

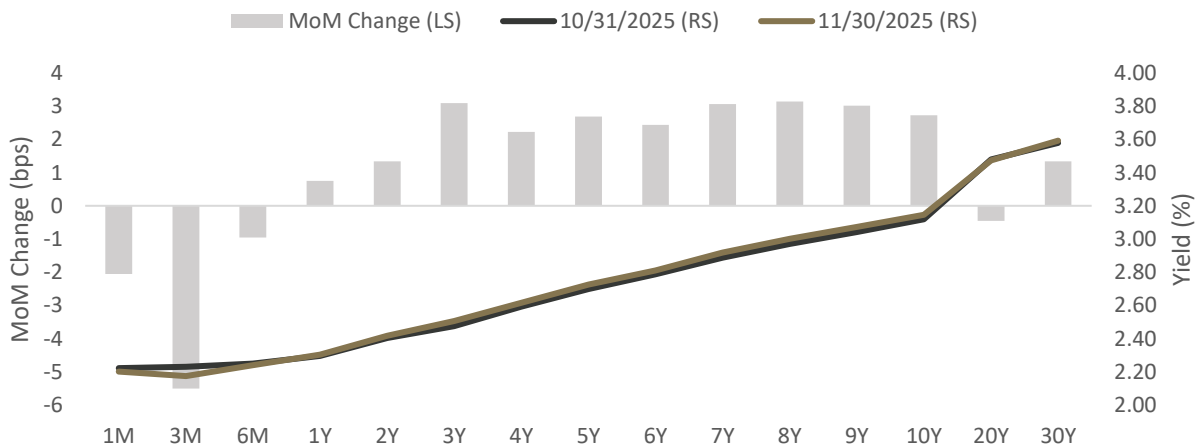
# AHEAD OF THE CURVE

## NOVEMBER 2025 BOND MARKET RECAP AND OUTLOOK

### RECAP

- The broad fixed income market, represented by the FTSE Canada Universe Bond Index, delivered a return of +0.27% for the month of November, primarily driven by yield curve carry effects\*.
- U.S.: Meeting minutes from the recent Federal Open Market Committee indicated that labour market conditions are expected to soften gradually, with businesses reluctant to add works but also hesitant to lay off employees. Delayed government data showed a rise in continuing jobless claims, and the unemployment rate edging higher from 4.3% to 4.4%. The net effect was broadly lower yields across the curve, except for the long-end, where yields move marginally higher.
- Canada: Labour market surprised to the upside once again, with 66.6k jobs added in October compared to an expected loss of 5k. The unemployment rate fell back below 7% (6.9%). Additionally, Q3 GDP growth came in at 2.6% annualized, well above expectations of 0.5% while Q2 was revised lower from -1.6% to -1.8%.
- The net effect was a bearish steepening of shorter Canadian yield curve tenors, with short-term yields rising by a lesser extent than mid-term yields. Longer curve relationships flattened with mid-term yields rising by a greater extent than long-term yields. The longer-term bonds outperformed (FTSE Canada Long Term Overall Bond Index: +0.52%) versus mid-term (FTSE Canada Mid Term Overall Bond Index; +0.17%) and short-term segments (FTSE Canada Short Term Overall Bond Index; +0.18%).
- Credit spreads on investment-grade corporate bonds (Bloomberg Canada Aggregate Corporate Bond Index) were flat to incrementally wider (~ 1 basis point) month-over-month.

**Canada Sovereign Yield Curve**



Source: Guardian Capital based on month over month (MoM) change data for the FTSE Canada Universe Bond Index from PC Bond, and data from Bloomberg for the Canada Sovereign Curve rates (ID: YCGT0007); as at November 30, 2025  
 \*Yield curve carry is the expected return from the passage of time, capturing the benefit (or cost) of the bond moving to a different point on the yield curve as it approaches maturity.

