GUARDIAN CAPITAL™

GUARDIAN i³ INTERNATIONAL CORE EQUITY FUND MANAGER COMMENTARY Q3 2026

Market Review

International equity markets, as measured by the MSCI EAFE Index, delivered positive returns during the third quarter despite a more challenging macroeconomic environment. Investors navigated a backdrop of renewed geopolitical tensions in the Middle East, rising energy prices, and higher global bond yields. Nevertheless, international equities demonstrated resilience, and ended the quarter up almost 1% (net, CAD), as economic growth remained generally stable and corporate earnings continued to hold up better than expected.

Geopolitical developments became a key theme during in the last three months. The re-escalation of conflict in the Middle East disrupted energy markets and drove oil prices higher, contributing to renewed inflationary pressures across developed economies. In response, several central banks maintained a hawkish stance. The European Central Bank raised interest rates by 25 basis points in September, citing concerns that inflation could remain above target for an extended period.

Despite these headwinds, economic activity across many developed markets remained relatively resilient. In Europe, business activity continued to expand, supported by solid labour markets and improving investor confidence. The United Kingdom also benefited from strength in commodity-related sectors, particularly energy and materials, while Japan posted positive returns as strong corporate earnings and improving domestic interest rate conditions supported financial stocks and other cyclical sectors.

Performance was supported by energy companies that benefited from rising commodity prices, as well as financial firms that were aided by a higher interest rate environment. While market volatility remained elevated due to inflation concerns and geopolitical uncertainty, investors remained focused on the resilience of corporate earnings and the continued expansion of economic activity across developed markets.

Performance Attribution

The Guardian i³ International Core Equity Fund (the "Fund")[1] underperformed its benchmark, the MSCI EAFE Index (net, CAD), in the third quarter of 2026. Relative performance was driven by a combination of negative stock selection and sector allocation.

The Fund's overweight exposure to the Energy sector and lack of exposure to the Consumer Staples sector were the largest contributors to relative returns over the quarter.

Conversely, the Information Technology sector was the greatest lag on performance, due to negative stock selection in Tokyo Electron and SAP. The Financials sector also detracted from performance due to negative stock selection effects from AXA, ICICI Bank, and Banco Santander.

Top 5 stocks that contributed to relative performance:

Mizuho Financial Group, one of Japan's largest financial institutions, with operations spanning banking, wealth management, capital markets, and corporate finance. The company contributed this quarter as

[1] On April 1, 2026, the Fund changed its name from Guardian i³ International Quality Growth Fund.

investors responded to improving earnings, strong profitability, and the continued benefit of higher interest rates in Japan. The stock was also supported by solid revenue growth and a stronger return profile relative to recent years. Mizuho is well positioned to benefit from the normalization of Japan's interest-rate environment, which can support lending profitability and earnings growth. Furthermore, the company's strong market position, diversified financial services platform, and attractive valuation provide a compelling foundation for long-term shareholder returns.

Mitsubishi UFJ Financial Group (MUFG) is Japan's largest bank, providing banking, wealth management, capital markets, and lending services to individuals and businesses around the world. The stock contributed this quarter as investors continued to recognize the company's strong earnings momentum, improving profitability, and benefits from a higher interest-rate environment in Japan. MUFG recently delivered another record year of earnings and maintained expectations for further profit growth, supported by rising net interest income and solid customer activity. MUFG is well positioned to benefit from the normalization of Japanese interest rates, which can support lending margins and earnings growth. Furthermore, the company's strong market position, improving returns on equity, and shareholder-friendly capital returns provide an attractive long-term investment opportunity.

Eurofins is a Canadian leader in providing analytical testing and laboratory services. The stock contributed positively to performance over the quarter as the company delivered steady organic growth, continued margin expansion, and strong earnings growth driven by the benefits of its long-term investment and efficiency initiatives. Investor sentiment was further supported by improving profitability, strong cash flow generation, and continued progress toward the company's 2027 financial objectives. Eurofins Scientific's leading market position, resilient business model, strong cash generation, and exposure to attractive long-term growth trends in healthcare, testing, and environmental services position it well for a long-term positive outlook.

BAE Systems is one of the world's largest defence contractors, supplying military equipment, and cybersecurity solutions to governments around the globe. The stock contributed positively to performance during the quarter as the company continued to benefit from strong global defence spending and heightened geopolitical tensions, which supported demand across its portfolio of military aircraft, munitions, naval systems, and defence technologies. Investor sentiment remained favorable following strong first-half results, which included revenue growth, double-digit earnings growth, and an increase in full-year guidance. The company also maintained a record order backlog, providing significant revenue visibility and reinforcing the Managers confidence in its long-term growth and value outlook.

