

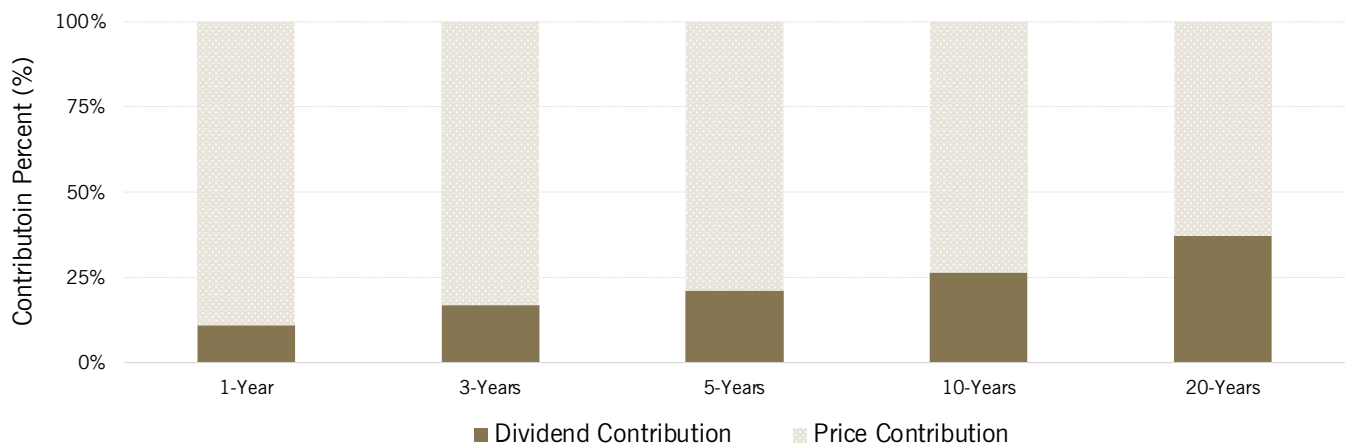
Earning Income through Quality Canadian Firms

The Guardian Canadian Equity Income Fund seeks to provide exposure to Canadian high-quality dividend-paying equities

Dividends and Income Investing

Dividend stocks, which are dividend-paying companies with their stocks listed on an exchange, have always been a foundational component of income investing (i.e., focusing on buying investments that can generate an ongoing cash flow), particularly for long-term investors, as they are reflective of companies that generate sustainable cash flow from their business operations. In observing the performance of the S&P/TSX Composite Index over the past two decades (**Figure 1**ⁱ), dividends have been a seminal contributor to the market's overall return; making them a good investment option for wealth generation.

Figure 1: Dividend Contribution to the overall Returns of the S&P/TSX Composite Index



Source: Guardian Capital LP, based on data from Morningstar Direct, for the period: Jan. 1, 2006 to Dec. 31, 2025 and is based on the weighted average of the dividends and price returns from the companies listed on the exchange overtime.

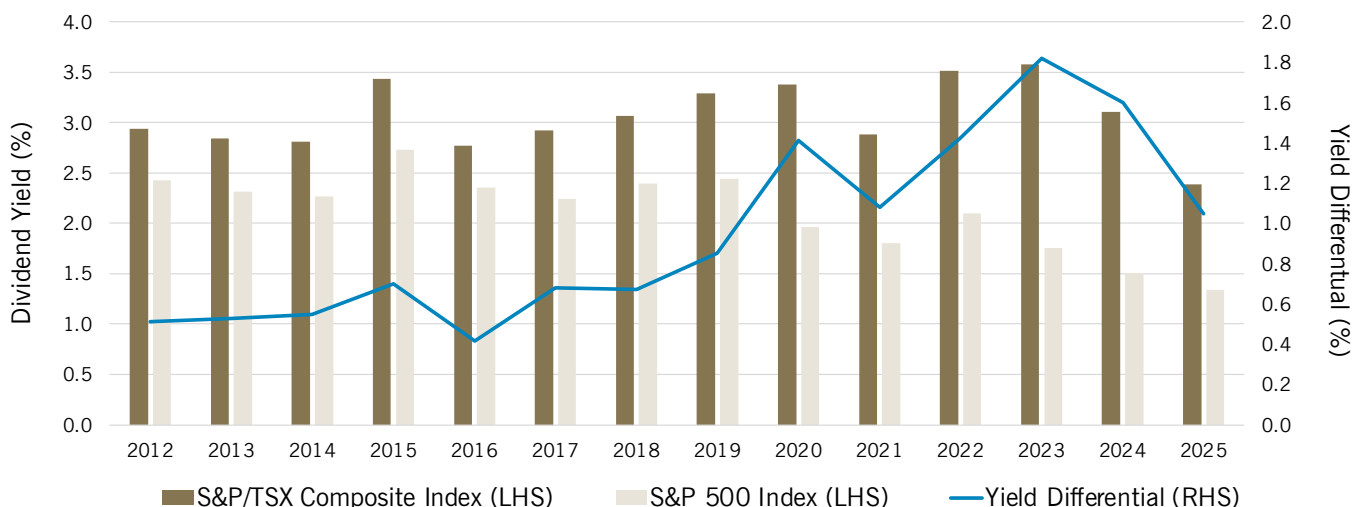
The Current Opportunity in Canadian Dividend Equities

