

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

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GUARDIAN INVESTMENT GRADE  
CORPORATE BOND FUND

JUNE 30, 2022

This interim management report of fund performance contains financial highlights, but does not contain either the interim financial report or annual financial statements of the investment fund. You can obtain a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-866-718-6517, by writing to us at Guardian Capital LP, Commerce Court West, 199 Bay Street, Suite 3100, P.O. Box 201, Toronto, Ontario, M5L 1E8, or by visiting our website at [www.guardiancapital.com](http://www.guardiancapital.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



**GUARDIAN CAPITAL**

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

Guardian Investment Grade Corporate Bond Fund (the "Fund") seeks to provide investors with a higher level of income by investing primarily in mid-term investment grade corporate bonds. The Manager uses a proactive, disciplined management approach while employing various analytical tools to identify investments that offer value on a relative basis, with a view to maximizing current income. The Manager adheres to a risk management process that is designed to limit total exposure to individual issuers, diversify exposure to various term maturities and credit risks, and maintain portfolio liquidity.

### Risk

The risks associated with investing in the Fund remain as discussed in the prospectus. The Fund may be suitable for investors with a low tolerance for risk, particularly those who are looking for the potential for higher income from Canadian investment grade corporate bonds.

### Results of Operations

*(This commentary is based on the performance of Series I units of the Fund. Returns for other Series of units may vary, largely due to differences in fees and expenses. Please refer to the Past Performance section for specific Series level performance details.)*

The Fund's net asset value increased by 17% to \$105.5 million at June 30, 2022 from \$90.1 million at December 31, 2021. Of this change, a decrease of \$12.1 million was due to investment performance and an increase of \$27.5 million was attributable to net subscriptions.

Series I units of the Fund posted a return of -11.4% for the period. The Fund's benchmark, the FTSE Canada Mid-Term Corporate Bond Index, returned -11.6% for the same period. The Fund's return is after the deduction of fees and expenses, where applicable for the Series, unlike the benchmark's return.

The Bank of Canada (BOC) raised its key policy rate by 1.25% in the first six months of 2022. The BOC opted for an aggressive hiking cycle in order to curb inflation that has remained at the highest level seen in decades. The BOC continues to assert that it will do whatever is necessary to bring inflation down to a more normal range and hence the market should expect more hikes in the next six months.

Canadian investment grade (IG) credit spreads have widened, in some cases aggressively, to levels last seen in December 2015/2016. The Russian invasion of Ukraine had an extreme impact on global energy markets and supply chains, which further exacerbated inflation that central banks around the world were just beginning to fight with tighter monetary policy. This resulted in underlying government bond yields rising at a record pace, with credit spreads widening in sympathy.

The Fund is currently slightly higher duration times spread (DTS), which is a measure of the credit volatility of a corporate bond, relative to the benchmark. This reflects a couple of specific positions but, given a slightly lower risk/reward profile for longer duration credits, the Fund is focusing on credits with steeper spread curves. The Fund's higher DTS, mainly within the telecommunication services and power infrastructure sub-industries, and in the Financials sector, was offset by lower relative DTS in REITs and certain industrial bonds.

The Fund's yield curve positioning contributed to performance over the first six months in 2022, while the Fund's overweight positioning in certain corporate sector bonds detracted from performance as investment grade spreads widened during on a year-to-date basis.

The Fund's underweight positioning in 7-year and 10-year corporate bonds contributed to performance. The Fund's underweight allocation to the power infrastructure industry also contributed to performance. The Fund's overweight allocation to the Financials sector detracted from performance, as did its overweight positioning in Sun Life 2.58%, 10May2032 bonds and Bell Canada 3.00%, Mar2031 bonds.

The Fund increased its overweight allocation to the Financials sector in the first six months of 2022, as well as increased its underweight allocation in the power infrastructure industry. The Fund added Canadian Imperial Bank of Commerce 4.20%, 7apr2032 bonds in the first six months of 2022, as credit spreads in the banking sector widened significantly and offered an attractive entry point from valuations. The Fund also added exposure to the Real Estate sector over the past six months. The Fund is currently overweight in the Financials sector.

