

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

GUARDIAN MANAGED BALANCED PORTFOLIO

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 Managed Balanced Portfolio (the “Fund”) aims to achieve a balance between long-term growth of capital and reasonable income through diversified investments in domestic and foreign equity or equity-related securities and fixed-income securities, either long-term or short-term.

The Fund invests in securities of other investment funds managed by Guardian Capital LP, and may also invest in other securities, including exchange traded funds, to achieve its objectives.

Strategic and tactical asset allocation is used to construct a portfolio diversified by investment style, asset class and geographic region. The Fund invests its assets approximately 60% in equity securities and 40% in bonds, indirectly through investments in other Guardian Capital Funds.

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 to medium tolerance for risk, particularly those who seek diversified exposure to equity and fixed income securities and plan to hold their investment for the medium to long term.

Results of Operations

(Please note that this Fund invests all, or substantially all, of its assets in other Guardian Capital Funds [the “Underlying Funds”]. Individual securities referenced in this commentary refer to the securities held in one of the Underlying Funds, not a direct holding of this Fund. 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 12% to \$68.2 million at December 31, 2022 from \$77.7 million

at December 31, 2021. Of this change, a decrease of \$8.4 million was due to investment performance and a decrease of \$1.0 million was attributable to net redemptions.

Series I units of the Fund posted a return of -10.7% for the year. The Fund’s blended benchmark, 40% FTSE Canada Universe Bond Index, 30% S&P/TSX Capped Composite Index and 30% MSCI World Index (Net C\$), returned -9.9% 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.

Market conditions have proven quite challenging in 2022. The war in Ukraine and the ongoing pandemic (COVID lockdowns in China in particular) weighed on global economic momentum and exacerbated supply-side challenges that factored into keeping inflationary pressures stubbornly elevated, and forced central banks to move to rapidly unwind their crisis-era policy stimulus. Elevated costs of living and sharply higher costs of capital have greatly impacted consumer and business sentiment, feeding into reduced economic growth forecasts that raised the risk of the global economy entering a recession – economic activity, however, was resilient overall through 2022 despite headwinds.

This backdrop proved to be particularly difficult for investors as there has been nowhere to hide — all asset classes and regions turned in historically poor performance. That said, resource-focused economies and markets, including Canada, have managed to outperform as commodity prices surged amid geopolitical tensions and constrained supplies.

The negative contributions from asset allocation and security selection in Global equity were the primary factors driving the relative underperformance of the Fund versus its blended benchmark. The Fund’s tactical bias toward corporate credit within fixed income contributed positively to the Fund’s performance as the areas performed better than the broader bond benchmark. The Fund’s exposure to income-oriented equity in the Global allocation made a positive contribution to the Fund’s relative performance as the strategy outperformed the broad stock market benchmark. The Fund’s tactical overweight to Global

equity (the worst performing asset class in 2022) detracted from the Fund's relative performance versus its benchmark. The Fund's tactical bias toward growth strategies in the Global equity allocation detracted from performance, as these underperformed the broader market.

The Fund's large allocation to the Guardian i3 Global Dividend Growth Fund made a material positive contribution to relative performance, as the strategy significantly beat the Global equity benchmark in 2022. The Fund's large exposure to the Guardian Canadian Equity Fund made a positive contribution to relative performance as the strategy kept pace with its benchmark (the top performing asset class). Exposure to the Guardian US Equity All Cap Growth Fund and the Guardian i3 Global Quality Growth Fund each detracted from Fund performance, as these strategies materially underperformed both their asset class benchmark (MSCI World Index) and the Fund's blended benchmark.

The Fund re-established a position in the Guardian Canadian Equity Income Fund in March, to increase exposure to the Energy sector that appeared poised to benefit from the a rise in commodity prices on the back of Russia's invasion of Ukraine and consequent economic sanctions. The weight was taken, in part, from the core position in the Guardian Canadian Equity Fund, which held less exposure to natural resources (particularly Energy). Market rallies through the second half of the year were treated as opportunities to pare back risk exposures, with allocations to equity (particularly the core Global equity strategies held in the Fund). Funds were reallocated to the Guardian Investment Grade Corporate Bond Fund, as this strategy focuses on high quality credit in the middle part of the yield curve, an area that was viewed as being a likely beneficiary of market repricing of over-aggressive rate hike expectations. The move was accretive to Fund relative performance in the period.

