Guardian

GUARDIAN CAPITAL GROUP LIMITED
Report to Shareholders

FIRST QUARTER
MARCH 31, 2023

Enriching Lives Together

TO OUR SHAREHOLDERS:

We present below a summary of the Company's operating results for the three months ended March 31, 2023 and 2022. All per share figures disclosed below are stated on a diluted basis.

For the three months ended March 31, *($ in thousands, except per share amounts)*	**2023**	2022 *restated*
Net revenue	**$ 54,493**	$ 51,824
Operating earnings	**11,240**	13,507
Net gains (losses)	**18,134**	(9,749)
Net earnings from continuing operations	**26,442**	224
Net earnings from discontinued operations	**553,743**	5,591
Net earnings	**580,185**	5,815
EBITDA [1]	**$ 17,371**	$ 17,504
Adjusted cash flow from operations [1]	**18,097**	16,778
Attributable to shareholders:		
Net earnings (loss) from continuing operations	**$ 26,114**	$ (353)
Net earnings	**487,603**	4,262
EBITDA [1]	**16,395**	16,390
Adjusted cash flow from operations [1]	**17,113**	15,635
Per share (diluted)		
Net earnings (loss) from continuing operations	**$ 1.02**	$ (0.01)
Net earnings	**18.79**	0.16
EBITDA [1]	**0.65**	0.64
Adjusted cash flow from operations [1]	**0.67**	0.61

As at *($ in millions, except per share amounts)*	**2023** **March 31**	2022 December 31	2022 March 31 *Restated*
Assets under management	**$ 52,261**	$ 49,587	$ 53,123
Assets under advisement	**4,065**	3,716	4,272
Total client assets	**56,326**	53,303	57,395
Shareholders' equity	**$ 1,242**	$ 768	$ 828
Securities	**1,301**	660	741
Per share (diluted)			
Shareholders' equity [1]	**$ 48.73**	$ 29.43	$ 31.27
Securities [1]	**51.06**	25.31	27.97

Summary

The Company successfully closed on March 1, 2023, the previously announced transaction to sell its subsidiaries, IDC Worldsource Insurance Network Inc. ("IDC WIN"), Worldsource Financial Management Inc. and Worldsource Securities Inc. (all three entities together, the "Worldsource Businesses") for $750 million, subject to adjustments for net working capital, less amounts due to minority shareholders of IDC WIN. At the time of entering into an agreement to sell, the Company classified the Worldsource Businesses as discontinued operations. Its financial results were netted on the Statements of Operations and presented on one line called, "Net earnings from discontinued operations" and on the Balance Sheets as "Discontinued operations" in both the assets and liabilities. Comparative periods were restated to reflect this presentation. All other figures referenced below reflect the results of the continuing business of the Company and its restated prior year.

The Company is reporting $553.7 million in Net earnings from discontinued operations, which includes net gains of $619.5 million realized on the disposition of the Worldsource Businesses, income tax expense of $69.0 million on the net gains and $3.2 million in operating earnings, net of taxes, for the period up to the closing date.

The Company's share of the net proceeds from the sale of the Worldsource Businesses were immediately invested into interest-bearing short-term securities. As a result, the Company is reporting fair value of its Securities at $1.3 billion ($51.06 per share) as at March 31, 2023, compared to $660 million ($25.31 per share) as at December 31, 2022.

The Company is reporting $56.3 billion in total client assets as at March 31, 2023, which include assets under management ("AUM") and assets under advisement ("AUA"). This is a 6% increase from $53.3 billion as at December 31, 2022, and a 2% decrease from $57.4 billion reported as at March 31, 2022.

Net revenue for the current quarter was $54.5 million, a 5% increase from $51.8 million in the same quarter in the prior year. Interest income earned on the proceeds from the sale of the Worldsource Businesses was the biggest driver of the increase, despite it being only one month's income. Net management and advisory fee revenue decreased by $0.8 million in the current quarter to $44.0 million, which includes the addition of RaeLipskie in the current quarter results. The expenses were 13% higher in the current quarter at $43.3 million. The increase is due to the inclusion of RaeLipskie's expenses, increase in interest expense due to rising interest rates and increased strategic investments into the Canadian Retail Asset Management team, the Guardian Smart Infrastructure team, Guardian Partners Inc. and Modern Advisor Inc., our additional expected growth sources for the future.

