Guardian

GUARDIAN CAPITAL GROUP LIMITED
Report to Shareholders

THIRD QUARTER
SEPTEMBER 30, 2023

Enriching Lives Together

TO OUR SHAREHOLDERS:

We present below a summary of the Company's operating results for the periods ended September 30, 2023 and 2022. All per share figures disclosed below are stated on a diluted basis.

For the periods ended September 30, *($ in thousands, except per share amounts)*	**Three months** **2023**	2022 *restated*	**Nine months** **2023**	2022 *restated*
Net revenue	**$ 62,611**	$ 48,434	**$ 178,937**	$ 150,314
Operating earnings	**18,474**	10,419	**46,752**	35,330
Net losses	**(17,358)**	(21,148)	**(2,960)**	(122,442)
Net earnings (loss) from continuing operations	**(2,270)**	(11,582)	**35,704**	(84,821)
Net earnings from discontinued operations	**--**	5,034	**553,743**	15,864
Net earnings (loss)	**(2,270)**	(6,548)	**589,447**	(68,957)
EBITDA [(1)]	**$ 24,611**	$ 15,590	**$ 65,181**	$ 49,356
Adjusted cash flow from operations [(1)]	**21,568**	17,034	**55,568**	43,511
Attributable to shareholders:				
Net earnings (loss) from continuing operations	**$ (2,506)**	$ (11,780)	**$ 34,753**	$ (86,187)
Net earnings (loss)	**(2,506)**	(7,608)	**496,242**	(73,044)
EBITDA [(1)]	**23,985**	14,801	**62,683**	46,362
Adjusted cash flow from operations [(1)]	**20,971**	16,203	**53,051**	40,415
Per share amounts (diluted):				
Net earnings (loss) from continuing operations	**$ (0.11)**	$ (0.49)	**$ 1.40**	$ (3.53)
Net earnings (loss)	**(0.11)**	(2.85)	**19.40**	(2.68)
EBITDA [(1)]	**1.02**	0.61	**2.49**	1.90
Adjusted cash flow from operations [(1)]	**0.89**	0.67	**2.12**	1.65

As at *($ in millions, except per share amounts)*	**2023 September 30**	2022 December 31	2022 September 30 *Restated*
Assets under management	**$ 52,310**	$ 49,587	$ 47,814
Assets under advisement	**3,905**	3,716	3,787
Total client assets	**56,215**	53,303	51,601
Shareholders' equity	**$ 1,201**	$ 768	$ 743
Securities	**1,276**	660	651
Per share amounts (diluted):			
Shareholders' equity [(1)]	**$ 47.54**	$ 29.43	$ 28.74
Securities [(1)]	**50.49**	25.31	25.16

Summary

The Company is reporting total clients assets of $56.2 billion as at September 30, 2023, which include assets under management and assets under advisement. This is a 5% increase from $53.3 billion as at December 31, 2022, and a 9% increase from $51.6 billion reported as at September 30, 2022.

The Operating earnings were $18.5 million for the quarter ended September 30, 2023, a 77% increase from $10.4 million in the same quarter in the prior year. The increase in Operating earnings includes over $8.4 million in interest income earned largely on the proceeds of disposition of the Worldsource Business. EBITDA[(1)] was $24.6 million for the current quarter, compared to $15.6 million in the same quarter in the prior year.

As a reminder to the readers, with the Company's decision to sell the Worldsource Businesses, a financial measure Net earnings from discontinued operations was introduced in the fourth quarter of 2022. All revenues and expenses associated with those businesses were netted into this one line. The Net earnings from the remaining businesses is presented as Net earnings from continuing operations. As a result, the comparative periods have been restated to reflect this presentation format.

Net revenue for the current quarter was $62.6 million, a 29% increase from $48.4 million in the same quarter in the prior year. Increase was driven by the higher interest income earned, as stated above, along with an increase in net management and advisory fee revenue, consistent with the rise in total client assets, including a full quarter's net revenue contribution from Rae & Lipskie in the current quarter compared to only one month's revenue in the comparative period. Operating expenses were 16% higher in the current quarter at $44.1 million, compared to $38.0 million in the same period in the prior year. The increases were largely the result of the full quarter's inclusion of expenses associated with Rae & Lipskie, increased interest expense due to rise in interest rates, increased strategic investments into our additional anticipated growth sources for the future, including increased technology expenditures to support these businesses, and the effects of bearing certain costs which were recovered from Worldsource in prior periods.

Net losses in the current quarter were $17.4 million, compared to Net losses of $21.1 million in the same quarter in the prior year, which largely reflect the changes in fair values of the Company's Securities portfolio, consistent with performance of the global financial markets.

Net loss attributable to shareholders was $2.5 million in the current quarter, compared to $7.6 million in the comparative period.

Adjusted cash flow from operations(1) for the current quarter was $21.6 million, compared to $17.0 million in the comparative period. During the current quarter, the Company returned to shareholders $8.5 million in dividends and $8.3 million in share buybacks.

The Company's Shareholders' equity as at September 30, 2023 was $1,201 million, or $47.54 per share(1), compared to $768 million, or $29.43 per share(1) as at December 31, 2022.

The Board of Directors is pleased to have declared a quarterly eligible dividend of $ per share, payable on January 18, 2024, to shareholders of record on January 11, 2024.

(1) These terms do not have standardized measures under International Financial Reporting Standard ("IFRS"). These non-IFRS measures used by the Company are defined in the quarterly Management's Discussion and Analysis, including a reconciliation of these measures to their most comparable IFRS measures. Certain of the names of these measures were amended to include the words "attributable to shareholders" to better describe the measures.

CAUTION CONCERNING FORWARD-LOOKING INFORMATION

Certain information included in this Report to Shareholders constitutes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Forward-looking information in this Report to Shareholders includes, but is not limited to, statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. Such forward-looking information reflects management's beliefs and is based on information currently available. All forward-looking information in this Report to Shareholders is qualified by the following cautionary statements.

Although Guardian Capital Group Limited ("Guardian") believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause Guardian's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: general economic and market conditions, including interest rates, business competition, changes in government regulations or in tax laws, the duration and severity of pandemics, such as COVID-19, military conflicts in various parts of the world as well as those risk factors discussed or referred to in Guardian's Management's Discussion and Analysis and the other disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this Report to Shareholders is presented as of the preparation date of this Report to Shareholders and should not be relied upon as representing Guardian's views as of any date subsequent to the date of this Report to Shareholders. Guardian undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

NOTICE TO SHAREHOLDERS

Guardian's Board of Directors appoints independent auditors to audit Guardian's annual Financial Statements. Under Canadian securities laws (National Instrument 51-102), if an auditor has not reviewed the interim Financial Statements, this must be disclosed in an accompanying notice.

Guardian's independent auditor has not performed a review of these interim consolidated Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

Commentary

Market Recap

Global growth momentum has slowed fairly notably this year, from the earlier rates of growth which had been boosted following the COVID re-opening. However, it remains the case that overall growth is still positive, albeit with different degrees of verve, with the US growing faster than the Eurozone and Canada, and still generally signifying growth at below-trend rates.

Monetary and fiscal tightening worldwide has been a significant headwind to all economic growth, but some of the most concerning news has come out of China, which has become a notable source of risk for the broader global economic outlook. For the last three decades, China has been the most reliable and significant source of global growth, but this may be ending. Tensions between the world's second-largest economy and the US remain at a simmer, as the former seeks to increase its role on the global stage. The outcome of next year's US election could see relations turn for the worse. Further, the shift in China's regulatory environment and rising hostility toward foreign businesses in the name of national security have weighed on sentiment and provided the motivation for companies to diversify their supply chains to the detriment of the Middle Kingdom. As a result, foreign direct investment in China hit its lowest levels since at least 1998, three years before China joined the World Trade Organization, as recently reported for the three months ended June, 2023. The increased reliance on production outside China, combined with a general pullback in demand for goods globally following the post-pandemic boom, has factored into a slump in exports this year that has weighed on production in the country's important factory sector. The softness in China's externally-focused economic segments has compounded its more homegrown issues, such as its vulnerable real estate markets, previously a major focus of domestic investment and source of strength, have struggled as affordability impaired demand and put pressure on highly levered developers. This, in turn, spurred a crisis in confidence among would-be buyers that has driven a sustained decline in activity and prices. The resulting negative wealth impact is a factor behind the lackluster performance of China's consumer sector and financial markets since the start of the year.

The aggregated purchasing managers' indexes ("PMI"), a common gauge for the manufacturing sector, fell to their lowest levels of the year in the latest quarter, and has been in contractionary territory for 13-months running. While worldwide PMIs indicate factory activity worldwide is contracting, it has been doing so at a slower rate over the last few months. For example, the developed market aggregate hit a four-month high in September, while measures for the emerging markets treaded water, modestly above the growth break-even threshold. The firming corresponds with a moderate pickup in global capital expenditure plans. Nowhere is this more evident than in the US, where there has been a surge of spending on factory construction, particularly for computers, electronics and electrical manufacturing, following the introduction of the Infrastructure Investment and Jobs Act, the Inflation Reduction Act and the CHIPS Act. Real investment in this area has more than doubled since the end of 2021 and helped to partially offset the weakness seen in other components.

For now, at least, overall growth remains positive, and the key drivers of the better-than-anticipated performance of the last few years remain in place, with limited signs of faltering.

Investment Management

In the third quarter, Guardian's investment products, along with the broader fixed income and equity markets, generally experienced negative returns. Institutional assets under management ("AUM") declined slightly to $47.0 billion from $47.3 billion at the end of the second quarter. Negative market performance impact was partially offset by net inflows. Over the past while, Guardian has witnessed, and continues to experience, changes in investment and asset allocation approaches by our clients, in response to the changing investment environments. With higher interest rates, Guardian has benefited from clients allocating more assets into fixed income strategies. Agincourt, our Richmond, Virginia-based fixed income manager, experienced a $1.8 billion CAD inflow of new assets from existing clients near the end of the current quarter. This was partially offset by negative outflows of $1.1 billion CAD from our equity strategies in the latter half of the quarter, as a result of clients reducing their equity allocations or internalizing their asset management capabilities. The diversity of our product offering provides us with the ability to be more resilient during these uncertain times.

In past quarters, we have discussed our initiative to build our Guardian Smart Infrastructure Management ("GSIM") capabilities. Toward the end of the third quarter, we completed the launch of our initial fund and announced its first direct infrastructure investment. To accelerate this launch, with the benefit of significant available liquidity, we committed, alongside the GSIM management team, $100 million USD in capital funding. From this sponsor seed commitment, $57 million USD ($77 million CAD) was used to finance the initial investment. Subsequent to this investment, we are continuing to engage with potential institutional investors from across the globe, and are encouraged by third party investor interest considering to commit to our first fund.

During the quarter, we continued to expend time and money on the retail distribution channel, which we expect to contribute to the future growth of our Investment Management Segment. Our experience with new initiatives indicates that progress is normally slow at the beginning, but we maintain confidence that we will gain traction in the market and, accordingly, are willing to continue to invest significant time and money to achieve success. Building a following among financial advisors is an effort that will require our patience and persistence. We believe, with a continued focus and effort to advance the many discussions we have with prospective investors that this initiative will prove to be a worthwhile investment for future growth.

Our Private Wealth business includes Guardian Capital Advisors LP., Guardian Partners Inc., our "Outsourced Chief Investment Officer" operation, Alexandria Bancorp Limited and our 60% interest in Rae & Lipskie Investment Counsel Inc. ("RaeLipskie"), acquired in September, 2022. At September 30, our Private Wealth operations had a total AUM of $5.3 billion (including $1.1 billion of AUM at RaeLipskie) and $3.9 billion of assets under advisement ("AUA"), both asset metrics being roughly flat for the quarter. Our goal in Private Wealth is to offer increasing depth of services to high-net-worth and ultra-high-net-worth clients, as we are positively inclined towards the opportunity in both this demographic and the advisory/family office segment of the market. We will continue to invest in the Private Wealth area, while seeking to create revenue synergies between our various private client operations as they share the various capabilities and strengths of each business unit. We believe this business is synergistic to our other investment management businesses and allows us to provide a continuum of services to a spectrum of wealthy clients.

Corporate Activities and Investments

In addition to our core Investment Management Segment, steady and reliable investment income from our corporate securities portfolio has been a meaningful contributor to Guardian's profitability, long-term financial health and flexibility. At the current quarter's end, our investment portfolio was valued at $1.276 billion, flat from $1.274 billion in the second quarter and up from $680 million at December 31, 2022. The large increase in this investment portfolio since year end resulted from the net proceeds from the sale of the Worldsource businesses to the Desjardins Group, a transaction that closed March 1, 2023. The proceeds of the sale were immediately invested in high quality, liquid, fixed-income securities that mature in 3, 6 and 12 months providing a blended yield of just under 5%. Our aggregate portfolio received dividend and interest income of $13.7 million in the quarter. This is a substantial increase when measured against last year, which is a direct result from the interest we are collecting from the Worldsource investment proceeds. Historically, our balance sheet has been heavily equity oriented, but at the end of the quarter we were roughly 50% exposed to the fixed-income markets, almost all of it with maturities under 12 months.

The sale of Worldsource was not a planned event, and Guardian's management and board have engaged in a comprehensive strategic planning process to reflect the changes in Guardian's balance sheet and business focus. For the near term we have determined that preserving a substantial balance sheet serves as a strategic advantage in our efforts to further grow our businesses. We plan to use our balance sheet to make sizeable seed investments for new strategies with a goal to continue attracting skilled talent and accelerate the likelihood of successful commercialization of these various initiatives.

We are also intent, to a lesser degree but still meaningful capital allocation, to complement our organic growth initiatives with potential acquisitions. Given our past decade of growth in asset management along with the liquidity and size of our capital base we are regularly presented with a variety of acquisition targets. With the many headwinds facing the industry, the number of acquisition opportunities appear to be plentiful and growing, however we remain disciplined and selective in our review of these situations as we acquire further market intelligence of the opportunities and challenges across our sector. The substantial liquidity of our balance sheet will also offer more flexibility to return cash to our shareholders, including a higher percentage of adjusted cash flows from operations to a growing dividend while still having the option to utilize available capital on the balance sheet to fund the purchase and cancellation of our stock. Excluding the short-term investments referred to above, the balance of our portfolio is largely comprised of proprietary, diversified public equity strategies, Canadian real estate and fixed-income strategies, third-party public and private investments including the most recent infrastructure investment through our seeding of the Guardian Smart Infrastructure Partners LP. This investment is consistent with the strategy's objectives as well as to create a milestone and serve as a catalyst to initiate third party investors into the Fund. As we have done in the past we will continue to utilize our balance sheet to seed new strategies and to support growth in our operating business segment. Overall, we believe that we have ample capacity to fund any future demand for seeding of proprietary strategies and their respective investment vehicles, corporate acquisitions and buybacks of Guardian stock under our normal course issuer bid.

