



GUARDIAN CAPITAL

Our history. Your future.

GUARDPATH FUNDS

GuardPath™ Managed Decumulation 2042 Fund

GuardPath™ Modern Tontine 2042 Trust

**FINANCIAL
STATEMENTS**

December 31, 2022

Managed by Guardian Capital LP



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Financial Statements and Schedule of Investment Portfolio for each of the Guardian Capital Funds, comprising the following:	
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GUARDIAN CAPITAL LP

March 27, 2023

The accompanying financial statements of the Guardpath Funds (collectively, the “Funds”) have been prepared by Guardian Capital LP (the “Manager”), in its capacity as Manager of the Funds. The Manager is responsible for the information and representations contained in these financial statements, which have been approved by the Board of Directors of the general partner of the Manager, Guardian Capital Inc.

The Manager maintains appropriate procedures and controls to ensure that reliable financial information relating to the Funds is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards, and include certain amounts based upon estimates and judgments. The significant accounting policies which the Manager believes are appropriate for the Funds are described in the notes to the financial statements.

(signed) “Donald Yi”,
Chief Financial Officer



Independent auditor's report

To the Unitholders and Trustee of
GuardPath™ Managed Decumulation 2042 Fund
GuardPath™ Modern Tontine 2042 Trust
(individually, a Fund)

Our opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at December 31, 2022 and its financial performance and its cash flows for the period from September 7, 2022 (commencement of operations) to December 31, 2022 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statement of net assets as at December 31, 2022;
- the statement of operations for the period from September 7, 2022 (commencement of operations) to December 31, 2022;
- the statement of changes in net assets attributable to unitholders for the period from September 7, 2022 (commencement of operations) to December 31, 2022;
- the statement of cash flows for the period from September 7, 2022 (commencement of operations) to December 31, 2022; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information of each Fund. The other information comprises the Annual Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Sameet Batavia.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 29, 2023

GuardPath™ Managed Decumulation 2042 Fund
Statement of Net Assets

As at	December 31, 2022
Assets	
Current assets	
Investments	\$ 985,217
Cash, net	7,699
Due from brokers	-
Short-term securities	-
Subscriptions receivable	-
Interest and dividends receivable	821
Unrealized appreciation on foreign currency contracts	-
Option contract assets	21,009
	1,014,746
Liabilities	
Current liabilities	
Bank overdraft	-
Due to brokers	3,585
Redemptions payable	-
Distributions payable	-
Accrued expenses due to Manager	634
Unrealized depreciation on foreign currency contracts	-
Option contract liabilities	793
	5,012
Net assets attributable to unitholders ("NAV")	\$ 1,009,734
NAV per series	
Series A	\$ 4,946
Series F	4,951
Series A Hybrid Tontine	4,953
Series F Hybrid Tontine	4,958
ETF Series	989,926
NAV per unit per series	
Series A	\$ 9.89
Series F	9.90
Series A Hybrid Tontine	9.93
Series F Hybrid Tontine	9.94
ETF Series	9.90
Closing market price	
ETF Series	\$ 9.89

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Managed Decumulation 2042 Fund

Statement of Operations

For the period from commencement of operations, September 7, 2022, to December 31, 2022 2022

Income

Dividends	\$ 8,398
Interest for distribution purposes	2,780
Net realized gains (losses) on sale of investments	(1,513)
Change in unrealized appreciation (depreciation) in value of investments	11,909
Net gains (losses) on investments	21,574
Net realized gains (losses) on foreign currency contracts	-
Net realized gains (losses) on option contracts	(489)
Change in unrealized appreciation (depreciation) on foreign currency contracts	-
Change in unrealized appreciation (depreciation) on option contracts	(6,892)
Net gains (losses) on derivatives	(7,381)
Securities lending income before taxes (Note 10)	-
Foreign exchange gains (losses)	(454)
Total income (loss)	13,739

Operating expenses (Note 4)

Administration fee	365
Management fee	2,224
Independent review committee costs	-
Interest charges	-
Transaction costs	892
Foreign withholding taxes	354
Total operating expenses	3,835

Expenses absorbed by the Manager (Note 4) (209)

Net operating expenses **3,626**

Increase (decrease) in NAV from operations **\$ 10,113**

Increase (decrease) in NAV from operations per series

Series A	\$ 37
Series F	51
Series A Hybrid Tontine	38
Series F Hybrid Tontine	51
ETF Series	9,936

Increase (decrease) in NAV from operations per unit per series (Note 3)

Series A	\$ 0.07
Series F	0.10
Series A Hybrid Tontine	0.08
Series F Hybrid Tontine	0.10
ETF Series	0.10

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Managed Decumulation 2042 Fund

Statement of Changes in Net Assets Attributable to Unitholders

For the period from commencement of operations, September 7, 2022, to December 31, 2022	2022 Series A	2022 Series F	2022 Series A Hybrid Tontine	2022 Series F Hybrid Tontine	2022 ETF Series	2022 Total
NAV, beginning of period	\$ -	\$ -	\$ -	\$ -	\$ -	-
Increase (decrease) in NAV from operations	37	51	38	51	9,936	10,113
Distributions to unitholders from:						
Income	(22)	(34)	(22)	(34)	(6,550)	(6,662)
Capital gains	(8)	(8)	(6)	(6)	(1,604)	(1,632)
Return of capital	(61)	(58)	(44)	(41)	(11,856)	(12,060)
	(91)	(100)	(72)	(81)	(20,010)	(20,354)
Redeemable unit transactions:						
Proceeds from issuance of units	5,000	5,000	5,000	5,000	1,000,000	1,020,000
Reinvested distributions	-	-	-	-	-	-
Redemption of units	-	-	(13)	(12)	-	(25)
	5,000	5,000	4,987	4,988	1,000,000	1,019,975
Net increase (decrease) in NAV	4,946	4,951	4,953	4,958	989,926	1,009,734
NAV, end of period	\$ 4,946	\$ 4,951	\$ 4,953	\$ 4,958	\$ 989,926	\$ 1,009,734

Change in units (Note 3)	2022 Series A	2022 Series F	2022 Series A Hybrid Tontine	2022 Series F Hybrid Tontine	2022 ETF Series
Units issued and outstanding, beginning of period	-	-	-	-	-
Number of units issued	500	500	500	500	100,000
Number of units reinvested	-	-	-	-	-
	500	500	500	500	100,000
Number of units redeemed	-	-	(1)	(1)	-
Units issued and outstanding, end of period	500	500	499	499	100,000

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Managed Decumulation 2042 Fund

Statement of Cash Flows

For the period from commencement of operations, September 7, 2022, to December 31, 2022