In recent years, the dividend profile of Canadian equities has been extremely attractive, particularly when contrasted against U.S. equities (**Figure 2**). In looking at the data, the yield differential* has widened, due to the noticeable decline in U.S. equity dividend yield* as share buybacks* have increased in popularity as the means of returning cash to shareholders. The relative attractiveness of Canadian dividend-paying equities, at this juncture, is an opportunity supported by strong fundamentals and earnings growth of Canadian firms.

ⁱ Methodology: The S&P/TSX Composite Index Total Returns are split into dividends (reinvested income) and price (capital growth). The dividend contribution is the difference between the Index's Total Return and Price Return, expressed as a percentage of the Total Return.

* Please refer to the Definitions of Financial Terms found on the last page for descriptions of key financial terms.

Figure 2: Annual Dividend Yield Comparison: S&P/TSX Composite Index vs. S&P 500 Index

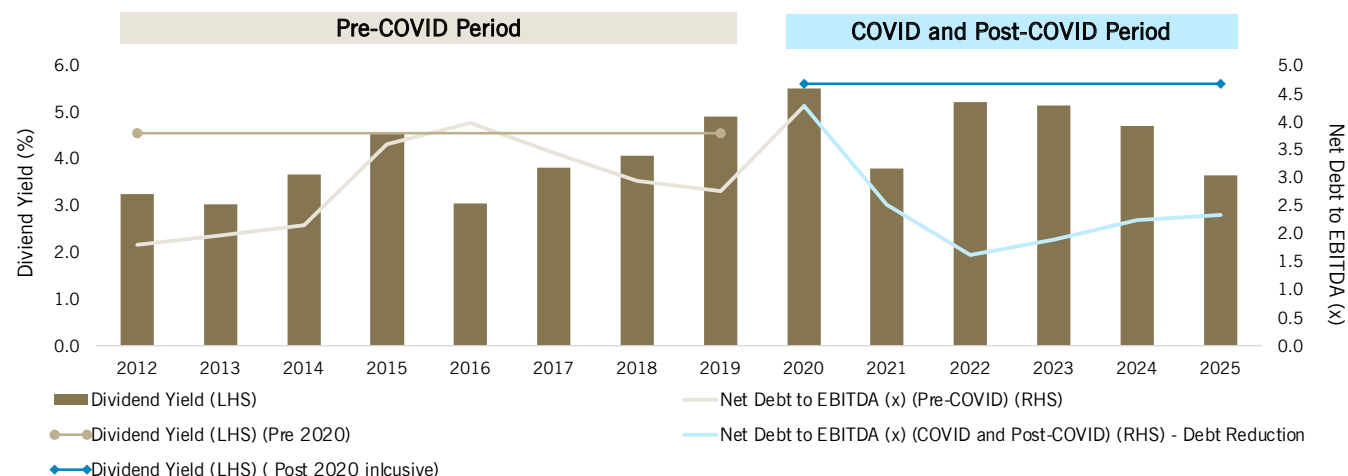


LHS: Left-Hand Side - Dividend Yield (%). RHS: Right-Hand Side - Yield Differential (%). Source: Guardian Capital LP based on data from Factset for the calendar years from: 2012 to 2025 and is based on the weighted average of the dividends from the companies listed on each exchange overtime.