Capital Allocation

Quality companies generate strong earnings and cash flows, and as we grow these financial metrics, Guardian is committed to balancing the distribution of our cash flows between investing sufficient funds into the business for future growth and returning an ever-increasing amount of cash to its shareholders. In the third quarter of 2023, Guardian returned roughly $8.5 million to shareholders through dividends and $8.4 million through the purchase of 201,359 shares for cancellation as part of our normal course issuer bid. Historically, Guardian has focused on allocating its cash flow to a combination of growth initiatives, dividend increases and share buybacks. Guardian's management team and Board of Directors remain supportive of buying back our shares if the market continues to materially underappreciate the intrinsic value of our Company and doing so neither diminishes the quality of our balance sheet nor affects our ability to invest in future growth initiatives. With strong, continuing cash flow and a strengthened, fortress-like balance sheet, we are in the enviable position of being able to balance the needs of all stakeholders, including our clients, associates and shareholders. The Board is pleased to report that we have declared another quarterly dividend of per share, payable on January 18, 2024 to the shareholders of record on January 11, 2024.

Our core values at Guardian are to be Trustworthy, to act with Integrity and to ensure Stability throughout the organization. Clients, shareholders, employees, partners and other stakeholders of Guardian should be assured that, from top to bottom, our organization seriously embraces the responsibilities with which we are entrusted, and we are continuously striving to improve all aspects of how we do business. Consistently delivering on our stated objectives, along with the balancing of all stakeholders' interests through both good and challenging times, are further measures of the quality of institution we expect Guardian to represent. As long as we continue to live up to these expectations, all of our stakeholders should expect to benefit from our successes.

On behalf of the Board,

(signed) "James Anas"

Chairman of the Board

November 9, 2023

(signed) "George Mavroudis"

President and Chief Executive Officer

CONSOLIDATED BALANCE SHEETS (Unaudited)

As at *($ in thousands)*		**September 30 2023**		December 31 2022
ASSETS				
Current assets				
Cash (note 16 i)	$	**149,644**	$	54,894
Interest-bearing deposits with banks		**83,903**		67,446
Accounts receivable and other		**54,547**		48,398
Income taxes receivable		**8,147**		6,002
Securities backing third party investor liabilities (note 3)		**48,709**		64,895
Discontinued operations (note 16)		**--**		297,223
		344,950		538,858
Securities (note 4)		**1,276,037**		660,413
Other assets				
Deferred tax assets		**1,193**		794
Intangible assets		**90,609**		96,886
Equipment		**22,568**		25,302
Goodwill		**42,363**		42,519
		156,733		165,501
Total assets	$	**1,777,720**	$	1,364,772
LIABILITIES				
Current liabilities				
Bank loans and borrowings (note 5)	$	**149,344**	$	131,566
Third party investor liabilities (note 3)		**48,709**		64,895
Client deposits		**66,483**		59,080
Accounts payable and accrued liabilities		**162,385**		79,772
Lease obligations		**1,551**		1,647
Income taxes payable		**73,935**		1,627
Due to non-controlling interests and other liabilities (note 6)		**6,680**		28,894
Discontinued operations (note 16)		**--**		141,992
		509,087		509,473
Lease obligations		**19,825**		22,273
Due to non-controlling interests and other liabilities (note 6)		**12,289**		12,973
Deferred tax liabilities		**34,282**		37,194
Total liabilities		**575,483**		581,913
EQUITY				
Shareholders' equity				
Capital stock (note 7a and 7b)		**16,954**		17,559
Treasury stock (note 8a)		**(32,428)**		(35,569)
Contributed surplus		**27,081**		28,460
Retained earnings		**1,165,534**		733,287
Accumulated other comprehensive income		**24,343**		24,127
		1,201,484		767,864
Other equity interests		**753**		14,995
Total equity		**1,202,237**		782,859
Total liabilities and equity	$	**1,777,720**	$	1,364,772

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

For the periods ended September 30,	Three months		Nine months	
	2023	2022	**2023**	2022
($ in thousands, except per share amounts)		*restated*		*restated*
Revenue				
Management and advisory fees, gross	**$ 49,816**	$ 44,329	**$ 146,063**	$ 137,914
Fees paid to referring agents and other	**(3,370)**	(3,223)	**(10,074)**	(9,909)
Net management and advisory fees	**46,446**	41,106	**135,989**	128,005
Administrative services income	**2,463**	1,908	**7,556**	6,138
Dividend and interest income (note 9)	**13,702**	5,420	**35,392**	16,171
Net revenue	**62,611**	48,434	**178,937**	150,314
Expenses				
Employee compensation and benefits	**28,202**	25,106	**85,663**	77,790
Amortization	**3,344**	2,952	**9,817**	8,814
Interest	**1,918**	1,212	**5,900**	2,517
Other expenses (note 10)	**10,673**	8,745	**30,805**	25,863
	44,137	38,015	**132,185**	114,984
Operating earnings	**18,474**	10,419	**46,752**	35,330
Net losses (note 11)	**(17,358)**	(21,148)	**(2,960)**	(122,442)
Earnings (loss) before taxes	**1,116**	(10,729)	**43,792**	(87,112)
Income tax expense (recovery)	**3,386**	853	**8,088**	(2,291)
Net earnings (loss) from continuing operations	**(2,270)**	(11,582)	**35,704**	(84,821)
Net earnings from discontinued operations (note 16)	**--**	5,034	**553,743**	15,864
Net earnings (loss)	**(2,270)**	(6,548)	**589,447**	(68,957)
Other comprehensive income				
Net change in foreign currency translation on foreign subsidiaries	**7,059**	17,739	**233**	22,074
Comprehensive income (loss)	**$ 4,789**	$ 11,191	**$ 589,680**	$ (46,883)
Net earnings (loss) from continuing operations attributable to:				
Shareholders	**$ (2,506)**	$ (11,780)	**$ 34,753**	$ (86,187)
Non-controlling interests	**236**	198	**951**	1,366
	(2,270)	(11,582)	**35,704**	(84,821)
Per share (note 12)				
Basic	**$ (0.11)**	$ (0.49)	**$ 1.46**	$ (3.53)
Diluted	**(0.11)**	(0.49)	**1.40**	(3.53)
Net earnings (loss) attributable to:				
Shareholders	**$ (2,506)**	$ (7,608)	**$ 496,242**	$ (73,044)
Non-controlling interests	**236**	1,060	**93,205**	4,087
	(2,270)	(6,548)	**589,447**	(68,957)
Per share (note 12)				
Basic	**$ (0.11)**	$ (2.85)	**$ 20.80**	$ (2.68)
Diluted	**(0.11)**	(2.85)	**19.40**	(2.68)
Comprehensive income (loss) attributable to:				
Shareholders	**$ 4,267**	$ 8,325	**$ 496,458**	$ (53,364)
Non-controlling interests	**522**	2,866	**93,222**	6,481
	4,789	11,191	**589,680**	(46,883)

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

For the periods ended September 30,	Three months		Nine months	
($ in thousands)	**2023**	2022	**2023**	2022
Total equity, beginning of period	**$ 1,214,112**	$ 754,871	**$ 782,859**	$ 852,577
Shareholders' equity, beginning of period	**1,212,555**	742,917	**767,864**	838,520
Capital stock, beginning of period	**17,099**	17,628	**17,559**	18,067
Acquired and cancelled (note 7c)	**(145)**	(69)	**(605)**	(508)
Capital stock, end of period	**16,954**	17,559	**16,954**	17,559
Treasury stock, beginning of period	**(33,336)**	(35,569)	**(35,569)**	(31,712)
Acquired (note 8a)	**--**	--	**(3,140)**	(5,965)
Disposed of (note 8a)	**908**	--	**6,281**	2,108
Treasury stock, end of period	**(32,428)**	(35,569)	**(32,428)**	(35,569)
Contributed surplus, beginning of period	**26,542**	26,235	**28,460**	25,106
Stock-based compensation expense, continuing operations	**875**	1,007	**2,712**	2,695
Stock-based compensation expense, discontinued operations	**--**	105	**898**	198
Redemption of equity-based entitlements	**(336)**	--	**(4,989)**	(652)
Contributed surplus, end of period	**27,081**	27,347	**27,081**	27,347
Retained earnings, beginning of period	**1,184,680**	726,010	**733,287**	822,195
Net earnings (loss) from continuing operations	**(2,506)**	(7,608)	**496,242**	(73,044)
Dividends declared and paid (note 7d)	**(8,469)**	(6,152)	**(23,171)**	(17,129)
Capital stock acquired and cancelled (note 7c)	**(8,171)**	(2,800)	**(34,870)**	(22,572)
Changes in the ownership of a subsidiary (note 6)	**--**	--	**(5,954)**	--
Retained earnings, end of period	**1,165,534**	709,450	**1,165,534**	709,450
Accumulated other comprehensive income, beginning of period	**17,570**	8,613	**24,127**	4,864
Other comprehensive income	**6,773**	15,931	**216**	19,680
Accumulated other comprehensive income, end of period	**24,343**	24,544	**24,343**	24,544
Shareholders' equity, end of period	**1,201,484**	743,331	**1,201,484**	743,331
Other equity interests, beginning of period	**1,557**	11,954	**14,995**	14,057
Non-controlling interests, beginning of period	**18,279**	45,728	**52,569**	45,356
Net earnings	**236**	1,060	**93,205**	4,087
Other comprehensive income	**286**	1,806	**17**	2,394
Dividends declared and paid	**(756)**	(1,005)	**(9,750)**	(4,248)
Disposal of subsidiary (note 16)	**--**	--	**(103,830)**	--
Changes in the ownership of a subsidiary (note 6)	**--**	--	**(14,166)**	--
Acquisition of subsidiary	**--**	4,869	**--**	4,869
Non-controlling interests, end of period	**18,045**	52,458	**18,045**	52,458
Obligations to non-controlling interests, beginning of period	**(16,722)**	(33,774)	**(37,574)**	(31,299)
Changes in the ownership of a subsidiary (note 6)	**--**	--	**20,120**	--
On acquistion of subsidiary	**--**	(4,431)		(4,431)
Other change during period	**(570)**	(3,260)	**162**	(5,735)
Obligations to non-controlling interests, end of period	**(17,292)**	(41,465)	**(17,292)**	(41,465)
Other equity interests, end of period	**753**	10,993	**753**	10,993
Total equity, end of period	**$ 1,202,237**	$ 754,324	**$ 1,202,237**	$ 754,324

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

For the periods ended September 30, ($ in thousands)	Three months 2023	Three months 2022	Nine months 2023	Nine months 2022
Operating activities				
Net earnings (loss)	$ (2,270)	$ (6,548)	$ 589,447	$ (68,957)
Adjustments for:				
Income taxes paid	(1,555)	(5,192)	(9,770)	(17,296)
Income tax expense	3,386	2,760	77,527	3,582
Net (gains) losses	17,745	19,835	(616,552)	117,945
Amortization of intangible assets	2,553	4,625	8,947	14,544
Amortization of equipment	791	1,130	2,607	3,421
Stock-based compensation	875	1,112	3,610	2,893
Other non-cash expenses	43	21	126	45
	21,568	17,743	55,942	56,177
Net change in non-cash working capital items (note 14)	7,504	8,211	(1,801)	(3,242)
Net cash from operating activities	29,072	25,954	54,141	52,935
Investing activities				
Net (acquistion) disposition of securities	62,092	(5,512)	(539,104)	(5,551)
Income taxes refunded	--	11,619	--	10,862
Net disposition of securities backing third party investor liabilities	9,881	11,503	21,752	8,663
Acquisition of intangible assets	(551)	(2,044)	(2,233)	(17,446)
Acquisition of equipment	(800)	(210)	(1,020)	(531)
Disposition of intangible assets	--	962	--	5,209
Acquisition of subsidiaries	--	(6,675)	--	(6,675)
Disposition of discontinued operations (note 16)	--	--	726,580	--
Net cash from (used in) investing activities	70,622	9,643	205,975	(5,469)
Financing activities				
Dividends paid to shareholders	(8,469)	(6,152)	(23,171)	(17,129)
Dividends paid to non-controlling interests	(756)	(1,005)	(9,750)	(4,248)
Disposal of subsidiary, non-controlling interests (note 16)	--	--	(103,830)	--
Cash from discontinued operations	--	--	33,138	--
Acquisition and cancellation of capital stock	(8,316)	(2,869)	(35,475)	(23,080)
Acquisition of treasury stock	--	--	(3,140)	(5,965)
Disposition of treasury stock	552	--	1,272	1,456
Net proceeds of bank loan and bankers' acceptances	40,205	13,408	45,901	34,034
Principal payments on lease obligations	(253)	(748)	(740)	(2,242)
Net (redemptions) by third party investors	(9,881)	(11,503)	(21,752)	(8,663)
Changes in the ownership of a subsidiary (note 6)	--	--	(20,120)	--
Net cash from (used in) investing activities	13,082	(8,869)	(137,667)	(25,837)
Foreign exchange				
Net effect of foreign exchange rate changes on cash balances	(155)	409	408	(490)
Net change in net cash	112,621	27,137	122,857	21,139
Net cash, beginning of period	36,764	38,889	26,528	44,887
Net cash, end of period	$ 149,385	$ 66,026	$ 149,385	$ 66,026
Net cash, end of period represented by:				
Cash			$ 149,644	$ 83,930
Bank indebtedness			(259)	(17,904)
			$ 149,385	$ 66,026

See accompanying selected explanatory notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. REPORTING ENTITY

Guardian Capital Group Limited ("Guardian") is a publicly traded company with its common and class A shares listed on the Toronto Stock Exchange. Guardian is incorporated under the laws of the Province of Ontario, and its principal business office is located at Suite 2700, 199 Bay Street, Toronto, Ontario. Guardian, through its subsidiaries, provides extensive investment services to a wide range of clients in Canada and abroad, and maintains and manages a proprietary investment portfolio.

