financial statements of the investment fund. You can obtain a copy of the interim 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 Canadian Bond Fund seeks to provide a high level of current interest income while preserving capital and seeking opportunities for capital appreciation, through investment in bonds, debentures, notes or other evidence of indebtedness. The Manager uses a proactive, disciplined management approach while employing various analytical tools to identify investments that offer value on a relative basis, with a view to maximizing current income while preserving the prospect for some capital growth. The Manager adheres to a risk management process that is designed to limit total exposure to individual issuers, diversify exposure to various term maturities and credit risks, and maintain portfolio liquidity.

Risk

The risks associated with investing in the Fund remain as discussed in the prospectus. The Fund may be suitable for investors with a low tolerance for risk, particularly those who are looking for a core Canadian fixed-income fund for their portfolio.

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 assets increased 15% to \$196.9 million at June 30, 2020, from \$171.5 million at December 31, 2019. Of this change, an increase of \$16.6 million resulted from investment performance and an \$8.8 million increase came from net subscriptions.

For the six months ended June 30, 2020 the Fund returned 9.76%, while the benchmark FTSE Canada Universe Bond Index returned 7.53%.

The unpredictable and unforeseen global pandemic and medical crisis due to the COVID-19 virus quickly extended into an economic and financial market

crisis worldwide. Global investment markets were extremely volatile in the first six months of 2020, which were first marked by a severe market selloff that started in late February. A rapid equity market rebound followed a month later, which was almost as dramatic. As an example of these extreme moves, Canadian stock prices declined by over 37% from the peak in February, before rallying by more than 39% from the market trough. The rally occurred as investors looked past a number of risks and uncertainties that remain, which include the severe economic recession, bleak corporate earnings outlook, potential for a second wave of COVID-19 infections, rising tensions between the US and China and, more recently, civil unrest in the US. Instead, markets have been focused on the massive amount of government and central bank stimulus that has been introduced to combat the economic impact of the pandemic, the re-opening of economies and the sharp rebound in activity levels and the potential for a successful vaccine. Fixed income markets experienced high levels of volatility starting in March, which caused a significant widening of spreads across all segments of the bond market. Spreads later moderated in response to the substantial global, monetary and fiscal stimulus measures.

Consistent with the actions of their worldwide counterparts, central banks in Canada and the US cut interest rates aggressively in March to combat the negative economic effects from the pandemic. Rates were cut by 150 basis points each, to take them to a very low 0.25%. Government of Canada 10-year bond yields declined, falling 117 basis points from the beginning of the year to close the period at 0.53%. Corporate bonds followed a path similar to equity markets through the crisis, initially selling off and then rallying.

During the period, Canadian Long-Term Bonds returned 7.84%, Mid-Term Bonds returned 6.46% and Short-Term Bonds returned 3.56%. In this low-rate environment, 91-Day Treasury Bills gained 0.77%. From a sector perspective, Provincial bonds outperformed with the benchmark index returning 9.1%, investment grade Corporate bonds returned 5.41%, while the relatively safe Government of Canada bonds gained 8.34%.

US Treasury 10-year yields began the period at 1.92%

and ended the period at 0.66%. The US Federal Reserve Board (Fed) left the Federal funds target range between 0.00% and 0.25%. The Fed has continued with a number of monetary policy actions to provide direct liquidity to fixed-income markets. The most recent FOMC dot plot median projection indicates, with a near consensus, the Federal Funds Target rate will remain unchanged until the end of 2022. The US 10-year Treasury yield is 1.34% lower year-over-year.

The Canadian dollar underperformed the US dollar, beginning the quarter less than 1.30 and ending the period just under 1.36.

The Canada curve steepened significantly during the first quarter, with 30-year bonds widening relative to 10-year bonds by 54.5 basis points. The Fund maintained an overweight position in mid-term bonds, which was a major contributing factor to the Fund's strong performance. Corporate credit spreads widened, with high-quality credit outperforming lesser quality Corporates. The Fund owns primarily higher-quality, liquid bank paper and less BBB paper relative to the benchmark which further contributed to the Fund's strong performance versus the FTSE Canada Universe Bond Index. The Fund's duration was essentially flat versus benchmark duration.

Later in the period, the Canadian yield curve flattened, with 30-year bonds tightening relative to 10-year bonds by 14.5 basis points. The Fund trimmed its overweight position in mid-term bonds and bought long bonds, which helped with performance. Credit spreads tightened and we increased our weighting in credit towards the end of the period.

