

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

GUARDIAN FIXED INCOME SELECT FUND

DECEMBER 31, 2022

This annual management report of fund performance contains financial highlights, but does not contain either the annual financial report or annual financial statements of the investment fund. You can obtain a copy of the annual financial report or annual 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.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 Fixed Income Select Fund (The “Fund”) seeks to generate an above-average income stream, primarily through investments in investment grade corporate bonds, debentures, notes or other evidence of indebtedness.

Risk

The risks associated with investing in the Fund are discussed in the prospectus. The Fund may be suitable for investors with a low tolerance for risk, particularly those who seek income and potential capital gains through an investment in higher yielding 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 decreased by 29% to \$116.5 million at December 31, 2022 from \$163.4 million at December 31, 2021. Of this change, a decrease of \$13.1 million was due to investment performance and a decrease of \$33.9 million was attributable to net redemptions.

Series I units of the Fund posted a return of -7.6% for the year. The Fund’s blended benchmark, 80% FTSE Canada 1-10 Year Laddered Corporate Bond Index and 20% FTSE Canada 1-10 Year Laddered Government Bond Index, returned -6.4% for the same period. The Fund’s return is after the deduction of expenses, unlike the benchmark’s return.

Fixed income markets globally experienced one of the worst years, on a total return basis, in decades. The FTSE Canada Universe Bond Index (Index) ended the year down, while returning 0.10% in the fourth quarter. It has been the worst year on record since the inception of the Index, and this is the first time

in its history that we have witnessed two consecutive years of negative returns. FTSE Canada Short-, Mid- and Long-term indices returned -4.04%, -10.29% and -21.76%, respectively. Provincial bonds (overall) returned -15.05% and Corporate bonds (overall) returned -9.87%.

The Bank of Canada (BoC) raised its key policy rate by 50 bps in its year-end meeting on December 8, 2022. With this seventh consecutive increase in the overnight rate this year, the BoC has raised its policy rate by a cumulative of 400 bps in 2022. The US Federal Reserve (Fed) policy-setting Federal Open Market Committee (FOMC), on December 14, 2022, raised its target range for the fed funds rate by 50 basis points to an upper bound of 4.50%, bringing the cumulative increase to 425 basis points for the year. During the past year, we have witnessed extensive curve flattening and inversion in some yield curve relationships, a measure of the relationship between short- and long-term interest rates on the back of central bank efforts to control rising inflation. To put the current inversion/flattening into perspective, the last time we saw these levels in 10-year vs. 2-year (-75 bps) bond yields was in the 1990s.

In Canada, the non-seasonally adjusted year-on-year Consumer Price Index (CPI) declined by 0.1% on a month-over-month basis in November. This is the lowest reading since May 2022. Coming into 2022, corporate bonds significantly outperformed government bonds, as spreads tightened to a multi-decade low since reaching the highs during COVID-19. The credit market, however, since the beginning of 2022, sold off massively, as risk-off sentiments (concerns around global growth slowdown) and geopolitical tensions all weighed on the asset class.

The Fund had a slightly higher Duration Times Spread (DTS), which is the market standard method for measuring the credit volatility of a corporate bond, relative to the benchmark during the year, which detracted from performance as spreads widened. Fund performance was also negatively impacted due to interest rates, which increased materially over the year.

The lower DTS in the REIT, Energy and Infrastructure sectors positively contributed to performance,

while higher DTS in the Financials sector detracted from performance. The Fund's positions in Choice Properties 6.003%/Jun2032, TD Bank 3.06%/Jan2032c27, Sunlife 4.78%/Aug2034c29 bonds, each bought at wide spread, were also contributing factors to performance.

The Fund's position in BMO Laddered Preferred Share Index ETF was a drag on performance as preferred shares underperformed in the year. Also, the Fund's positions in New York Life 2%/Apr2028 and Choice Properties 2.981/Mar2030 bonds detracted from performance as spreads widened and interest rates increased.

