GUARDIAN CAPITAL™

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

GUARDPATH™ MODERN TONTINE 2042 TRUST

JUNE 30, 2023

This interim management report of fund performance contains financial highlights, but does not contain either the interim financial report or interim financial statements of the investment fund. You can obtain a copy of the interim financial report or interim financial statements at your request, and at no cost, by calling 1-866-383-6546, by writing to us at Guardian Capital LP, Commerce Court West, 199 Bay Street, Suite 2700, P.O. Box 201, Toronto, Ontario, M5L 1E8, or by visiting our website at www.guardiancapital.com/investmentsolutions or SEDAR+ at www.sedarplus.ca.

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.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The investment objective for the GuardPath™ Modern Tontine 2042 Trust (the "Fund") is to provide long term capital appreciation by investing the Fund's assets in equities and fixed income securities. The Fund will, for the final four quarters of its operation, commencing with the quarter ending March 31, 2042 and ending with the quarter ending December 31, 2042, redeem one-quarter (25%) of each Unitholder's Units outstanding as of the applicable quarter end at NAV per Unit.

The Fund will seek to achieve the investment objective by following a "glidepath" approach to asset allocation, investing in a portfolio of securities, either directly or indirectly, that provides diversified exposure to different asset classes, geographies and strategies, providing different sources of returns, while mitigating risk measured by overall volatility of portfolio returns. As the scheduled Termination Date approaches, the Fund will seek to reduce volatility of returns by gradually shifting its asset mix to increase the percentage of its assets allocated to fixed income securities and/or money market investments, and add derivative strategies designed to preserve asset value.

Risk

The risks associated with investing in the Fund remain as discussed in the prospectus. The Fund may be suitable for investors with a medium tolerance for risk, particularly those who seek long term capital appreciation and plan to hold their investment for the long term period. Payments from the Fund are tied to the life of the unitholder and the amount that a unitholder will receive upon redemption (either voluntary or upon death) prior to the lump-sum payout in year 20, will be lower than the then current NAV per unit, as detailed in the prospectus. The long-term total return of the Fund will be impacted by actual redemption rates, and may increase or decline as mortality rates or voluntary redemptions increase or decline.

Results of Operations

This Fund's first prospectus was dated August 30, 2022. In accordance with regulatory requirements, investment performance for a fund that has been in existence for less than one year cannot be shown. Please note that this Fund may invest all, or substantially all, of its assets in other investment funds [the "Underlying Funds"]. Individual securities referenced in this commentary may refer to the securities held in one of the Underlying Funds, and not necessarily as a direct holding of this Fund.

The Fund's net asset value was $1.3 million at June 30, 2023, of which an increase of $0.2 million was attributable to net subscriptions.

The Series A units of the Fund underperformed the Fund's blended benchmark, 70% MSCI World Index (Net, C$) and 30% S&P/TSX Composite Index, from the Fund's inception to the end of the year. The Fund's return is after the deduction of fees and expenses, unlike the benchmark's return.

During the period the massive uptake and enthusiasm for Artifical Intelligence (AI) drove significant outperformance of related stocks, accounting for a majority of the yeat-to-date (YTD) returns of the S&P 500 Index. Also, China's exit from zero-Covid policies created a significant boost to China's Q1 economic growth, which faded faster than expectations in Q2 and which dragged on overall Emerging Markets performance. Finally, tighter monetary policy and expectations for slowing economic growth weighed on the outlook for Canada and commodities in general.

The Fund underperformed during the period given its underexposure to a narrow set of AI related U.S. Technology stocks, which drove much of the positive YTD performance. Also, the Fund's exposure to Emerging Markets and more rate sensitive areas of the market, such as REITs, dragged on returns.

The Fund's overweight to Europe was a positive contributor during the period, as European markets performed well as underlying economic growth was better than feared and warm winter weather reduced energy price pressures. Overweights to other cyclical sectors, such as Industrials and Consumer Discretionary, also performed well as consumption trends and corporate earnings remained resilient.