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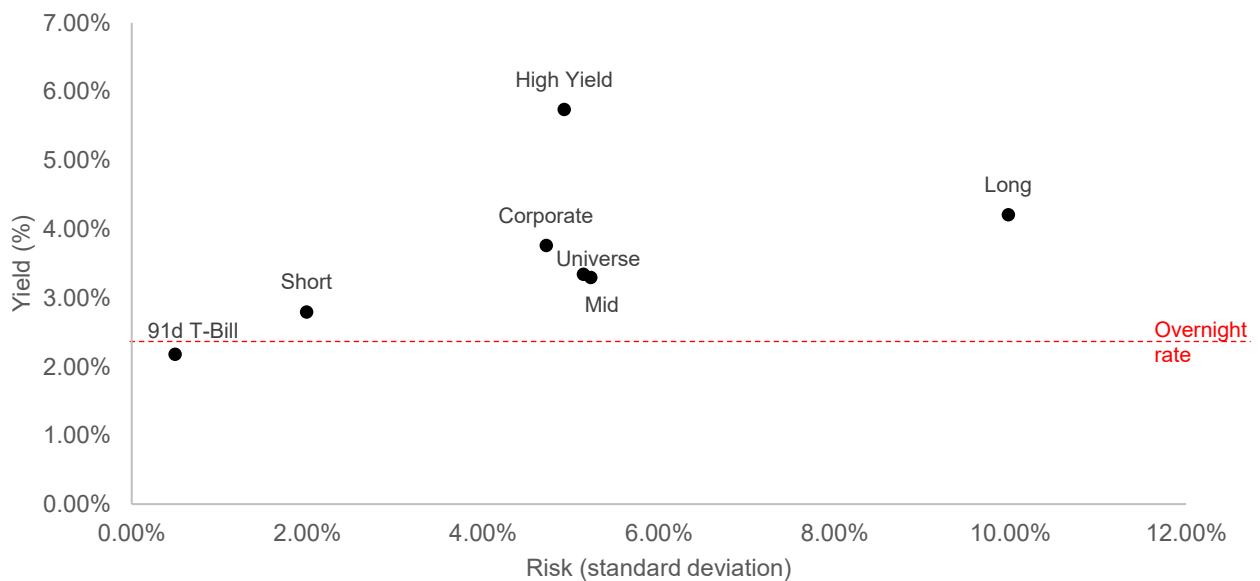
### THE LOOK AHEAD

- Despite the positive Q3 GDP surprise, which is likely to be revised lower, economic growth is expected to remain subdued and gradually recover over the medium-term.
- Overnight index swaps (OIS) pricing suggests that Bank of Canada is not expected to implement further rate cuts.

### POSITIONING OPPORTUNITIES

- For investors seeking to reduce the reinvestment risk associated with Guaranteed Investment Certificates (GICs) and high-interest savings accounts (HISAs) due to short-term yields moving lower, GuardBonds™, a suite of target maturity funds, provide attractive yields and offer the potential for greater tax efficiency because of the capital gains potential embedded in purchasing of discount bonds. Additionally, GuardBonds™ are able to provide daily liquidity to investors unlike non-redeemable GICs, which may penalize investors for early redemption.
- For the Guardian Strategic Income Fund, the Manager is targeting idiosyncratic bond issuers that are expected to have a lower market beta compared to larger issuers that may be more sensitive to high yield ETF fund flows.
- In the Guardian Investment Grade Corporate Bond Fund, the Manager has made some incremental switches in bond holdings further out on the term structure, where the credit spread curve looks attractive.
- The Manager is seeking to maximize return from yield curve roll-down\* and mitigate credit spread exposure in the Guardian Canadian Bond Fund by allocating towards mid-term Federal Agency bonds.

### Risk-For-Yield Spectrum



Source: Guardian Capital, PC Bond, and Bloomberg as at November 30, 2025. Details of the Indexes used in the chart above can be found on page 5.

\*When the yield curve is upward sloping, bonds with longer maturities have higher yields than shorter-term bonds. As time passes, those longer maturity bonds “roll down” to a lower rate on the yield curve, resulting in capital appreciation.

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### GUARDIAN FIXED INCOME FUNDS | Current Positioning

#### GuardBonds™ Investment Grade Bond Funds

- A suite of actively managed, defined maturity bond funds, that can be used to efficiently construct customized bond ladders.
- Mostly invested in Investment Grade bonds purchased at a discount, to take advantage of capital gains potential.<sup>2</sup>
- Excellent GICs alternative; more liquid<sup>1</sup> and tax efficient.<sup>2</sup>

#### Guardian Canadian Bond Fund

- Similar duration profile relative to its benchmark, the FTSE Canada Universe Bond Index.
- Higher concentration in mid-term key rates (5-, 7-, and 10-year key rates) but approaching neutral in long-term key rates (i.e., 30-year key rate)
- Overweight exposure in short-term corporate bonds, but a lower relative contribution to spread duration. Relative excess exposure to spread sensitivity is predominantly allocated to mid-and-long-term Provincial bonds.