The Fund continues to be underweight fixed income and within the asset class, the allocations remain biased toward shorter duration corporate credit (duration of fixed income component of the Fund's portfolio is below the duration of the FTSE Canadian Universe Bond Index). The Fund remains overweight Global equity in its tactical asset allocation, while

Canadian equity is at the Fund's strategic weight, and allocations within both tilt in favour of quality growth strategies.

As this Fund is a fund-of-funds, it does not directly engage in proxy voting or active engagement, this is conducted by the Manager of the Underlying Funds, who 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 Underlying Fund Manager's stewardship approach, and the Underlying Fund's investment team participates in these activities in a manner suitable to the asset class and Underlying Fund. The investment teams of the Manager of the Underlying Funds 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 Underlying Funds' Manager posts its annual proxy voting activities and an annual Responsible Investing report on its website: <https://www.guardiancapital.com/investmentsolutions/>

Recent Developments

Recent macroeconomic developments have been positive and suggest that there may well be a broader runway for policymakers to navigate a "soft landing"; however, the outlook remains risk-laden and highly uncertain. The impact of the (still ongoing) tightening campaign undertaken by a historically broad number of global central banks is likely to become increasingly apparent in the months ahead. Broader concerns about the outlook and perceived elevated recession risks are expected to weigh on spending, investment and hiring plans, and constrain growth momentum. Slower demand growth and further easing of supply chain constraints are expected to combine to see inflationary pressures continue to ebb — inflation rates, however, are expected to remain elevated and prevent central banks from moving away from their restrictive policy stances.

Accordingly, while there is limited further upside in

interest rates anticipated, there are not much reason to anticipate a material decline in rates either.

The persistence of risks and uncertainty surrounding the outlook suggests that the heightened volatility is likely to remain for the foreseeable future — this should provide a support for safe haven assets and headwinds for risk asset performance. That said, the hard reset of valuations in 2022 and pervasive pessimism makes for a more constructive outlook for market performance. Going into the New Year, the Fund continues to favour exposure to global growth equities, as valuations and upside potential are viewed as compelling.

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 0.04% 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 Manager is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange.

The Fund invests all, or substantially all, of its assets in other Guardian Capital Funds (the “Underlying Funds”), which are related issuers. 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 the Underlying Funds and will not pay any

performance fee in respect of any investment in the Guardian Strategic Income Fund.

Management Fees

No management fees are payable or collected for Series I units of the Fund. Series W 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 W management fee is 1.50% 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 year.