2. ACCOUNTING POLICIES

(a) Basis of Preparation

These unaudited consolidated interim financial statements include the accounts of Guardian and its subsidiaries (together, the "Company") and have been prepared under IFRS Accounting Standards ("IFRS"), in compliance with International Accounting Standard 34, *Interim Financial Reporting*, using the same accounting policies as those used in the Company's consolidated financial statements for the year ended December 31, 2022. Certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed in these consolidated interim financial statements. These consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2022, which are included in the Company's 2022 annual report.

These consolidated interim financial statements are presented in Canadian dollars, which is Guardian's functional currency. In these notes, all dollar amounts and numbers of shares are stated in thousands. Per share amounts and option exercise prices are stated in dollars and cents.

In late 2022, the Company entered into an agreement to sell its subsidiaries IDC Insurance Network Inc., Worldsource Financial Management Inc., and Worldsource Securities Inc (all three entities together, the "Worldsource Businesses"). As a result, the Company reclassified these subsidiaries as discontinued operations and has restated its 2022 Statement of Operations and several of the notes to the financial statements. In the Statements of Operations the results of the discontinued operations are presented on one line called Net earnings from discontinued operations, and assets and liabilities of discontinued operations as single line items on the comparative Balance Sheet. See note 16, Discontinued Operations, for more information on the transaction and the impact on the financial statements. In addition, the Company has reorganized its remaining operations into two segments, Investment Management and Corporate Activities and Investments.

These consolidated interim financial statements were authorized for issuance by the Board of Directors of Guardian on November 9, 2023.

3. SECURITIES BACKING THIRD PARTY INVESTOR LIABILITIES AND THIRD PARTY INVESTOR LIABILITIES

Securities backing third party investor liabilities represent the third party investors' proportionate interests in the assets of consolidated investment funds. These securities are classified as fair value through the profit or loss and are categorized as Level 1, based upon the fair value hierarchy.

Third party investor liabilities represent third party investors' proportionate ownership interests in the consolidated funds. The liabilities are payable on redemption of the units of the funds by the third party investors and will be settled with the proceeds from the disposition of securities backing third party investor liabilities. The value of the liabilities is equal to and varies with the value of the securities backing third party investor liabilities. These liabilities are classified as fair value through the profit or loss and are categorized as Level 1, based upon the fair value hierarchy.

4. SECURITIES

(a) Classification of securities

An analysis of the Company's securities by classifications and by the type of security is as follows:

As at	September 30 2023	December 31 2022
Fair value through profit or loss:		
Short-term securities (i)	$ 558,889	$ 9,577
Fixed-income securities (i)	36,947	18,259
Bank of Montreal common shares (ii)	255,447	273,064
Other equity securities (i) (iii)	381,271	316,331
Canadian real estate (i)	43,483	43,182
	$ 1,276,037	$ 660,413

(i) These securities may include units of investment funds in addition to individual securities.

(ii) The sales of Bank of Montreal common shares during the periods are as follows:

For the nine months ended September 30,	2023	2022
Shares sold	--	40
Proceeds	$ --	$ 5,321

(iii) The Company's outstanding capital commitments for future investments are as follows:

As at	September 30 2023	December 31 2022
Investment commitments	$ 9,603	$ 11,752

During the quarter, the Company launched a private infrastructure fund called, Guardian Smart Infrastructure Partners LP ("GSIP"), managed by its subsidiary Guardian Smart Infrastructure Management Inc.("GSIM"). The Company, along with the management of GSIM provided GSIP with a capital commitment of $100,000 USD. As its initial investment, GSIP, through a jointly controlled company, acquired an interest in a smart transportation system company, the shares of which are publicly traded on the Oslo Exchange ("Target"). At the current period end, the Company consolidated its investment in GSIP and the Securities include its proportionate share of investment in Target of $72,887 and $4,056 in Securities backing third party investor liabilities. Subsequent to

September 30, 2023, GSIP, through a jointly controlled entity, made a tender offer to acquire all outstanding shares of Target. The Company's share of this commitment through GSIP is approximately $44,000 if all the shares are tendered, assuming no changes to the currency exchange rates. The tender offer closes on November 24, 2023.

(b) Fair value hierarchy
The Company's securities, carried at fair value, have been categorized based upon a fair value hierarchy, as follows:

As at		September 30 2023		December 31 2022
Level 1	$	647,213	$	539,092
Level 2		593,237		87,858
Level 3		35,587		33,463
	$	1,276,037	$	660,413

Level 2 securities include investments in certain investment funds and are valued using the published net asset value of each fund. During 2023 and 2022, there have been no transfers of securities between Levels.

(c) Analysis of Level 3 securities
(i) The change in the fair value of Level 3 securities is as follows:

For the periods ended September 30,	Three months				Nine months			
		2023		2022		2023		2022
Securities categorized as Level 3, beginning of period	$	32,997	$	35,803	$	33,463	$	37,512
Increase (decrease) in fair value		1,669		(2,899)		(95)		(5,499)
Additions		833		391		2,227		1,156
Foreign exchange translation adjustments		88		408		(8)		534
	$	35,587	$	33,703	$	35,587	$	33,703

(ii) Level 3 securities are comprised of the following:

As at		September 30 2023		December 31 2022
Private equity funds	$	30,700	$	28,092
Investment management company		3,154		3,635
Other		1,733		1,736
	$	35,587	$	33,463

The Company's investment in private equity funds are valued using the most recent fair value as obtained from each fund's manager and the Company's investment in the investment management company is valued using an EBITDA multiple and the projected earnings for the following year.

5. BANK LOANS AND BORROWINGS

Bank loans and borrowings are composed of the following:

As at			September 30 2023		December 31 2022
General corporate borrowings (i):					
Bank indebtedness		$	--	$	27,312
Bankers' acceptances:	Canadian dollar		45,000		69,000
	US dollar		71,385		--
Employee profit sharing plan borrowings (ii):					
Bank indebtedness			259		1,054
Bankers' acceptance:	Canadian dollar		32,700		34,200
		$	149,344	$	131,566

i) The Company maintains two short-term revolving credit facilities for general corporate purposes with a total borrowing capacity of $130,000 (December 31, 2022 - $130,000). Borrowings under these facilities can be drawn in various short-term forms in both Canadian and US dollars, and bear interest at the bank's prime rate plus 0.4% for bank indebtedness and CDOR plus 1.4% for Canadian dollar bankers' acceptances or SOFR plus 1.5% on similar US dollar borrowings. For the calculation of interest on the bank indebtedness the Company may offset a portion of the bank indebtedness with certain cash balances. Such cash balances were $11,380 as at September 30, 2023 (December 31, 2022 - $26,216). The terms of these facilities require that the Company maintain certain financial ratios and the Company is in compliance with these requirements. The facilities were amended during the current quarter to reflect the replacement of the interest rate benchmarks. Subsequent to September 30, 2023, the Company repaid its Canadian dollar corporate borrowings.

ii) The Company maintains a short-term revolving credit facility for borrowings by the Company's employee profit sharing plan, which has a total borrowing capacity of $45,000 (December 31, 2022 - $45,000). Borrowings under this facility are secured by a deposit of all treasury stock held by the EPSP Trust as detailed in Note 8. Borrowings under this facility can be drawn in various short-term forms in Canadian dollars and bear interest at the bank's prime rate for bank indebtedness and CDOR plus 1.4% for bankers' acceptances.

6. DUE TO NON-CONTROLLING INTERESTS AND OTHER LIABILITIES

Due to non-controlling interests and other liabilities are comprised of the following:

As at		September 30 2023		December 31 2022
Current:				
Acquistion related (i)	$	1,677	$	2,710
Obligations to non-controlling interests (ii)		5,003		26,184
		6,680		28,894
Non-current:				
Acquistion related (i)		--		1,583
Obligations to non-controlling interests (ii)		12,289		11,390
		12,289		12,973
	$	18,969	$	41,867

i) These are deferred amounts owed by the Company relating to a completed acquisition.

ii) These are obligations of the Company to purchase the portion of certain subsidiaries which it does not wholly own, should the non-controlling shareholders exercise their option to sell their holdings to the Company or the Company exercises its option to buy. These liabilities relate to future transactions with non-controlling interest, acting in their capacity as owners, therefore all changes in fair values of these obligations are reflected in the statement of equity.

On May 19, 2023, the Company exercised its right and acquired from the non-controlling interests a portion of its subsidiary, Alta Capital Management LLC ("Alta"), that it did not already own. The transaction resulted in the Company increasing its ownership interest in Alta from 70% to 94% and decreasing the current obligation. A summary of the transaction is as follows:

Consideration paid to non-controlling interests (USD $14,802)	$	20,120
Less: Non-controlling interests carrying value in subsidiary		(14,166)
Excess consideration charged to retained earnings	$	5,954

Subsequent to September 30, 2023, the Company exercised its right and acquired the remaining 6% of Alta that it did not already own for a cash purchase price of $5,003.

7. CAPITAL STOCK

(a) Authorized

i) Unlimited preferred shares, without par value, may be issued in an unlimited number of series, the designation, rights, privileges, conditions and other provisions of which are to be determined by the Board of Directors.

ii) Unlimited Class A non-voting shares without par value, convertible into common shares on a one-for-one basis, under certain terms and conditions, the highlights of which are as follows: if any person other than an insider of the Company acquires ownership, control or direction over in excess of 50% of the common shares, or makes an offer to all common shareholders to buy common shares, the Class A shares may be converted into common shares, unless holders of over 50% of the outstanding common shares do not accept the offer, or an equivalent offer is made to the holders of Class A shares.

iii) Unlimited common shares, without par value, convertible on a one-for-one basis into Class A non-voting shares.

(b) Issued and outstanding

A summary of the changes in the Company's capital stock is as follows:

For the three months ended September 30,	2023			2022		
	Shares		Amount	Shares		Amount
Class A shares						
Outstanding, beginning of period	22,871	$	16,438	23,593	$	16,964
Acquired and cancelled	(201)		(145)	(96)		(69)
Converted from Common	--		--	--		--
Outstanding, end of period	22,670		16,293	23,497		16,895
Common shares						
Outstanding, beginning of period	2,738		661	2,749		664
Converted into Class A	--		--	--		--
Outstanding, end of period	2,738		661	2,749		664
Total outstanding, end of period	25,408	$	16,954	26,246	$	17,559

For the nine months ended September 30,	2023		2022	
	Shares	**Amount**	Shares	Amount
Class A shares				
Outstanding, beginning of period	**23,498**	**$ 16,895**	24,204	$ 17,403
Acquired and cancelled	**(839)**	**(605)**	(707)	(508)
Converted from Common	**11**	**3**	--	--
Outstanding, end of period	**22,670**	**16,293**	23,497	16,895
Common shares				
Outstanding, beginning of period	**2,749**	**664**	2,749	664
Converted into Class A	**(11)**	**(3)**	--	--
Outstanding, end of period	**2,738**	**661**	2,749	664
Total outstanding, end of period	**25,408**	**$ 16,954**	26,246	$ 17,559

(c) Issuer bid
A summary of the Company's activity under its Normal Course Issuer Bid ("NCIB") is as follows:

For the periods ended September 30,	Three months		Nine months	
	2023	2022	**2023**	2022
Shares purchased and cancelled				
Class A	**201**	96	**839**	707
Consideration paid	**$ 8,316**	$ 2,869	**$ 35,475**	$ 23,080
Less: average issue price, charged to share capital	**145**	69	**605**	508
Excess consideration charged to retained earnings	**$ 8,171**	$ 2,800	**$ 34,870**	$ 22,572

A summary of the current NCIB, which commenced on December 19, 2022 and expires on December 18, 2023, is as follows:

For the period ended September 30, 2023	Common shares	Class A shares
Authorized limit available	**137**	**1,624**
Purchased by the Employee Profit Sharing Plan Trust	**--**	**(78)**
Purchased and cancelled	**--**	**(839)**
Remaining limit available	**137**	**707**

(d) Dividends
The dividends the Company declared and paid on the common and Class A shares outstanding are as follows:

For the periods ended September 30,	Three months		Nine months	
	2023	2022	**2023**	2022
Dividends declared and paid, per share	**$ 0.34**	$ 0.24	**$ 0.92**	$ 0.66

The Company has also declared dividends of $0.34 per share payable on each of October 18, 2023 and January 18, 2024, on the Common and Class A shares outstanding. These dividends, which will be recognized on the record dates, have not been reflected in these financial statements.

8. TREASURY STOCK

The Company provides stock-based entitlements to certain senior employees of the Company through an Employee Profit Sharing Plan Trust (the "EPSP Trust"). The EPSP Trust purchases and holds shares of the Company related to the stock-based entitlements, which are in the form of either equity-based entitlements or option-like entitlements, and the shares are accounted for as treasury stock. The purchases are financed by a loan facility from a major chartered bank, (Note 5 (ii)), which is secured by the shares held by the EPSP Trust and a guarantee issued by the Company.

(a) Changes in treasury stock
A summary of the changes in the Company's treasury stock is as follows:

For the three months ended September 30,	2023		2022	
	Shares	**Amount**	Shares	Amount
Balance, beginning of period	**1,886**	**$ 33,336**	2,131	$ 35,569
Acquired	**--**	**--**	--	--
Disposed	**(87)**	**(908)**	--	--
Balance, end of period	**1,799**	**$ 32,428**	2,131	$ 35,569

For the nine months ended September 30,	2023			2022		
	Shares		**Amount**	Shares		Amount
Balance, beginning of period	**2,131**	**$**	**35,569**	2,212	$	31,712
Acquired	**78**		**3,140**	155		5,965
Disposed	**(410)**		**(6,281)**	(236)		(2,108)
Balance, end of period	**1,799**	**$**	**32,428**	2,131	$	35,569

As at September 30, 2023, the treasury stock was composed of 30 common shares (December 31, 2022 – 30) and 1,769 class A shares (December 31, 2022 – 2,101).

(b) Equity-based entitlements

Equity-based entitlements allow the employees to purchase shares of the Company from the EPSP Trust at zero cost, subject to predetermined vesting arrangements and other conditions.

A summary of the changes in the number of shares under equity-based entitlements is as follows:

For the periods ended September 30,	Three months		Nine months	
	2023	2022	**2023**	2022
Equity-based entitlements, beginning of period	**1,251**	1,422	**1,423**	1,333
Provided	**--**	--	**78**	155
Exercised	**(28)**	--	**(277)**	(66)
Forfeited	**--**	--	**(1)**	--
Equity-based entitlements, end of period	**1,223**	1,422	**1,223**	1,422

During the nine month period ended September 30, 2023, the equity-based entitlements provided had a fair value of $ 3,140 (2022 - $5,965).