2022

Cash flows from operating activities

Increase (decrease) in NAV from operations	\$	10,113
Adjustments for:		
Unrealized foreign exchange (gains) losses on cash		6
Net realized (gains) losses on sale of investments		1,513
Net realized gains (losses) on option contracts		489
Change in unrealized (appreciation) depreciation in value of investments		(11,909)
Change in unrealized (appreciation) depreciation in foreign currency contracts		-
Change in unrealized (appreciation) depreciation in option contracts		6,892
Purchases of investments	(1,138,928)	
Proceeds from sale of investments	140,095	
(Increase) decrease in short-term securities, net	-	
(Increase) decrease in interest and dividends receivable	(821)	
Increase (decrease) in accrued expenses due to Manager	634	
Net cash from (used in) operating activities		(991,916)

Cash flows from (used in) financing activities

Distributions paid, net of reinvested distributions	(20,354)
Proceeds from issuance of units	1,020,000
Redemption of units	(25)
Net cash from (used in) financing activities	999,621

Foreign exchange

Net effect of unrealized foreign exchange gains (losses) on cash	(6)
Net increase (decrease) in cash	7,699
Cash, net (bank overdraft), beginning of period	-
Cash, net (bank overdraft), end of period	\$ 7,699

Cash activity included in operating activities:

Interest received	\$	2,780
Interest paid		-
Dividends received, net of withholding taxes		7,223

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Managed Decumulation 2042 Fund

Schedule of Investment Portfolio

As at December 31, 2022

Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value
INVESTMENT FUNDS - 97.6%			
8,694 **	Guardian Canadian Bond ETF	\$ 153,381	\$ 151,536
816 **	Guardian Canadian Equity Income Fund, Series I	17,382	16,882
659 **	Guardian Fundamental Global Equity Fund, Series I	16,975	18,255
718 **	Guardian I3 Global Dividend Growth Fund Series I	17,106	17,966
14,649 **	Guardian Investment Grade Corporate Bond Fund, Series I	139,232	137,964
18,525 **	Guardian Short Duration Bond Fund, Series I	175,139	175,343
7,384 **	Guardian Strategic Income Fund, Series X	67,315	67,514
900	iShares MSCI EAFE ETF*	71,287	80,045
3,800	iShares S&P/TSX 60 Index ETF*	110,656	112,442
400	SPDR S&P 500 ETF Trust*	205,217	207,270
Total investment funds		973,690	985,217
Transaction costs		(382)	-
Total investments - 97.6%		973,308	985,217
Option contracts, net - 2.0% (Schedule 1)			20,216
Other net assets - 0.4%			4,301
Net assets attributable to unitholders - 100.0%			\$ 1,009,734

*Denotes securities pledged as collateral against option contracts.

** These Funds are managed by the Manager of the Fund

GuardPath™ Managed Decumulation 2042 Fund

Schedule 1 - Option Contracts Purchased

As at December 31, 2022

Underlying security	Option type	Number of contracts	Number of Shares	Expiration Date	Strike price (\$)	Strike price currency	Average cost	Fair Value
iShares MSCI EAFE ETF	Put	3	300	18-Mar-23	60	USD \$	1,465 \$	276
iShares MSCI EAFE ETF	Put	3	300	17-Jun-23	60	USD	1,766	734
iShares MSCI EAFE ETF	Put	3	300	16-Dec-23	65	USD	2,124	1,862
iShares S&P/TSX 60 Index ETF	Put	13	1,300	18-Mar-23	29	CAD	2,275	975
iShares S&P/TSX 60 Index ETF	Put	13	1,300	16-Dec-23	29	CAD	2,691	2,438
iShares S&P/TSX 60 Index ETF	Put	12	1,200	17-Jun-23	29	CAD	2,508	1,434
SPDR S&P 500 ETF Trust	Put	1	100	18-Mar-23	389	USD	3,318	2,608
SPDR S&P 500 ETF Trust	Put	1	100	17-Jun-23	385	USD	3,758	3,035
SPDR S&P 500 ETF Trust	Put	1	100	16-Sep-23	385	USD	4,256	3,767
SPDR S&P 500 ETF Trust	Put	1	100	16-Dec-23	380	USD	4,190	3,880
Option contracts purchased							\$ 28,351 \$	21,009

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Managed Decumulation 2042 Fund

Schedule 1 - Option Contracts Written

As at December 31, 2022

Underlying security	Option type	Number of contracts	Number of Shares	Expiration Date	Strike price (\$)	Strike price currency	Average cost	Fair Value
iShares MSCI EAFE ETF	Call	(9)	(900)	14-Jan-23	69	USD \$	(208)	\$ (146)
iShares S&P/TSX 60 Index ETF	Call	(19)	(1,900)	7-Jan-23	31	CAD	(209)	(105)
SPDR S&P 500 ETF Trust	Call	(4)	(400)	14-Jan-23	400	USD	(826)	(542)
Option contracts written							(1,243)	(793)
Option contracts, net							\$ 27,108	\$ 20,216

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Managed Decumulation 2042 Fund

Supplementary Schedules to the Notes to the Financial Statements

December 31, 2022

Note 1: Formation of the Fund:

GuardPath™ Managed Decumulation 2042 Fund (the "Fund") was formed and commenced operations pursuant to an Amended and Restated Master Declaration of Trust (the "Declaration of Trust") on August 30, 2022. The commencement of operations is on September 7, 2022. Guardian Capital LP (the "Manager") is the manager and trustee of the Fund. The investment objective of the GuardPath™ Managed Decumulation 2042 Fund is to make consistent, high monthly distributions over a twenty (20) year period by investing the Decumulation Fund's assets in a well-diversified portfolio of assets selected to achieve income generation and preservation of capital while minimizing overall volatility of returns. The address of the Fund's and the Manager's principal business office is Suite 2700, 199 Bay Street, Toronto, Ontario, M5L 1E8.

Note 3: Increase (decrease) in NAV from operations per unit per series

The weighted average number of units outstanding during the period used to calculate the increase (decrease) in NAV from operations per unit per series is as follows:

For the period from commencement of operations, September 7, 2022, to December 31, 2022	2022
Series A	500
Series F	500
Series A Hybrid Tontine	500
Series F Hybrid Tontine	500
ETF Series	100,000

As at December 31, 2022, there was no unitholder that held a significant portion of the fund's NAV.

Note 4: Operating expenses

The Manager currently charges to the Fund management fees and administration fees, based on the NAV and the annual rates of these fees are as follows:

As at December 31	2022
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Annual management fee rate

Series A	1.35%
Series F	0.60%
Series A Hybrid Tontine	1.35%
Series F Hybrid Tontine	0.60%
ETF Series	0.60%

Annual administration fee rate

Series A	0.10%
Series F	0.10%
Series A Hybrid Tontine	0.10%
Series F Hybrid Tontine	0.10%
ETF Series	0.10%

During the period the Manager has waived a portion of the management fees charged to the Fund to partially offset expenses incurred by the Underlying Funds, which include Management fees paid to the Manager by the Underlying Funds for Funds they manage. The amounts waived are presented on the Statement of Operations as Expenses absorbed by the Manager.