Recent Developments

Global economic growth remains significantly diminished, leading to uncertainty regarding the length of recession and many macroeconomic metrics. Since inflation and inflation expectations remain lower relative to central bank targets, shorter-term interest rates are very likely to remain lower for longer. With the aggressive response by global developed world central banks providing significant liquidity, additional liquidity can be provided, if deemed necessary. The new Bank of Canada Governor Tiff

Macklem, has stated, "As the economy reopens and people go back to work, we should see some positive signs. But the pandemic is likely to cause some lasting damage, and the recovery will be bumpy." Although a possibility, the Bank of Canada is not currently contemplating negative interest rates. The last Bank of Canada rate announcement, on June 3, 2020, stated, "The Bank maintains its commitment to continue large-scale asset purchases until the economic recovery is well under way. Any further policy actions would be calibrated to provide the necessary degree of monetary policy accommodation required to achieve the inflation target."

Fixed-income markets will continue to be subject to headline/event risk, economic fundamentals, geopolitical tensions, and safe haven flows. Policy action by major central banks will continue to distort global developed bond markets. Uncertainty regarding the magnitude and/or timing of North American, European, Japanese and Asian central bank direct market intervention will continue to impact capital market volatility.

The minority Federal Government has provided massive stimulus measures to help mitigate the adverse effects of COVID-19 (a weakened economy, and high levels of unemployment), resulting in decreased future tax revenues and significantly larger budget deficits, leading to increased debt market issuance to fund these deficits. Most Provinces are in a similar fiscal position. These policies will likely lead to greater levels of taxation. The belief is that massive stimulus measures provided by fiscal policy should help to improve Canadian economic fundamentals.

Despite fiscal and monetary policy responses, pre-existing risks to the Canadian economy (which have been persistent for some time, such as high consumer debt levels, regional economic differences and areas of elevated real estate levels), now combine with significantly higher unemployment, compromised business conditions, and restricted consumer spending. With a gradual re-opening of the economy, the stabilization and improvement of some economic metrics is expected. The near-term outlook for the Canadian economy remains fragile.

Most North American corporate credit fundamentals

have recently eroded and remain uncertain. However, significant central bank liquidity policies have contributed to materially tighter spreads relative to wider levels during late March. Although not materially involved to date, the Bank of Canada is a buyer of a subset of eligible Canadian corporate bonds. With low Government of Canada yields, the additional yield carry of corporates has become an attractive component of future total returns, combined with the potential for relative capital appreciation through spread compression and roll-down. The portfolio manager is currently maintaining the Fund's exposure to corporate bonds and the duration of those bonds, as they believe this sector will continue to contribute positively to future total returns. The portfolio manager will continue to opportunistically adjust exposure to corporate issues.

The positive carry on long-term Provincial bonds also remains attractive relative to comparable term Canadas; however, spreads are materially tighter now relative to levels during late March. The portfolio manager is maintaining the Fund's Provincial weighting, and these positions will continue to be adjusted selectively as opportunities present themselves.

Related Party Transactions

Guardian Capital LP, the Manager of the Fund, is considered to be a "related party" of the Fund. The Manager 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 year.

The Fund may invest some of its available short-term cash in units of Guardian Canadian Short-Term Investment Fund, another investment fund managed by Guardian Capital LP, which invests its assets in high-quality short-term fixed-income securities. As at June 30, 2020, the Fund had invested \$2,172,837 or 1.1% of its net assets, in units of the Guardian

Canadian Short-Term Investment Fund. This activity is consistent with standing instructions from the IRC.

Management Fees

No management fees are payable or collected for Series I units of the Fund. Series W and Series F units are subject to management fees which are 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 1.00% per annum. The Series F management fee is 0.30% 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 year.

	Series I	Series W	Series F
Investment management and other general administration	n/a	50.0%	100.0%
Trailer Commission	n/a	50.0%	n/a