## Recent Developments

While the outlook remains cloudy, the pattern of the Bank of Canada remaining hawkish, while the market looks forward, is expected persist.

The Bank of Canada (the Bank) and the US Federal Reserve are looking in the rear-view mirror in setting policy, since consumers will react to the monthly releases to anchor their inflation expectations. The Bank is trying to navigate a soft landing – a better demand/supply equilibrium without much collateral damage to the overall economy – and signs of a slowdown should prompt the Bank to be less aggressive to prevent a significant deterioration in the labour market. At the same time, the market knows the Bank cannot raise rates significantly without inducing a further slowdown and, possibly, a recession.

As a result, we see two prominent features for the Canadian bond market if the economic data gives conflicting signals. The first being the persistence of a flat yield curve and potential for an inversion. The curve (the difference between the 10yr and 2yr yields) is already relatively flat (a sign of a growth slowdown), but would invert if the market expects the Bank to tighten well above the nominal neutral rate (the rate at which the economy is operating at close to its potential). The second, a benign phase for the bond market near-term that oscillates within a relatively narrow range. The bond market should continue to give more weight to the evidence of demand destruction and growth slowdown, such as falling PMIs (Purchasing Managers' Index, which measures the prevailing direction of economic trends in the manufacturing and service sectors) or a collapse

in hard and soft commodities, cushioning yield backups in response to inflationary data

## Related Party Transactions

Guardian Capital LP, the Manager of the Fund, is considered to be a "related party" of the Fund. The Manager is responsible for the day-to-day operations of the Fund and also acts as the portfolio manager, managing the investment portfolio of the Fund. These services are in the normal course of operations and the Fund pays a management fee to the Manager for these services, as detailed in the Management Fees section below. The Manager also receives an Administration Fee from the Fund, amounting to 0.10% of the average daily net asset value of the Fund, in return for the payment by the Manager of all the variable operating expenses of the Fund. The Independent Review Committee ("IRC") has approved the Manager's Policy for this item, and the Manager relies on this approval as a standing instruction from the IRC. The Manager received the Administration Fee and paid Fund expenses in accordance with this Policy during the year. The Manager is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange.

The Fund may invest some of its available short-term cash in units of Guardian Canadian Short-Term Investment Fund, another investment fund managed by Guardian Capital LP and a related issuer, which invests its assets in high-quality short-term fixed-income securities. As at June 30, 2022, the Fund had invested \$71,495 or 0.1% of its net assets, in units of the Guardian Canadian Short-Term Investment Fund. With respect to investments in related issuers, the Manager has relied on the approval that it has received from the IRC. The approval requires the Manager to comply with its current policy and procedures regarding investments in related issuers and to report periodically to the IRC. The Manager will not duplicate management fees paid to an underlying fund that is a related issuer.

## Management Fees

No management fees are payable or collected for Series I units of the Fund. Series A and Series F units are subject to a management fee which is based on a percentage of the average Series NAV during each month, calculated and accrued daily, and payable monthly. The Series A management fee is 0.90% per annum. The Series F management fee is 0.40% per annum. The table below provides a breakdown of services received in consideration of the management fees, as a percentage of the management fees, for the period.

