

Guardian Strategic Income Fund

Fixed income for a full-market cycle

6.6%
Yield¹

Guardian Strategic Income Fund is a liquid alternative mutual fund² focused on generating attractive, stable income and capital appreciation from credit securities, such as fixed-income or debt securities, corporate bonds, loans, hybrids, bank capital instruments and convertible securities.

The strategy will use derivatives with the aim to reduce volatility and correlation to traditional fixed income. The Manager seeks to deliver an absolute return profile that generates positive returns regardless of fixed income market conditions.

Key reasons to invest:



HIGH INCOME

Seeks to generate monthly income that is generally higher than traditional investment grade fixed income



RISK MITIGATION

Seeks to preserve capital by hedging against systemic risks, with low volatility and low correlation to traditional bond and equity markets



ACTIVE AND FLEXIBLE

Opportunistic approach to security selection across a broad investable universe, tactically taking advantage of yield curve and credit spread dynamics

¹ Distribution Yield shown is the twelve-month trailing distribution yield of Series F (net of fees), as a percentage of its NAV as at June 30, 2024.

² This Fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this Fund from other types of mutual funds include borrowing cash, engaging in short selling and investing in specified derivatives. While these strategies will be used in accordance with the Fund's objectives and strategies, during certain market conditions they may accelerate the pace at which your investment changes in value. The Fund also pays the Manager a Performance Fee equal to 15% of the amount by which the Investment Performance of the applicable series of Units exceeds the aggregate of the High Water Mark and the cumulative Hurdle Amount during the Performance Period. Please refer to the Fund's prospectus for additional details.

A liquid alternative strategy aiming to dampen volatility

Many liquid alternative strategies use leverage and options aiming to increase the return of their strategy, which usually corresponds with an increase in risk. This Fund generally aims to employ derivatives for hedging (rather than speculative) purposes, seeking to primarily reduce volatility associated with macro factors.

How could this Fund fit within a portfolio?



Income-enhancer to complement traditional core fixed income exposure



Volatility-reducer relative to traditional high yield exposure, through its tactical ability to hedge credit, interest rate and currency risk



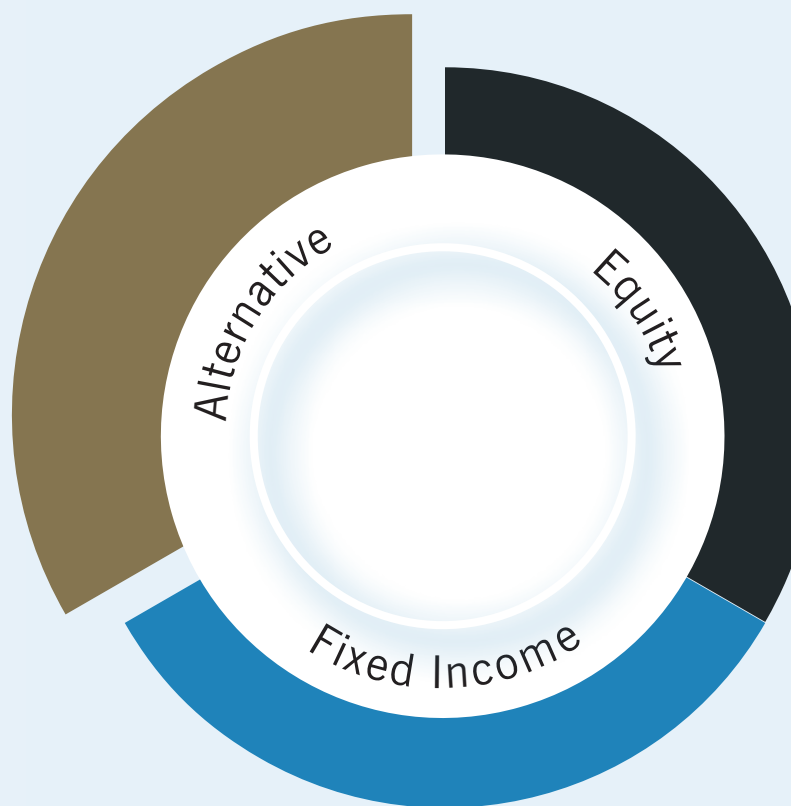
Alternative to balanced fund allocation, as it seeks to deliver higher yield and returns than traditional fixed income with less volatility than equities