Equity-based entitlements are valued at the fair market value of the shares purchased by the EPSP Trust on the date of the provision of the entitlement. This value is recorded by the Company as compensation cost over the vesting period, and is credited to contributed surplus. On exercise of an entitlement, treasury stock and contributed surplus are reduced for the EPSP Trust's cost of the entitlement exercised.

(c) Option-like entitlements

The option-like entitlements allow the employees to purchase shares of the Company from the EPSP Trust for an amount that is equal to the amount of borrowings pertaining to those shares, subject to predetermined vesting arrangements and other conditions. Due to the nature of these entitlements and the conditions attached to them, the contractual life of the entitlement is indeterminable.

A summary of the option-like entitlements is as follows:

For the three months ended September 30,	2023			2022		
	Shares		**Weighted average exercise price per share**	Shares		Weighted average exercise price per share
Option-like entitlements, beginning of period	**634**	**$**	**10.25**	709	$	10.20
Exercised	**(59)**		**9.71**	--		--
Option-like entitlements, beginning and end of period	**575**	**$**	**10.31**	709	$	10.20

For the nine months ended September 30,	2023			2022		
	Shares		**Weighted average exercise price per share**	Shares		Weighted average exercise price per share
Option-like entitlements, beginning of period	**708**	**$**	**10.20**	879	$	9.87
Exercised	**(133)**		**9.72**	(170)		8.53
Option-like entitlements, end of period	**575**	**$**	**10.31**	709	$	10.20

No option-like entitlements were provided in 2023 or 2022.

9. DIVIDEND AND INTEREST INCOME

Dividend and interest income is composed of the following:

For the periods ended September 30,		Three months				Nine months		
		2023		2022 *restated*		**2023**		2022 *restated*
Dividends on Bank of Montreal shares	**$**	**3,278**	$	3,100	**$**	**9,656**	$	9,138
Other dividends		**1,980**		2,137		**6,462**		6,698
Dividend income		**5,258**		5,237		**16,118**		15,836
Interest income		**8,444**		183		**19,274**		335
	$	**13,702**	$	5,420	**$**	**35,392**	$	16,171

10. OTHER EXPENSES

Other expenses are composed of the following:

For the periods ended September 30,	Three months		Nine months	
	2023	2022 *restated*	**2023**	2022 *restated*
Information and technology services	**$ 4,570**	$ 3,640	**$ 12,807**	$ 10,664
Professional and outsourced services	**2,945**	2,710	**8,804**	8,930
Marketing and travel	**1,115**	913	**3,335**	1,950
Registrations, facilities and other	**2,043**	1,482	**5,859**	4,319
	$ 10,673	$ 8,745	**$ 30,805**	$ 25,863

11. NET GAINS (LOSSES)

Net gains (losses) is composed of net gains (losses) arising on the following:

For the periods ended September 30,	Three months		Nine months	
	2023	2022 *restated*	**2023**	2022 *restated*
Bank of Montreal common shares	**$ (11,262)**	$ (6,244)	**$ (17,617)**	$ (33,748)
Other securities	**(7,045)**	(16,919)	**14,092**	(92,939)
Securities (i)	**(18,307)**	(23,163)	**(3,525)**	(126,687)
Intangible assets	**(141)**	51	**(243)**	51
Lease liabilities	**--**	--	**649**	--
Foreign exchange (ii)	**1,090**	1,964	**159**	4,194
	$ (17,358)	$ (21,148)	**$ (2,960)**	$ (122,442)

(i) Net gains (losses) recorded on securities are a result of net changes in fair value of securities, securities backing third party investor liabilities, and the third party investor liabilities.

(ii) Net gains (losses) recorded on foreign exchange arise from monetary assets and liabilities denominated in currencies, which are different from the functional currency of Guardian or its subsidiaries.

12. CALCULATIONS OF NET EARNINGS (LOSS) PER SHARE

The calculations of net earnings (loss) per share are based on the following number of shares and net earnings:

For the periods ended September 30,	Three months		Nine months	
	2023	2022 *restated*	**2023**	2022 *restated*
Weighted average number of Class A and common shares outstanding:				
Basic	**23,628**	24,175	**23,859**	24,426
Effects of outstanding entitlements from stock-based compensation plans	**--**	--	**1,775**	--
Diluted	**23,628**	24,175	**25,634**	24,426
Net earnings (loss) from continuing operations attributable to shareholders:				
Basic	**$ (2,506)**	$ (11,780)	**$ 34,753**	$ (86,187)
Effects of outstanding entitlements from stock-based compensation plans	**--**	--	**1,175**	--
Diluted	**$ (2,506)**	$ (11,780)	**$ 35,928**	$ (86,187)
Net earnings (loss) attributable to shareholders:				
Basic	**$ (2,506)**	$ (7,608)	**$ 496,242**	$ (73,044)
Effects of outstanding entitlements from stock-based compensation plans	**--**	--	**1,175**	--
Diluted	**$ (2,506)**	$ (7,608)	**$ 497,417**	$ (73,044)

13. BUSINESS SEGMENTS

Following the sale of the Worldsource Businesses the Company reorganized its operations into two segments: a) Investment Management, which primarily involves earning management fees relating to investment management services provided to clients; and b) Corporate Activities and Investments, which relates substantially to the investment of the Company's securities holdings, as well as corporate management and development activities. The segmented operating results below includes certain centralized costs which are allocated from Corporate Activities and Investments segment to operating segments to better reflect the costs associated with each of the segments.

(a) Business segments

The following tables disclose certain information about the Company's operations by business segment:

For the three months ended September 30,	Investment Management		Discontinued Operations		Corporate Activities and Investments		Inter-Segment Transactions		Consolidated	
	2023	2022 *restated*	2023	2022 *restated*	2023	2022 *restated*	2023	2022 *restated*	2023	2022 *restated*
Revenue										
Management and advisory fees	$ 50,343	$ 44,763	$ --	$ --	$ --	$ --	$ (527)	$ (434)	$ 49,816	$ 44,329
Fees paid to referring agents	(3,370)	(3,223)	--	--	--	--	--	--	(3,370)	(3,223)
Net management and advisory fees	46,973	41,540	--	--	--	--	(527)	(434)	46,446	41,106
Administrative services income	2,083	1,879	--	--	380	21	--	8	2,463	1,908
Dividend and interest income	447	106	--	--	13,008	5,241	247	73	13,702	5,420
Net revenue	49,503	43,525	--	--	13,388	5,262	(280)	(353)	62,611	48,434
Expenses										
Employee comp. & benefits	25,589	23,175	--	--	2,613	1,931	--	--	28,202	25,106
Amortization	2,817	2,651	--	--	527	301	--	--	3,344	2,952
Interest	84	133	--	--	1,834	1,131	--	(52)	1,918	1,212
Other expenses	9,914	8,236	--	--	1,039	810	(280)	(301)	10,673	8,745
	38,404	34,195	--	--	6,013	4,173	(280)	(353)	44,137	38,015
Operating earnings	11,099	9,330	--	--	7,375	1,089	--	--	18,474	10,419
Net gains (losses)	2,990	460	--	--	(20,348)	(21,608)	--	--	(17,358)	(21,148)
Net earnings (loss) before income taxes	14,089	9,790	--	--	(12,973)	(20,519)	--	--	1,116	(10,729)
Income tax expense (recovery)	3,634	2,299	--	--	(248)	(1,446)	--	--	3,386	853
Net earnings (loss) from continuing operations	10,455	7,491	--	--	(12,725)	(19,073)	--	--	(2,270)	(11,582)
Net earnings from discontinued operations	--	--	--	5,034	--	--	--	--	--	5,034
Net earnings (loss)	$ 10,455	$ 7,491	$ --	$ 5,034	$ (12,725)	$ (19,073)	$ --	$ --	$ (2,270)	$ (6,548)
Net earnings (loss) attributable to:										
Shareholders	$ 10,219	$ 7,293	$ --	$ 4,172	$ (12,725)	$ (19,073)	$ --	$ --	$ (2,506)	$ (7,608)
Non-controlling interests	236	198	--	862	--	--	--	--	236	1,060
	$ 10,455	$ 7,491	$ --	$ 5,034	$ (12,725)	$ (19,073)	$ --	$ --	$ (2,270)	$ (6,548)
Additions to segment assets:										
Intangible assets	$ 834	$ 843	$ --	$ 2,380	$ --	$ --	$ --	$ --	$ 834	$ 3,223
Equipment	1,037	511	--	--	119	75	--	--	1,156	586
Goodwill	--	--	--	--	--	--	--	--	--	--

For the nine months ended September 30,	Investment Management		Discontinued Operations		Corporate Activities and Investments		Inter-Segment Transactions		Consolidated	
	2023	2022 *Restated*	2023	2022 *Restated*	2023	2022 *Restated*	2023	2022 *Restated*	2023	2022 *Restated*
Revenue										
Management and advisory fees	$ 147,509	$ 139,285	$ --	$ --	$ --	$ --	$ (1,446)	$ (1,371)	$ 146,063	$ 137,914
Fees paid to referring agents	(10,074)	(9,909)	--	--	--	--	--	--	(10,074)	(9,909)
Net management and advisory fees	137,435	129,376	--	--	--	--	(1,446)	(1,371)	135,989	128,005
Administrative services income	6,435	6,005	--	--	1,121	55	--	78	7,556	6,138
Dividend and interest income	1,168	171	--	--	33,649	15,743	575	257	35,392	16,171
Net revenue	145,038	135,552	--	--	34,770	15,798	(871)	(1,036)	178,937	150,314
Expenses										
Employee comp. & benefits	76,847	71,198	--	--	8,816	6,592	--	--	85,663	77,790
Amortization	8,266	7,912	--	--	1,551	902	--	--	9,817	8,814
Interest	391	348	--	--	5,566	2,285	(57)	(116)	5,900	2,517
Other expenses	28,352	24,439	--	--	3,267	2,344	(814)	(920)	30,805	25,863
	113,856	103,897	--	--	19,200	12,123	(871)	(1,036)	132,185	114,984
Operating earnings	31,182	31,655	--	--	15,570	3,675	--	--	46,752	35,330
Net gains (losses)	3,298	2,112	--	--	(6,258)	(124,554)	--	--	(2,960)	(122,442)
Net earnings (loss) before income taxes	34,480	33,767	--	--	9,312	(120,879)	--	--	43,792	(87,112)
Income tax expense (recovery)	7,872	7,556	--	--	216	(9,847)	--	--	8,088	(2,291)
Net earnings (loss) from continuing operations	26,608	26,211	--	--	9,096	(111,032)	--	--	35,704	(84,821)
Net earnings from discontinued operations	--	--	553,743	15,864	--	--	--	--	553,743	15,864
Net earnings (loss)	$ 26,608	$ 26,211	$ 553,743	$ 15,864	$ 9,096	$ (111,032)	$ --	$ --	$ 589,447	$ (68,957)
Net earnings (loss) attributable to:										
Shareholders	$ 25,657	$ 24,845	$ 461,489	$ 13,143	$ 9,096	$ (111,032)	$ --	$ --	$ 496,242	$ (73,044)
Non-controlling interests	951	1,366	92,254	2,721	--	--	--	--	93,205	4,087
	$ 26,608	$ 26,211	$ 553,743	$ 15,864	$ 9,096	$ (111,032)	$ --	$ --	$ 589,447	$ (68,957)
Additions to segment assets										
Intangible assets	$ 1,034	$ 6,029	$ --	$ 19,063	$ --	$ 315	$ --	$ --	$ 1,034	$ 25,407
Equipment	1,429	843	--	2,898	168	1,312	--	--	1,597	5,053
Goodwill	--	--	--	6,653	--	--	--	--	4,702	6,653

As at September 30, 2023 and December 31, 2022	Investment Management		Discontinued Operations		Corporate Activities and Investments		Inter-Segment Transactions		Consolidated	
	2023	2022 *Restated*	2023	2022 *Restated*	2023	2022 *Restated*	2023	2022 *Restated*	2023	2022
Segment assets and liabilities:										
Assets	$ 356,634	$ 338,714	$ --	$ 297,193	$ 1,444,595	$ 739,452	$ (23,509)	$ (10,587)	$ 1,777,720	$ 1,364,772
Liabilities	178,953	197,274	--	141,992	420,039	253,234	(23,509)	(10,587)	575,483	581,913

(b) Geographic segments

The Company's business units operate in various geographic regions. The Company attributes revenues generated by a business unit to the geographic region based on where that business unit resides. The following tables disclose certain information about the Company's operations by geography:

	Canada		United Kingdom		USA and other		Consolidated	
	2023	2022 *restated*	2023	2022	2023	2022	2023	2022 *restated*
For the three months ended September 30, Net revenue from external parties	$ 38,510	$ 27,637	$ 14,789	$ 11,831	$ 9,312	$ 8,966	$ 62,611	$ 48,434
For the nine months ended September 30, Net revenue from external parties	$ 110,571	$ 84,650	$ 41,026	$ 35,780	$ 27,340	$ 29,884	$ 178,937	$ 150,314
As at September 30, 2023 and December 31, 2022 Non-current assets:								
Intangible assets	$ 25,485	$ 26,485	$ 2,449	$ 2,949	$ 62,675	$ 67,452	$ 90,609	$ 96,886
Equipment	18,829	22,172	652	826	3,087	2,304	22,568	25,302
Goodwill	11,133	11,133	798	888	30,432	30,498	42,363	42,519

14. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

Net change in non-cash working capital items is comprised of the following:

For the periods ended September 30,	Three months		Nine months	
	2023	2022	**2023**	2022
Decrease (increase) in non-cash working capital assets:				
Interest-bearing deposits with banks	**$ 2,686**	$ 2,008	**$ (16,775)**	$ (2,313)
Accounts receivable and other	**(2,367)**	1,689	**(3,198)**	4,451
Receivables from clients and broker	**--**	9,721	**28,524**	2,692
Increase (decrease) in non-cash working capital liabilities:				
Client deposits	**(5,179)**	(5,330)	**7,717**	(5,072)
Accounts payable and accrued liabilities	**12,364**	9,844	**6,944**	(308)
Payable to clients	**--**	(9,721)	**(25,013)**	(2,692)
	$ 7,504	$ 8,211	**$ (1,801)**	$ (3,242)

15. FINANCIAL RISK MANAGEMENT

The Company's goal in managing financial risks is to evaluate the risks being taken against the benefits that are targeted to be achieved and, where those risks are deemed acceptable, to mitigate those risks, where practicable. The following are the more significant risks associated with financial instruments to which the Company is subject:

(a) Concentration risk

The Company is exposed to concentration risk associated with the $255,447 (December 31, 2022 – $273,064) investment in the Bank of Montreal shares, which represents 20% (December 31, 2022 – 41%) of the Company's securities. The Company monitors the investment in the Bank of Montreal shares on a continuous basis. A change in the price of the Bank of Montreal shares by 10% would result in gain or loss of $25,545 (December 31, 2022 - $27,306) being recorded in net gains (losses).