Note 5: Income taxes

The Fund has the following tax losses available to be carried forward and applied against capital gains or income in the current and future years:

As at December 31	2022
Capital losses	\$ -
Non-capital losses	-

Capital losses may be carried forward indefinitely. The non-capital losses expire on the following dates:

	\$	Amount expiring	Date of expiry
Non-capital losses	-	-	-

GuardPath™ Managed Decumulation 2042 Fund

Supplementary Schedules to the Notes to the Financial Statements

December 31, 2022

Note 8 (a) (i): Currency risk:

The Fund did not have significant direct currency risk exposure as at December 31, 2022. The Fund has indirect exposure to currency risk through its investments in underlying funds, to the extent that the underlying funds does derivatives trading or invest in bonds and debentures, money market instruments or preferred shares that are denominated in the currency other than reporting currency. See note 8 b) for the amount of potential indirect currency risk exposure related to global equity funds.

Note 8 (a) (ii): Interest rate risk:

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2022. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates. The Fund has indirect exposure to interest rate risk through its investments in underlying funds, to the extent that the underlying funds invest in bonds and debentures, money market instruments or preferred shares. See note 8 b) for the amount of potential indirect interest rate exposure related to bond funds.

Note 8 (a) (iii): Other price risk:

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2022 substantially all of the Fund's net assets were directly exposed to price risk. If prices of these instruments had fluctuated by 5%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased by approximately \$50,000. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Note 8 (b): Concentration risk:

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. Below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets.

Investment sectors, as at December 31	2022
Bond funds	52.8%
Canadian equity funds	12.8%
Global equity funds	32.0%
Option Contracts, net	2.0%
Other net assets	0.4%
Total	100.0%

Note 8 (d): Credit risk:

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2022. The Fund has indirect exposure to credit risk through its investments in underlying funds, to the extent that the underlying funds invest in bonds and debentures, money market instruments or preferred shares or conducts derivative trading.

GuardPath™ Managed Decumulation 2042 Fund

Supplementary Schedules to the Notes to the Financial Statements

December 31, 2022

Note 9: Classification of financial instruments for fair value measurement

The summary of the Fund's investments, classified based upon a fair value hierarchy, is as follows:

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Equity investments	\$ -	\$ -	\$ -	-
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	985,217	-	-	985,217
Derivatives - assets	21,009	-	-	21,009
Derivatives - liabilities	(793)	-	-	(793)
Total	\$ 1,005,433	\$ -	\$ -	\$ 1,005,433
Percentage of total investments	100.0%	-	-	100.0%

The summary of significant transfers between levels during the periods are as follows:

For the period from commencement of operations, September 7, 2022, to December 31, 2022	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -

Note 11: Related party unitholders

Units of the Fund held by the Manager, its affiliates, their officers, and Funds it manages are as follows:

As at December 31	2022
Series A - number of units	500
Series A - percentage of issued units	100.0%
Series F - number of units	500
Series F - percentage of issued units	100.0%
Series A Hybrid Tontine - number of units	499
Series A Hybrid Tontine - percentage of issued units	100.0%
Series F Hybrid Tontine - number of units	499
Series F Hybrid Tontine - percentage of issued units	100.0%
ETF Series - number of units	-
ETF Series - percentage of issued units	0.0%

Note 12: Investments in non-consolidated structured entities

The Fund has invested in non-consolidated structured entities ("SE"). Details of these investments are as follows:

	Total net assets of the SE	Fair value of Fund's investment in SE
As at December 31, 2022		
Guardian Canadian Bond ETF	\$ 61,680,192	\$ 151,536
Guardian Canadian Equity Income Fund, Series I	199,086,840	16,882
Guardian Fundamental Global Equity Fund, Series I	729,797,496	18,255
Guardian I3 Global Dividend Growth Fund Series I	356,942,947	17,966
Guardian Investment Grade Corporate Bond Fund, Series I	112,739,331	137,964
Guardian Short Duration Bond Fund, Series I	56,482,842	175,343
Guardian Strategic Income Fund, Series X	129,433,324	67,514
iShares MSCI EAFE ETF	61,954,850,279	80,045
iShares S&P/TSX 60 Index ETF	10,486,696,000	112,442
SPDR S&P 500 ETF Trust	483,265,274,340	207,270

GuardPath™ Modern Tontine 2042 Trust

Statement of Net Assets

As at	December 31, 2022
Assets	
Current assets	
Investments	\$ 967,793
Cash, net	66,106
Due from brokers	-
Short-term securities	-
Subscriptions receivable	-
Interest and dividends receivable	874
Unrealized appreciation on foreign currency contracts	-
Option contract assets	-
	1,034,773
Liabilities	
Current liabilities	
Bank overdraft	-
Due to brokers	-
Redemptions payable	-
Distributions payable	-
Accrued expenses due to Manager	926
Unrealized depreciation on foreign currency contracts	-
Option contract liabilities	-
	926
Net assets attributable to unitholders ("NAV")	\$ 1,033,847
NAV per series	
Series A	\$ 510,837
Series F	523,010
NAV per unit per series	
Series A	\$ 10.22
Series F	10.25

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Modern Tontine 2042 Trust

Statement of Operations

For the period from commencement of operations, September 7, 2022, to December 31, 2022

2022

Income

Dividends	\$	3,279
Interest for distribution purposes		-
Net realized gains (losses) on sale of investments		784
Change in unrealized appreciation (depreciation) in value of investments		23,131
Net gains (losses) on investments		27,194
Net realized gains (losses) on foreign currency contracts		-
Net realized gains (losses) on option contracts		-
Change in unrealized appreciation (depreciation) on foreign currency contracts		-
Change in unrealized appreciation (depreciation) on option contracts		-
Net gains (losses) on derivatives		-
Securities lending income before taxes (Note 10)		-
Foreign exchange gains (losses)		719
Total income (loss)		27,913

Operating expenses (Note 4)

Administration fee	365
Management fee	3,891
Independent review committee costs	-
Interest charges	-
Transaction costs	421
Foreign withholding taxes	275
Other expenses	36
Total operating expenses	4,988
Expenses absorbed by the Manager (Note 4)	(897)
Net operating expenses	4,091

Increase (decrease) in NAV from operations	\$	23,822
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Increase (decrease) in NAV from operations per series

Series A	\$	10,824
Series F		12,998

Increase (decrease) in NAV from operations per unit per series (Note 3)