#### Guardian Investment Grade Corporate Bond Fund

- Similar duration profile relative to its benchmark, the FTSE Canada Mid Term Corporate Bond Index.
- Higher concentration in 3- and 10-year key rates and lower concentration in 5-year key rates, relative to the benchmark.
- Overweight bonds within the Real Estate, Energy, and Communications sectors and underweight bonds within the Infrastructure and Financial sectors.

#### Guardian Strategic Income Fund (Alternative Fund)\*

- Maintained tactical US-Canada 10-year futures trade (i.e., long US 10-year, short Canada 10-year).
- Maintained tactical US yield curve steepener futures trade (i.e., long 2-year, short 10-year).
- Took profits on outperformers, notably within the Energy sector given the softening outlook for oil prices.
- Added to names that traded weaker as spreads widened in November, with strong risk-adjusted opportunities within the Technology sector.

<sup>1</sup> Each GuardBonds™ fund, despite having a specified maturity date, is fully liquid (intra-day liquidity on the ETF versions, daily liquidity on the mutual fund versions). GICs – even those of the redeemable variety – do not offer the same option for liquidity should it be needed.

<sup>2</sup> Each GuardBonds™ fund prioritizes holding bonds trading at a discount with the intention of holding them until maturity. When a discount bond matures at par value, the price appreciation is treated as a capital gain. Total return on a GuardBonds™ fund is expected to consist of bond interest income and capital gains. GICs, on the other hand, are always fully taxed as interest income.

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### FUND DETAILS

FUND DETAILS				CHARACTERISTICS OF PORTFOLIO HOLDINGS					
				CURRENT YIELD	DURATION (YRS)	YTM	COUPON	AVERAGE PRICE	AVG QUALITY
FUND NAME	ETF	SERIES F							
MONEY MARKET	Guardian Ultra-Short Canadian T-Bill Fund	GCTB	GCG6101	N/A	0.15	2.35 <sup>†</sup>	N/A	99.64	R-1(H)
	Guardian Ultra-Short U.S. T-Bill Fund (USD)	GUTB.U	GCG6102	N/A	0.16	3.84 <sup>†</sup>	N/A	99.36	A-1+
	FTSE Canada 30-Day T-Bill Index			-	-	2.25	N/A		
TARGET MATURITY	GuardBonds™ 2026 Investment Grade Bond Fund	GBFC	GCG6105	1.77	0.72	2.52	1.77	99.76	A
	GuardBonds™ 2027 Investment Grade Bond Fund	GBFD	GCG6106	1.90	1.53	2.65	1.89	99.23	A
	GuardBonds™ 2028 Investment Grade Bond Fund	GBFE	GCG6108	2.22	2.42	2.86	2.19	98.79	A
	GuardBonds™ 2029 Investment Grade Bond Fund	GBFF	GCG6109	2.66	3.62	3.25	2.73	102.76	A
	GuardBonds 1-3 Year Laddered Investment Grade Bond Fund	GBLF	GCG6107	1.96	1.55	2.68	1.95	99.23	A
SHORT DURATION	Guardian Short Duration Bond Fund	N/A	GCG603	3.51	2.74	2.88	3.53	100.64	AA
	Guardian Strategic Income Fund*	GSIF	GCG602	6.08 <sup>^</sup>	3.27	6.56 <sup>^^</sup>	6.84	101.13	BB
	FTSE Canada Short Term Overall Bond Index			3.21	2.71	2.79	3.25	101.12	AA
UNIVERSE	Guardian Fixed Income Select Fund	N/A	GCG601	3.65	4.52	3.34	3.70	101.30	A
	Guardian Investment Grade Corporate Bond Fund	GIGC	GCG694	4.56	5.93	4.05	4.81	105.49	BBB
	Guardian Canadian Bond Fund	GCBD	GCG654	3.59	7.15	3.37	3.57	99.53	AA
	GC One Fixed Income Portfolio	N/A	GCG 696	4.01	6.34	3.72	4.12	101.36	A
	FTSE Canada Mid Term Corporate Bond Index			4.52	5.92	4.03	4.71	104.25	BBB
	FTSE Canada Universe Bond Index			3.50	7.07	3.34	3.46	98.91	AA

