GUARDIAN CAPITAL

GUARDIAN i³GLOBAL DIVIDEND GROWTH FUND MANAGER COMMENTARY Q1 2024

Market Review

Global equity markets built on the gains of last year with a strong first quarter in 2024. As the late winter months unfolded, investors, who had been expecting aggressive rate cuts to start the year, had to face a reality check. In fact, the continued resiliency in the economic dataflow into the New Year - particularly firmer than anticipated readings on gauges of underlying inflationary pressures, and an indication that central banks may not be as proactive as hoped in moving toward a more “neutral” policy setting, had the market pricing in the first cut for late spring/early summer. With the exception of Japan and Switzerland, all the major central banks held their key rate steady throughout the quarter. A notable holdout to the global rally in equity markets was China, where the liquidity constraints and tepid housing demand continued to weigh on the economy, threatening its ongoing recovery.

Meanwhile, corporate earnings season kicked off on a strong note, as key indicators, like long-term sales growth and earnings growth forecasts, adjusted upward. As was the case last year, a cohort of large-cap growth stocks led the charge outpacing their small-cap counterparts. The market strength thus far, however, has been attributable to a relatively narrow set of names associated with artificial intelligence (AI) technology. NVIDIA, the large US semiconductor developer, more than tripled in 2023 and proceeded to rise a further 87% during the first quarter of 2024. Nevertheless, the dominance of these top performers saw a slight dilution, signaling a shift towards broader-based growth compared to the previous year, also reflected in the improvement in non-tech valuations.

Encouraging key macroeconomic signals further boosted global financial markets performance during the quarter. The US market outperformed relative to its global peers, driven by strong consumer spending and labour market strength, which helped keep recession at bay, with excess savings still in play. Furthermore, the ISM Manufacturing PMI in the US rebounded breaking even at 50.3, a level not seen since September 2022, indicating a positive outlook for economic expansion.

Even so, market volatility lingered during the quarter, with the CBOE Volatility Index (VIX) rising 10%. Contributing to this uncertainty was the sluggish activity in the housing market, and inflation concerns, which, although receding, still exceeded target levels. Investors remained cautious on the possibility of the underlying economic strength to impede anticipated rate cuts later this year.

Despite these headwinds, gains were broadly distributed across all 11 sectors, resulting in the MSCI World Index ending the quarter up 11.7%. Communication Services and Information Technology sectors emerged as top performers, while Real Estate and Utilities sectors lagged the broader market's performance. The Energy sector saw a significant recovery, with double-digit gains attributed to the rise in commodity prices.

Performance Attribution

The Guardian i^3 Global Dividend Growth Fund (the "Fund") slightly underperformed its benchmark, the MSCI World Index.

On a sector level, Industrials was the largest contributor to relative performance. Positions in Waste Management, Schneider Electric, Republic Services and WW Grainger continued their strong performance this quarter and led to a positive stock selection effect. An underweight in the Real Estate sector led to a positive allocation effect. In the Financials sector, strong performance came from portfolio's positions in Hartford, AXA and Allianz insurance companies, as well as Mastercard, which led to a positive stock selection effect for this sector. An underweight in the Utilities sector led to a positive allocation effect.

Strong performance came from the Information Technology sector, but the Fund lagged the benchmark as positions in Accenture and Apple led to a negative stock selection effect. The benchmark had strong returns in the Communication Services sector, led by strong performance from Meta and Netflix. The Fund does not own either of these stocks as they do not pay dividends, but Meta initiated a dividend this quarter. The Fund's positions in Telus and Bell led to a negative stock selection effect. Total Energies and Shell lagged the Energy sector and led to a negative allocation effect. In the Materials sector, Air Products led to a negative stock selection effect. In the Health Care sector, United Health Group, Astrazeneca and Johnson & Johnson led to a negative stock selection effect.

Portfolio Transactions

There were no transactions in Q1.

Portfolio Outlook and Positioning

The Manager's i^3 Investment™ team has a core belief that successful asset management should be focused on three core pillars, which are Growth, Payout and Sustainability. For outlook and positioning, we will address each of these core pillars.

Growth — In positioning the portfolio to secular drivers of dividend growth, we believe consistent earnings growth is critical for a predictable and sustained divided growth. According to our proprietary AI Model*, earnings per share (EPS) growth forecast in the US is slightly moderating in the Consumer Discretionary and Consumer Staples sectors, but still maintaining positive growth. In the Information Technology, Health Care, Industrials and Materials sectors, the model is forecasting a steady trend of earnings recovery, although this is higher in the shorter-term and gradually moderating in the longer-term. These EPS growth signals are complemented by strong dividend growth forecasts in most sectors, with indications of an upward convergence in our model. Notably, the Information Technology, Consumer

Staples and Communication Services (Meta announced a dividend this quarter) sectors show the strongest forecast trends for upward movement in dividend growth.

In Europe, our model shows lower EPS growth forecasts compared to the US. Although overall growth remains positive, we are seeing a greater dispersion among sectors in Europe with earnings growth recovery predicted for Health Care and Information Technology sectors. Our model's dividend growth forecasts for Europe are also not as strong as those for the US, however they remain positive, as do growth rates for bond proxy sectors.

We see the strongest revenue and cash flow growth from secular companies that are thematically driven, especially in the area of Technology, Industrial Automation and Pharmaceutical Technology. AI demand is certainly a tailwind, as well as continued chip re-shoring, and the implementation of AI into SaaS companies in multiple industries.