Series A	\$	0.22
Series F		0.26

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Modern Tontine 2042 Trust

Statement of Changes in Net Assets Attributable to Unitholders

For the period from commencement of operations, September 7, 2022, to December 31, 2022	2022 Series A	2022 Series F	2022 Total
NAV, beginning of period	\$ -	\$ -	\$ -
Increase (decrease) in NAV from operations	10,824	12,998	23,822
Distributions to unitholders from:			
Income	-	-	-
Capital gains	-	-	-
	-	-	-
Redeemable unit transactions:			
Proceeds from issuance of units	500,013	510,012	1,010,025
Reinvested distributions	-	-	-
Redemption of units	-	-	-
	500,013	510,012	\$ 1,010,025
Net increase (decrease) in NAV	510,837	523,010	\$ 1,033,847
NAV, end of period	\$ 510,837	\$ 523,010	\$ 1,033,847

Change in units (Note 3)	2022 Series A	2022 Series F
Units issued and outstanding, beginning of period	-	-
Number of units issued	50,001	51,009
Number of units reinvested	-	-
	50,001	51,009
Number of units redeemed	-	-
Units issued and outstanding, end of period	50,001	51,009

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Modern Tontine 2042 Trust

Statement of Cash Flows

For the period from commencement of operations, September 7, 2022, to December 31, 2022

2022

Cash flows from operating activities

Increase (decrease) in NAV from operations	\$	23,822
Adjustments for:		
Unrealized foreign exchange (gains) losses on cash		(34)
Net realized (gains) losses on sale of investments		(784)
Net realized gains (losses) on option contracts		-
Change in unrealized (appreciation) depreciation in value of investments		(23,131)
Change in unrealized (appreciation) depreciation in foreign currency contracts		-
Change in unrealized (appreciation) depreciation in option contracts		-
Purchases of investments		(962,409)
Proceeds from sale of investments		18,531
(Increase) decrease in short-term securities, net		-
(Increase) decrease in interest and dividends receivable		(874)
Increase (decrease) in accrued expenses due to Manager		926
Net cash from (used in) operating activities		(943,953)

Cash flows from (used in) financing activities

Distributions paid, net of reinvested distributions		-
Proceeds from issuance of units		1,010,025
Redemption of units		-
Net cash from (used in) financing activities		1,010,025

Foreign exchange

Net effect of unrealized foreign exchange gains (losses) on cash		34
Net increase (decrease) in cash		66,106
Cash, net (bank overdraft), beginning of period		-
Cash, net (bank overdraft), end of period	\$	66,106

Cash activity included in operating activities:

Interest received	\$	-
Interest paid		-
Dividends received, net of withholding taxes		2,130

The accompanying notes and their supplementary schedules are an integral part of these financial statements.

GuardPath™ Modern Tontine 2042 Trust

Schedule of Investment Portfolio

As at December 31, 2022

Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value	Number of Shares/ Units/ Par Value	Security	Average Cost	Fair Value
EQUITY INVESTMENTS - 51.8%							
COMMUNICATION SERVICES - 1.5%				INFORMATION TECHNOLOGY - 7.4%			
127	Alphabet Inc., Class 'A'	\$ 17,794	\$ 15,182	36	Accenture PLC, Class 'A'	\$ 13,471	\$ 13,016
		17,794	15,182	41	Automatic Data Processing Inc.	12,819	13,269
CONSUMER DISCRETIONARY - 10.6%				45	CGI Inc., Class 'A'	4,581	5,252
90	Aritzia Inc.	3,884	4,261	2	Constellation Software Inc.	3,871	4,228
7	Booking Holdings Inc.	16,679	19,114	15	Kinaxis Inc.	2,143	2,279
225	Coloplast A/S, ADR	3,459	3,546	39	Mastercard Inc., Class 'A'	16,594	18,375
85	Dollarama Inc.	6,812	6,730	30	Microsoft Corporation	9,954	9,748
203	Essilor International SA, ADR	19,638	24,914	95	Shopify Inc., Class 'A'	3,881	4,466
138	L'Oreal SA, ADR	12,309	13,322	95	TELUS International (Cda) Inc.	3,549	2,539
86	NIKE Inc., Class 'B'	11,853	13,635	35	The Descartes Systems Group Inc.	3,134	3,304
120	Park Lawn Corporation	3,295	3,102			73,997	76,476
125	Pet Valu Holdings Limited	4,196	4,891	MATERIALS - 4.2%			
223	Yum China Holdings Inc.	14,027	16,513	235	Barrick Gold Corporation	4,796	5,454
		96,152	110,028	400	Chr Hansen Holding A/S, ADR	7,442	9,718
CONSUMER STAPLES - 4.0%				140	Ero Copper Corporation	1,821	2,610
162	Colgate-Palmolive Company	16,540	17,295	154	Novozymes A/S, ADR	11,049	10,529
86	Nestle SA, ADR	12,815	13,440	60	Nutrien Limited	7,053	5,931
569	Reckitt Benckiser Group PLC, ADR	11,182	10,863	85	Teck Resources Limited, Class 'B'	3,697	4,349
		40,537	41,598	95	Wheaton Precious Metals Corporation	3,852	5,026
ENERGY - 3.0%						39,710	43,617
110	Canadian Natural Resources Limited	7,797	8,271	REAL ESTATE - 0.4%			
135	Cenovus Energy Inc.	3,616	3,546	35	Colliers International Group Inc.	5,006	4,353
170	Suncor Energy Inc.	7,102	7,302			5,006	4,353
95	TC Energy Corporation	5,874	5,128	UTILITIES - 1.3%			
105	Tourmaline Oil Corporation	8,180	7,174	100	Boralex Inc., Class 'A'	4,445	4,002
		32,569	31,421	95	Brookfield Infrastructure Partners Limited Partnership	4,827	3,984
FINANCIALS - 8.7%				135	Northland Power Inc.	5,949	5,013
75	Bank of Montreal	9,057	9,200			15,221	12,999
130	Brookfield Corporation	6,462	5,514	Total equity investments			
96	CME Group Inc., Class 'A'	24,937	21,873			512,065	535,782
70	iA Financial Corporation Inc.	4,846	5,549	INVESTMENT FUNDS - 41.8%			
25	Intact Financial Corporation	4,869	4,873	5,269	* Guardian Canadian Sector Controlled Equity Fund, ETF series	100,055	102,798
46	MarketAxess Holdings Inc.	14,658	17,383	4,436	* Guardian Fundamental Emerging Markets ETF	60,053	63,657
105	Royal Bank of Canada	12,882	13,367	11,484	* Guardian i3 Global Quality Growth ETF	221,782	218,081
140	The Toronto-Dominion Bank	11,826	12,274	2,765	* Guardian i3 Global REIT ETF	51,111	47,475
		89,537	90,033			433,001	432,011
HEALTH CARE - 5.8%				Total investment funds			
31	Illumina Inc.	8,182	8,493			433,001	432,011
100	Jamieson Wellness Inc.	3,647	3,509	Transaction costs			
161	Novo Nordisk A/S, ADR	21,915	29,524			(404)	-
25	UnitedHealth Group Inc.	16,992	17,959	Total investments - 93.6%			
		50,736	59,485			944,662	967,793
INDUSTRIALS - 4.9%				Other net assets - 6.4%			
105	ATS Corporation	4,089	4,419				66,054
120	Canadian Pacific Railway Limited	11,599	12,114	Net assets attributable to unitholders - 100.0%			
30	Cargojet Inc.	3,979	3,491				\$ 1,033,847
499	FANUC Corporation, ADR	10,313	10,054				
37	Verisk Analytics Inc., Class 'A'	9,072	8,844				
30	Waste Connections Inc.	5,540	5,384				
40	WSP Global Inc.	6,214	6,284				
		50,806	50,590				