Operating earnings for the quarter were $11.2 million, a $2.3 million decrease from the $13.5 million reported in 2022. The Operating losses associated with the strategic investments mentioned above were $1.0 million higher at $3.3 million in the current quarter.

EBITDA(1) and EBITDA attributable to shareholders(1) were $17.4 million and $16.4 million in the current quarter, compared to $17.5 million and $16.4 million in the comparative period.

Net gains in the current quarter were $18.1 million, compared to Net losses of $9.7 million in the same quarter in the prior year, both largely consistent with the performance of the global equity markets.

Net earnings attributable to shareholders were $487.6 million in the current quarter and $4.3 million in the comparative period. The net gains realized on the sale of the Worldsource Businesses was the main reason for the increase in the current year.

Adjusted cash flow from operations(1) and Adjusted cash flow from operations attributable to shareholders(1) for the current quarter were $18.1 million and $17.1 million, respectively, compared to $16.8 million and $15.6 million, respectively, in the comparative period. During the current quarter, the Company returned to shareholders $6.1 million in dividends and $5.4 million in share buybacks.

The Company's Shareholders' equity as at March 31, 2023 was $1,242 million, or $48.73 per share(1), compared to $768 million, or $29.43 per share(1) as at December 31, 2022.

The Board of Directors has declared a quarterly eligible dividend of $0.34 per share, payable on July 18, 2023, to shareholders of record on July 11, 2023.

(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, the ongoing conflict in the Ukraine 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 condensed interim Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

Commentary

Market Recap

The past year has seen central banks embark on a tightening campaign that has been a standout versus history in terms of the speed and magnitude with which rates have gone up. Moreover, it is not just that rates went up, but that they did so by similar degrees across the globe as policymakers hiked together in lockstep. This led to a significant market correction in 2022. Global economic forecasts, and with them the outlooks for corporate earnings, were persistently ratcheted down on the assumption that the now materially higher interest rate environment, which was decimating bonds and culling equity valuation multiples, would compound the impact of high inflation and quickly choke off real economic activity. As has been the case since the onset of the pandemic, however, the global economy has persistently outperformed these increasingly dour expectations, with momentum proving far more resilient than forecasters have assumed. Thankfully, inflation pressures, while still higher than recent history have moderated, leading to central bank guidance that there would gradually be a reduction in the pace of monetary tightening. Armed with the expectation that monetary policy would soon be on hold, and visibility that economic growth, while slowing, was still fairly strong, stock and bond markets rebounded from their 2022 lows, and, in general, had quite a strong quarter. While there are still plenty of risks to the outlook, and the last few years have shown that new shocks can emerge rapidly and unexpectedly, it would appear that the underpinnings of the global economy at the moment would support the possibility for continued outperformance.

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.

Investment Management

In the first quarter, Guardian's investment products along with the broader markets, generally experienced positive returns. Institutional assets under management ("AUM") grew to $46.9 billion from $44.3 billion at the prior year end as the growth was entirely related to market returns as overall cash-flows were very slightly negative. Canadian equities actually had modest inflows, offset by small outflows from global and fixed income products. During the quarter we continued to expend time and money on the retail products division, which we expect to contribute to the future growth of our investment management segment. Progress is always slow to begin with, but we maintain confidence, that we will gain traction in the market, and accordingly are more than willing 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, but we are uniquely well positioned to stay the course on this initiative. We believe the commitment to sustain meaningful current operating losses related directly to the building of our presence in this segment will prove to be a worthwhile investment for our shareholders in the long term. At the current stage of our development, we take note of more intangible signs of success, which include monitoring engagement levels with financial advisors and growing brand awareness, rather than being myopic about the drag on earnings from these initiatives. Another investment initiative where we are committing support by front-loading expenses which will precede any new revenues has been our efforts at building our nascent Guardian Smart Infrastructure Management team. We have been actively engaging with potential institutional investors across the globe, and early interest toward raising our first fund has been encouraging, including securing a lead limited partner commitment from a large US-based institutional investor, being in active due diligence with a number of other large U.S. pension plans looking to participate in a first close of the fund, and expressions of interest from existing Canadian institutional clients. Our engagement with the institutional investor market has also included the active pursuit of establishing awareness and support from some of the leading alternative pension consultant advisors, and we are making progress in this area. We believe with a continued focus and effort to advance the many discussions we have with prospective investors that we realistically can target a first fund closing in the second half of 2023.