An underweight in the Information Technology sector and specifically underexposure to AI related companies was a material drag on performance. Also an overweight in Emerging Markets weighed on relative performance as China's post-Covid recovery was not sustained into Q2. Finally, exposure to interest rate sensitive areas, such as REITs, did not perform well as higher than expected inflation drove central banks to tighten monetary policy more than expected.

The Fund's position in the Guardian i³ Global Quality Growth ETF outperformed due to its overweight to higher growth Information Technology stocks and bias towards stocks exhibiting the quality factor, which fared relatively well in the period. Also the position in the Guardian Canadian Sector Controlled Equity Fund outperformed due to its relative underweights to the Financials and Energy sectors, which were weak due to tighter monetary and regulatory policies as well as declining commodity prices.

After a strong start, the Fund's position in the Guardian Fundamental Emerging Markets Equity ETF's relative performance waned as China's post-Covid recovery faltered and investor concerns regarding China-U.S. relations rose. Also, the postion in the Guardian i³ Global REIT ETF performed poorly YTD in 2023, as stickier than expected inflation drove tighter central bank monetary policy, which in turn weighed on interest rate sensitive sectors, such as Real Estate.

Later in the second quarter the Fund reduced its exposure to more rate sensitive sectors and geographies, such as Real Estate, Canada and Emerging Markets while adding to U.S. exposure. From a geographic perspective, the Fund currently has an underweight to Canada and slight overweight to Emerging Markets, as more favourable economic growth and monetary policies are expected to drive relative gains. On a style basis, the Fund is biased towards Growth and Quality, which are expected to continue to outperform as global economic growth slows.

The Manager integrates ESG considerations into its investment analysis and stewardship activities with the objective of enhancing long-term investment performance. Active engagement and proxy voting are a core part of the Manager's stewardship approach, and the Fund's investment team participates in these activities in a manner suitable to the asset class and Fund. Our investment teams focus on ESG and other factors which they believe could be financially material and/or impact the long-term sustainability of the company. The consideration of ESG issues is one of a number of elements in the portfolio construction process and, may or may not have a material influence on portfolio composition at any given time. Where the Fund invests in Underlying Funds, it does not directly engage in proxy voting or active engagement, this is conducted by the Manager of the Underlying Funds. Where the Underlying Fund is a related issuer, the Manager integrates ESG considerations into its investment analysis and stewardship activities with the objective of enhancing long-term investment performance. For more information, the Funds managed by Guardian post their annual proxy voting activities report, along with an annual Responsible Investing Report and its Responsible Investing Policies on the Manager's website: https://www.guardiancapital.com/investmentsolutions/.

Recent Developments

Currently the Fund remains exposed to higher quality growth areas across U.S. and EAFE with an underweight to Canadian equities. From a sector perspective the Fund is balanced between growth and defensive areas while underweight more cyclical commodity sectors on continued economic growth concerns.

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, based on the average Net Asset Value of the Fund, as detailed in the Management Fees section below. The Manager is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange.

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 period.

The Fund invests in assets in other Guardian Capital Funds (the "Underlying Funds"), which are related issuers. The Fund may also invest in other third-party funds which are not related. With respect to investments in related issuers, the Manager has relied on the approval that it has received from the Independent Review Committee ("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 and will not pay any performance fee in respect of any investment in the Guardian Strategic Income Fund.

Management Fees

Series A and Series F, units are subject to management fees which are 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 1.60% per annum. The Series F management fee is 0.60% 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 A	Series F
Investment management and other general administration	37.5%	100.0%
Trailer Commission	62.5%	n/a

Past Performance

The performance information shown 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. Past performance of the Fund does not necessarily indicate how the Fund will perform in the future.

In accordance with regulatory requirements, investment performance for a fund that has been in existence for less than one year 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 A)

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022
Net Assets per Unit, Beginning of Period[1]	$10.22	$10.00
Increase (decrease) from operations per Unit:[1]		
Total revenue	0.09	0.03
Total expenses	(0.09)	(0.06)
Realized gains (losses)	0.09	0.01
Unrealized gains (losses)	0.71	0.24
Total increase (decrease) from operations per Unit	0.80	0.22
Distributions per Unit from:[1] [2]		
Income (excluding dividends)	–	–
Canadian dividends	–	–
Foreign dividends	–	–
Capital gains	–	–
Return of capital	–	–
Total Distributions per Unit	–	–
Net Assets per Unit, End of Period[1]	$11.01	$10.22