* These Funds are managed by the Manager of the Fund

GuardPath™ Modern Tontine 2042 Trust

Supplementary Schedules to the Notes to the Financial Statements

December 31, 2022

Note 1: Formation of the Fund:

GuardPath™ Modern Tontine 2042 Trust (the "Fund") was formed and commenced operations pursuant to an Amended and Restated Master Declaration of Trust (the "Declaration of Trust") on August 30, 2022. The commencement of operations is on September 7, 2022. Guardian Capital LP (the "Manager") is the manager and trustee of the Fund. The primary objective of the Fund is the achievement of long-term capital appreciation with the secondary objective of income generation. The Fund aims to achieve these objectives by investing in a mix of global equity securities, mutual funds and/or exchanged-traded funds while also meeting a set of environmental, social and governance standards and investment criteria. The address of the Fund's and the Manager's principal business office is Suite 2700, 199 Bay Street, Toronto, Ontario, M5L 1E8.

Note 3: Increase (decrease) in NAV from operations per unit per series

The weighted average number of units outstanding during the period used to calculate the increase (decrease) in NAV from operations per unit per series is as follows:

For the year ended December 31	2022
Series A	50,000
Series F	50,533

As at December 31, 2022, one unitholder held approximately 99% of the Fund's NAV.

Note 4: Operating expenses

The Manager currently charges to the Fund management fees and administration fees, based on the NAV and the annual rates of these fees are as follows:

As at December 31	2022
Annual management fee rate	
Series A	1.60%
Series F	0.60%
Annual administration fee rate	
Series A	0.10%
Series F	0.10%

During the period the Manager has waived a portion of the management fees charged to the Fund to partially offset expenses incurred by the Underlying Funds, which include Management fees paid to the Manager by the Underlying Funds for Funds they manage. The amounts waived are presented on the Statement of Operations as Expenses absorbed by the Manager.

Note 5: Income taxes

The Fund has the following tax losses available to be carried forward and applied against capital gains or income in the current and future years:

As at December 31	2022
Capital losses	\$ -
Non-capital losses	4

Capital losses may be carried forward indefinitely. The non-capital losses expire on the following dates:

	Amount expiring	Date of expiry
Non-capital losses	\$ 4	2042

GuardPath™ Modern Tontine 2042 Trust

Supplementary Schedules to the Notes to the Financial Statements

December 31, 2022

Note 8 (a) (i): Currency risk:

The table below summarizes the Fund's direct and indirect net exposure to currency risk:

As at December 31, 2022	Financial Instruments excluding derivatives	Derivatives	Total	% of NAV
USD	\$ 334,521	- \$	334,521	32.4%
GBP	-	-	-	0.0%
Euro	-	-	-	0.0%
Other currencies	-	-	-	0.0%
Net currency exposure	\$ 334,521	\$ -	\$ 334,521	32.4%

If the foreign currencies increased or decreased by 5% in relation to the Canadian dollar, with all other variables held constant, the approximate increase or decrease in the Fund's NAV are as follows:

As at December 31	2022
Change in NAV	\$ 17,000
% of NAV	1.6%

In practice, the actual trading results could differ, and the difference could be material.

Note 8 (a) (ii): Interest rate risk:

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2022. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates. The Fund has indirect exposure to interest rate risk through its investments in underlying funds, to the extent that the underlying funds invest in bonds and debentures, money market instruments or preferred shares.

Note 8 (a) (iii): Other price risk:

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2022 substantially all of the Fund's net assets were directly exposed to price risk. If prices of these instruments had fluctuated by 5%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased by approximately \$48,000. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Note 8 (b): Concentration risk:

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. Below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets.

Investment sectors, as at December 31	2022
Communication services	1.5%
Consumer discretionary	10.6%
Consumer staples	4.0%
Energy	3.0%
Financials	8.7%
Health care	5.8%
Industrials	4.9%
Information technology	7.4%
Materials	4.2%
Real estate	0.4%
Utilities	1.3%
Canadian Equity Funds	9.9%
Global equity funds	31.9%
Other net assets	6.4%
Total	100.0%

Note 8 (d): Credit risk:

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2022. The Fund has indirect exposure to credit risk through its investments in underlying funds, to the extent that the underlying funds invest in bonds and debentures, money market instruments or preferred shares or conducts derivative trading.

GuardPath™ Modern Tontine 2042 Trust

Supplementary Schedules to the Notes to the Financial Statements

December 31, 2022

Note 9: Classification of financial instruments for fair value measurement

The summary of the Fund's investments, classified based upon a fair value hierarchy, is as follows:

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Equity investments	\$ 535,782	\$ -	\$ -	\$ 535,782
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	432,011	-	-	432,011
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
Total	\$ 967,793	\$ -	\$ -	\$ 967,793
Percentage of total investments	100.0%	0.0%	-	100.0%

The summary of significant transfers between levels during the periods are as follows:

For the period from commencement of operations, September 7, 2022, to December 31, 2022	Level 1 to Level 2	Level 2 to Level 1	Level 2 to Level 3	Level 3 to Level 2
Equity investments	\$ -	\$ -	\$ -	\$ -
Fixed-income investments	-	-	-	-
Short-term securities	-	-	-	-
Investment funds	-	-	-	-
Derivatives - assets	-	-	-	-
Derivatives - liabilities	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -

Note 11: Related party unitholders

Units of the Fund held by the Manager, its affiliates, their officers, and Funds it manages are as follows:

As at December 31	2022
Series A - number of units	50,001
Series A - percentage of issued units	100.0%
Series F - number of units	50,001
Series F - percentage of issued units	98.0%

Note 12: Investments in non-consolidated structured entities

The Fund has invested in non-consolidated structured entities ("SE"). Details of these investments are as follows:

	Total net assets of the SE	Fair value of Fund's investment in SE
As at December 31, 2022		
Guardian Canadian Sector Controlled Equity Fund, ETF serie	\$ 5,896,971	\$ 102,798
Guardian Fundamental Emerging Markets ETF	6,987,181	63,657
Guardian i3 Global Quality Growth ETF	9,755,012	218,081
Guardian i3 Global REIT ETF	5,536,475	47,475

GuardPath™ FUNDS
NOTES TO FINANCIAL STATEMENTS

1. The Funds:

These notes accompany and form part of the attached financial statements of each of the Guardian Capital Funds (a "Fund", or the "Funds"). The Funds are governed by a Master Declaration of Trust (the "Declaration of Trust"), and Guardian Capital LP (the "Manager") is the manager and trustee of each Fund. The Guardian Funds are expected to terminate on or about December 31, 2042, (the "Termination Date"), but may be terminated earlier at the discretion of the Manager in accordance with the terms of the Declaration of Trust. Worldsource Financial Management Inc. is a mutual fund dealer and the principal distributor of the Funds ("Worldsource"). Guardian Capital Group Limited is the parent of both the Manager and Worldsource until March 1, 2023 when Worldsource was sold to a third party.