Since the Fund is a laddered structure, there have not been any single large transactions in its portfolio, as maturities occur the cashflows have been reinvested further out the yield curve. As credit spreads widened during the year, the Fund increased weight in the portfolio to BBB-rated issuers, as they provided appropriate risk adjusted return at the wider spreads.

The Fund is relatively overweight the Financials and the Communication Services sectors since they offer relatively higher credit spreads and the Manager believes they should be relatively resilient during an economic downturn. The Fund was slightly underweight the Energy sector and Infrastructure sector, as they were not offering relatively wider credit spreads.

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 issues 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. For more information, the Manager posts its annual proxy voting activities and an annual Responsible Investing report on its website:

<https://www.guardiancapital.com/investmentsolutions/>

Recent Developments

With global monetary policy tightening throughout the last calendar year, the material adjustment to higher yields, wider credit spreads, and extremes in many yield curve relationships provide relative value opportunities.

Central banks across the globe, particularly in North America, have been aggressive with their interest rate policies, driving interest rates higher. This has resulted in yield curve inversions in shorter tenors not seen in decades. The Manager expects central banks to pause in the not-too-distant future as they near the end of their current tightening cycle. One of the key drivers for the aggressive hiking is the exceptionally strong inflation data. However, inflation and inflation expectations, have turned in the past few months, and are now either steady or increasing at a slower pace, i.e. while inflation is still positive; it is rising to a lesser extent. Despite slowing inflation, employment metrics in Canada and the US are still strong, and wage gains represent a wildcard to price stability in the near future. Under a scenario where North American central banks decide to halt their key policy rates at their current levels, the degree of quantitative tightening, both by the Fed and the BoC, represents another layer of risk to concerns regarding growth slowdown. Given the delayed impact of monetary policy adjustments, we believe it prudent for North American central banks to allow time to assess the impacts of recent rate increases on economies.

Canadian investment grade bond (IG) spreads volatility continued in the fourth quarter of 2022 and reached their year-to-date high near the end of October, which coincided with increased concerns of inflation and its impact on monetary policy going forward. Starting in November though the Fed started sounding slightly less hawkish and subsequent inflation data started to inflect lower. This reversed markets' fears about tighter monetary policy and spreads tightened significantly and retraced almost all of the widening in October.

The Manager continues to expect interest rates and credit spreads to be volatile in 2023, however, with

Canadian IG spreads still at elevated levels relative to history, the increased yield carry provides a significant support to total returns if there is further spread widening, especially for corporate bonds with maturities of 10-years or less.

In 2023, we expect there to be at least some deterioration in corporate fundamentals as tighter labour markets and still persistent inflation keep costs high while weakness in economic growth will result in lower revenue growth; while this would argue for wider credit spreads, most corporates have relatively strong balance sheets so we would expect this to limit spread widening

The Manager continues to expect IG credit spreads to be range-bound during 2023. Any breakout wider from here, due to a continued too hot economy with the Fed having to tighten monetary policy further or a severe recession ("hard landing"), resulting in a flight to quality into federal government bonds and any further significant tightening will be due to a "soft landing" scenario and with evidence that the Fed will not need to continue tightening.

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 0.07% 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 December 31, 2022, the Fund had invested \$ 829,913 or 0.7% 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 0.80% per annum. The Series F management fee is 0.30% 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.