Our Private Wealth business includes our "Outsourced Chief Investment Officer" operation, Guardian Partners Inc., Guardian Capital Advisors LP, Alexandria Bancorp Limited, and 60% of Rae & Lipskie Investment Counsel Inc. ("RaeLipskie"), acquired in September, 2022. At March 31, our Private Wealth operations had a total AUM of $5.3 billion (including $1.1 billion of AUM at RaeLipskie) and $4.1 billion of assets under advisement ("AUA"), both asset metrics showed a slight increase in the quarter, reflecting positive markets through 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 very optimistic about 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 private client operations as we share the various capabilities and strengths of each business unit, with their counterparts. We believe this business is synergistic to our existing Investment Management businesses and allows us to provide a continuum of services to a spectrum of wealthy clients.

Discontinued Operations

At the time of entering into an agreement to sell the Worldsource businesses, the financial results from these related entities were classified as discontinued operations and are excluded from our reported results for continuing operations. Meanwhile, upon receipt of the proceeds from the deal, we invested into a portfolio of high-quality liquid fixed-income securities that mature 3, 6 and 12 months and provide a blended yield of just under 5%. We were not planning on the sale of the Worldsource businesses and, as such, there were no strategic plans that required us to monetize the business to fund targeted objectives in other areas. The sale of Worldsource ultimately came down to a very persistent and compelling case made by the acquirer at a price that we thought was more than fair relative to the on-going execution risk we had in running these businesses. We accepted the reality that it was time to transition our strategic ownership of these businesses to a more heavily resourced and even more committed business partner. We would like to thank the advisors, staff and management of the Worldsource businesses as well as our deal advisors and especially our counterparts at Desjardins for their contributions to the success of this business, and this deal, and wish them all a future of ever increasing success as they move forward.

As the sale of these businesses were opportunistic we have determined the need to review our long-term strategic plans. Immediately after closing of the transaction we committed to take the next six months to undertake a full strategic review which will include engagement with various stakeholders of including Board of Directors, Shareholders, and third-party advisors. Our review will focus on the strategic opportunities to support and grow our core business as an asset manager.