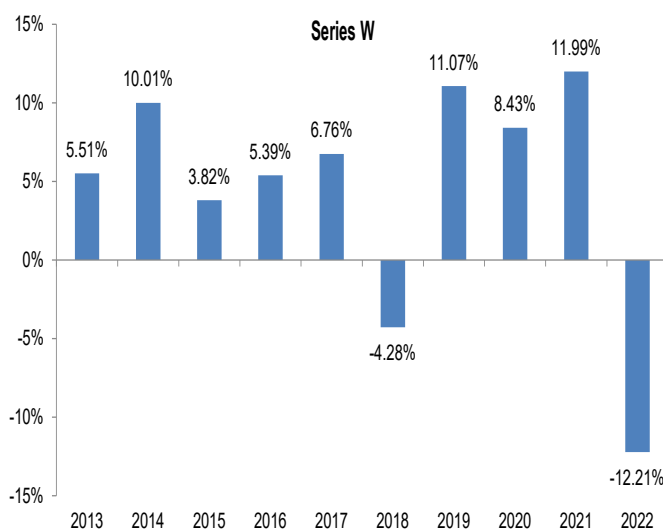
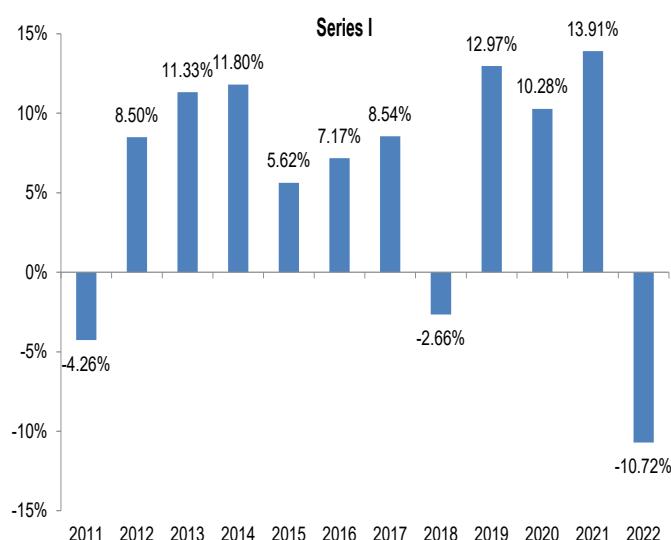
	Series I	Series W
Investment management and other general administration	n/a	33.3%
Trailer Commission	n/a	66.7%

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. 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 tables below show the historical compound returns of the Fund's Series I and Series W units for the periods indicated, as at December 31, 2022. The returns of a broad based market index and a custom benchmark are also shown.

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Series I (%)	-10.72	3.90	4.28	6.55
FTSE Canada Universe Bond Index (%)	-11.69	-2.20	0.27	1.63
Blended Benchmark (%)	-9.93	3.43	4.58	6.54

Inception date - September 30, 1995.

	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
Series W (%)	-12.21	2.15	2.54	n/a	4.75
FTSE Canada Universe Bond Index (%)	-11.69	-2.20	0.27	n/a	1.94
Blended Benchmark (%)	-9.93	3.43	4.58	n/a	6.37

* Inception date - October 1, 2013.

The FTSE Canada Universe Bond Index is designed to be a broad measure of the Canadian investment grade fixed income market.

The Blended Benchmark for Guardian Managed Balanced Portfolio is based on the target weighting of the Underlying Funds and their respective market indices. The Blended Benchmark is comprised of the following:

- 40% FTSE Canada Universe Bond Index - a broad measure of the Canadian investment grade fixed income market.
- 30% MSCI World Index (C\$) - a broad measure of both large and mid cap equities across Developed Countries.
- 30% S&P/TSX Capped Composite Index - a broad measure of the largest companies listed on the Toronto Stock Exchange, with the relative weighting of each stock capped at 10%.

Prior to November 1, 2020, the benchmark was as follows: 40% FTSE Canada Universe Bond Index, 34% S&P/TSX Capped Composite Index, 26% MSCI World Total Return Index (Net C\$).

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]	\$17.47	\$15.84	\$15.24	\$14.23	\$15.26
Increase (decrease) from operations per unit: ^[1]					
Total revenue	0.43	0.30	0.32	0.40	0.41
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	0.39	0.71	0.88	0.42	0.19
Unrealized gains (losses)	(2.70)	1.20	0.36	1.05	(0.98)
Total increase (decrease) from operations per unit	(1.89)	2.20	1.55	1.86	(0.39)
Distributions per unit from: ^{[1][2]}					
Income (excluding dividends)	(0.13)	(0.09)	(0.10)	(0.15)	(0.16)
Canadian dividends	(0.13)	(0.09)	(0.08)	(0.14)	(0.14)
Foreign dividends	(0.09)	(0.13)	(0.12)	(0.11)	(0.10)
Capital gains	(0.54)	(0.26)	(0.66)	(0.44)	(0.22)
Return of capital	-	-	-	-	-
Total Distributions per unit	(0.89)	(0.57)	(0.96)	(0.84)	(0.62)
Net Assets per unit, End of Period ^[1]	\$14.71	\$17.47	\$15.84	\$15.24	\$14.23