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, currency risk and interest rate risk.

i) Price risk

Price risk, the risk of a gain or loss resulting from movements in the price of securities, arises when the Company invests in equity securities. The Company is exposed to price risk with its investment in equity securities. Changes in the fair values of its equity securities are recognized in net gains (losses) and can have a significant impact on net earnings (loss) attributable to shareholders. This risk is managed through the use of professional in-house expertise, which takes a disciplined approach to investment management. The equity securities holdings, excluding the Bank of Montreal shares, are diversified by asset class and, as shown in the chart below, by geographical region. The chart also indicates the gain or loss which would be recognized in net earnings as a result of a 10% change in the market prices:

	Equity securities classified as fair value through the profit and loss	Gain or loss recognized from a 10% change in fair value
As at September 30, 2023		
Canada	**$ 57,544**	**±$ 5,754**
Rest of World	**367,210**	**36,721**
	$ 424,754	**±$ 42,475**
As at December 31, 2022		
Canada	$ 58,155	±$ 5,815
Rest of World	301,358	30,136
	$ 359,513	±$ 35,951

The price risk associated with Securities backing third party investor liabilities and Third party investor liabilities are equal to and offsetting. As a result, they have been excluded from the above analysis.

ii) Currency risk

Currency risk, the risk of a gain or loss resulting from changes in the price of a financial instrument due to changes in currency exchange rates, arises when the Company or one of its subsidiaries is party to financial instruments which are denominated in a currency which is different from its functional currency. The Company's significant financial instruments which are subject to currency risk are as follows:

As at	**September 30 2023**	December 31 2022
USD currency exposure:		
Assets:		
Short-term securities	**$ 21,629**	$ --
Liabilities:		
Bank loans and borrowings	**71,385**	--
	$ (49,756)	$ --

The Company is exposed to currency risk related to a certain of its short term securities and borrowings, which are denominated in USD. The risk associated with net exposure is mitigated by the USD cash flows that are generated by the Company's foreign subsidiaries. A change in the CAD-USD exchange rate by +/-10% would result in a foreign exchange gain or loss of $4,976 (December 31, 2022 – $ nil) being recognized in net earnings.

As a result of expansion outside of Canada, the Company's revenues, expenses and operating results from foreign operations may fluctuate with the changes in the foreign currency exchange rates compared to the Canadian dollar. The most significant foreign currency exposure is to the US dollars as most of the non-Canadian assets under management are US dollar denominated portfolios. Every 1% change in the value of the Canadian dollar against the US dollar would result in a change in Net Revenue of approximately $298 and $853 for 3 and 9 month periods respectively, to September 30, 2023.

From time to time, a foreign subsidiary may hold an unhedged position in financial instruments denominated in Canadian dollars, which can result in foreign exchange gains or losses in that subsidiary. Upon translation of their results on consolidation, the Company will recognize an equal and offsetting foreign currency translation adjustment in other comprehensive income. The Company may also record foreign exchange gains and losses on US dollar borrowing used to finance acquisitions in the US. This risk is mitigated by offsetting amounts being recognized on the investment in these foreign subsidiaries as Net change in foreign currency translation on foreign subsidiaries in other comprehensive income, as discussed above.

iii) Interest rate risk

Interest rate risk, the risk of increased or decreased income and expense or gain or loss resulting from changes in interest rates, arises when the Company is party to an interest-bearing financial instrument. The Company's significant exposure to interest rate risk is as follows:

As at	September 30 2023	December 31 2022
Interest rate sensitive assets:		
Interest-bearing deposits with banks	$ 83,903	$ 67,446
Short term securities	558,889	9,577
Fixed-income securities	36,947	18,259
	$ 679,739	$ 95,282
Interest rate sensitive liabilities:		
Bank loans and borrowings	$ 149,344	$ 131,566
Client deposits	66,483	59,080
	$ 215,827	$ 190,646

The Company's most significant exposures to interest rate risk are through its bank loans and borrowings and short-term and fixed-income investments as detailed above. The interest rates on these borrowings are short-term and, if short-term rates increase, the Company's interest expense on the bank loans and borrowings and the interest income earned on short-term and fixed-income securities will both increase. To the extent the balances are offsetting, they act as partial hedge to the exposure. To the extent the balances are not offsetting, the risk is mitigated by the short-term nature of these instruments.

The interest rate risk on interest-bearing deposits with banks and the client deposits, both of which arise in the international banking operation, is considered to be low, as the Company manages by matching interest and maturities on the assets and liabilities.

(c) Credit risk

Credit risk is the risk of a financial loss due to one party to a financial instrument failing to discharge its obligation to the Company. The Company's total credit risk exposure, without consideration of any collateral or other credit enhancements, is as outlined below:

As at	September 30 2023	December 31 2022
Cash	$ 149,644	$ 54,894
Interest-bearing deposits with banks	83,903	67,446
Accounts receivable and other	54,547	48,398
Short-term securities	558,889	9,577
Fixed-income securities	36,947	18,259
	$ 883,930	$ 198,574

The Cash and Interest-bearing deposits with banks and the majority of the accounts receivable are due from major institutions. The Company reviews the credit worthiness of any banks with which it places deposits, and does not deal with a bank if it is not satisfied with the bank's financial strength. The Accounts receivable and other are generally amounts due from customers, and the credit risk is low due to the nature of the Company's customers. There are controls on the amounts that these clients may borrow, depending upon the securities that are pledged. The credit risk associated with the Company's investment in fixed-income securities are managed by the periodic monitoring of the activities of the portfolio managers who, through diversification and credit quality reviews directly manages the credit risk associated with the investments. The short-term securities are government treasury bills, investments in money market funds, which hold government treasury bills or investment-quality securities with very short duration and low credit risk.

(d) Liquidity risk

Liquidity risk, the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities arises when the Company has insufficient resources to meet its obligations as they come due. The Company is exposed to liquidity risk because it has significant obligations which are due within one year. The Company manages this financial risk by managing its cash flows from operations, maintaining a portfolio of liquid securities, and by arranging for significant borrowing facilities, which are secured by collateral, with two major Canadian banks.

16. DISCONTINUED OPERATIONS

On November 30, 2022, the Company entered into an agreement to sell the Worldsource Businesses to the Desjardins Group for $750,000, subject to customary price adjustments for excess working capital. The proceeds of disposition were divided between the Company and the non-controlling interests in IDC WIN. The transaction closed on March 1, 2023.

The summarized operating results of the Worldsource Businesses which are included in the Company's Consolidated Statement of Operations as Net earnings from discontinued operations are as follows:

For the periods ended September 30,	Three months		Nine months	
	2023	2022	**2023**	2022
Operating activities				
Net revenue	**$ --**	$ 23,792	**$ 17,615**	$ 71,086
Expenses	**--**	18,165	**14,333**	53,846
Operating earnings	**--**	5,627	**3,282**	17,240
Net gains	**--**	1,313	**387**	4,497
Income tax expense	**--**	1,906	**404**	5,873
	--	5,034	**3,265**	15,864
Gain on disposition	**--**	--	**619,513**	--
Income tax expense	**--**	--	**69,035**	--
	--	--	**550,478**	--
Net earnings from discontinued operations	**$ --**	$ 5,034	**$ 553,743**	$ 15,864
Net earnings from discontinued operations attributable to:				
Shareholders	**$ --**	$ 4,172	**$ 461,489**	$ 13,143
Non-controlling interests		862	**92,254**	2,721
	--	5,034	**553,743**	15,864
Per share (note 11):				
Basic	**$ --**	$ 0.18	**$ 19.34**	$ 0.36
Diluted	**--**	0.18	**18.05**	0.36

The summarized cash flows for the Worldsource Businesses which have been included in the Company's Consolidated Statements of Cash Flow are as follows:

For the periods ended September 30,	Three months		Nine months	
	2023	2022	**2023**	2022
Net cash from (used in)				
Operating activities	**$ --**	$ 709	**$ 10,087**	$ 12,666
Investing activities	**--**	(13,333)	**726,580**	(10,149)
Financing activities	**--**	(278)	**(43,390)**	(2,545)
	$ --	$ (12,902)	**$ 693,277**	$ (28)

The effects of the disposal on the financial position of the Company are as follows:

	2023
Cash	**$ 6,452**
Receivables from clients and broker	**65,536**
Other current assets	**26,133**
Intangibles	**81,980**
Goodwill	**32,622**
Other non-current assets	**8,429**
Payable to clients	**(65,536)**
Other current liabilities	**(32,877)**
Non-current liabilities	**(9,219)**
Net assets and liabilities disposed	**113,520**
Consideration received, cash (i)	**749,286**
Cost of disposal	**(16,254)**
Cash disposed	**(6,452)**
Net cash inflows	**726,580**
Less amounts paid to Non-controlling interests	**(103,830)**
	$ 622,750

(i) $20,000 of the cash consideration will be held in escrow for a period of up to 18 months from closing and available to offset indemnity claims which may be brought by the purchaser or to offset further adjustments to closing net working capital of the Worldsource Businesses. As at September 30, 2023, $18,865 was held in escrow.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with securities regulatory requirements, the discussion and analysis which follows for Guardian Capital Group Limited and its subsidiaries and other controlled entities ("Guardian") pertains to the three month period ended September 30, 2023 and the comparative periods in the year 2022, as well as to certain other prior quarterly periods. Readers are encouraged to refer to the discussions and analyses contained in the 2022 Annual Report. This discussion and analysis has been prepared as of November 9, 2023

Additional information relating to Guardian and its business, including Guardian's Annual Information Form, is available on "SEDAR" at www.sedarplus.ca.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Certain information included in this Management's Discussion and Analysis constitutes forward-looking information within the meaning of applicable Canadian securities laws. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Forward-looking information in this Management's Discussion and Analysis includes, but is not limited to, statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. Such forward-looking information reflects management's beliefs and is based on information currently available. All forward-looking information in this Management's Discussion and Analysis is qualified by the following cautionary statements.

Although Guardian believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause Guardian's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: general economic and market conditions, including interest rates, business competition, changes in government regulations or in tax laws, the duration and severity of pandemics, such as COVID-19, military conflicts in various parts of the world, as well as those risk factors discussed or referred to in this Management's Discussion and Analysis and the other disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this Management's Discussion and Analysis is provided as of the date of this Management's Discussion and Analysis and should not be relied upon as representing Guardian's views as of any date subsequent to the date of this Management's Discussion and Analysis. Guardian undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

OVERVIEW OF GUARDIAN'S BUSINESS

Guardian is a financial services company, which provides extensive investment management services to institutional, retail and private high and ultra-high-net worth clients through its subsidiaries. At the end of the current quarter, Guardian had $52.3 billion of assets under management ("AUM") and $3.9 billion of assets under advisement ("AUA") (together the "Total Client Assets"). Guardian is headquartered in Canada and operates in Canada, the United Kingdom, the United States and the Caribbean. Investment Management business is operated through the Toronto, Ontario-based Guardian Capital LP ("GCLP"), Guardian Smart Infrastructure Management Inc. ("GSIM"), Guardian Capital Real Estate Inc. ("GCREInc"), Guardian Capital Advisors LP ("GCA") and Guardian Partners Inc. ("GPI"), the Waterloo, Ontario-based Rae & Lipskie Investment Counsel Inc. ("RaeLipskie"), Vancouver, British Columbia-based Modern Advisor Canada Inc. ("Modern Advisor"), the London, UK-based GuardCap Asset Management Limited ("GuardCap"), the Salt Lake City, Utah-based Alta Capital Management, LLC ("Alta"), the Richmond, Virginia-based Agincourt Capital Management LLC ("Agincourt") and the Caribbean-based Alexandria Bancorp Limited ("ABL"). Guardian also manages its proprietary investment portfolio which had a fair market value of $1.3 billion at the end of the current quarter.

On March 1, 2023, Guardian sold its subsidiaries, Worldsource Financial Management Inc., Worldsource Securities Inc. and IDC Worldsource Insurance Network Inc. ("IDC WIN") for gross proceeds of $750 million, subject to adjustments for net working capital and amounts due to minority shareholders of IDC WIN ("Proceeds"). In the following discussion and analysis, these businesses will be referred to as Worldsource Businesses.

USE OF NON-IFRS MEASURES

Guardian uses certain measures to evaluate and assess the performance of its business, some of which are not defined within International Financial Reporting Standards ("IFRS"). These measures are EBITDA, EBITDA attributable to shareholders, EBITDA attributable to shareholders per share, Adjusted cash flow from operations, Adjusted cash flow from operations attributable to shareholders, Adjusted cash flow from operations attributable to shareholder per share. As a result of the sale of the Worldsource businesses as discussed below, we have updated the definition of EBITDA to exclude Net earnings from discontinued operations and Adjusted cash flow from operations to exclude cash flow from discontinued operations. More detailed definition of EBITDA is provided on page 27 of the Management Discussions and Analysis. Other Non-IFRS measures are equity per share, and securities per share. Non-IFRS measures do not have standardized meanings prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. However, Guardian believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these measures in analyzing Guardian's results. In the Non-IFRS Measures section of this Management Discussion and Analysis a description of how these measures are defined by Guardian is provided, with reconciliations to their most comparable IFRS measures.