Corporate Securities Portfolio

In addition to our core Investment Management operating segment, steady and reliable investment income from our corporate securities portfolio has been a meaningful contributor to Guardian's profitability and long-term financial health and flexibility. At the current quarter's end, our investment portfolio was valued at $1.3 billion, up from $680 million at December 31, 2022 and $741 million at the end of Q1 2022. The large increase in the investment portfolio is due to the proceeds from the sale of the Worldsource businesses to the Desjardins Group, a transaction that closed March 1 2023. We received net cash proceeds from Desjardins that amounted to approximately $625 million (net of funds received by minority interests) plus approximately $39 million of excess working capital formerly held in these businesses. The cash was immediately invested in high quality liquid fixed income securities that mature in 3, 6 and 12 months and provide a blended yield of just under 5%. Our aggregate portfolio received dividend and interest income of approximately $8.0 million in the quarter. This is a substantial increase when measured against prior quarters, and is of course, related to the interest we collected since investing the proceeds of the sale. It is important to note that we only received one month of investment income from the sale proceeds. The results of the next quarterly reporting period should be more reflective of the near term run rate earnings from securities. 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. As mentioned above, the sale of the dealers was not a planned event, and Guardian's management and board will engage in a comprehensive strategic planning process to reflect the changes in Guardian's balance sheet, and business focus. While we conduct our analysis, we have decided that it would be prudent to invest the entire net proceeds of the aforementioned sale in short-term instruments and fortunately, for the first time in many years, short term investments offer a return that is both relatively safe, and quite rewarding. Our holding of Bank of Montreal stock has historically provided an important source of dividend income and stability on our balance sheet. However, its contribution to our overall profitability has been decreasing, especially now that the proceeds of the Worldsource sale have been invested, due to a combination of growing contributions from our operating businesses over the last decade and, at the same time, we have diversified our investment portfolio largely into higher-growth, but generally lower-yielding, proprietary investments. In the current quarter, BMO dividends contributed $3.2 million to Guardian revenues, a slight increase from the fourth quarter. No BMO shares were sold in the current quarter, and we continue to hold 2,230,000 shares with a fair value of $268 million. The balance of our portfolio is largely comprised of proprietary, diversified public equity strategies, Canadian real estate and fixed-income strategies and, to a lesser extent, third-party public and private investments. 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 or 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 first quarter of 2023, Guardian returned roughly $6.1 million to shareholders through dividends. In addition, $5.4 million was returned to shareholders through the purchase of 134,000 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 while doing so has neither diminished the quality of our balance sheet nor affected our ability to invest in future growth initiatives. With strong, continuing cash flow and an even greater fortress balance sheet, we are in the enviable position of being able to balance the needs of all stakeholders, including our clients, associates and shareholders. Given the sale of the Worldsource businesses nearly doubling our liquidity, Guardian has concluded that we have the flexibility to substantially increase the allocation of our cash flow to dividend payout, compared to prior years. As a result, the Board is pleased to report that we have declared another quarterly dividend of $0.34 per share, payable on July 18, 2023 to the shareholders of record on July 11, 2023. 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,	May 11, 2023
(signed) "James Anas"	(signed) "George Mavroudis"
Chairman of the Board	President and Chief Executive Officer

CONSOLIDATED BALANCE SHEETS (Unaudited)

As at *($ in thousands)*	March 31 2023	December 31 2022
ASSETS		
Current assets		
Cash (note 15)	$ 73,317	$ 54,894
Interest-bearing deposits with banks	75,541	67,446
Accounts receivable and other	51,341	48,398
Income taxes receivable	9,906	6,002
Securities backing third party investor liabilities (note 3)	55,999	64,895
Discontinued operations (note 15)	--	297,223
	266,104	538,858
Securities (note 4)	1,301,484	660,413
Other assets		
Deferred tax assets	1,193	794
Intangible assets	95,279	96,886
Equipment	24,872	25,302
Goodwill	42,483	42,519
	163,827	165,501
Total assets	$ 1,731,415	$ 1,364,772
LIABILITIES		
Current liabilities		
Bank loans and borrowings (note 5)	$ 127,404	$ 131,566
Third party investor liabilities (note 3)	55,999	64,895
Client deposits	61,780	59,080
Accounts payable and accrued liabilities	72,163	79,772
Lease obligations	2,160	1,647
Income taxes payable	72,247	1,627
Due to non-controlling interests and other liabilities (note 6)	28,859	28,894
Discontinued operations (note 15)	--	141,992
	420,612	509,473
Lease obligations	21,924	22,273
Due to non-controlling interests and other liabilities (note 6)	13,291	12,973
Deferred tax liabilities	37,899	37,194
Total liabilities	493,726	581,913
EQUITY		
Shareholders' equity		
Capital stock (note 7a and 7b)	17,463	17,559
Treasury stock (note 8a)	(34,061)	(35,569)
Contributed surplus	25,621	28,460
Retained earnings	1,209,493	733,287
Accumulated other comprehensive income	23,530	24,127
	1,242,046	767,864
Other equity interests	(4,357)	14,995
Total equity	1,237,689	782,859
Total liabilities and equity	$ 1,731,415	$ 1,364,772

See accompanying selected explanatory notes to consolidated financial statements.