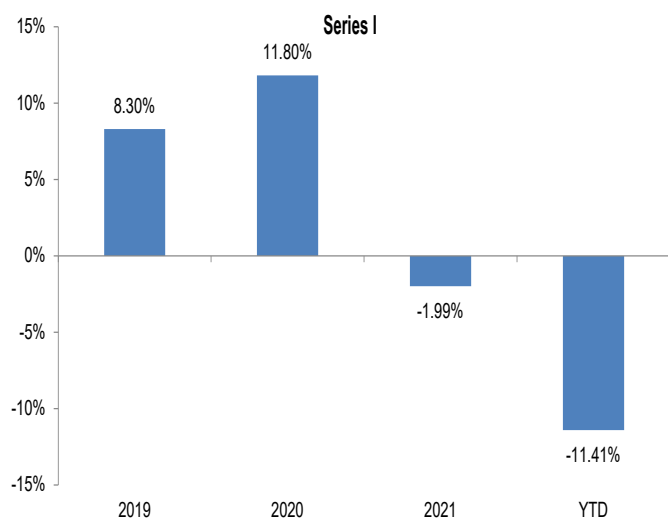
	Series I	Series A	Series F
Investment management and other general administration	n/a	44.4%	100%
Trailer Commission	n/a	55.6%	0.0%

## Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

## Year-by-Year Returns

The bar charts show the Fund's performance for the period from January 1, 2022 to June 30, 2022, and annual performance for each of the prior years shown, and illustrates how the Fund's performance has changed from year to year. The chart shows in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of that financial year.



## Annual Compound Returns

The tables below shows the historical compound returns of the Fund's Series I units for the periods indicated, as at June 30, 2022. The returns of a broad based market index are also shown.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
Series I (%)	-11.16	-0.70	n/a	n/a	1.71
FTSE Canada Mid Term Corporate Bond Index	-11.24	-0.82	n/a	n/a	1.62

\* Inception date - May 3, 2018

The FTSE Canada Mid Term Corporate Bond Index consists of semi-annual pay fixed rate corporate bonds, with an effective term to maturity between five and ten years, a credit rating of BBB or higher and a minimum size of \$100 million per issue.

For Series A and Series F units, please note that it has not yet been 12 consecutive months since the start date of this Series and so in accordance with regulatory requirements, investment performance cannot be shown

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated. The information is derived from the Fund's audited annual financial statements and unaudited interim financial statements.

### The Fund's Net Assets per Unit (Series I)

	6 months ended June 30, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	Period from Apr. 19, 2018 to Dec. 31, 2018
Net Assets per unit, Beginning of Period <sup>[1]</sup>	\$10.77	\$11.28	\$10.51	\$10.07	\$10.00
<b>Increase (decrease) from operations per unit: <sup>[1]</sup></b>					
Total revenue	0.17	0.30	0.32	0.33	0.22
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	(0.15)	0.01	0.33	0.18	(0.02)
Unrealized gains (losses)	(1.21)	(0.52)	0.62	0.13	0.03
Total increase (decrease) from operations per unit	(1.20)	(0.22)	1.26	0.63	0.22
Distributions per unit from: <sup>[1][2]</sup>					
Income (excluding dividends)	(0.14)	(0.28)	(0.30)	(0.28)	(0.16)
Canadian dividends	-	-	-	-	-
Foreign dividends	-	-	-	-	-
Capital gains	-	(0.01)	(0.15)	(0.11)	-
Return of capital	-	-	-	-	-
Total Distributions per unit	(0.14)	(0.29)	(0.45)	(0.39)	(0.16)
Net Assets per unit, End of Period <sup>[1]</sup>	\$9.41	\$10.77	\$11.28	\$10.51	\$10.07

[1] Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the financial period.

[2] Substantially all distributions were reinvested in additional units of the Fund.

### Ratios and Supplemental Data (Series I)

	6 months ended June 30, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	Period from Apr. 19, 2018 to Dec. 31, 2018
Total net asset value (000's) <sup>[1]</sup>	\$105,472	\$90,053	\$86,014	\$59,651	\$24,310
Number of units outstanding <sup>[1]</sup>	11,213,652	8,361,630	7,623,734	5,675,549	2,415,127
Management expense ratio <sup>[2]</sup>	0.11%	0.11%	0.11%	0.11%	0.11%
Management expense ratio before waivers and absorptions	0.11%	0.11%	0.11%	0.11%	0.11%
Trading expense ratio <sup>[3]</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>[4]</sup>	24.64%	95.42%	140.99%	136.30%	113.82%
Net asset value per unit <sup>[1]</sup>	\$9.41	\$10.77	\$11.28	\$10.51	\$10.07

[1] This information is provided as at the end of each period indicated.