^[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]	\$65,681	\$74,819	\$68,115	\$63,300	\$58,791
Number of units outstanding ^[1]	4,466,431	4,282,332	4,300,968	4,154,113	4,130,355
Management expense ratio ^[2]	0.20%	0.20%	0.18%	0.18%	0.19%
Management expense ratio before waivers and absorptions	0.20%	0.20%	0.18%	0.18%	0.19%
Trading expense ratio ^[3]	0.00%	0.03%	0.06%	0.04%	0.05%
Portfolio turnover rate ^[4]	26.77%	18.98%	58.75%	11.37%	10.71%
Net asset value per unit ^[1]	\$14.71	\$17.47	\$15.84	\$15.24	\$14.23

^[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 W)

	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]	\$11.87	\$10.77	\$10.39	\$9.70	\$10.39
Increase (decrease) from operations per unit: ^[1]					
Total revenue	0.29	0.21	0.23	0.27	0.28
Total expenses	(0.19)	(0.20)	(0.18)	(0.18)	(0.18)
Realized gains (losses)	0.26	0.50	0.61	0.28	0.13
Unrealized gains (losses)	(1.84)	0.80	0.54	0.74	(0.69)
Total increase (decrease) from operations per unit	(1.48)	1.31	1.20	1.11	(0.46)
Distributions per unit from: ^{[1][2]}					
Income (excluding dividends)	(0.01)	-	(0.02)	(0.04)	(0.04)
Canadian dividends	(0.02)	(0.01)	(0.01)	(0.03)	(0.04)
Foreign dividends	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)
Capital gains	(0.40)	(0.17)	(0.44)	(0.29)	(0.15)
Return of capital	-	-	-	-	-
Total Distributions per unit	(0.44)	(0.19)	(0.49)	(0.39)	(0.25)
Net Assets per unit, End of Period ^[1]	\$10.02	\$11.87	\$10.77	\$10.39	\$9.70

^[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 W)

	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, 2019
Total net asset value (000's) ^[1]	\$2,529	\$2,848	\$2,553	\$1,509	\$1,421
Number of units outstanding ^[1]	252,465	239,886	237,005	145,253	146,497
Management expense ratio ^[2]	1.89%	1.90%	1.88%	1.87%	1.87%
Management expense ratio before waivers and absorptions	1.89%	1.90%	1.88%	1.87%	1.87%
Trading expense ratio ^[3]	0.00%	0.03%	0.06%	0.04%	0.05%
Portfolio turnover rate ^[4]	26.77%	18.98%	58.75%	11.37%	10.71%
Net asset value per unit ^[1]	\$10.02	\$11.87	\$10.77	\$10.39	\$9.70

^[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
Bond Funds	30.4%	Guardian Investment Grade Corporate Bond Fund, Series I	18.5%
Canadian Equity Funds	28.2%	Guardian i3 Global Dividend Growth Fund, Series I	17.0%
Global Equity Funds	37.2%	Guardian Canadian Equity Fund, Series I	12.2%
Other net assets	4.2%	Guardian Canadian Bond Fund, Series I	11.9%
		Guardian Fundamental Global Equity Fund, Series I	10.9%
		Guardian Canadian Growth Equity Fund, Series I	8.3%
		Guardian i3 Global Quality Growth Fund, Series I	7.0%
		Guardian Canadian Focused Equity Fund, Series I	5.3%
		Guardian Canadian Equity Income Fund, Series I	2.4%
		Guardian U.S. Equity All Cap Growth Fund, Series I	2.3%
		Top 25 Holdings as a percentage of net asset value	95.8%
		Total Net Asset Value	\$68,210,302

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.



GUARDIAN CAPITAL

GUARDIAN CAPITAL LP

199 Bay Street, Suite 2700
Commerce Court West, P.O. Box 201
Toronto, Ontario
M5L 1E8

www.guardiancapital.com/investmentsolutions



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.

Guardian, Guardian Capital and the Guardian gryphon design are trademarks of Guardian Capital Group Limited, registered in Canada and used under licence.