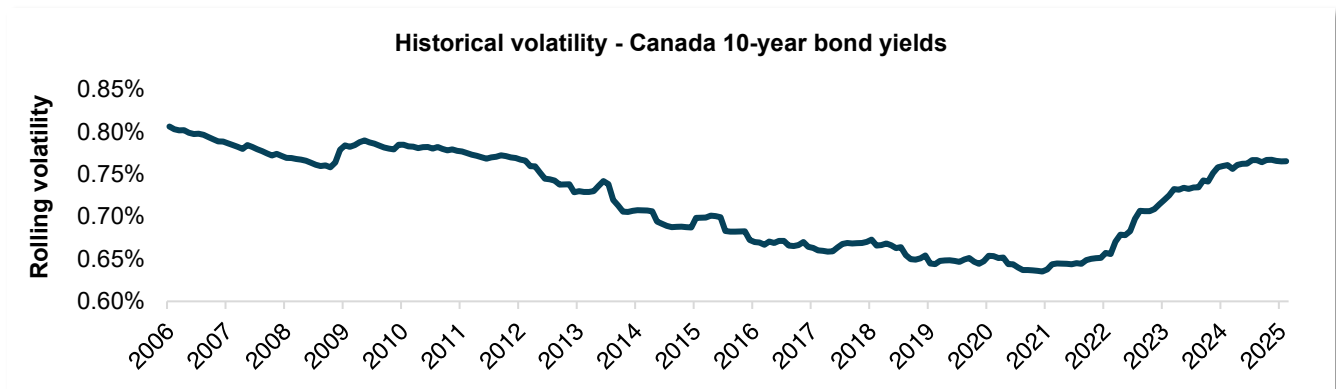




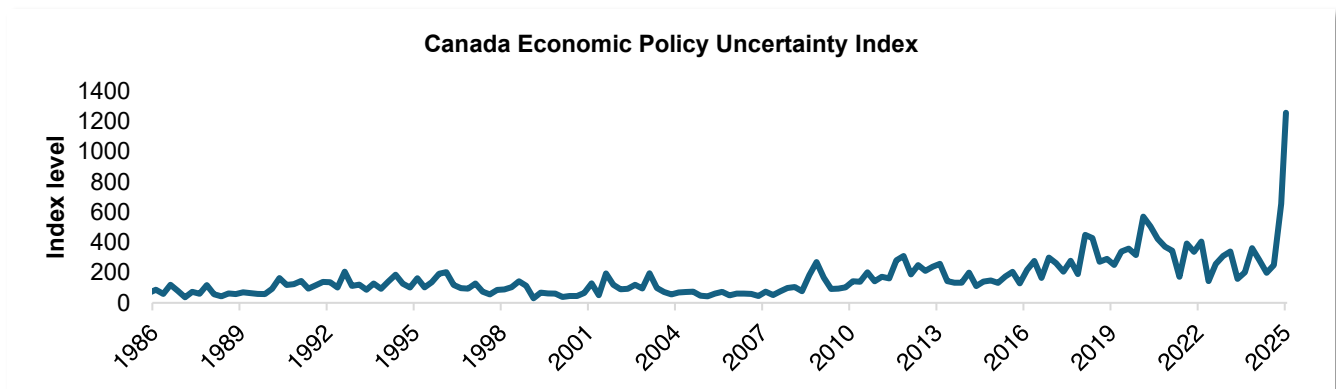
Lock in yield, lock out volatility

Fixed income investors may feel like they have been whiplashed after the rapid rise in interest rates from near-zero levels during the pandemic, while now facing additional volatility from brewing tariff wars, political changes, and economic uncertainty. For investors that want to avoid the noise, a target maturity bond fund – like our GuardBonds™ suite – aims to provide higher certainty of investment outcomes, even during more volatile markets.

Heightened concerns regarding US and Canada trade relations and the potential near-term effects on the economy have resulted in higher volatility in the longer-term segments of the yield curve (i.e., 10-year), reaching levels last seen during the Great Financial Crisis and with policy uncertainty reaching an all-time high.