Liquid alternative solution that provides investors enhanced access to their capital relative to other, less liquid alternatives (i.e. private markets)



Diversifier that aims to provide the benefit of low correlation to traditional bond and equity markets



Strategies utilized that make the Fund unique

ACTIVE RISK MANAGEMENT

Tactical hedging of: Interest rates | Credit spreads | Currency | Volatility

GO-ANYWHERE APPROACH

Unconstrained credit strategy that aims to identify the most attractive risk-adjusted opportunities

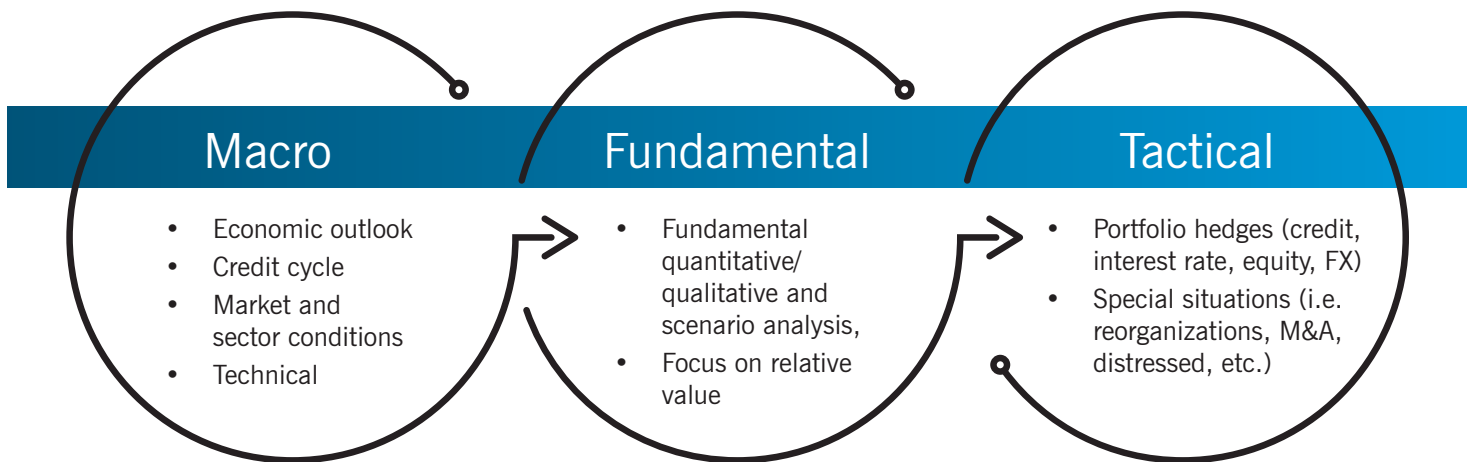
DIVERSIFIED SOURCES OF RETURN

Active credit selection | Duration/yield curve positioning | Income generating stocks (maximum 10%)



Portfolio selection process

Guardian Strategic Income Fund is a flexible mandate with numerous levers at its disposal that aim to generate attractive risk-adjusted returns. It invests primarily in high yield credit securities that the Manager believes have attractive risk-adjusted internal rate of return. At the same time, it tactically employs hedging to help mitigate downside risks associated with credit exposure (i.e. default risk).



"Our team is focused on in-depth credit analysis seeking to uncover mispriced securities with overlooked or misunderstood catalysts for value realization. Our ability to consistently find these hidden gems has been instrumental in delivering on our objectives for over a decade."