Furthermore, recent sector developments, specifically rising commodity prices, have benefited companies in the Energy and Materials sectors, enabling them to reduce their debt levels and improve free cash flow generation. The reduction of outstanding debt strengthens the balance sheet of these firms, lowering their interest expenses and allowing for better financial flexibility. In turn, reduced debt obligations increases a firm's free cash flow, providing the opportunity to return value to shareholders through consistent dividend payments.

In recent years, the Canadian Energy sector has truly exemplified this scenario and rewarded dividend investors, as many energy producers have concentrated on reducing debt and managing their operations more efficiently, allowing them to return capital to shareholders in the form of dividends. As illustrated in **Figure 3** the Energy sector's Net Debt to EBITDA* (Earnings Before Interest, Taxes, Depreciation, and Amortization) ratio, which measures a company's ability to pay off its incurred debt using its operating earnings, fell considerably after 2020, reflecting the success of debt reduction efforts being made by companies within the sector. In the immediate 'post-COVID' environment (i.e., 2021) numerous companies, including Energy companies, reduced or paused their dividend payments for capital preservation. However, as time progressed, dividends were reinstated. As a result of Energy companies being in a better financial position post-COVID, the sector's average dividend yield (i.e., 2020 to 2025) is higher than the years prior (2012 to 2019).

Figure 3: Canadian Energy Sector: Dividend Yield and Debt Management

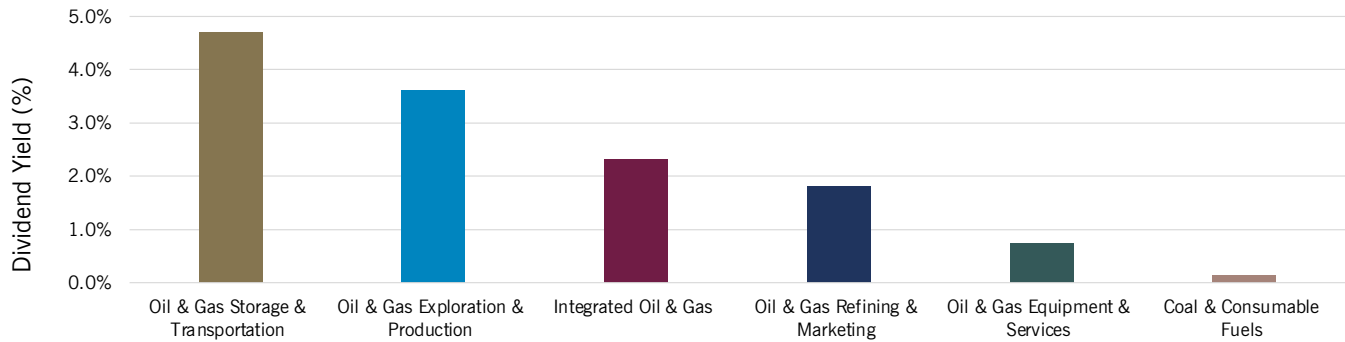


Source: Guardian Capital LP based on data from Factset for the calendar years 2012 to 2025 and is based on the weighted average of the dividends from the companies listed on the Toronto Stock Exchange overtime.



Looking deeper into the Canadian Energy sector, it is worth noting that the dividend yield of some energy companies (**Figure 4**) are more notable than others, due to the industry's division into three distinct segments: Upstream (Oil & Gas Exploration & Production and Oil & Gas Equipment & Services), Midstream (Oil & Gas Storage & Transportation), and Downstream (Oil & Gas Refining & Marketing).

Figure 4: 12 Month Dividend Yield: Oil and Gas Industry Segments



Source: Guardian Capital LP based on data from Bloomberg. Data as of April 2026 and is based on the weighted average of the dividends from the companies within the Energy sector listed on the Toronto Stock Exchange.