[2] The management expense ratio is based on total expenses (excluding commissions, other portfolio transaction costs and withholding taxes) of the Fund and its proportionate share of the total expenses of the Underlying Funds, where applicable, for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

[3] The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and its proportionate share of the Underlying Funds' portfolio transaction costs, where applicable, expressed as an annualized percentage of daily average net asset value for the period.

[4] The Fund's portfolio turnover rate indicates how actively its portfolio advisor trades portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in the portfolio once in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated. The information is derived from the Fund's audited annual financial statements and unaudited interim financial statements.

### The Fund's Net Assets per Unit (Series A)

	6 months ended June 30, 2022	Period from Apr. 30 to Dec. 31, 2021
Net Assets per unit, Beginning of Period <sup>[1]</sup>	\$9.90	\$10.00
<b>Increase (decrease) from operations per unit: <sup>[1]</sup></b>		
Total revenue	0.14	0.18
Total expenses	(0.05)	(0.08)
Realized gains (losses)	(0.13)	0.00
Unrealized gains (losses)	(1.13)	(0.05)
Total increase (decrease) from operations per unit	(1.17)	0.05
Distributions per unit from: <sup>[1][2]</sup>		
Income (excluding dividends)	(0.08)	(0.14)
Canadian dividends		-
Foreign dividends		-
Capital gains		(0.01)
Return of capital		-
Total Distributions per unit	(0.08)	(0.15)
Net Assets per unit, End of Period <sup>[1]</sup>	\$8.65	\$9.90

<sup>[1]</sup> Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the financial period.

<sup>[2]</sup> Substantially all distributions were reinvested in additional units of the Fund.

### Ratios and Supplemental Data (Series A)

	6 months ended June 30, 2022	Period from Apr. 30 to Dec. 31, 2021
Total net asset value (000's) <sup>[1]</sup>	\$5	\$5
Number of units outstanding <sup>[1]</sup>	512	507
Management expense ratio <sup>[2]</sup>	1.09%	1.11%
Management expense ratio before waivers and absorptions	1.09%	1.11%
Trading expense ratio <sup>[3]</sup>	0.00%	0.00%
Portfolio turnover rate <sup>[4]</sup>	24.64%	95.42%
Net asset value per unit <sup>[1]</sup>	\$8.65	\$9.90

<sup>[1]</sup> This information is provided as at the end of each period indicated.

<sup>[2]</sup> The management expense ratio is based on total expenses (excluding commissions, other portfolio transaction costs and withholding taxes) of the Fund and its proportionate share of the total expenses of the Underlying Funds, where applicable, for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>[3]</sup> The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and its proportionate share of the Underlying Funds' portfolio transaction costs, where applicable, expressed as an annualized percentage of daily average net asset value for the period.

<sup>[4]</sup> The Fund's portfolio turnover rate indicates how actively its portfolio advisor trades portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in the portfolio once in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.



## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated. The information is derived from the Fund's audited annual financial statements and unaudited interim financial statements.

### The Fund's Net Assets per Unit (Series F)

	6 months ended June 30, 2022	Period from Apr. 30 to Dec. 31, 2021
Net Assets per unit, Beginning of Period <sup>[1]</sup>	\$9.91	\$10.00
<b>Increase (decrease) from operations per unit: <sup>[1]</sup></b>		
Total revenue	0.14	0.18
Total expenses	(0.02)	(0.04)
Realized gains (losses)	(0.13)	0.00
Unrealized gains (losses)	(1.14)	(0.06)
Total increase (decrease) from operations per unit	(1.15)	0.08
Distributions per unit from: <sup>[1][2]</sup>		
Income (excluding dividends)	(0.11)	(0.17)
Canadian dividends	-	-
Foreign dividends	-	-
Capital gains	-	(0.01)
Return of capital	-	-
Total Distributions per unit	(0.11)	(0.18)
Net Assets per unit, End of Period <sup>[1]</sup>	\$8.66	\$9.91

<sup>[1]</sup> Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations per unit is based on the weighted average number of units outstanding over the financial period.