DERRICK KNIE, CFA, M.Fin
Portfolio Manager | 29 years of experience

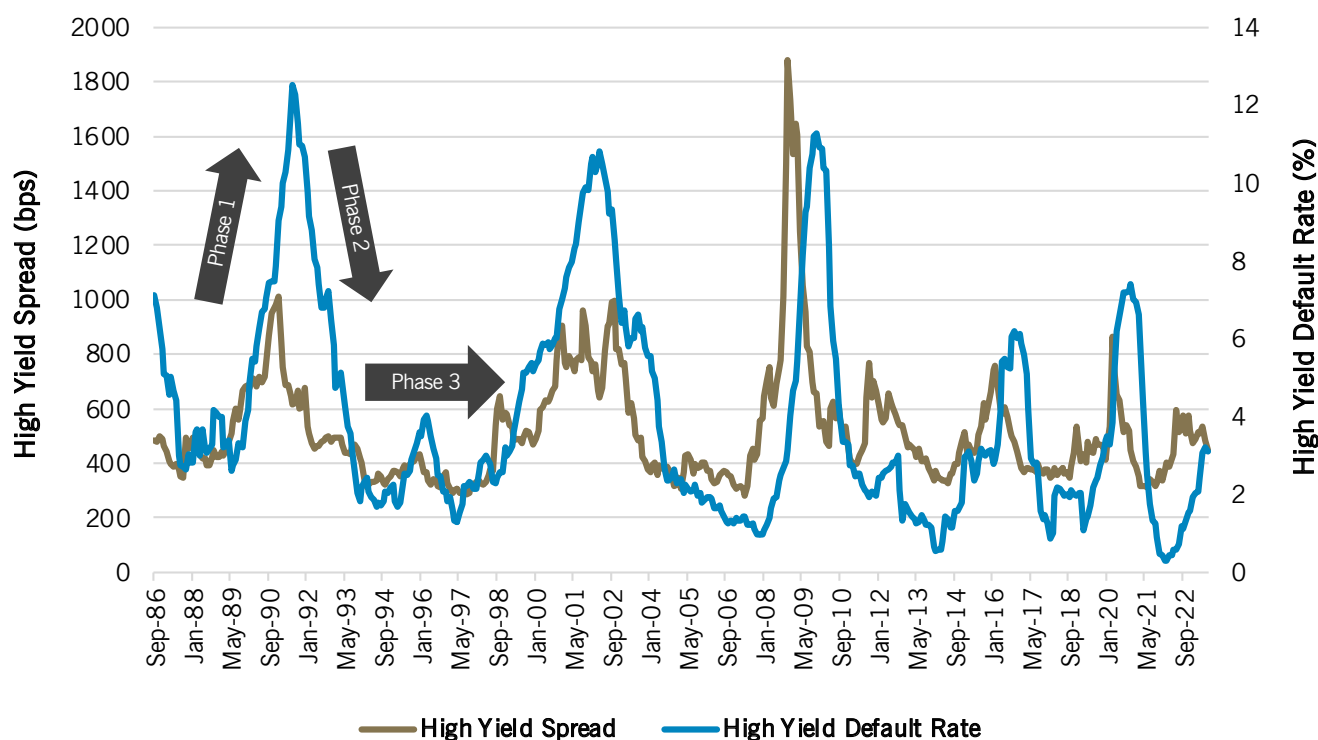


The credit market cycle

Credit market cycles are different from equity cycles, as they are sometimes driven by macro-economic shocks and adverse monetary conditions rather than forward looking earnings. Different fixed income securities tend to generate different return profiles at different phases of the credit cycle. For example, high yield credit can generate attractive returns through a full cycle but can experience certain periods of higher volatility versus investment grade bonds.

The Manager of the Guardian Strategic Income Fund will generally seek to have meaningful exposure to high yield credit but can dynamically shift exposure using other fixed income securities or derivatives to attenuate volatility during these periods.

How the Fund manages credit through each phase of the cycle



PERIOD	ENVIRONMENT	TIME FRAME	STRATEGY	ACTION
Phase 1	Deteriorating (spreads widening)	Typically short-term	Defensive	Focus on capital preservation
Phase 2	Recovery (spreads tightening)	Typically short-term	Add Risk / Build Positions	Collect strong income and capital gains
Phase 3	Stable	Longer lasting	Collect / Monitor	Collect strong income and capital gains

Example for Illustrative Purposes Only.

Source: GCLP based on data from ICE BofA and S&P as of June 30, 2023.

High Yield Spread: ICE BofA High Yield Index Yield less Generic 10 Year US Government Yield.

High Yield Default Rate: Prior to October 2012 uses S&P High Yield Default Rate. After October 2012 uses BofAML High Yield Default Rate.



Fees and fund codes

Contact us today to learn more
about the Guardian Strategic
Income Fund

	SERIES A	SERIES F
Management Fee	1.85%	0.85%
Performance Fee*	15% above high-water mark and hurdle amount	
Hurdle Rate	Chartered banks 5-year GIC rate + 100bps as of prior year	

* High Water Mark is the highest Series NAV per Unit on any prior valuation day.
Hurdle Amount is the product of the Hurdle Rate multiplied by the High Water Mark for that series.
Please refer to the Fund's prospectus for additional details.



GUARDIAN CAPITAL™



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