[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 A)

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022
Total net asset value (000's)[1]	$561	$511
Number of units outstanding[1]	50,969	50,001
Management expense ratio[2]	1.98%	1.94%
Management expense ratio before waivers and absorptions	2.25%	2.03%
Trading expense ratio[3]	0.05%	0.12%
Portfolio turnover rate[4]	18.04%	1.95%
Net asset value per Unit[1]	$11.01	$10.22

[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,
[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
[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 Fund's Net Assets per Unit (Series F)

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022
Net Assets per Unit, Beginning of Period[1]	$10.25	$10.00
Increase (decrease) from operations per Unit:[1]		
Total revenue	0.09	0.03
Total expenses	(0.03)	(0.02)
Realized gains (losses)	0.10	0.01
Unrealized gains (losses)	0.65	0.24
Total increase (decrease) from operations per Unit	0.81	0.26
Distributions per Unit from:[1] [2]		
Income (excluding dividends)	–	–
Canadian dividends	–	–
Foreign dividends	–	–
Capital gains	–	–
Return of capital	–	–
Total Distributions per Unit	–	–
Net Assets per Unit, End of Period[1]	$11.12	$10.25

[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 F)

	For the six months ended June 30, 2023	12 months ended Dec. 31, 2022
Total net asset value (000's)[1]	$765	$523
Number of units outstanding[1]	68,773	51,009
Management expense ratio[2]	0.86%	0.81%
Management expense ratio before waivers and absorptions	1.13%	0.90%
Trading expense ratio[3]	0.05%	0.12%
Portfolio turnover rate[4]	18.04%	1.95%
Net asset value per Unit[1]	$11.12	$10.25

[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,
[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
[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.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2023

Portfolio Allocation	% of Net Asset Value
Communication Services	1.8%
Consumer Discretionary	10.7%
Consumer Staples	4.3%
Energy	2.5%
Financials	9.8%
Health Care	4.8%
Industrials	5.9%
Information Technology	5.3%
Materials	4.5%
Real Estate	0.4%
Utilities	1.0%
Canadian Equity Funds	6.9%
Global Equity Funds	39.0%
Other net assets (Liability)	3.1%
Total	100.0%

Geographic Allocation	% of Net Asset Value
Canada	64.5%
China	1.5%
Denmark	4.6%
France	3.9%
Ireland	1.9%
Japan	1.0%
Switzerland	1.2%
United Kingdom	1.0%
United States of America	17.3%
Other net assets (Liability)	3.1%
Total	100.0%

Top 25 Holdings	% of Net Asset Value
Guardian i3 Global Quality Growth ETF	25.0%
Guardian i3 US Quality Growth ETF	7.9%
Guardian Canadian Sector Controlled Equity Fund ETF Units	6.9%
Guardian Fundamental Emerging Markets Equity ETF	3.6%
Guardian i3 Global REIT ETF	2.5%
Novo Nordisk A/S, ADR	2.3%
Essilor International SA, ADR	2.3%
Booking Holdings Inc.	2.2%
CME Group Inc., Class 'A'	2.1%
Mastercard Inc., Class 'A'	1.8%
Accenture PLC, Class 'A'	1.9%
Alphabet Inc., Class 'A'	1.8%
L'Oreal SA, ADR	1.6%
Yum China Holdings Inc.	1.5%
Colgate-Palmolive Company	1.5%
UnitedHealth Group Inc.	1.4%
MarketAxess Holdings Inc.	1.4%
Novozymes A/S, ADR	1.2%
Nestle SA, ADR	1.2%
Microsoft Corporation	1.2%
Canadian Pacific Kansas City Limited	1.2%
Royal Bank of Canada	1.1%
NIKE Inc., Class 'B'	1.1%
Automatic Data Processing Inc.	1.1%
FANUC Corporation, ADR	1.0%

Top 25 Holdings as a percentage of net asset value	**76.8%**
Total Net Asset Value:	**$1,325,943**

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.sedarplus.ca.

GUARDIAN CAPITAL

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