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

For the three months ended March 31, *($ in thousands, except per share amounts)*	**2023**	2022 *restated*
Revenue		
Management and advisory fees, gross	**$ 47,423**	$ 48,240
Fees paid to referring agents and other	**(3,404)**	(3,451)
Net management and advisory fees	**44,019**	44,789
Administrative services income	**2,521**	2,144
Dividend and interest income (note 9)	**7,953**	4,891
Net revenue	**54,493**	51,824
Expenses		
Employee compensation and benefits	**28,745**	27,028
Amortization	**3,286**	2,790
Interest	**1,929**	545
Other expenses	**9,293**	7,954
	43,253	38,317
Operating earnings	**11,240**	13,507
Net gains (losses) (note 10)	**18,134**	(9,749)
Earnings before taxes	**29,374**	3,758
Income tax expense	**2,932**	3,534
Net earnings from continuing operations	**26,442**	224
Net earnings from discontinued operations (note 15)	**553,743**	5,591
Net earnings	**580,185**	5,815
Other comprehensive loss		
Net change in foreign currency translation on foreign subsidiaries	**(640)**	(4,507)
Comprehensive income	**$ 579,545**	$ 1,308
Net earnings from continuing operations attributable to:		
Shareholders	**$ 26,114**	$ (353)
Non-controlling interests	**328**	577
	26,442	224
Per share (note 11)		
Basic	**$ 1.09**	$ (0.01)
Diluted	**1.02**	(0.01)
Net earnings attributable to:		
Shareholders	**$ 487,603**	$ 4,262
Non-controlling interests	**92,582**	1,553
	580,185	5,815
Per share (note 11)		
Basic	**$ 20.27**	$ 0.17
Diluted	**18.79**	0.16
Comprehensive income attributable to:		
Shareholders	**$ 487,006**	$ 76
Non-controlling interests	**92,539**	1,232
	579,545	1,308

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

For the three months ended March 31, *($ in thousands)*	**2023**	2022
Total equity, beginning of period	**$ 782,859**	$ 852,577
Shareholders' equity, beginning of period	**767,864**	838,520
Capital stock, beginning of period	**17,559**	18,067
Acquired and cancelled (note 7c)	**(96)**	(44)
Capital stock, end of period	**17,463**	18,023
Treasury stock, beginning of period	**(35,569)**	(31,712)
Acquired (note 8a)	**(3,140)**	(3,966)
Disposed of (note 8a)	**4,648**	350
Treasury stock, end of period	**(34,061)**	(35,328)
Contributed surplus, beginning of period	**28,460**	25,106
Stock-based compensation expense, continuing operations	**916**	662
Stock-based compensation expense, discontinued operations	**898**	93
Redemption of equity-based entitlements	**(4,653)**	(350)
Contributed surplus, end of period	**25,621**	25,511
Retained earnings, beginning of period	**733,287**	822,195
Net earnings	**487,603**	4,262
Dividends declared and paid (note 7d)	**(6,129)**	(4,693)
Capital stock acquired and cancelled (note 7c)	**(5,268)**	(2,244)
Retained earnings, end of period	**1,209,493**	819,520
Accumulated other comprehensive income, beginning of period	**24,127**	4,864
Other comprehensive loss	**(597)**	(4,186)
Accumulated other comprehensive income, end of period	**23,530**	678
Shareholders' equity, end of period	**1,242,046**	828,404
Other equity interests, beginning of period	**14,995**	14,507
Non-controlling interests, beginning of period	**52,569**	45,356
Net earnings	**92,582**	1,553
Other comprehensive loss	**(43)**	(321)
Dividends declared and paid	**(7,805)**	(2,325)
Disposal of subsidiary (note 15)	**(103,830)**	--
Non-controlling interests, end of period	**33,473**	44,263
Obligations to non-controlling interests, beginning of period	**(37,574)**	(31,299)
Change during period	**(256)**	(516)
Obligations to non-controlling interests, end of period	**(37,830)**	(31,815)
Other equity interests, end of period	**(4,357)**	12,448
Total equity, end of period	**$ 1,237,689**	$ 840,852