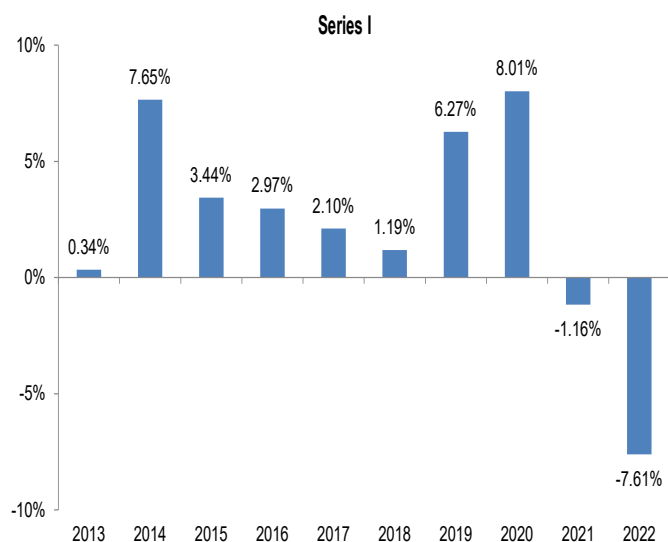
	Series I	Series A	Series F
Investment management and other general administration	n/a	37.5%	100%
Trailer Commission	n/a	62.5%	n/a

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.

Year-by-Year Returns

The bar charts show the Fund's performance for the period from January 1, 2022 to December 31, 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 table below shows the historical compound returns of the Fund's Series I units for the periods indicated, as at December 31, 2022. The returns of a broad based market index are also shown.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
Series I (%)	-7.61	-0.46	1.18	2.22	2.45
FTSE Canada 1-10 Year Laddered Corporate Bond Index (%)	-6.40	-0.23	1.25	2.07	2.30
Blended Benchmark (%)	-6.37	-0.30	1.15	1.94	2.16

* Inception date - March 30, 2012.

The Blended Benchmark is comprised of the following:

- 20% FTSE Canada 1-10 Year Laddered Government Bond Index
- 80% FTSE Canada 1-10 Year Laddered Corporate Bond Index.

The FTSE Canada 1-10 Year Laddered Government Bond Index is a laddered index structure for Government bonds rated "A" or higher, denominated in Canadian dollars and selected from the FTSE Canada Universe Bond Index.

The FTSE Canada 1-10 Year Laddered Corporate Bond Index is a laddered index structure for Corporate bonds rated "A" or higher, denominated in Canadian dollars and selected from the FTSE Canada Universe Bond Index.

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.

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

	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018
Net Assets per unit, Beginning of Period ^[1]	\$10.53	\$10.92	\$10.43	\$10.09	\$10.26
Increase (decrease) from operations per unit: ^[1]					
Total revenue	0.28	0.28	0.28	0.30	0.30
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	(0.27)	(0.09)	0.15	0.10	(0.11)
Unrealized gains (losses)	(0.87)	(0.31)	0.40	0.24	(0.05)
Total increase (decrease) from operations per unit	(0.87)	(0.13)	0.82	0.63	0.13
Distributions per unit from: ^{[1][2]}					
Income (excluding dividends)	(0.11)	(0.27)	(0.27)	(0.29)	(0.29)
Canadian dividends	-	-	-	-	-
Foreign dividends	(0.01)	-	-	-	-
Capital gains	-	-	(0.07)	-	-
Return of capital	-	-	-	-	-
Total Distributions per unit	(0.12)	(0.27)	(0.34)	(0.29)	(0.29)
Net Assets per unit, End of Period ^[1]	\$9.45	\$10.53	\$10.92	\$10.43	\$10.09

^[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)

	12 months ended Dec. 31, 2022	12 months ended Dec. 31, 2021	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018
Total net asset value (000's) ^[1]	\$116,395	\$163,369	\$126,961	\$105,928	\$97,056
Number of units outstanding ^[1]	12,311,030	15,521,348	11,626,841	10,156,730	9,622,037
Management expense ratio ^[2]	0.09%	0.11%	0.11%	0.11%	0.11%
Management expense ratio before waivers and absorptions	0.09%	0.11%	0.11%	0.11%	0.11%
Trading expense ratio ^[3]	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ^[4]	39.34%	136.50%	58.51%	66.57%	68.00%
Net asset value per unit ^[1]	\$9.45	\$10.53	\$10.92	\$10.43	\$10.09

^[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.