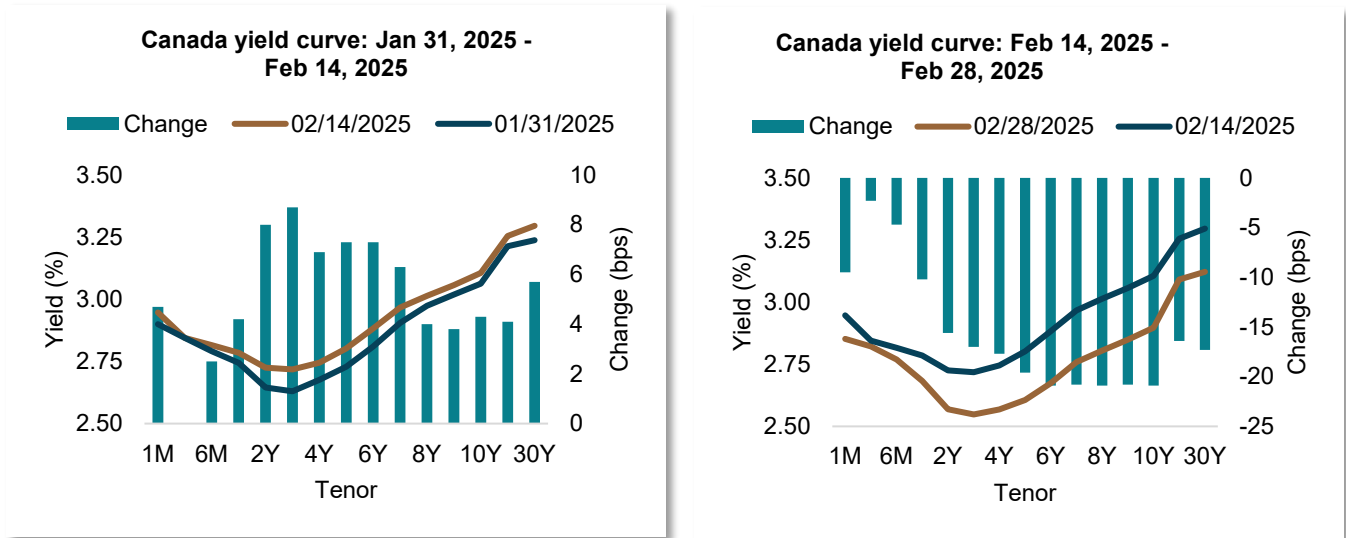
Source: Guardian Capital LP. Rolling volatility calculated using Bloomberg data from 1995 to 2025 based on Government of Canada 10-year bond yields. Ticker: GCAN10YR Index.



Source: Guardian Capital LP, based on Bloomberg data from 1985 to 2025. Index used: the Canada Economic Policy Uncertainty Index. Bloomberg Ticker: EPUCCAND Index.



While the consensus view amongst fixed income investors is that the yield curve will continue to steepen (trending towards normalized), elevated levels of short-term volatility may result in temporarily higher yields along the way, exposing portfolios with longer duration to mark-to-market risks, as we saw with yield curve changes during the month of February this year:



Source for Jan and Feb charts: Guardian Capital LP, based on Bloomberg data from January 31, 2025 to February 28, 2025. Bloomberg Ticker: YCGT007 Index

Constructing a well-balanced fixed income portfolio can be challenging given the current volatile environment for bond yields, particularly for investors with short-term cash needs who are less able to bear this market risk. Investing in ultra-short-term duration products such as Guaranteed Investment Certificates (GICs) or High-Interest Savings ETFs (HISAs) could expose investors to reinvestment risk (i.e., re-investing cash flows at marginally lower rates); while making allocations into comparatively ‘longer’ mid- or long-term duration products could also expose investors to price risk as a result of fluctuating yields and spreads.

Target maturity funds, such as our GuardBonds™ suite, hold bonds to their maturity*, which help alleviate the effects of short-term fixed income volatility, provide greater certainty of income and produce a more tax-efficient* return than GIC’s or HISA’s.