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

For the three months ended March 31, *($ in thousands)*	**2023**	2022
Operating activities		
Net earnings	$ 580,185	$ 5,815
Adjustments for:		
Income tax paid	(2,931)	(5,825)
Income tax expense	72,371	5,569
Net (gains) losses	(638,033)	7,982
Amortization of intangible assets	3,906	4,511
Amortization of equipment	1,118	1,130
Stock-based compensation	1,814	755
Other non-cash expenses	41	12
	18,471	19,949
Net change in non-cash working capital items (note 13)	(8,284)	(20,641)
Net cash from (used in) operating activities	10,187	(692)
Investing activities		
Net acquisition of securities	(622,513)	(3,363)
Net (acquisition) disposition of securities backing third party investor liabilities	11,688	(2,140)
Acquisition of intangible assets	(1,494)	(3,223)
Acquisition of equipment	(143)	(95)
Disposition of intangible assets	--	2,256
Discontinued operations (note 15)	726,580	--
Net cash from (used in) investing activities	114,118	(6,565)
Financing activities		
Dividends paid to shareholders	(6,129)	(4,693)
Dividends paid to non-controlling interests	(7,805)	(2,325)
Disposal of subsidiary, non-controlling interests (note 15)	(103,830)	--
Discontinued operations, cash provided from	33,138	--
Acquisition and cancellation of capital stock (note 7c)	(5,364)	(2,288)
Acquisition of treasury stock (note 8a)	(3,140)	(3,966)
Disposition of treasury stock (note 8a)	4,648	--
Net proceeds of bank loan and bankers' acceptances	(13,201)	24,721
Principal payments on lease obligations	(249)	(750)
Net subscriptions (redemptions) by third party investors	(11,688)	2,140
Net cash from (used in) financing activities	(113,620)	12,839
Foreign exchange		
Net effect of foreign exchange rate changes on cash balances	600	(638)
Net change in net cash	11,285	4,944
Net cash, beginning of period	26,528	44,887
Net cash, end of period	$ 37,813	$ 49,831
Net cash represented by:		
Cash	$ 73,317	$ 81,655
Bank indebtedness	(35,504)	(31,824)
	$ 37,813	$ 49,831

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 International Financial Reporting 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, as issued by the International Accounting Standards Board ("IASB"), 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 15, 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 May 11, 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	March 31 2023	December 31 2022
Fair value through profit or loss:		
Short-term securities (i)	$ 638,852	$ 9,577
Fixed-income securities (i)	12,929	18,259
Bank of Montreal common shares (ii)	268,180	273,064
Other equity securities (i) (iii)	338,178	316,331
Canadian real estate (i)	43,345	43,182
	$ 1,301,484	$ 660,413

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

(ii) There were no sales of Bank of Montreal common shares during the periods.

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

As at	March 31 2023	December 31 2022
Investment commitments	$ 11,787	$ 11,752

(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	March 31 2023	December 31 2022
Level 1	$ 554,521	$ 539,092
Level 2	713,507	87,858
Level 3	33,456	33,463
	$ 1,301,484	$ 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 three months ended March 31,	2023	2022
Securities categorized as Level 3, beginning of period	$ 33,463	$ 37,512
Change in fair value	(2)	(1,613)
Additions	--	441
Foreign exchange translation adjustments	(5)	(95)
	$ 33,456	$ 36,245

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

As at	March 31 2023	December 31 2022
Private equity funds	$ 28,090	$ 28,092
Investment management company	3,630	3,635
Other	1,736	1,736
	$ 33,456	$ 33,463

The Company's investment in private equity funds are valued on 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		March 31 2023	December 31 2022
General corporate borrowings (i):			
Bank indebtedness		$ 35,504	$ 27,312
Bankers' acceptances:	Canadian dollar	57,000	69,000
Employee profit sharing plan borrowings (ii):			
Bank indebtedness		--	1,054
Bankers' acceptance:	Canadian dollar	34,900	34,200
		$ 127,404	$ 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 bankers' acceptances or SOFR plus 1.5% on 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 balance was $24,845 as at March 31, 2023 (December 31, 2022 - $26,216). The terms of these facilities require that the Company maintain certain financial ratios. The Company is in compliance with these requirements.