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

	Period from April 29, 2022 to Dec. 31, 2022
Net Assets per unit, Beginning of Period ^[1]	\$10.00
Increase (decrease) from operations per unit: ^[1]	
Total revenue	0.11
Total expenses	(0.06)
Realized gains (losses)	(0.16)
Unrealized gains (losses)	(0.03)
Total increase (decrease) from operations per unit	(0.14)
Distributions per unit from: ^{[1] [2]}	
Income (excluding dividends)	(0.20)
Canadian dividends	(0.01)
Foreign dividends	(0.02)
Capital gains	-
Return of capital	-
Total Distributions per unit	(0.23)
Net Assets per unit, End of Period ^[1]	\$9.57

^[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)

	Period from April 29, 2022 to Dec. 31, 2022
Total net asset value (000's) ^[1]	\$5
Number of units outstanding ^[1]	515
Management expense ratio ^[2]	0.99%
Management expense ratio before waivers and absorptions	0.99%
Trading expense ratio ^[3]	0.00%
Portfolio turnover rate ^[4]	39.34%
Net asset value per unit ^[1]	\$9.57

^[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.

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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.

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

	Period from April 29, 2022 to Dec. 31, 2022
Net Assets per unit, Beginning of Period ^[1]	\$10.00
Increase (decrease) from operations per unit: ^[1]	
Total revenue	0.14
Total expenses	(0.03)
Realized gains (losses)	(0.14)
Unrealized gains (losses)	(0.51)
Total increase (decrease) from operations per unit	(0.54)
Distributions per unit from: ^{[1][2]}	
Income (excluding dividends)	(0.50)
Canadian dividends	(0.01)
Foreign dividends	(0.04)
Capital gains	-
Return of capital	-
Total Distributions per unit	(0.55)
Net Assets per unit, End of Period ^[1]	\$9.28

^[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)

	Period from April 29, 2022 to Dec. 31, 2022
Total net asset value (000's) ^[1]	\$55
Number of units outstanding ^[1]	5,890
Management expense ratio ^[2]	0.43%
Management expense ratio before waivers and absorptions	0.43%
Trading expense ratio ^[3]	0.00%
Portfolio turnover rate ^[4]	39.34%
Net asset value per unit ^[1]	\$9.28

^[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.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2022

Portfolio Allocation	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
Canadian bonds		Bell Canada Inc.	7.0%
Federal and guaranteed	12.0%	Canada Housing Trust No. 1	6.9%
Provincial and guaranteed	8.5%	Bank of Montreal	5.7%
Corporate	68.6%	Royal Bank of Canada	5.7%
United States Corporate Bonds	5.0%	The Toronto-Dominion Bank	5.6%
Investment Funds	3.7%	Allied Properties Real Estate Investment Trust	5.5%
Short-Term Securities	0.7%	Province of Ontario	5.4%
Other Net Assets	1.5%	Government of Canada	5.1%
		The Bank of Nova Scotia	4.9%
		TELUS Corp.	4.6%
		TMX Group Ltd.	4.2%
		Manulife Bank of Canada	4.0%
		New York Life Global Funding	3.8%
		Sun Life Financial Inc.	3.5%
		Choice Properties Real Estate Investment Trust	2.9%
		Federated Co-operatives Ltd.	2.5%
		Rogers Communications Inc.	2.4%
		OMERS Realty Corp.	2.4%
		Brookfield Corporation	2.0%
		CCL Industries Inc.	2.0%
		BMO Laddered Preferred Share Index ETF	2.0%
		BCI QuadReal Realty	1.9%
		BMO Ultra Short-Term Bond ETF	1.7%
		Province of Quebec	1.6%
		Province of Manitoba	1.5%
		Top 25 Holdings as a percentage of net asset value	94.8%
		Total Net Asset Value	\$116,454,915

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.



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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.

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