We continue to position and focus on companies with positive earnings growth coupled with strong dividend growth.

Notwithstanding the speculative nature of the Federal Reserve (Fed) interest rate cycles, the Fund's Manager has positioned the portfolio for secular dividend growth versus timing the Fed's decision. Over the past 12 months, 100% of the companies in the portfolio have increased their dividends.

Payout — Despite a relief rally in high-yielding asset classes on dovish statements from the Fed in Q4, we focus on dividend growth as we believe a "yield for yield's sake" approach results in a minimal broad upside capture amidst hidden downside risks. This is especially apparent in a higher-rate environment where credit quality is much more important. The Fed opted to leave policy unchanged in its first meeting of 2024, which was anticipated. Higher-for-longer rates have continued to put a strain on cash flows and dividend sustainability.

In the prevailing market conditions, we believe that prioritizing profitability, stability, and safety is essential. Accordingly, we continue to focus on earnings and cash flow growth supporting dividend growth versus extraneous events.

Sustainability (of cash flows) — According to our AI Model*, regionally, the probability of dividend cuts continues to be forecasted lower in the US than it is in Europe. In the US our model is showing a more systemic downturn in the probability of dividend cuts across sectors. In Europe however, Materials, Energy and Real Estate sectors have come down from higher levels.

The Fund is overweight the Energy, Consumer Staples and Health Care and Industrials sectors and underweight the Consumer Discretionary, Communication Services and Financials sectors. Regionally, the Fund has approximately a 35% weight in Europe, and 65% in North America and 0% in Asia and the Pacific Basin.

We believe it is time to consider the duration and credit cycles within the dividend asset class. We believe our AI-powered GPS strategy offers a total return approach through owning companies that can continue to reward shareholders through dividends, buybacks and debt reduction, ultimately combined with careful discretionary consideration of stock and sector allocations by the portfolio managers.

The i³ Investments™ Team is a portfolio management team with Guardian Capital LP, that combines artificial intelligence and human intelligence to provide a modern approach to portfolio construction, incorporating the advantages of big data with the experience and perspective of our investment team. Investment strategies which rely on predictive artificial intelligence and quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends and technical issues in the construction and implementation of the models. Please consider these and other factors carefully and not place undue reliance on modeled information. There is no guarantee that the use of the quantitative model will result in effective investment decisions, as the simulated results are subject to inherent limitations.

GUARDIAN CAPITAL™

Returns are presented in CAD, unless otherwise stated.

This commentary is for general informational purposes only and does not constitute investment, financial, legal, accounting or tax advice or a recommendation to buy, sell or hold a security or be considered an offer or solicitation to deal in any product or security mentioned herein. It is only intended for the audience to whom it has been distributed and may not be reproduced or redistributed without the consent of Guardian Capital LP. This information is not intended for distribution into any jurisdiction where such distribution is restricted by law or regulation.

There can be no assurance that the portfolio will continue to hold the same position in companies referenced here, and the portfolio may change any position at any time. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable, or will equal the investment performance of the securities discussed.

The opinions expressed are as of the published date and are subject to change without notice. Assumptions, opinions and estimates are provided for illustrative purposes only and are subject to significant limitations. Reliance upon this information is at the sole discretion of the reader. This commentary includes information concerning financial markets that was developed at a particular point in time. This information is subject to change at any time, without notice, and without update. This commentary may also include forward-looking statements concerning anticipated results, circumstances, and expectations regarding future events. Forward-looking statements require assumptions to be made and are, therefore, subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Investing involves risk. Equity markets are volatile and will increase and decrease in response to economic, political, regulatory and other developments. Investments in foreign securities involve certain risks that differ from the risks of investing in domestic securities. Adverse political, economic, social or other conditions in a foreign country may make the stocks of that country difficult or impossible to sell. It is more difficult to obtain reliable information about some foreign securities. The costs of investing in some foreign markets may be higher than investing in domestic markets. Investments in foreign securities also are subject to currency fluctuations. The risks and potential rewards are usually greater for small companies and companies located in emerging markets. Bond markets and fixed-income securities are sensitive to interest rate movements. Inflation, credit and default risks are all associated with fixed income securities. Diversification may not protect against market risk and loss of principal may result. Index returns are for information purposes only and do not represent actual strategy or fund performance. Index performance returns do not reflect the impact of management fees, transaction costs or expenses. Certain information contained in this document has been obtained from external sources, which we believe to be reliable, however, we cannot guarantee its accuracy.

Please read the prospectus, Fund Facts or ETF Facts before investing. Important information, including a summary of the risks, about each Fund is contained in its respective offering documents. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund and exchange traded fund (ETF) investments. You will usually pay brokerage fees to your dealer if you purchase or sell units of an ETF on the Toronto Stock Exchange ("TSX"). If the units are purchased or sold on the TSX, investors may pay more than the current net asset value when buying units of the ETF and may receive less than the current net asset value when selling them. Mutual fund and ETF securities, including money market funds, are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

Guardian Capital LP is the Manager of the Guardian Capital mutual funds. Guardian Capital LP manages portfolios for defined benefit and defined contribution pension plans, insurance companies, foundations, and endowments, as well as proprietary and third-party mutual funds and ETFs. Guardian Capital LP is a wholly owned subsidiary of Guardian Capital Group Limited, which is a publicly traded firm listed on the Toronto Stock Exchange. For further information on Guardian Capital LP and its affiliates, please visit our website. All trademarks, registered and unregistered, are owned by Guardian Capital Group Limited and are used under license.

Published: May 2024