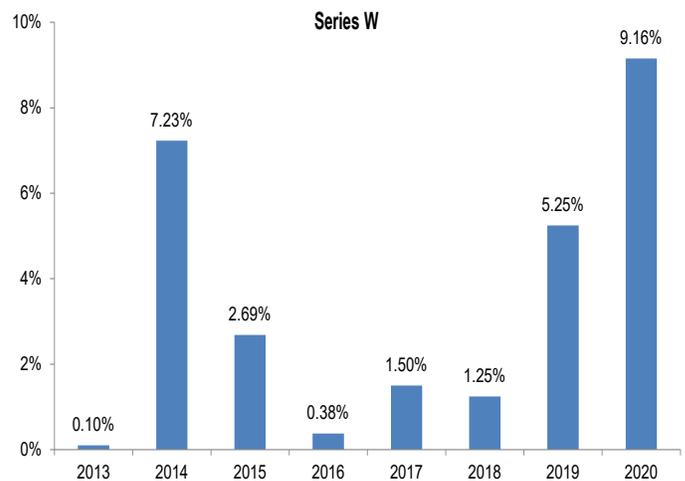
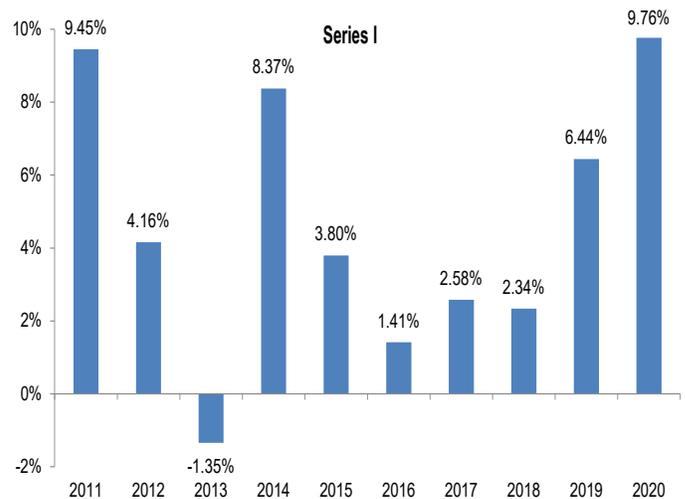
Past Performance

The performance information shown below 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.

The performance shown below includes results prior to March 29, 2011, 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 or upon request.

Year-by-Year Returns

The bar charts show the Fund's performance for the period from January 1, 2020 to June 30, 2020, and annual performance for each of the prior years shown, 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.



Annual Compound Returns

The table below shows the historical compound returns of the Fund's Series I and Series W units for the periods indicated, as at June 30, 2020. The returns of a broad based market index are also shown.

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Series I (%)	9.72	6.17	4.71	4.89
FTSE Canada Universe Bond Index (%)	7.88	5.28	4.20	4.63

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
Series W (%)	8.48	5.01	3.58	n/a	4.04
FTSE Canada Universe Bond Index (%)	7.88	5.28	4.20	n/a	4.81

* Inception date - October 1, 2013

The FTSE Canada Universe Bond Index is designed to be a broad measure of the Canadian investment grade fixed income market.

For Series F units, please note that it has not yet been 12 consecutive months since the start date of this Series and so 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 and unaudited interim financial statements.

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

	6 months ended June 30, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018	12 months ended Dec. 31, 2017	12 months ended Dec. 31, 2016
Net Assets per unit, Beginning of Period ^[1]	\$10.96	\$10.66	\$10.74	\$10.79	\$11.04
Increase (decrease) from operations per unit: ^[1]					
Total revenue	0.16	0.34	0.33	0.33	0.36
Total expenses	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	0.22	0.18	(0.13)	(0.06)	0.06
Unrealized gains (losses)	0.68	0.15	0.03	(0.00)	(0.28)
Total increase (decrease) from operations per unit	1.06	0.66	0.22	0.26	0.13
Distributions per unit from: ^{[1][2]}					
Income (excluding dividends)	(0.15)	(0.33)	(0.32)	(0.33)	(0.34)
Canadian dividends	-	-	-	-	-
Capital gains	-	(0.05)	-	-	(0.07)
Return of capital	-	-	-	-	-
Total Distributions per unit	(0.15)	(0.38)	(0.32)	(0.33)	(0.41)
Net Assets per unit, End of Period ^[1]	\$11.88	\$10.96	\$10.66	\$10.74	\$10.79

[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)

	6 months ended June 30, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018	12 months ended Dec. 31, 2017	12 months ended Dec. 31, 2016
Total net asset value (000's) ^[1]	\$196,293	\$171,305	\$143,906	\$165,559	\$155,843
Number of units outstanding ^[1]	16,529,121	15,623,544	13,502,702	15,421,520	14,442,130
Management expense ratio ^[2]	0.05%	0.05%	0.06%	0.05%	0.05%
Management expense ratio before waivers and absorptions	0.05%	0.05%	0.06%	0.05%	0.05%
Trading expense ratio ^[3]	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ^[4]	54.64%	90.19%	112.48%	106.37%	66.58%
Net asset value per unit ^[1]	\$11.88	\$10.96	\$10.66	\$10.74	\$10.79

[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, for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

[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.