Murata Manufacturing is a leading Japanese electronics components company whose products, including capacitors and sensors, are used in smartphones, vehicles, data centres, and AI infrastructure. The stock contributed positively to relative performance this quarter as strong demand for AI-related components helped drive better-than-expected earnings, profit growth, and an increase in the company's outlook. Revenue and operating profit rose sharply, supported by growing demand for components used in AI servers and other advanced technologies. Murata is a technology leader with products that are critical to the growth of AI, data centres, and connected devices. The increasing electronic content across end markets and Murata's strong competitive position support attractive long-term growth.

Bottom 5 stocks detracting from relative performance:

Tokyo Electron is a leading semiconductor equipment company that supplies the advanced tools used to manufacture computer chips. The stock detracted from relative performance over the last three months as investors took profits and weighed valuation concerns despite continued strength in the AI-driven semiconductor spending cycle. However, the company reported strong results, raised its outlook, and highlighted growing demand from AI, memory, and advanced chip manufacturing customers. The Manager remains positive on the stock because Tokyo Electron is a key beneficiary of long-term investment in AI

infrastructure and semiconductor production. Tokyo Electron's technology leadership, strong market position, and exposure to growing wafer fabrication spending support attractive long-term growth potential.

AstraZeneca is a global biopharmaceutical company. The stock detracted from performance during the quarter despite continued revenue and earnings growth, as investor enthusiasm remained concentrated in more cyclical and AI-related sectors. While the company continued to execute well operationally and benefit from strong demand across its core therapeutic areas, shares faced pressure from concerns surrounding drug pricing, regulatory risk, and a more cautious outlook for the healthcare sector. Despite the near-term underperformance, AstraZeneca's diversified portfolio, robust drug development pipeline, and strong positioning in oncology and specialty medicines support long-term growth.

AXA is a French insurance company, also providing investment management and other financial services. The stock detracted from relative performance over the quarter despite continued business stability and solid underlying fundamentals. Shares came under pressure as investor sentiment shifted toward more cyclical and growth-oriented sectors, while insurance companies generally lagged broader equity market gains. Although AXA continued to benefit from resilient earnings, strong capital generation, and an attractive dividend profile, these strengths were insufficient to drive share price outperformance during the period. Despite the short-term weakness, AXA's diversified business mix, strong balance sheet, disciplined capital allocation, and ability to generate consistent earnings across market cycles should support a long-term positive outlook.

Compass Group is a global leader in food and support services. The stock detracted from performance over the quarter despite continued strong operating results, as investors took profits following a period of strong share price appreciation and rotated toward more cyclical sectors of the market. While the company delivered solid organic revenue growth, maintained excellent client retention, and continued to win new business across its key end markets, these positive fundamentals were not enough to overcome broader market pressures.

ICICI bank is an Indian private bank and financial services company. The stock detracted from performance over the quarter despite continued earnings growth and solid operating results, as investors grew more cautious toward the Indian financial sector amid concerns surrounding slowing credit growth, margin pressures, and a less favorable interest rate environment. While the bank continued to report healthy loan growth, strong profitability, and resilient asset quality, investor expectations remained elevated following a prolonged period of outperformance.

Portfolio Transactions

This quarter, the Manager exited **CHR Public** and **Unilever**, on declining earnings and dividend growth predictions. Even though Unilever remains a high-quality Consumer Staples business with resilient cash flows and strong brands, earnings growth prospects appeared more modest, reflecting the mature nature of its end market and a challenging consumer environment.

Proceeds were reallocated to **Hochtief AG**, **Murata Manufacturing** and **Prysmian S.p.A.**, companies with greater exposure to structural growth themes, including AI, digitalization, and industrial automation, where the Manager saw stronger potential for earnings and revenue growth.

Portfolio Outlook & Positioning

The i^3 Investment™ team believes that successful asset management should be focused on three core pillars, which are **G**rowth, **P**ayout and **S**ustainability of cash flows (GPS). For outlook and positioning, we will address each of these core pillars.

Growth — In positioning the portfolio to secular drivers of Earnings-Per-Share (EPS) growth, the Manager believes consistency in earnings growth is critical for predictable and sustained cash flow growth and capital appreciation.

European earnings forecasts continue to reflect a more subdued backdrop than its U.S. counterpart. The Energy, Materials and Information Technology sectors remain the strongest contributors, with relatively robust forecasted earnings growth expectations, now at roughly the same level as in the U.S.

A second tier of sectors, such as the Communication Services, Utilities, Financials, Industrials, and Health Care, continue to exhibit positive, albeit more moderate, forecasted EPS growth trajectories.

On the flip side, the European Consumer Discretionary and Consumer Staples sectors continue to show signs of strain. Both sectors exhibit very modest earnings growth expectations, suggesting a weakening consumer demand environment. The Real Estate sector remains the weakest segment, as it is forecasted to deliver negative EPS growth.