CONSOLIDATED FINANCIAL RESULTS

The comparative financial results of Guardian on a consolidated basis are summarized in the following table:

For the periods ended September 30, ($ in thousands, except per share amounts)	Three months 2023	Three months 2022 *restated*	% Inc (Dec)	Nine months 2023	Nine months 2022 *restated*	% Inc (Dec)
Net revenue	**$ 62,611**	$ 48,434	29.3%	**$ 178,937**	$ 150,314	19.0%
Expenses	**44,137**	38,015	16.1%	**132,185**	114,984	15.0%
Operating earnings	**18,474**	10,419	77.3%	**46,752**	35,330	32.3%
Net losses	**(17,358)**	(21,148)	17.9%	**(2,960)**	(122,442)	97.6%
Earnings (loss) before income taxes	**1,116**	(10,729)	110.4%	**43,792**	(87,112)	150.3%
Income tax expense (recovery)	**3,386**	853	297.0%	**8,088**	(2,291)	453.0%
Net earnings (loss) from continuing operations	**(2,270)**	(11,582)	80.4%	**35,704**	(84,821)	142.1%
Net earnings from discontinued operations	**--**	5,034	-100.0%	**553,743**	15,864	3,390.6%
Net earnings (loss)	**$ (2,270)**	$ (6,548)	65.3%	**$ 589,447**	$ (68,957)	954.8%
EBITDA	**$ 24,611**	$ 15,590	57.9%	**$ 65,181**	$ 49,356	32.1%
Adjusted cash flow from operations	**21,568**	17,034	26.6%	**55,568**	43,511	27.7%
Attributable to shareholders:						
Net earnings (loss) from continuing operations	**$ (2,506)**	$ (11,780)	78.7%	**$ 34,753**	$ (86,187)	140.3%
Net earnings (loss)	**(2,506)**	(7,608)	67.1%	**496,242**	(73,044)	779.4%
EBITDA	**23,985**	14,801	62.1%	**62,683**	46,362	35.2%
Adjusted cash flow from operations	**20,971**	16,203	29.4%	**53,051**	40,415	31.3%
Per share amounts (diluted):						
Net earnings (loss) from continuing operations	**$ (0.11)**	$ (0.49)	77.6%	**$ 1.40**	$ (3.53)	139.7%
Net earnings (loss)	**(0.11)**	(2.85)	96.1%	**19.40**	(2.68)	823.9%
EBITDA	**1.02**	0.61	67.2%	**2.49**	1.90	31.1%
Adjusted cash flow from operations	**0.89**	0.67	32.8%	**2.12**	1.65	28.5%

As at ($ in millions, except per share amounts)	**2023 September 30**	2022 December 31	% Inc (Dec)	2022 September 30	% Inc (Dec)
Shareholders' equity	**$ 1,201**	$ 768	56.5%	$ 743	61.7%
Securities	**1,276**	660	93.2%	651	96.0%
Per share amounts (diluted):					
Shareholders' equity	**$ 47.54**	$ 29.43	61.5%	$ 28.74	65.4%
Securities	**50.49**	25.31	99.5%	25.16	100.7%

THIRD QUARTER HIGHLIGHTS

On September 26, 2023, Guardian launched the Guardian Smart Infrastructure Partners LP ("GSIP"), managed by its smart infrastructure investment management subsidiary, GSIM. Utilizing its substantial balance sheet to accelerate the launch of the fund, Guardian, along with the management team of GSIM, provided GSIP with a $100 million USD in capital commitment. With its initial capital call, GSIP, through a jointly controlled entity, Juniper Holdco ASA ("Juniper"), acquired a 62.8% equity interest in Q-Free ASA ("Q-Free"), an intelligent transportation systems company listed on the Oslo Stock Exchange. Juniper is 70% owned by GSIP and 30% by a Norwegian private family office.

Guardian has recognized GSIP's investment in Q-Free on its balance sheet at September 30, 2023. The investment was recognized in two parts, Securities of $73 million and Securities backing third party liabilities of $4 million. As the purchase of Q-Free shares had not settled until after the quarter end, Guardian also recognized Cash of $77 million, which was the amount used to initially capitalize Juniper, and offsetting liabilities, divided between Accounts payable & accrued liabilities and Third party investor liabilities. The seeding of GSIP by Guardian was initially funded mainly by borrowing in US dollars. Subsequent to quarter end, a portion of the Securities portfolio was sold to pay down the portion of debt denominated in Canadian dollars.

In addition, subsequent to the quarter end, Juniper made an offer to acquire the remaining shares of Q-Free at the same price per share it paid to acquire the initial 62.8% interest. GSIP's obligation to fund Juniper to acquire the remaining shares is estimated to be $44 million, subject to current exchange rates.

On October 3, 2023, Guardian exercised its right and acquired the remaining 6% of Alta that it did not already own for cash purchase price of $5 million.

As described in the prior quarter's Management's Discussion & Analysis, the following discussion and analysis and in Guardian's Consolidated Financial Statements, the Worldsource Businesses, up to the date of sale, have been classified as discontinued operations with prior period results reflecting this reclassification. In the Statement of Operations and Comprehensive Income, the current and comparative period results, including the Net gains realized on the sale of the Worldsource Businesses, have been presented on a single line called Net earnings from discontinued operations.

Subsequent to the sale of the Worldsource Businesses, Guardian streamlined its businesses into two Segments, Investment Management Segment and Corporate Activities and Investments Segment. The businesses which were previously included in the Wealth Management Segment have now been consolidated into the Investment Management Segment. Prior periods have been restated to reflect the new business Segments.

ASSETS UNDER MANAGEMENT AND ADVISEMENT

The following is a summary of the assets under management and advisement:

As at ($ in millions)	2023 September 30	2022 December 31	% Inc (Dec)	2022 September 30 *Restated*	% Inc (Dec)
Assets under management					
Institutional					
Global equities	$ **24,525**	$ 23,050	6.4%	$ 21,532	13.9%
Canadian equities	**4,729**	5,199	-9.0%	5,100	-7.3%
Fixed income	**17,773**	16,124	10.2%	16,225	9.5%
Institutional assets under management	**47,027**	44,373	6.0%	42,857	9.7%
Private wealth and outsourced chief investment officer	**5,283**	5,214	1.3%	4,957	6.6%
Total assets under management	**52,310**	49,587	5.5%	47,814	9.4%
Assets under advisement	**3,905**	3,716	5.1%	3,787	3.1%
Total client assets	$ **56,215**	$ 53,303	5.5%	$ 51,601	8.9%

Guardian is reporting Total Client Assets of $56.2 billion as at September 30, 2023, compared to $53.3 billion, as at December 31, 2022 and $51.6 billion, as at September 30, 2022. The change since December 31 was due largely to the positive market performance and to a lesser extent net inflow of net new assets. The year-over-year change was largely the result of the positive returns in the global equities market, partially offset by a modest net outflow of assets. With continued changes to the market conditions we have seen some of our clients changing their investment and asset allocation approaches. Guardian is experiencing some of these changes where some assets are being lost as clients allocate assets away from the strategies we managed for them and some have allocated more assets to the strategies we manage. During the current quarter, we experienced a net outflow of approximately $1.1 billion in equity strategy client assets but also experienced a net inflow of $1.7 billion in fixed income strategy mandate from an existing client. As this unsettled environment continues, net flows in and out of the strategies we manage could linger for some time. The diversity of our investment products and strategies should allow us to be more resilient in these times. The flows mentioned above occurred near the end of the quarter, and as a result, the full quarter's impact on net revenues were not reflected in the current quarter's results. The impact of these large flows is expected to result in lower revenues in the fourth quarter as the loss of higher fee earning equity assets are expected to exceed the revenue earned on the new fixed income assets.

OPERATING RESULTS

The Operating earnings of Guardian's business segments are summarized in the following table:

For the periods ended September 30, ($ in thousands)	Three months 2023	Three months 2022 *restated*	% Inc (Dec)	Nine months 2023	Nine months 2022 *restated*	% Inc (Dec)
Investment management	$ **11,099**	$ 9,330	19.0%	$ **31,182**	$ 31,655	-1.5%
Corporate activities and investments	**7,375**	1,089	577.2%	**15,570**	3,675	323.7%
	$ **18,474**	$ 10,419	77.3%	$ **46,752**	$ 35,330	32.3%

Guardian's consolidated Operating earnings for the current quarter ended September 30, 2023, were $18.5 million and $46.8 million year to date, increases of 77% and 32%, respectively from $10.4 million and $35.3 million for the same respective periods in the prior year. The EBITDA for the current quarter was $24.6 million and year to date of $65.2 million, increases of 58% and 32%, respectively, from $15.6 million and $49.4 million for the same respective periods in the prior year.

Net revenues grew to $62.6 million in the current quarter and $178.9 million year to date, increases of 29% and 19%, respectively, from $48.4 million and $150.3 million in the same respective periods in the prior year. The increase included the interest income earned on the Proceeds, which were not available in the comparative periods, and increase in net management fee revenue, including the full quarter contribution from RaeLipskie, which was acquired on September 1, 2022. Total expenses in the current quarter were $44.1 million and $132.2 million year to date, increases of 16% and 15%, respectively, from $38.0 million and $115.0 million in the same respective periods in the prior year. The increased expenses were driven by our continued, multi-year, strategic investments in our additional future growth sources, including increased investments in human capital and technology. and marketing and travel expenses. In addition, the increases in interest rates over the period and the addition of expenses associated with RaeLipskie, increased travel and marketing expenditures, and the effects of bearing certain costs which were allocated to Worldsource Businesses in prior periods contributed to the increase in expenses. As part of our strategic investments, we plan on further increasing our investments in technology, which will further add to the growth in expenses in the near term.

Net losses in the current quarter were $17.4 million, compared to $21.1 million in the same quarter in the prior year. Current year to date Net losses were $3.0 million, compared to $122.4 million in the same period in the prior year. These losses largely reflect the changes in fair values of Guardian's substantial Securities portfolio, which are driven by the volatility in the global financial markets over those periods.

Net loss attributable to shareholders in the current quarter was $2.5 million and the year to date Net earnings attributable to shareholders were $496.2 million, compared to Net loss attributable to shareholders of $7.6 million and $73.0 million in the same respective periods in the prior year. The improvements in the current quarter compared to the same period in the prior year was due to the increase in Operating earnings and lower Net losses on Securities portfolio recorded in the current quarter. The most significant driver of the year to date increase in Net earnings attributable to shareholders was the Net earnings from discontinued operations recorded in the first quarter of 2023 when the Worldsource Businesses was sold.

Adjusted cash flow from operations for the quarter was $21.6 million and year to date of $55.6 million, compared to $17.0 million and $43.5 million in the same respective periods in 2022. The increases were driven by improved Operating earnings in the current quarter and year to date periods.

The discussion on Guardian's operating results by Segments are provided below. The discussion should be read in conjunction with Note 13 (a), Business Segments, contained in Guardian's Third Quarter 2023 Consolidated Financial Statements.

Investment Management Segment

Operating earnings from the Investment Management Segment were $11.1 million in the current quarter and $31.2 million year to date, compared to $9.3 million and $31.7 million in the same respective periods in the prior year. EBITDA in the current quarter was $ 14.5 million and $40.3 million year to date, compared to $12.6 million and $41.2 million in the same respective periods in the prior year. The Net revenue in the current quarter was $49.5 million and $145.0 million year to date, compared to $43.5 million and $135.6 million in the same respective periods in the prior year. The increases in Net revenue were driven by the increases in AUM, largely the result of the positive global equities market performances over the same periods, offset by a slight net outflow of AUM as stated above, under the heading Assets Under Management and Advisement. The total expenses in the Segment were $38.4 million in the current quarter and $113.9 million year to date, compared to $34.2 million and $103.9 million in the same respective periods in the prior year. Increased expenses were largely the result of the addition of expenses associated with RaeLipskie, which was acquired on September 1, 2022, the continued strategic investments into our additional future growth sources, including the Canadian Retail Asset Management ("CRAM") team, the Guardian Smart Infrastructure Management ("GSIM") team, Guardian Partners Inc., and Modern Advisor. The Operating losses in these businesses were $3.1 million in the current quarter and $9.2 million year to date, compared to $2.3 million and $7.4 million in the same respective periods in the prior year. In addition, we continued to invest further in technology to support these strategic initiatives. These investments are expected to continue in the near term while we continue to build these future sources of growth. As mentioned in the Third Quarter Highlights section, Guardian leveraged its significant balance sheet to provide the GSIM team with the initial capital commitment needed to support a launch of its smart infrastructure fund to accelerate attracting third party investment commitments for this business.

Corporate Activities and Investments Segment

The Corporate Activities and Investments Segment's Operating earnings were $7.4 million for the current quarter and $15.6 million year to date, compared to $1.1 million and $3.7 million in the same respective periods in the prior year. EBITDA in the current quarter was $10.1 million and $24.9 million year to date, compared to $3.1 million and $8.1 million in the same respective periods in the prior year. The Net revenue increased to $13.4 million for the quarter and $34.8 million year to date, from $5.3 million and $15.8 million in the same respective periods in 2022. The most significant contributor to the growth was the interest income earned on the Proceeds received on the disposal of the Worldsource Businesses on March 1, 2023. Also included in the total revenues were $0.4 million in the current quarter and $1.1 million year to date of fees charged to Worldsource Businesses for transitional services. The increase in Net revenue was partially offset by higher expenses in the current quarter of $6.0 million and year to date of $19.2, compared to $4.2 million and $12.1 million in the same respective periods in the prior year. The increase is mainly due to increase in interest expense, resulting from increased borrowing rates over the period, addition of employees to support our strategic investments in the operating segments, absorption of certain costs which were recovered from Worldsource Businesses in prior periods no longer being recovered in the current period, increase in technology costs and growth in travel expenditures. To support our strategic investments in various initiatives, we plan to increase our technology investments in the near term which will further dampen our earnings in the near term.

LIQUIDITY AND CAPITAL RESOURCES

The strength of Guardian's balance sheet has enabled Guardian to attract Associates; provide clients with a high level of confidence and comfort; maintain appropriate levels of working capital in each of its areas of operation; make the necessary capital expenditures and investments to develop its businesses; and make appropriate use of borrowings, including financing the expansion of its businesses. We are confident that the strength of Guardian's balance sheet will continue to provide benefits in the future.

Guardian's balance sheet is supported by our substantial securities portfolio, as presented below:

As at ($ in millions)	2023 September 30	2022 December 31	% Inc (Dec)	2022 September 30	% Inc (Dec)
Securities, carried at fair value					
Proprietary investment strategies					
Short-term and fixed-income securities	**$ 80,839**	$ 18,495	337.1%	$ 17,278	367.9%
Canadian equities	**12,245**	13,200	-7.2%	13,547	-9.6%
Global equities	**333,357**	269,631	23.6%	261,874	27.3%
Canadian real estate	**43,483**	43,182	0.7%	41,944	3.7%
	469,924	344,508	36.4%	334,643	40.4%
Bank of Montreal common shares	**255,447**	273,064	-6.5%	269,763	-5.3%
Short-term securities	**510,157**	9,341	5,361.5%	9,365	5,347.5%
Fixed-income securities	**4,840**	--	100.0%	--	100.0%
Equities	**35,669**	33,500	6.5%	33,738	5.7%
Securities	**$ 1,276,037**	$ 660,413	93.2%	$ 647,509	97.1%
Securities per share amount, diluted	**$ 50.49**	$ 25.31	99.5%	$ 25.16	100.7%

Guardian's Securities as at September 30, 2023 had a fair value of $1,276 million, or $50.49 per share, diluted, compared with $660 million, or $25.31 per share, diluted, at the end of 2022. Shareholders' equity as at September 30, 2023 amounted to $1,201 million, or $47.54 per share, diluted, compared to $768 million, or $29.43 per share, diluted, at the end of 2022. The increases in Securities and Shareholders' equity were due largely to the addition of Guardian's portion of the proceeds, net of amounts held in escrow, and net gains realized on the disposition of the Worldsource Businesses, respectively. The proceeds are invested in fixed income investments with varying maturity, all less than one year.