Information regarding each Fund's formation, and certain other supplementary information pertaining to each Fund, is contained in the Supplementary Schedules to the Notes to the Financial Statements of each Fund ("the Supplementary Schedules") which accompany and form part of each Fund's financial statements.

The Schedule of Investment Portfolio, and where applicable option contracts of each Fund is as at December 31, 2022. The Statement of Net Assets is at December 31, 2022. The Statement of Operations, Changes in Net Assets Attributable to Unitholders and Cash Flows of each Fund are for the period from the commencement of operations September 7, 2022 to December 31, 2022.

Asset Class - Name of Fund	Commencement of operations date
GuardPath™ Managed Decumulation 2042 Fund	September 7, 2022
GuardPath™ Modern Tontine 2042 Trust	September 7, 2022
(collectively, the "Funds", or respectively "Decumulation Fund" and "Tontine Trust")	

2. Significant accounting policies:
a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in Canadian dollars, which is the Funds' functional currency, with the exception of Guardian U.S. Equity Fund, for which the financial statements are presented in U.S. dollars, which is that Fund's functional currency.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for financial instruments at Fair Value Through Profit and Loss ("FVTPL"), which are measured at fair value.

The financial statements have been authorized for issuance by the Manager on March 24, 2023.

b) Critical accounting estimates and judgements

The preparation of financial statements requires the Manager to use judgement in establishing and applying the Funds' accounting policies, and to make estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. The most significant areas where the Manager has used estimates and applied judgement are as follows:

(i) Estimates

Determination of the fair value of investments which do not have quoted market prices:

Information about how the Funds determine fair value is described in Note 2 (e). Information about assumptions and estimates associated with the determination of fair value of financial instruments with significant unobservable inputs that have significant risks of actual values being materially different are included in Note 9.

(ii) Judgements

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9 – Financial Instruments ("IFRS 9"). The Manager has assessed the Funds' business models and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate classification of the Fund's financial instruments. In reaching this conclusion, the Manager considered the manner in which all financial assets and financial liabilities are managed, and how performance is evaluated.

GuardPath™ FUNDS
NOTES TO FINANCIAL STATEMENTS

2. Significant accounting policies (continued):

c) Subsidiaries

Each Fund is considered to be an investment entity and, as such, if it has subsidiaries or joint ventures it will account for them at FVTPL.

The Funds currently do not have any subsidiaries or joint ventures.

d) Financial instruments

The Funds classify and measure financial instruments in accordance with IFRS 9. The Funds' investments and derivative assets and liabilities are measured at FVTPL.

e) Fair value measurement

Fair value is the price that would be received on the sale of an asset or paid to retire a liability in an orderly transaction between market participants at the measurement date. When available, the Funds determine the fair value of financial instruments, such as securities listed upon a recognized public stock exchange including exchange traded funds, at the last traded market price, where the last traded price falls within the bid-ask spread. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length and orderly basis.

In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value, based on the specific facts and circumstances.

Over the counter securities, for example fixed-income securities, forwards, options, swaps, futures, and other derivative financial instruments, or foreign currency contracts are valued at the mean of the bid and ask prices received from recognized investment dealers.

Investments in other investment funds that are not exchange traded funds, are valued at the closing net asset value per unit reported by the administrators of such funds. Investment funds, including exchange traded funds are termed "Underlying Funds" in these financial statements.

If a security is not listed upon a recognized stock exchange or a market for a financial instrument is not active, the Funds establish fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties, reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and other models. The selected technique makes maximum use of market inputs, relies as little as possible on estimates provided by the Manager, incorporates all factors that market participants would consider in setting a price and is consistent with accepted methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of risk-return factors inherent in the financial instruments.

The carrying values of cash, subscriptions receivable, interest receivable, payable for investments purchased, redemptions payable, distributions payable, and accrued liabilities substantially equal their fair values due to their short-term nature.

f) Net assets attributable to unitholders ("NAV")

NAV of each Fund represents the fair value of the Fund's assets minus the Fund's liabilities, and is equal to the various series of redeemable units issued by the Fund ("Units").

The Units are presented at their redemption amount, and are considered to be a liability of the Fund, as they impose an obligation on the Fund to pay distributions on the Units in cash if requested by the unitholder.

A different NAV is calculated for each series of Units of a Fund. The NAV of a particular series of Units is computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

g) Income recognition

Total income (loss) includes dividends, interest for distribution purposes, net realized gains (losses) on sale of investments, changes in unrealized appreciation (depreciation) in value of investments, net realized gains (losses) on foreign currency contracts, net realized gains (losses) on option contracts, swaps and futures, change in unrealized appreciation (depreciation) on foreign currency contracts, net gains (losses) on derivatives, foreign exchange gains (losses), and securities lending income.

GuardPath™ FUNDS
NOTES TO FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

Dividend income is recognized on the ex-dividend date. The interest for distribution purposes represents the coupon interest received by the Funds, accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon fixed income securities which are amortized on a straight line basis over the term to maturity. Net realized gains (losses) on sale of investments and change in unrealized appreciation (depreciation) in investments are determined on an average cost basis. Net realized gains (losses) on foreign currency contracts represent the amount realized on closing out such derivative contracts. Changes in unrealized appreciation (depreciation) in foreign currency contracts represents the gains (losses) which would result if such contracts were closed out on the valuation date. Securities lending income is accrued daily over the period the securities are loaned.