Integrated Oil & Gas: Companies that operate across all three sectors (Upstream, Midstream, and Downstream) simultaneously.

Coal & Consumables Fuels: A separate fossil fuel category outside the core oil and gas value chain.

Midstream Energy companies have exhibited a particularly strong dividend yield, with a demonstrated history of maintaining and increasing their dividend payments. Given that Midstream companies often employ a fee-based business model, they typically do not own the oil or gas that moves through their infrastructure. Furthermore, they generally sign long-term contracts (5 to 20 years) with their customers, which provides stable cash flow. In addition to raising their regular dividends (i.e. quarterly), some of these Energy companies have also paid additional 'special' one-time dividends.

Upstream Energy companies have also been a material dividend contributor in this sector, due to their strategic focus on cost reduction and production efficiency. In recent years, the operational efficiencies Canadian oil and gas companies have achieved in unlocking the economic value of Canada's oil sands have benefitted shareholders of these companies.

A History of Consistent Dividend Payers in Several Sectors

While the Canadian Energy sector has shown to be a strong dividend contributor in recent years, other sectors have established a reputation for consistent dividend payments and growth. In examining the Canadian equities landscape of companies listed on the Toronto Stock Exchange, the Communication Services, Real Estate, Utilities, and Financials sectors have all demonstrated their capability for strong dividend payments. The Financials sector (**Figure 5a**) has been a consistent dividend contributor in recent years, with a relatively consistent yield. Both the Utilities (**Figure 5b**) and Real Estate (**Figure 5c**) sectors have been mainstays of income investing, due to the regulated or contracted nature of their cashflows. In the Communications Services sector (**Figure 5d**), given the high degree of concentration and mature nature of the incumbent firms, returning cash via dividends has become commonplace.

**Figure 5a: Financial Sector:
Dividend Yield and Payout Ratio**

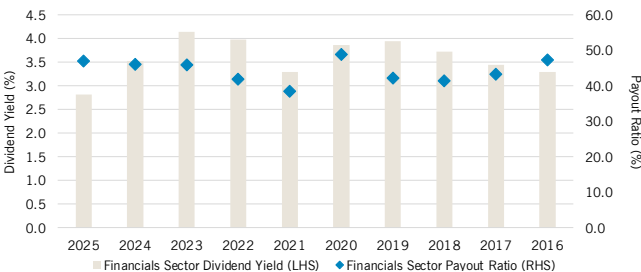
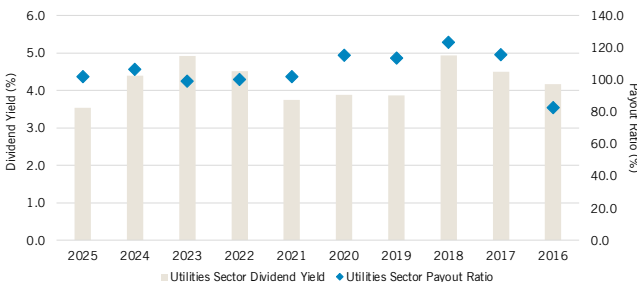


**Figure 5b: Utilities Sector:
Dividend Yield and Payout Ratio**



Source: Guardian Capital LP based on data from Factset for the calendar years 2016 to 2025 and is based on the weighted average of the dividends from the companies within the respective sector listed on the Toronto Stock Exchange overtime.



**Figure 5c: Real Estate Sector:
Dividend Yield and Payout Ratio**

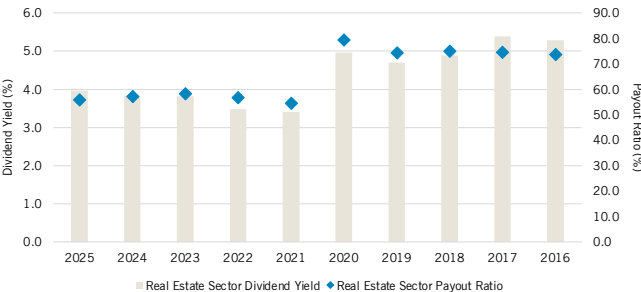
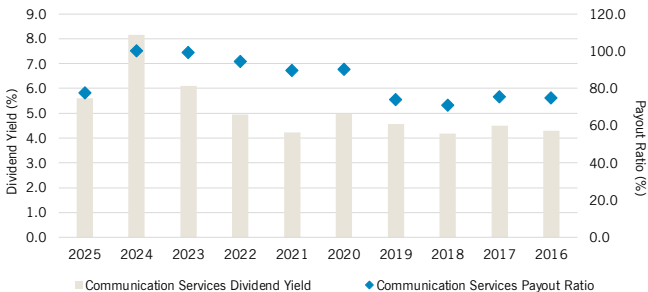