In addition to its strong balance sheet, Guardian has, under various borrowing arrangements, total borrowing capacity of $175.0 million. As at September 30, 2023, the total borrowings amounted to $149.3 million, compared to $131.6 million at the end of 2022. Guardian's Adjusted cash flow from operations attributable to shareholders for the current quarter was $21.0 million and $53.1 million year to date, compared to $16.2 million and $40.4 million in the same respective periods in 2022. The increases in 2023, compared to the same periods one year earlier, were due largely to interest income earned on the Proceeds in the current year, combined with lower tax payments made in the current periods.

All these resources available to Guardian were used to finance various activities during the current quarter: provided initial seeding and commitment to the recently launched GSIP, a smart infrastructure fund managed by GSIM, as described in the Third Quarter Highlights section; $8.5 million in dividends were paid using Adjusted cash flow from operations; debt associated with the purchase price paid to acquire an incremental 24% interest in Alta its minority shareholders were funded from a combination of Proceeds and Adjusted cash flow from operations; approximately $44 million was redeployed from the Proceeds into existing and new proprietary products to provide them with initial scale; and $8.3 million of the Proceeds were used to fund share buy-backs during the quarter.

CONTRACTUAL OBLIGATIONS

Guardian has contractual commitments for the payment of certain obligations over a period of time. A summary of those commitments, including a summary of the periods during which they are payable, is shown in the following table:

As at September 30, 2023		Payments due by period			
($ in thousands)	Total	Within one year	2 - 3 years	4 - 5 years	After five years
Bank loans and borrowings	$ 149,344	$ 149,344	$ --	$ --	$ --
Third party investor liabilities	48,709	48,709	--	--	--
Client deposits	66,483	66,483	--	--	--
Accounts and income taxes payable	236,320	236,320	--	--	--
Obligations to non-controlling interests and other	18,969	6,680	7,154	5,135	--
Investment commitments	9,603	9,603	--	--	--
Scheduled lease payments, undiscounted	29,940	2,991	5,468	4,849	16,632
Total contractual obligations	$ 559,368	$ 520,130	$ 12,622	$ 9,984	$ 16,632

Guardian's contractual commitments are supported by its strong financial position, including its Securities, referred to above under the heading "Liquidity and Capital Resources". Client deposits in the offshore banking subsidiary are supported by the Interest-bearing deposits with banks. Third party investor liabilities are supported by Securities backing third party investor liabilities. Guardian has a commitment to invest $9.6 million in a private equity funds. Guardian will decide on the appropriate strategy for funding these commitments when called upon by the funds.

Not included in the above schedule of contractual obligations is the Company's commitment to fund its affiliate Juniper's tender offer to acquire all remaining outstanding shares of Q-Free. The Company's portion of the commitment, which was made on October 26, 2023, is for approximately $44 million if all the shares are tendered. The tender offer closes on November 24, 2023.

SUMMARY OF QUARTERLY RESULTS

The following chart summarizes Guardian's financial results for the past eight quarters:

	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022 *Restated*	Sep 30, 2022 *Restated*	Jun 30, 2022 *Restated*	Mar 31, 2022 *Restated*	Dec 31, 2021 *Restated*
As at ($ in millions)								
Assets under management	**$ 52,310**	$ 52,754	$ 52,261	$ 49,587	$ 47,814	$ 46,931	$ 53,123	$ 56,341
Assets under advisement	**3,905**	3,773	4,065	3,716	3,788	3,944	4,272	4,338
Total client assets	**56,215**	56,527	56,326	53,303	51,602	50,875	57,395	60,679
For the three months ended ($ in thousands)								
Net revenue	**$ 62,611**	$ 61,833	$ 54,493	$ 50,681	$ 48,434	$ 50,056	$ 51,824	$ 52,961
Operating earnings	**18,474**	17,038	11,240	8,790	10,419	11,404	13,507	14,086
Net gains (losses)	**(17,358)**	(3,736)	18,134	18,225	(21,148)	(91,545)	(9,749)	51,408
Net earnings (losses) from continuing operations	**(2,270)**	11,532	26,442	25,249	(11,582)	(73,463)	224	57,909
Net earnings from discontinued operations	**--**	--	553,743	6,386	5,034	5,239	5,591	6,542
Net earnings (losses)	**(2,270)**	11,532	580,185	31,635	(6,548)	(68,224)	5,815	64,451
Net earnings (loss) from continuing operations attributable to shareholders	**(2,506)**	11,145	26,114	24,679	(11,780)	(74,053)	(353)	56,999
Net earnings (loss) attributable to shareholders	**(2,506)**	11,145	487,603	29,961	(7,608)	(69,698)	4,262	62,422
Per share amounts (in $)								
Net earnings (loss) from continuing operations attributable to shareholders								
Basic	**$ (0.11)**	$ 0.47	$ 1.09	$ 1.02	$ (0.49)	$ (3.03)	$ (0.01)	$ 2.30
Diluted	**(0.11)**	0.45	1.02	0.96	(0.49)	(3.03)	(0.01)	2.15
Net earnings (loss) attributable to shareholders:								
Basic	**$ (0.11)**	$ 0.47	$ 20.27	$ 1.24	$ (0.31)	$ (2.85)	$ 0.17	$ 2.52
Diluted	**(0.11)**	0.45	18.79	1.16	(0.31)	(2.85)	0.16	2.35
Dividends paid	**$ 0.34**	$ 0.34	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.18	$ 0.18
As at								
Shareholders' equity *($ in millions)*	**$ 1,201**	$ 1,213	$ 1,242	$ 768	$ 743	$ 743	$ 828	$ 839
Per share amounts *(in $)*								
Basic	**$ 50.90**	$ 51.11	$ 52.42	$ 31.84	$ 30.82	$ 30.68	$ 33.67	$ 33.89
Diluted	**47.54**	47.63	48.73	29.43	28.88	28.74	31.27	31.53
Total Class A and Common shares outstanding *(shares in thousands)*	**25,408**	25,609	26,113	26,246	26,246	26,342	26,892	26,954

Over the past eight quarters presented above, Guardian's Net revenue, largely comprised of net management and advisory fees, has generally trended in the same direction as the changes in Total Client Assets. These fluctuations can also influence Operating earnings and are driven largely by the factors described below.

Net management and advisory fees are highly correlated to the changes in Total Client Assets, which are affected by the volatility of the global financial markets and additions and withdrawals of assets by clients. Partially offsetting this volatility is the income from Securities earned in the Corporate Activities and Investments Segment, which are less directly correlated to the volatility in the global financial markets. The timing of consolidation or deconsolidation of certain investment funds or disposal of securities can also have an impact on the level of dividend and interest income recorded in the period.

The Net revenue for each of the quarters above generally trended with the levels of Total Client Assets. Starting in the second quarter of 2023, the Net revenue increased greater than expected from the change in Total Client Assets. This was due to the interest income earned on the proceeds of disposition of Worldsource Businesses. Net gains (losses) reflect changes in fair values of the securities during each period, driven by the volatility of the global financial markets in which Guardian's securities trade. The volatility of Net gains (losses) also directly affects Net earnings (losses) attributable to shareholders.

The Net earnings from discontinued operations from the fourth quarter of 2021 to the first quarter of 2023, includes the Net earnings from Worldsource Businesses, which was reclassified into this line as a result of its sale. Included in the first quarter of 2023 is $553,743 of net gains realized on the disposition of the Worldsouce Businesses and its operating earnings, net of taxes for the period to closing.

The quarterly fluctuations in shareholders' equity shown above are caused largely by Guardian's Net earnings (losses), attributable to shareholders, less dividends paid and shares repurchased.

RISK FACTORS

A key component of a successful business is its ability to manage its risk. The following sections discuss the most significant risks and Guardian's management processes to mitigate them. Readers are encouraged to refer to Note 15 to Guardian's Third Quarter 2023 Consolidated Financial Statements for additional information on financial risk management.

Market Risk

Markets can have a significant effect on the value of both clients' portfolios and our earnings, since investment management and advisory fees, which make up a significant part of our revenues, are generally based on market values. The market fluctuations can be driven by political, economic or other changes in various regions of the world. We manage the risks associated with market fluctuations by having a diversified client base with different investment needs, and by having a variety of products and services, which may be attractive in different market environments and which have different correlations to equity and other financial markets and to each other.

Guardian's securities holdings are managed independently of clients' assets, except for those of our assets that are invested in Guardian's investment funds.

Portfolio Value and Concentration Risks

Guardian's securities are subject to price fluctuations risk. The potential impact of market fluctuations on the value of Guardian's securities is quantified in Note 15 of Guardian's Third Quarter 2023 Consolidated Financial Statements. Guardian manages this risk through professional in-house investment management expertise, which takes a disciplined approach to investment management. All securities are held by independent custodians chosen by Guardian. As at September 30, 2023, Guardian held $255 million of BMO shares (December 31, 2022 – $273 million), which represents 20% of Guardian's securities (December 31, 2022 – 41%). Guardian has accepted this concentration risk, as the bank is a diversified company with a history of steady and growing dividend payments. However, Guardian has been reducing its concentrated exposure over several years, having sold 2.7 million shares since the second quarter of 2013. In the first quarter, the Proceeds from the sale from the Worldsource Businesses were received and immediately invested in government or high-quality corporate short-term securities with varying maturities of less than one year. As a result, Guardian's securities increased its holdings in fixed-income securities, which now comprise 47% of the portfolio. The remainder of Guardian's securities portfolio is more diversified, from both an asset class and a geographical perspective.

The concentration risks by type as a percentage of total securities is summarized in the following table:

As at (as a percentage of securities)	September 30 2023	December 31 2022	% Inc (Dec)
Bank of Montreal common shares	**20%**	41%	-51%
Other Canadian equity securities and real estate	**4%**	9%	-56%
Canadian equities and real estate	**24%**	50%	-52%
Non-Canadian equities	**29%**	46%	-37%
Short-term and Fixed income securities	**47%**	4%	1075%
	100%	100%	0%

Foreign Currency Risk

As a result of expansion outside of Canada, Guardian's revenues, expenses and operating results from foreign operations may fluctuate with the changes in the foreign currency exchange rates compared to the Canadian dollar. The most significant foreign currency exposure is to the US dollars as most of the non-Canadian assets under management are US dollar denominated portfolios. Every 10% change in the value of the Canadian dollar against the US dollar would result in a change to Net revenues of approximately $3.0 million and $8.5 million for three and six month periods, respectively to September 30, 2023.

Guardian's investments in its foreign subsidiaries are subject to the risk of foreign currency exchange rate fluctuations. The effects of changes in foreign currency exchange rates on the values of these investments are not included in Net earnings (losses), but are recorded in the Net change in foreign currency translation on foreign subsidiaries in Guardian's Consolidated Statements of Operations and Comprehensive Income, and the cumulative effect is included in Accumulated Other Comprehensive Income in the Shareholders' Equity section of the Consolidated Balance Sheets.

From time to time, Guardian may recognize US dollar obligations to non-controlling interests on its balance sheet associated with the subsidiaries in the United States. As these are expected future transactions between equity interest holders, the changes in the value of these obligations, including changes resulting from foreign exchange rate fluctuations, are recorded directly in the Consolidated Statements of Equity. This currency risk is managed in a manner similar to the investments in other foreign subsidiaries, in that they are not actively managed, due to the long- term nature of the investments, but are closely monitored by management. Guardian may also record certain foreign exchange gains (losses) in Net earnings, such as US Dollar borrowings or on Canadian dollar cash balances held by foreign subsidiaries. This risk is mitigated by offsetting amounts being recognized on the investment in these foreign subsidiaries as Net change in foreign currency translation on foreign subsidiaries, as discussed above. Readers are encouraged to refer to Note 15 in Guardian’s Third Quarter 2023 Consolidated Financial Statements for further discussion and sensitivity analyses.

Credit Risk

Guardian’s credit risk is generally considered to be low. Because of the nature of Guardian’s business, its receivables are mainly from large institutions, which are considered to pose a relatively low credit risk. Guardian periodically reviews the financial strength of all of its counterparties, and if the circumstances warrants, Guardian takes appropriate action to reduce its exposure to certain counterparties. The credit risk associated with Guardian’s investment in fixed-income mutual funds is managed by the monitoring of the activities of the portfolio manager who, through diversification and credit quality reviews of the funds’ investments, manages the funds’ credit risk. Increased exposure to fixed-income securities resulting from the proceeds from the sale of the Worldsource Businesses being invested in these securities is managed through diversification and selection of securities issued by high-quality issuers.

Interest Rate Risk

Guardian’s most significant exposure to interest rate risk is through its investment in short-term and fixed-income securities, partially offset by the bank loans and borrowings. The securities and the borrowings are both short-term, and act as a partial hedge to mitigate against interest rate fluctuations. Guardian is also exposed to interest rate risk on client deposits in its international banking operations. This risk is largely managed through matching the interest rates and maturity dates of Client deposit liabilities with Interest-bearing deposits with banks. The interest rate risk associated with Guardian’s investment in fixed-income mutual funds is managed by monitoring the activities of the portfolio manager, who manages this risk by positioning the portfolio for various interest rate environments.

Liquidity Risk

Guardian manages liquidity risk through the monitoring and managing of cash flows from operations, by establishing sufficient cash borrowing facilities with major Canadian banks, which currently total $175 million through three credit facilities, and leveraging the support of its significant security portfolio. The maturities of Guardian’s contractual commitments are outlined under “Contractual Commitments” in this Management Discussion and Analysis. The combination of the cash flows from operations, the securities holdings and the borrowing facilities provides reasonable resources to manage its liquidity risk.

Certain financial market events may cause disruptions and cause a tightening of liquidity in the market, making it difficult or more expensive for Guardian to borrow under its facilities. Guardian’s large portfolio of liquid securities can offset some of the risk of tightening of market liquidity.