Overall, the European forecasted earnings growth outlook remains constructive but notably less dynamic than that of the U.S., but less impacted by the rout in U.S. bond market.

In Asia, the model forecasts a strong acceleration in forecasted EPS growth expectations for the Health Care, Materials, Industrials, Consumer Discretionary and Energy sectors. While the Information Technology sector exhibits the strongest earnings growth forecast, it has slightly moderated from previous highs.

Despite a slight dip this quarter, the Information Technology sector's earnings forecast still underscores the region's leverage to the global semiconductor and hardware supply chain, positioning the sector as a key driver of earnings growth within Asian equity markets.

The Manager continues to position and focus on companies with positive earnings growth coupled with strong cash flow growth, and relatively higher predicted earnings surprises.

Payout – The Manager believes that a diversified portfolio, which includes high-quality, secular growth companies, can provide stability during periods of elevated market volatility and continue to realize earnings growth and capital appreciation (itself a form of payout).

The Manager's proprietary model forecasts broad-based cash payout growth across all sectors globally, reflecting a supportive backdrop of earnings expansion and cash flow generation. Among all sectors, Information Technology stands out as the strongest contributor, with forecasted dividend growth reaching high levels across multiple regions.

This outlook is underpinned by the sector's robust earnings growth profile, driven by sustained demand for semiconductors, compute infrastructure, memory, and AI-related technologies. The combination of strong earnings momentum, healthy balance sheets, and significant free cash flow generation provides technology companies with substantial capacity to increase shareholder distributions.

As a result, the model continues to forecast the Information Technology sector as the sector with the most compelling dividend growth trajectory globally, reinforcing its leadership from both an earnings and capital-return perspective.

Sustainability (of earnings and cashflows) — According to the Manager's proprietary AI Model forecast, the strong earnings sustainability is forecasted globally, despite the recent geopolitical risks and further potential oil price spikes. Holdings in the portfolio are also forecasting low probability of earnings decrease, according to the Manager's proprietary earnings surprise forecast model.

In Europe, the model indicates improvement in earnings sustainability (except in Real Estate, Communications, and Consumer Discretionary), relative to the U.S. Dividend expectations therefore remain generally stable across the region, even as the operating environment remains more challenging than in North America.

Taken together, the model suggests that sustainability of payout risk remains contained across all major regions, with only isolated pockets of modestly elevated risk and no evidence of broad-based stress emerging within sector-level dividend forecasts.

The Fund is overweight in the Information Technology, Materials, Industrials and Financials sectors, while underweight the Utilities, Consumer Discretionary and Health Care sectors, while not having any exposure to the Real Estate and Communication Services and Consumer Staples sectors. Regionally, the Fund has approximately 78% weight in Europe and 22% in Asia.

The Fund also holds secular growth stocks that provide thematic exposure to disruptive growth drivers and converging exponential technology, which the Manager believes offer long-term upside, meaning they should not be viewed through the short-term lens of market cycles. This includes companies the Manager sees as leaders in innovation in Big Data and AI, Robots, Biotechnology, and Smart Cities. The Manager believes these forward-thinking companies that innovate and influence our lives daily in multiple areas are positioned to prove their resilience over multiple economic cycles.

The Manager believes that leadership can still be captured in "quality growth" stocks by focusing on companies that can innovate and launch new products and that can sustain and grow their revenue and earnings. The Manager is consistently monitoring the Fund's exposures with respect to expected earnings growth and the probability of earnings disappointments, as well as aiming to avoid companies with high variability of cash flow and revenue growth.

The i³ Investments™ team believe our AI-powered GPS style offers a total return approach through owning companies that it identifies as being able to continue to reward shareholders through capital appreciation, buybacks and debt reduction, ultimately combined with careful discretionary consideration of stock and sector allocations by the i³ Investments™ team's portfolio managers.

* The i³ Investments™ Team is a portfolio management team with Guardian Capital LP, a registered portfolio manager. The i³ Investments™ Team combines quantitative and fundamental analysis in managing investment portfolios. The quantitative component of the team's investment process has evolved as new tools and datasets have become available and, over time, new quantitative models which incorporate aspects of artificial intelligence have been incorporated. The i³ Investments™ Team provides a modern approach to portfolio construction, combining the advantages of quantitative analysis, big data, and artificial intelligence with the experience, perspective, and decision-making of our investment team. The application of quantitative investment analysis that incorporates artificial intelligence and machine learning in a forecast model is forward-looking, and the simulated results are subject to inherent limitations. 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 the limitations of technology in the construction and implementation of the models. There is no guarantee that the use of the quantitative model and artificial intelligence will result in effective investment decisions. There are no guarantees that dividend-paying stocks will continue to pay dividends. All investments are subject to risk, including loss. There is no assurance that any investment strategy will be successful.

Returns are presented in CAD unless otherwise stated.

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