<sup>[2]</sup> Substantially all distributions were reinvested in additional units of the Fund.

### Ratios and Supplemental Data (Series F)

	6 months ended June 30, 2022	Period from Apr. 30 to Dec. 31, 2021
Total net asset value (000's) <sup>[1]</sup>	\$5	\$5
Number of units outstanding <sup>[1]</sup>	515	509
Management expense ratio <sup>[2]</sup>	0.55%	0.56%
Management expense ratio before waivers and absorptions	0.55%	0.56%
Trading expense ratio <sup>[3]</sup>	0.00%	0.00%
Portfolio turnover rate <sup>[4]</sup>	24.64%	95.42%
Net asset value per unit <sup>[1]</sup>	\$8.66	\$9.91

<sup>[1]</sup> This information is provided as at the end of each period indicated.

<sup>[2]</sup> The management expense ratio is based on total expenses (excluding commissions, other portfolio transaction costs and withholding taxes) of the Fund and its proportionate share of the total expenses of the Underlying Funds, where applicable, for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>[3]</sup> The trading expense ratio represents total commissions and other portfolio transaction costs of the Fund and its proportionate share of the Underlying Funds' portfolio transaction costs, where applicable, expressed as an annualized percentage of daily average net asset value for the period.

<sup>[4]</sup> The Fund's portfolio turnover rate indicates how actively its portfolio advisor trades portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in the portfolio once in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2022

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Canadian Corporate Bonds	94.3%	Sun Life Financial Inc.	8.3%
Canadian Provincial and Guaranteed Bonds	3.2%	TransCanada Pipelines Ltd.	6.4%
United States Corporate Bonds	1.4%	Enbridge Inc.	6.3%
Short-Term Securities	0.1%	Royal Bank of Canada	5.9%
Other Net Assets	1.0%	Toronto-Dominion Bank	4.8%
		Rogers Communications Inc.	4.6%
		TELUS Corp.	3.7%
		Great-West Lifeco Inc.	3.4%
		Province of Ontario	3.2%
		Pembina Pipeline Corp.	3.2%
		Bank of Nova Scotia	3.1%
		Suncor Energy Inc.	2.8%
		Inter Pipeline Ltd.	2.8%
		Bell Canada Inc.	2.7%
		Canadian Imperial Bank of Commerce	2.7%
		Brookfield Infrastructure Finance ULC	2.6%
		Fairfax Financial Holdings Ltd.	2.4%
		Canadian Pacific Railway Ltd.	1.9%
		Capital Power Corp.	1.8%
		SmartCentres Real Estate Investment Trust	1.7%
		Choice Properties Real Estate Investment Trust	1.6%
		AltaGas Ltd.	1.5%
		Crombie Real Estate Investment Trust	1.5%
		Keyera Corp.	1.4%
		JPMorgan Chase & Co.	1.4%
		<b>Top 25 Holdings as a percentage of net asset value</b>	<b>81.7%</b>
		<b>Total Net Asset Value</b>	<b>\$105,480,735</b>


The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available. If the Fund has invested in other investment funds, the prospectus and other information about the underlying investment funds are available on the internet via [www.sedar.com](http://www.sedar.com).



**GUARDIAN CAPITAL**

# GUARDIAN CAPITAL LP

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This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts, but rather represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements, as a number of factors could cause actual future results, conditions, actions or events to differ materially from the expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments and the effects of competition in the geographic and business areas in which the Fund may invest. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, Guardian Capital LP does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.