Product Performance Risk

Product performance risk is the risk that we will not perform as well as the market, our peers, or in line with our clients’ expectations. The nature of this risk is both relative and absolute. We manage this risk by having a disciplined approach to investment management, and by ensuring that our compliance capabilities are strong. With respect to clients’ expectations, we also seek to ensure that we are aware of those expectations, and that we properly communicate with our clients to develop, report on and comply with client mandates on a continuous basis.

Competition Risk

Guardian operates in a highly competitive environment, with competition based on a variety of factors including investment performance, the type and quality of products and services offered, business reputation and financial strength. Loss of client assets to competition will result in losses of revenue and earnings to Guardian. Guardian attempts to mitigate this risk by developing and maintaining a competitive product line and competitive relative performance of its products, through the recruitment and retention of high-quality investment professionals and a high-quality management team. Our ability to compete is also enhanced by our large capital base, which provides Guardian with the financial strength to invest in the development or acquisition of businesses. It also provides existing and future clients with comfort, which allows Guardian to better compete in winning and retaining these clients.

Regulatory and Legal Risk

Guardian and its subsidiaries operate in an environment subject to various laws and regulations. Given the nature of Guardian’s and certain of its subsidiaries’ operations, it may from time to time, be subject to changes in regulations, claims or complaints from investment clients and sanctions from governing bodies. These risks are mitigated by maintaining relevant in-house competence in laws and regulations, compliance and product review oversight, where appropriate, utilizing assistance from external advisors and insurance coverage.

Key Personnel Risk

The success of Guardian is highly dependent on key personnel, including its senior management and investment professionals. The loss of any of these individuals, or an inability to retain these individuals and attract the best of the brightest talent, could have a negative impact on Guardian. To mitigate this risk, Guardian monitors the industry to competitively compensate these individuals, invests into the business to create an environment where both Guardian and these individuals can succeed, and evaluates, on an ongoing basis, the succession plans in place for these key individuals. Guardian’s financial strength provides resources necessary to competitively compensate these individuals and to allow us to invest in the business.

Information Technology and Cybersecurity Risk

Guardian uses information technology and the internet to streamline business operations and to improve client experience. However, the use of information technology can also introduce operational risk related to its use by employees, which may result in errors and lead to financial loss to Guardian. In addition, through the use of mobile devices or remote connections to internal data centres, Guardian is exposed to information security and other technology disruption risks that could potentially have an adverse impact on its business. Guardian actively monitors these risks and continues to develop controls to protect against such threats that are becoming more sophisticated and pervasive.
As remote working by Guardian employees have increased, remote access to Guardian’s data centre by its employees have increased cyber security risk. Guardian has heightened its monitoring of the internal network traffic and the monitoring of developments in the latest known cyber threats to enhance security controls, where appropriate.

Climate Change Risk

Guardian and its subsidiaries have mostly indirect exposure to climate risk; climate change may have an impact on financial market performance, which may, in turn, have an impact on level of income earned by Guardian; with the heightened awareness of climate change, asset managers may find retaining or attracting clients more challenging if they are viewed as not having a credible approach to climate change; and increasing regulatory requirements create onerous compliance obligations and increased costs which could impact business operations. Guardian has established a Responsible Investing Oversight Committee comprised of senior executives across its asset management subsidiaries, which is responsible for assessing and managing business risks related to the environment, social issues and corporate governance. Guardian also has a dedicated responsible investing team which is responsible for incorporating industry best practices in its asset management approach and aligning those activities across all of Guardian's asset management businesses. Guardian plans to leverage these existing structures in its plans to implement the proposed disclosure requirements of National Instrument 51-107.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to use its judgement to make estimates and assumptions, which affect the reported amounts of assets, liabilities, contingencies, revenues and expenses. The items where management must use estimates and judgment are listed in note 2 (c) to Guardian's December 31, 2022, Consolidated Financial Statements. The most significant of these are related to the impairment assessment of goodwill, the determination of fair value of securities, which are classified as level 3 within the fair value hierarchy and accounting for certain investments. The valuation approach to level 3 securities which are valued by the Company is most sensitive to the level of EBITDA associated with the issuer of the security. The valuation approach to level 3 securities, primarily private equity funds, which are not valued by the Company are to use the reported fair value as provided by the fund's manager. The Company obtains comfort over the fair value reported by the managers by reviewing and discussing with the managers on an annual basis the valuation process and by comparing the reported fair value against each fund's audited financial statements. Guardian reviews goodwill and intangible assets for indications of impairment at the end of each reporting period, and if indications of impairment exist, the goodwill is then assessed for impairment in that period. The valuation approach to Investment Management Segment goodwill is most sensitive to the levels of AUM within the Segment. The goodwill in all units are tested annually for impairment. Management assess all significant investments to determine whether Guardian can exercise control over its investment, in which case it must consolidate the investment, or whether another method of accounting is more appropriate.

NON-IFRS MEASURES

EBITDA, EBITDA attributable to shareholders, and EBITDA per share

Guardian defines EBITDA as net earnings before interest, income tax, amortization, and stock-based compensation expenses, net gains or losses and net earnings from discontinued operations. EBITDA attributable to shareholders is defined as EBITDA less amounts attributable to non-controlling interests. EBITDA per share is calculated on EBITDA attributable to shareholders using the same average shares outstanding and other adjustments that are used in calculating net earnings attributable shareholders per share. Guardian believes these are important measures, as they allow management to assess the operating profitability of our business and to compare it with other investment management companies, without the distortions caused by the impact of non-core business items, different financing methods, levels of income taxes, the amounts of net earnings available to non-controlling interests and the level of capital expenditures. The most comparable IFRS measures are "Net earnings" and "Net earnings from discontinued operations", which are disclosed in Guardian's Consolidated Statements of Operations.

The following is a reconciliation of the IFRS measure to the non-IFRS measures:

For the periods ended September 30,	Three months			Nine months		
($ in thousands)	**2023**	2022 *restated*	% Inc (Dec)	**2023**	2022 *restated*	% Inc (Dec)
Net earnings (loss)	**$ (2,270)**	$ (6,548)	65.3%	**$ 589,447**	$ (68,957)	954.8%
Add (deduct):						
Net earnings from discontinued operations	**--**	(5,034)	100.0%	**(553,743)**	(15,864)	-3,390.6%
Income tax expense (recovery)	**3,386**	853	297.0%	**8,088**	(2,291)	453.0%
Net (gains) losses	**17,358**	21,148	-17.9%	**2,960**	122,442	-97.6%
Stock-based compensation	**875**	1,007	-13.1%	**2,712**	2,695	0.6%
Interest expense	**1,918**	1,212	58.3%	**5,900**	2,517	134.4%
Amortization	**3,344**	2,952	13.3%	**9,817**	8,814	11.4%
EBITDA	**24,611**	15,590	57.9%	**65,181**	49,356	32.1%
Less attributable to non-controlling interests in continuing operations	**(626)**	(789)	20.7%	**(2,498)**	(2,994)	16.6%
EBITDA attributable to shareholders	**$ 23,985**	$ 14,801	62.1%	**$ 62,683**	$ 46,362	35.2%

Adjusted cash flow from operations, Adjusted cash flow from operations attributable to shareholders and Adjusted cash flow from operations attributable to shareholders per share

Guardian defines Adjusted cash flow from operations as net cash from operating activities, net of changes in non-cash working capital items and cash flows of discontinued operations. Adjusted cash flow from operations attributable to shareholders as Adjusted cash flow from operations less non-controlling interests. Adjusted cash flow from operations attributable to shareholders per share is calculated using the same method, which is used to determine net earnings attributable to shareholders per share, including any adjustment to the average number of shares outstanding, or to income, to calculate the dilutive effect. Adjusted cash flow from operations attributable to shareholders and the per share amount are used by management to measure the amount of cash, either provided by or used, in Guardian's operating activities available to shareholders, without the distortions caused by fluctuations in its working capital. The most comparable IFRS measure is "Net cash from operating activities", which is disclosed in Guardian's Consolidated Statements of Cash Flow.

The following is a reconciliation of the IFRS measure to the non-IFRS measures:

For the periods ended September 30, ($ in thousands)	Three months 2023	Three months 2022 restated	% Inc (Dec)	Nine months 2023	Nine months 2022 restated	% Inc (Dec)
Net cash from operating activities	$ **29,072**	$ 25,954	12.0%	$ **54,141**	$ 52,935	2.3%
Add (deduct):						
Net cash from operating activities, discontinued operations	**--**	(12,192)	100.0%	**(10,087)**	(13,055)	22.7%
Net change in non-cash working capital items	**(7,504)**	(8,211)	8.6%	**1,801**	3,242	-44.4%
Net change in non-cash working capital items, discontinued operations	**--**	11,483	-100.0%	**9,713**	389	2,396.9%
Adjusted cash flow from operations	**21,568**	17,034	26.6%	**55,568**	43,511	27.7%
Less attributable to non-controlling interests, continuing operations	**(597)**	(831)	28.1%	**(2,517)**	(3,096)	18.7%
Adjusted cash flow from operations attributable to shareholders	$ **20,971**	$ 16,203	29.4%	$ **53,051**	$ 40,415	31.3%

Shareholders' equity per share

Shareholders' equity per share, diluted, is used by management to indicate the retained value per share available to shareholders which has been created by Guardian's operations. The most comparable IFRS measure is Shareholders equity, which is disclosed in Guardian's Consolidated Balance Sheet. Shareholders' equity per share is calculated by dividing shareholders' equity by the number of shares and dilutive shares outstanding as at period end.

Securities per share

Securities per share is used by management to indicate the value available to shareholders created by Guardian's investment in securities, without the netting of debt or deferred income taxes associated with the unrealized gains. The most comparable IFRS measure is Securities, which is disclosed in Guardian's Consolidated Balance Sheet. Securities per share is calculated by dividing Securities by the number of shares and dilutive shares outstanding as at period end.

OUTLOOK

One of the more notable things about the post-pandemic period has been the persistent looming sense that things will turn for the worse. Despite ongoing indications that conditions for consumers and businesses are generally fine in the here and now, sentiment across the broad swath of the world comprising the Organization for Economic Co-operation and Development is highly depressed due to fears of what's to come. To this point, however, these dour expectations have largely gone unmet. Indeed, the last few months have seen continued, and fairly broad-based, economic resiliency in the dataflow as shown by the gauges of "economic surprises" in both Developed Markets and Emerging Markets, once again turning for the better. Economic forecasters have, therefore, once again been forced to increase their near-term growth expectations higher while kicking the expected slump another quarter down the road.

The sustained view that momentum will slow materially underpins the consensus call for a recession in the coming year. Conviction has been faltering from the near-certainty among the forecasting community at this time a year ago, but it points to the odds favouring an imminent downturn across the US and Europe.

For sure, a recession is all but inevitable at some point in the future, since all economic cycles end at some point. The question is whether the consensus will finally prove correct in assuming a downturn, with all of its negative implications for markets, will materialize sooner rather than later. Several key risks are causing the still downbeat assessment of the prospects for economic growth in the months ahead, chief among them being the impact of monetary policy. Almost every recession in the post-World War II era has the fingerprints of central bankers all over it. The long and variable lags between central bank decisions and their impact on the real economy make calibrating the broad-reaching policy difficult and often result in policymakers going too far, too quickly, and ultimately choking off growth. As a result of the central bank actions, commercial bank surveys in the US, Europe and Canada all point to a notable degree of tightening in standards. Credit is the fuel for the engine of the global economy, so a reduction in its availability is a less-than-positive omen. Fiscal policy also looks likely to act as a drag on growth going forward, as higher interest rates put pressure on governments worldwide to rein in their massive structural deficits and pare the significant and increasingly onerous debt loads.

The main counterpoint to downbeat expectations, is that growth momentum is unlikely to truly falter near-term because consumers, the most important cog in the global economic machine and accounting for the bulk of activity, remain on solid footing. Despite the turmoil in financial markets and softening in real estate, consumer net worth remains at, or near, all-time highs. Further, the wealth gains have been spread among the population rather than just richer households seeing their lot improve, the gains having been most pronounced (on a percentage basis) among the bottom half of the wealth spectrum. Unlike the post-financial crisis period a decade ago, the less well-off have participated in the wealth gains. Adding to this base of support for households has been the ongoing strength of job markets worldwide. Strong consumers have supported business activity and kept firms struggling to find bodies to fill shifts, even in the face of weak sentiment and persistent uncertainty over the outlook: predictably, the result is lower unemployment, and increasing wages. Strong fundamentals for lower income households who have a higher marginal propensity to consume (i.e., they spend more of the additional funds earned by increases in wealth or income), has undoubtedly been a reason why spending, in general, has proven so resilient.

Looking forward, real estate, the largest asset on most household balance sheets, is highly sensitive to interest rates, but recent indications that housing activity is stabilizing, and home prices are showing signs of finding a floor across much of the world is a welcome sign, and should not act as a constraint to strong consumer spending. Financial markets are likely to remain volatile as the future effects of monetary and potential fiscal tightening play themselves into the economy and markets, but the strength of household balance sheets forms a formidable counterpoint to negative expectations.

In the meantime, Guardian's strong balance sheet offers the support of making long-term plans that are not necessarily reliant on the co-operation of events outside our control, even at the expense of short-term profitability. The sale of Worldsource has made this even more true. We have been engaged in a strategic planning process since the sale of Worldsource to account for the new realities of substantially greater liquidity. Our strategic discussions to date concluded that, in the near term, our plan to grow the business should not be a radical departure from what has led us to the success we have enjoyed over past decades, but take into account the increased flexibility and capacity conferred on us by the substantial increase in our net cash and investments. We plan to continue upon our long-held path of innovating new product lines from our existing teams while identifying and recruiting new capabilities. We have greater capacity to allocate our capital to support these new growth initiatives, similar to the recent capital commitment provided to the Guardian Smart Infrastructure Partners LP fund which has been made in part to form a catalyst to the number of third-party investors who are considering a commitment into this strategy. We also plan to complement our organic growth initiatives with allocation of capital towards strategic acquisition opportunities that can expand our current offerings and further stimulate our growth. As we invest to grow, Guardian remains committed to the efficient return of capital to shareholders by allocating a meaningful use of balance sheet capital towards the purchase and cancellation of our stock, especially if we believe the public market continues to materially discount the intrinsic value of our stock. Returning capital to shareholders will also likely extend to a greater percentage of the adjusted cash flow from operations being used for dividend growth.

Our history. Your future.

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