Fund/product	Yield	Post-tax yield ⁵	Weight of discount bonds
GuardBonds™ 2025 Investment Grade Bond Fund (ETF Series) ¹	3.12%	1.72%	86%
GuardBonds™ 2026 Investment Grade Bond Fund (ETF Series) ¹	3.17%	1.79%	100%
GuardBonds™ 2027 Investment Grade Bond Fund (ETF Series) ¹	3.12%	1.74%	98%
Guardian Ultra-Short Canadian T-Bill Fund (ETF series) ²	3.20%	1.49%	None
High-Interest Savings ETF ³	2.96%	1.38%	None
1-Year Guaranteed Investment Certificate ⁴	2.90%	1.35%	None

Example for Illustrative Purposes Only. This example includes a small selection of cash alternative investments, and by no means is representative of all the cash alternative investment options available.



¹ The Yield shown for the GuardBonds Funds is the annualized, weighted average **Yield to Maturity (YTM)** of each of the underlying securities in the portfolio, net of cash, but inclusive of cash-alternative investments like money market securities. YTM represents the annualized expected rate of return earned on the bonds, based on the assumption that they are held to maturity and all coupon payments are made on time and reinvested at the same rate.

² The Yield shown for the Guardian Ultra Short Canadian T-Bill Fund is the weighted average **Yield to Maturity (YTM)** at Cost of each of the underlying T-Bill securities in the portfolio, net of cash. Yield to Maturity at Cost means the percentage rate of return paid if the security is held to its maturity date from the original time of purchase. The calculation is based on the coupon rate, length of time to maturity, and original price.

The above Yield values are not the yield, distribution rate or performance return of these Guardian Funds and are not intended to represent the distribution or return experience of any unitholder. It is only intended to give investors an idea of a particular portfolio characteristic of the underlying securities held in the Fund's portfolio and does not consider taxes, fees or expenses of the Fund. Annualized, weighted average gross yield of the underlying securities of the Global X Investments (Canada) Inc., CI Investments Inc., and Purpose Investments Inc., websites as of February 24, 2025.

³ HISA ETFs available in Canada, as reported on each of their respective websites as of February 7, 2025. Gross Yield is calculated as the weighted average rate earned on cash deposits. Gross yields do not reflect the impact of fees or expenses of these ETFs, the actual distribution yield experienced by investors may differ materially.

⁴Source: Bank of Canada, Statistics posted rate as of February 19, 2025. <https://www.bankofcanada.ca/rates/banking-and-financial-statistics/posted-interest-rates-offered-by-chartered-banks/>

⁵ Calculated using the highest marginal tax bracket for an investor in Ontario (currently 53.53%) multiplied by the stated Yield.

Investors may also consider using a 'laddered' bond strategy to help minimize the impact of reinvestment risk and price risk in a steepening environment. The GuardBonds™ 1-3 Year Laddered Investment Grade Bond Fund owns equally weighted positions in the GuardBonds™ 1-, 2- and 3-Year target maturity funds and automatically rebalances each year as the shortest maturity GuardBonds™ Fund matures and a new GuardBonds™ Fund is added.

Consider [GuardBonds™](#) Funds – available in mutual fund and ETF series. Each Fund's primary objective is to provide income over a pre-determined time horizon by investing in a portfolio consisting primarily of Canadian dollar-denominated investment grade bonds with an effective maturity that corresponds to the date in each GuardBonds™ Funds' name.

To learn more about GuardBonds™ Funds and how they may help achieve your financial goals, please visit [GuardBonds.com](https://www.guardbonds.com) or speak to your investment advisor.



The GuardBonds™ Lineup

		Ticker/Fund Code	Management Fee
<u>GuardBonds™ 2025 Investment Grade Bond Fund</u>	ETF series	GBFB	0.20%
	Series F	GCG6104	0.20%
	Series A	GCG5104	0.70%
<u>GuardBonds™ 2026 Investment Grade Bond Fund</u>	ETF series	GBFC	0.20%
	Series F	GCG6105	0.20%
	Series A	GCG5105	0.70%
<u>GuardBonds™ 2027 Investment Grade Bond Fund</u>	ETF series	GBFD	0.20%
	Series F	GCG6106	0.20%
	Series A	GCG5106	0.70%
<u>GuardBonds™ 1-3 Years Laddered Investment Grade Bond Fund</u>	ETF series	GBLF	0.20%
	Series F	GCG6107	0.20%
	Series A	GCG5107	0.70%



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