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 W)

	6 months ended June 30, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018	12 months ended Dec. 31, 2017	12 months ended Dec. 31, 2016
Net Assets per unit, Beginning of Period ^[1]	\$10.14	\$9.85	\$9.91	\$9.96	\$10.19
Increase (decrease) from operations per unit: ^[1]					
Total revenue	0.15	0.31	0.30	0.31	0.33
Total expenses	(0.06)	(0.12)	(0.11)	(0.11)	(0.11)
Realized gains (losses)	0.20	0.16	(0.11)	(0.06)	0.05
Unrealized gains (losses)	0.53	0.21	0.03	(0.01)	(0.29)
Total increase (decrease) from operations per unit	0.82	0.56	0.11	0.13	(0.02)
Distributions per unit from: ^{[1][2]}					
Income (excluding dividends)	(0.07)	(0.18)	(0.19)	(0.19)	(0.21)
Canadian dividends	-	-	-	-	-
Capital gains	-	(0.05)	-	-	(0.07)
Return of capital	-	-	-	-	-
Total Distributions per unit	(0.07)	(0.23)	(0.19)	(0.19)	(0.28)
Net Assets per unit, End of Period ^[1]	\$10.99	\$10.14	\$9.85	\$9.91	\$9.96

[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)

	6 months ended June 30, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018	12 months ended Dec. 31, 2017	12 months ended Dec. 31, 2016
Total net asset value (000's) ^[1]	\$127	\$161	\$200	\$252	\$413
Number of units outstanding ^[1]	11,558	15,887	20,309	25,434	41,454
Management expense ratio ^[2]	1.18%	1.18%	1.12%	1.11%	1.10%
Management expense ratio before waivers and absorptions	1.18%	1.18%	1.12%	1.11%	1.10%
Trading expense ratio ^[3]	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ^[4]	54.64%	90.19%	112.48%	106.37%	66.58%
Net asset value per unit ^[1]	\$10.99	\$10.14	\$9.85	\$9.91	\$9.96

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

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FINANCIAL HIGHLIGHTS

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

	6 months ended June 30, 2020	Period from Apr. 18 to Dec. 31, 2019
Net Assets per unit, Beginning of Period ^[1]	\$10.03	\$10.00
Increase (decrease) from operations per unit: ^[1]		
Total revenue	0.13	0.22
Total expenses	(0.02)	(0.03)
Realized gains (losses)	0.05	0.12
Unrealized gains (losses)	0.98	(0.10)
Total increase (decrease) from operations per unit	1.14	0.21
Distributions per unit from: ^{[1][2]}		
Income (excluding dividends)	(0.13)	(0.21)
Canadian dividends	-	-
Capital gains	-	(0.04)
Return of capital	-	-
Total Distributions per unit	(0.13)	(0.25)
Net Assets per unit, End of Period ^[1]	\$10.85	\$10.03

[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)

	6 months ended June 30, 2020	Period from Apr. 18 to Dec. 31, 2019
Total net asset value (000's) ^[1]	\$525	\$7
Number of units outstanding ^[1]	48,368	710
Management expense ratio ^[2]	0.39%	0.42%
Management expense ratio before waivers and absorptions	0.39%	0.42%
Trading expense ratio ^[3]	0.00%	0.00%
Portfolio turnover rate ^[4]	54.64%	90.19%
Net asset value per unit ^[1]	\$10.85	\$10.03

[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, for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

[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.

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SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2020

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Canadian Federal and Guaranteed Bonds	22.1%	Government of Canada	17.3%
Canadian Provincial and Guaranteed Bonds	35.6%	Province of Ontario	16.3%
Canadian Corporate Bonds	40.6%	Province of British Columbia	9.2%
Short-Term Securities	1.1%	Royal Bank of Canada	8.3%
Forward Currency Contracts	0.0%	Province of Saskatchewan	6.6%
Other Net Assets	0.6%	Canadian Imperial Bank of Commerce	6.1%
		Bank of Nova Scotia	5.7%
		Bell Canada Inc.	5.6%
		Bank of Montreal	5.4%
		Canada Housing Trust No. 1	4.8%
		Toronto-Dominion Bank	3.5%
		Great-West Lifeco Inc.	2.6%
		Province of Alberta	2.5%
		TransCanada PipeLines Ltd.	1.9%
		Guardian Canadian Short-Term Investment Fund, Series I	1.1%
		Ontario Electricity Financial Corp.	1.0%
		407 International Inc.	0.8%
		Fairfax Financial Holdings Ltd.	0.6%
		Suncor Energy Inc.	0.1%
		Top 25 Holdings as a percentage of net asset value	99.4%
		Total Net Asset Value	\$196,945,429

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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This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts, but rather represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements, as a number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments and the effects of competition in the geographic and business areas in which the Fund may invest. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, Guardian Capital LP does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.