Distributions received from Underlying Funds and other flow through entities are recorded as dividends, interest for distribution purposes, net realized gains (losses) on sale of investments or a return of capital, based on the best information available to the Manager. Due to the nature of those investments, actual allocations could vary from this information. Amounts recorded as a return of capital reduce the tax cost of those investments to the Funds.

h) Expenses

All expenses are recognized in the Statements of Operations on an accrual basis. Brokerage commissions and other transaction costs are expensed in the year incurred, and are reported as "Transaction costs" in the Statements of Operations.

i) Foreign currency balances and transactions

The fair values of investments and other assets and liabilities denominated in foreign currencies are converted into each Fund's functional currency at the rates of exchange prevailing on each valuation date. Purchases and sales of investments, income and expenses are converted at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) on completed transactions and cash balances are included in net realized gains (losses) on sale of investments and unrealized gains (losses) are included in change in unrealized appreciation (depreciation) in value of investments.

j) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statements of Net Assets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Funds may also enter into various master netting agreements or other similar agreements that do not meet the criteria for offsetting in the Statements of Net Assets but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

k) Future changes in accounting policies

The Manager has determined that there are no IFRS standards which have been issued but not yet effective which could materially impact the Funds' financial statements.

3. Units:

All Funds are authorized to issue an unlimited number of Series A, Series F, Hybrid Tontine Series A, Hybrid Tontine Series F, and ETF Units (each a "Series") for the Decumulation Fund. The Units are redeemable at NAV per unit for the Series on demand. There are certain minimum purchase amounts for each Series of Units. The changes in the number of issued Units of each Series are disclosed in the Statements of Changes in Net Assets Attributable to Unitholders.

Each of the Series have a number of specific characteristics as described in the prospectus including the following:

- 1) The ETF Units of the Decumulation Fund are listed on the Toronto Stock Exchange (the "Exchange"), and investors can buy or sell ETF Units on the Exchange through registered brokers and dealers in the province or territory where the investor resides.
- 2) Units of the Tontine Trust and/or specific series of the Decumulation Fund have purchase restrictions based on the age of the investor.
- 3) Hybrid Tontine Units of the Decumulation Fund have a required switch feature whereby a fixed percentage of each investment will be sold, and the proceeds used to purchase units of the Tontine Trust monthly.

The capital of each Fund consists of the NAV. In accordance with each Fund's investment objectives and the risk management policies stated in Note 8, each Fund invests its capital in appropriate investments.

GuardPath™ FUNDS
NOTES TO FINANCIAL STATEMENTS

3. Units (continued):

The increase (decrease) in NAV from operations per Unit of a Series for each Fund is calculated by dividing the increase (decrease) in NAV from operations of the Series by the weighted average number of units of the Series outstanding during the year. The weighted average number of Units outstanding for each Series of a Fund is disclosed in such Fund's Supplementary Schedules.

Guardian Capital Group Limited as the initial investor in each fund may not, and has not redeemed any units issued until \$500,000 has been received from third party investors in that fund.

4. Operating expenses:

Each Fund's operating expenses consist of the management fee and administration fee paid to the Manager as described below, interest charges, fees and expenses of the Independent Review Committee, transaction costs, foreign withholding taxes when applicable, any new costs related to regulatory or legal requirements imposed upon the Fund, the HST on all of these expenses, and any income taxes to which the Fund may be subject. Management and administration fees as reported in the Statements of Operations are due to the Manager and are considered to be related party transactions.

The NAV of each Fund attributable to Series A, Series F, Hybrid Tontine Series A, Hybrid Tontine Series F, and ETF Units is subject to a management fee charged to the Fund and payable to the Manager. The Manager pays Worldsource a portion of the management fees charged to each Fund as a related party payment outside of the Funds financial statements on a monthly basis at the rates disclosed in each Funds prospectus.

The Manager charges each Fund an administration fee at a fixed annual rate, based on the daily average NAV of the Fund. In return for the administration fee, the Manager pays certain variable operating expenses of the Fund, including audit, custody, transfer agency, fund accounting, filing, unitholder reporting, legal, other related expenses, and HST on these expenses. The administration fee rate paid by each Fund is disclosed in each Fund's Supplementary Schedules.

The management and administration fees are accrued daily and are payable monthly in arrears.

The Manager may, in its sole discretion, waive or absorb all or part of each Fund's Management Fee. The waiver or absorption of all or part of a Fund's Management Fee may change or cease to occur in the Manager's sole discretion.

5. Income taxes:

The Funds qualify as mutual fund trusts under the provisions of the Income Tax Act (Canada) and, as such, each Fund is not subject to income taxes on its net taxable capital gains and its net income for the period, if it distributes such gains and income (less any applicable losses carried forward) to its unitholders. As required by the Declaration of Trust, the annual taxable income of each Fund is allocated and distributed to its unitholders so as to eliminate any income taxes otherwise payable by the Funds. As a result, each Fund does not record a provision for Canadian income taxes. In addition, each Fund does not record the benefit of any income tax losses carried forward. The amounts of any tax losses available to be carried forward and applied against future capital gains or income by each Fund are disclosed in each Fund's Supplementary Schedules.

For mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

If a Fund is not a mutual fund trust under the Tax Act throughout a taxation year, the Fund (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) would not be eligible for capital gains refunds under the Tax Act in such year, (iii) may be subject to the "mark-to-market" rules described below and (iv) may be subject to a special tax under Part XII.2 of the Tax Act in such year.

The Funds may incur foreign withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are disclosed separately as an expense in the Statements of Operations.

As at December 31, 2022 the Funds have qualified as a Mutual Fund Trust for income tax purposes.

GuardPath™ FUNDS
NOTES TO FINANCIAL STATEMENTS

6. Soft dollar transactions:

Soft dollar transactions represent formal pre-arranged commitments whereby a portion of the brokerage commissions paid by a Fund are allocated according to a pre-determined formula as payment for certain products or services other than order execution.

There were no soft dollar transactions in any Fund during 2022.

7. Distributions:

Distributions to unitholders by the Funds are made on a periodic basis, and are reported in the Statements of Changes in Net Assets Attributable to Unitholders.

Distributions of the Decumulation Fund have a fixed monthly distribution rate, as explained in the prospectus, which rates vary by Series, and are reset annually in January of each year. Distributions of the Tontine Trust are made solely to distribute taxable income of the Trust, and are expected to be reinvested into the Trust.

If, for any taxation year, after the ordinary distributions, there would remain in the Decumulation Fund additional net income or net realized capital gains, the Fund will, after December 15 but on or before December 31 of that calendar year, be required to

pay or make payable such net income and net realized capital gains as one or more special year-end distributions for such year to Unitholders as is necessary to ensure that the Decumulation Fund will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions will be paid in the form of Units of the Decumulation Fund. Any special distributions payable in Units of the Decumulation Fund will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units held by a Unitholder will be automatically consolidated such that the number of Units outstanding after such distribution will be equal to the number of Units held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution.

8. Financial risk management:

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds' investments and Funds' performance.

The Manager seeks to minimize potential adverse effects of risk on the Funds' performance by employing professional, experienced portfolio advisors; by daily monitoring of the Funds' positions and market events; by diversifying the investment portfolio within the constraints of the investment objectives; and by periodically using derivatives to economically hedge certain risk exposures.