**Figure 5d: Communications Services Sector:
Dividend Yield and Payout Ratio**



Source: Guardian Capital LP based on data from Factset for the calendar years 2016 to 2025 and is based on the weighted average of the dividends from the companies within the respective sector listed on the Toronto Stock Exchange overtime.

Earning Income through Quality Canadian Firms

The Guardian Canadian Equity Income Fund seeks to provide investors with exposure to Canadian companies that pay stable or growing dividends, which the Manager believes can provide compelling risk-adjusted returns.

Utilizing the S&P/TSX Composite Index as the initial investable universe, the Manager applies a double-screen criteria looking at the top 75% of dividend-yielding securities and then screening out securities that fall below \$1 billion market capitalization, at time of initial purchase, to ensure proper liquidity and to help control risk. These two screens create an investable universe of approximately 130 securities.

The Manager then applies a fundamental, bottom-up analysis to evaluate each company, assessing the sustainability and growth of cash flows and balance sheet strength; while also considering factors such as management track record, corporate governance, and industry dynamics. The comprehensive nature of the Manager’s evaluation seeks to identify high-conviction companies, where a competitive advantage is present, an experienced management team is at the helm, and moderate to higher levels of growth in free cash flow is evident, all of which can support dividend increases in the future.

For investors, the Manager’s underlying investment approach seeks to establish an investment solution capable of generating stable and growing dividend income, with an attractive total return potential, by investing primarily in Canadian dividend-paying common equities, alongside other income-producing equity securities, such as Real Estate Investment Trusts (REITs) or other flow-through securities.

Key Reasons to Invest

The Manager seeks to achieve the Fund’s investment objectives by focusing on these core characteristics:

Stable and Diversified Income

Broadly diversified across the Canadian equity landscape, with a focus on dividend-paying companies that have consistently grown their dividend payments over time.

Quality Focused

Companies held within the Fund have historically exhibited a profile of stable and predictable revenue and cashflow, thus, are able to maintain and grow their dividends over time; to the benefit of investors.

Capital Preservation

Through active management, the Manager aims to control risk and help to defend against drawdowns, through diversification and fundamental equity research.

Fund Details

S&P/TSX
Composite
Index
Benchmark

GCEI
ETF Ticker

GCG 663
Series F
Mutual Fund Code

GCG 563
Series A¹
Mutual Fund Code

Monthly
Distribution²

0.50%
ETF Management Fee

0.50%
Series F
Management Fee

1.50%
Series A
Management Fee

Medium
Risk Classification

Learn how the
Guardian Canadian Equity Income Fund
can fit into your portfolio.

Explore the Fund's Series by clicking the links below:

[Series A](#)

[Series F](#)

[ETF Series](#)

¹ On February 24, 2026, the Fund redesignated Series W Units as Series A Units, and launched Series F and ETF Units.

² On April 1, 2026 the Fund changed its distribution frequency from quarterly to monthly.



Definition of Financial Terms

Yield Differential refers to the difference in yields between two financial instruments, such as bonds, securities, or interest-bearing assets

Dividend Yield refers to expected dividend-per-share divided by the current share price. The estimate is determined by either an internal estimate of the growth rate, or a third-party estimate. If the third-party estimate is negative, or if there is no third-party estimate and the current value is negative, no value is calculated.

Share Buybacks (also called stock repurchases) occurs when a company buys back its own shares from the open marketplace using its own cash.

Net Debt to EBITDA is a leverage ratio that measures a company's ability to pay off its debts using its core operating profits.



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Returns are presented in CAD, unless otherwise indicated.

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