Source: Guardian Capital based on data from PC Bond, Bloomberg as at November 30, 2025

**Characteristics of Portfolio Holdings:** The Current Yield, Duration, Yield to Maturity, Coupon, Average Price and Average Quality shown are based on the weighted average of the securities held in the respective Funds' portfolio, and for the comparative benchmarks they are based on the weighted average of the Index constituents. These characteristics are not the yield, distribution rate or performance return of any Fund and are not intended to represent the distribution or return experience of any unitholder, unless otherwise specified. It is only intended to give investors an idea a particular portfolio characteristic of the underlying securities held in the Fund's portfolio.

**Current Yield:** The Current Yield is calculated as the weighted average coupon over the weighted average price of the bonds in the portfolio, as of the date specified and does not represent an actual one-year return. **^Note: For the Strategic Income Fund** the yield value reported in the Current Yield column is its **Distribution Yield**. Distribution Yield is based on Series F distributions per unit over the trailing 12-month period, divided by the end of period unit price. This is a more appropriate measure of the rate of income an investor may expect from the Fund than Current Yield because the Fund may invest in non-coupon paying securities (i.e., futures, options, forwards, etc.) compared to traditional fixed income funds.

**YTM:** The Yield to Maturity (YTM) shown is the current yield-to-maturity, gross of fees, based on the current market price of the underlying portfolio holdings as at the date indicated. These yields will fluctuate regularly. YTM represents the expected annual rate of return earned on a bond under the assumption that the debt security is held until maturity. **†Note: For the T-Bill Funds**, the YTM value shown is Yield to Maturity at Cost or **YTM (at Cost)**, which is the weighted average YTM (at Cost) of each of the underlying T-Bill securities in the portfolio, net of cash. YTM (at Cost) means the percentage rate of return paid if the T-Bill 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 of the underlying T-Bill securities. **^^Note: For the Strategic Income Fund** the YTM value shown is **Yield to Worst (YTW)**, given the Fund mostly holds high yield securities. YTW represents the expected annual rate of return earned on a bond under the assumption that the debt security is repaid in full ahead of schedule by the issuer. YTW is lower than YTM given the bond would be held over a shorter period, and is more commonly used for high yield securities like the majority of securities in the Guardian Strategic Income Fund's portfolio.

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**\*The Guardian Strategic Income Fund is an alternative mutual fund.** It is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this Fund from other types of mutual funds include borrowing cash, engaging in short selling and investing in specified derivatives. While these strategies will be used in accordance with the Fund's objectives and strategies, during certain market conditions they may accelerate the pace at which your investment changes in value. This Fund also pays the Manager a Performance Fee equal to 15% of the amount by which the Investment Performance of the applicable series of Units exceeds the aggregate of the High Water Mark and the cumulative Hurdle Amount during the Performance Period. Please refer to the Fund's prospectus for additional details. Statistics only reflect bond segment.

For more information on the financial terms used in this document, please refer to the **Glossary of Financial Terms** on our website at: <https://www.guardiancapital.com/investmentsolutions/glossary-of-terms/>

**\*\*Fixed Income Risk-for-Yield Spectrum chart**

**91 Day T-Bill:** FTSE Canada 91 Day T-Bill Index, which tracks Canadian Treasury Bills with maturities of 91 days.

**Short:** FTSE Canada Short Term Overall Bond Index, which tracks bonds with maturities of 1-5 years.

**Mid:** FTSE Canada Mid Term Overall Bond Index, which tracks bonds with maturities of 5-10 years.

**Universe:** FTSE Canada Universe Bond Index, which tracks the universe of corporate and government bonds within Canada.

**Long:** FTSE Canada Long Term Overall Bond Index, which tracks bonds with maturities over 10 years.

**Corporate:** FTSE Canada All Corporate Bond Index, tracks corporate bonds within Canada.

**High Yield:** FTSE Canada High Yield Bond Index, which tracks high yield bonds within Canada.

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