Each Fund's financial instruments consist principally of cash, short-term securities, derivative instruments and investments. Each Fund is exposed to various types of financial risks that are associated with its financial instruments. The most significant financial risks include market risk (which includes currency risk, interest rate risk and other price risk), concentration risk, liquidity risk and credit risk.

Certain of the Funds invest in Underlying Funds. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk to the extent these Underlying Funds invest in financial instruments that are subject to those risks.

A portion of the assets of a Fund which holds derivative financial instruments are held by broker as margin or collateral. Margin or collateral may be comprised of cash or securities pledged. Securities pledged as collateral or deposited to meet margin requirements follow the fair value policies outlined above and are identified in the Schedule of Investment Portfolio. In addition, these securities are included in "Investments" in the Statements of Financial Position if held by the Fund.

On a daily basis, the Manager reviews the credit risk of all counterparties with which the Funds transact, and the credit rating of all investments, and ensures that they remain within established ranges of exposure as outlined in the Fund' investment policies. The Funds' custodian is approved by Canadian Securities Administrators to act as a custodian.

These risks and related risk management practices employed by the Funds, and where applicable the Underlying Funds, are discussed below:

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8. Financial risk management (continued):

a) Market risk

Market risk consists of currency risk, interest rate risk and other price risk. The Manager monitors each Fund's overall market positions on a daily basis, and positions are maintained within established ranges as outlined in each Fund's investment policies. The market risk of each Fund is discussed below and further disclosed in each Fund's Supplementary Schedules.

(i) Currency risk

The Funds may hold monetary assets and liabilities that are denominated in currencies other than the functional currency of the Fund. Such Funds may therefore be exposed to currency risk, as the value of the net assets denominated in other currencies will fluctuate with changes in exchange rates. Funds may enter into currency forward contracts for hedging purposes to reduce their foreign currency risk. The risk of price fluctuations of non-fixed income securities resulting from the fluctuations of foreign currency exchange rates are discussed in other price risk. The currency risk of each Fund is disclosed in each Fund's Supplementary Schedules.

a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate in value with movements in future expected, or actual interest rates. Each Fund's interest rate risk results from its investments in debt instruments, such as bonds and debentures, and interest rate sensitive derivative instruments, if any. The Manager moderates this risk through diversification of securities across various industry sectors and duration within specified limits as outlined in the investment policies of each Fund.

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, Underlying Funds, derivatives and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value except for options on securities which might result in the forfeiture of the underlying security to satisfy the option.

The Manager moderates this risk through a careful selection of securities within specified limits as outlined in the investment policies of each Fund, and through diversification of the investment portfolios.

b) Concentration risk

The Funds are exposed to the possible risks inherent in the concentration of the investment portfolios in a small number of industries, countries and other investment sectors. The Manager moderates this risk through diversification of investment sectors in which it invests, and a careful selection of securities in each investment sector within established ranges, as outlined in the investment policies of each Fund. The concentration risk of each Fund is disclosed in each Fund's Supplementary Schedules.

c) Liquidity risk

The Funds are exposed to daily cash needs related to the redemption of Units, and to the discharge of financial obligations related to their daily operations. The ability to meet these needs is managed, directly or indirectly through Underlying Funds, by retaining sufficient cash within each Fund, and investing mainly in securities which are considered readily realizable and highly liquid. The Funds are subject to securities regulations which limit the amount of illiquid investments they may hold. In addition, the Funds may borrow from the Custodian on a short-term basis at the Canadian or United States bank prime rate plus 1.0%. All liabilities of the Funds are short-term in nature and are due within 60 days.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Funds may be exposed to credit risk through their holding of debt securities and Underlying Funds which hold debt securities, and their dealings with counterparties to the over-the-counter derivative instruments held by the Funds. On a daily basis, the Manager reviews the credit risk of all counterparties with which the Funds transact, and the credit rating of all investments, and ensures that they remain within established ranges of exposure as outlined in the Fund's investment policies. The Funds can also be exposed to credit risk to the extent that the custodian may not be able to settle trades for cash. Canadian securities regulations require that the Funds employ a custodian that meets certain capital requirements. The Fund's custodian is approved by Canadian Securities Administrators to act as a custodian.

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9. Classification of financial instruments for fair value measurements:

Each Fund's financial instruments which are recorded at fair value are categorized based upon a fair value hierarchy, which is as follows: Level 1 – quoted market prices; Level 2 – internal models using observable market information as inputs; and, Level 3 – internal models without observable market information inputs. The fair values of each Fund's financial instruments as categorized within the fair value hierarchy have been disclosed in each Fund's Supplementary Schedules, accompanied by a schedule of significant transfers between these levels.

a) Underlying Funds

Each Fund's investments in Underlying Funds are classified as Level 1, as the Underlying Funds are actively traded and reliable prices are observable.

b) Equity investments and options

Each Fund's equity and option investments are classified as Level 1 when the investment is actively traded and a reliable quoted market price is observable. Certain of the Funds' investments do not trade frequently and, therefore, observable prices may not be available. In such cases, fair value is determined using observable market data, and the fair value is classified as Level 2, unless the determination of fair values requires significant unobservable data, in which case the measurement is classified as Level 3.

c) Bonds and short-term securities

Bonds include government and corporate bonds and mortgage-backed securities. These instruments do not have quoted market prices, but are valued using market bid and ask prices where available. Since the inputs that are significant to valuation are generally observable, the Funds' bonds and short-term securities are classified as Level 2.

d) Foreign currency contracts

Foreign currency contracts do not have quoted market prices, but are valued using foreign currency bid and ask quotations. Since the inputs that are significant to valuation are generally observable, they are classified as Level 2.

10. Related party unitholders:

Units of each Fund which are held by the Manager, its affiliates and officers are disclosed in each Fund's Supplementary Schedules.

11. Investments in non-consolidated structured entities:

From time to time, in accordance with their investment policies, Funds may invest in Underlying Funds, exchange-traded funds, mortgage-related and other asset-backed securities, and other investments which are considered to be non-consolidated structured entities. The Fund's risk from structured entities is limited to the amounts invested by the Funds. Details of investments in structured entities are provided in each Fund's Schedule of Investment Portfolio and supplementary schedules.



GUARDIAN CAPITAL

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GUARDIAN CAPITAL LP

Suite 2700, Commerce Court West,
199 Bay Street, Toronto, Ontario M5L 1E8
T: 1.866.718.6517 | F: 416.364.2067

You can find more information about each Fund in the Fund's Simplified Prospectus and each Fund's Fund Facts and Management Report of Fund Performance. For a free copy of these documents, call us toll free at 1-866-718-6517 or ask your investment advisor. You may find these documents and other information about the Funds, at www.guardiancapitallp.com or at www.sedar.com.

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