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 treasury stock valued at $85,395 (December 31, 2022 - $82,759). 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 0.5% 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		March 31 2023		December 31 2022
Current:				
Acquistion related (i)	$	2,707	$	2,710
Obligations to non-controlling interests (ii)		26,152		26,184
		28,859		28,894
Non-current:				
Acquistion related (i)		1,614		1,583
Obligations to non-controlling interests (ii)		11,677		11,390
		13,291		12,973
	$	42,150	$	41,867

i) These are primarily deferred amounts owed by the Company relating to a completed acquisition. Subsequent to March 31, 2023, the Company paid USD $2,000 and extinguished the liability.

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.

Subsequent to March 31, 2023, the Company provided notice to the non-controlling interests of its subsidiary, Alta Capital Management LLC (“Alta”), of its intent to exercise a portion of its option and purchase an additional 24% ownership interest in Alta. The transaction is expected to be completed in the second quarter of 2023 and will result in the Company having a 94% ownership interest in Alta.

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 March 31,	2023			2022		
	Shares		Amount	Shares		Amount
Class A shares						
Outstanding, beginning of period	23,498	$	16,895	24,204	$	17,403
Acquired and cancelled	(134)		(96)	(61)		(44)
Converted from common	6		1	--		--
Outstanding, end of period	23,370		16,800	24,143		17,359
Common shares						
Outstanding, beginning of period	2,749		664	2,749		664
Converted into class A	(6)		(1)	--		--
Outstanding, end of period	2,743		663	2,749		664
Total outstanding, end of period	26,113	$	17,463	26,892	$	18,023

(c) Issuer bid

A summary of the Company’s activity under its Normal Course Issuer Bid (“NCIB”) is as follows:

For the three months ended March 31,		2023		2022
Shares purchased and cancelled				
Class A		134		61
Consideration paid	$	5,364	$	2,288
Less average issue price, charged to share capital		96		44
Excess consideration charged to retained earnings	$	5,268	$	2,244

Subsequent to March 31, 2023 the Company purchased 335 Class A for cancellation and consideration of $14,305.

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 March 31, 2023	Common	Class A
Authorized limit available	**137**	**1,624**
Purchased by the Employee Profit Sharing Plan Trust	**--**	**(78)**
Purchased and cancelled	**--**	**(134)**
Remaining limit available	**137**	**1,412**

(d) Dividends

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

For the three months ended March 31,	2023	2022
Dividends declared and paid, per share	**$ 0.24**	$ 0.18

The Company has also declared dividends of $0.34 per share payable on each of April 19, 2023 and July 18, 2023, 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 bank loan facility from a major chartered bank, 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 March 31,	2023		2022	
	Shares	Amount	Shares	Amount
Balance, beginning of period	**2,131**	**$ 35,569**	2,212	$ 31,712
Acquired	**78**	**3,140**	100	3,966
Disposed	**(249)**	**(4,648)**	(21)	(350)
Balance, end of period	**1,960**	**$ 34,061**	2,291	$ 35,328

As at March 31, 2023, the treasury stock was composed of 30 common shares (December 31, 2022 – 30) and 1,930 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 three months ended March 31,	2023	2022
Equity-based entitlements, beginning of period	**1,423**	1,333
Provided	**78**	100
Exercised	**(249)**	(21)
Equity-based entitlements, end of period	**1,252**	1,412

During the three month period ended March 31, 2023, the equity-based entitlements provided had a fair value of $ 3,140 (2022 - $3,966).

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 March 31,	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	--		--	--		--
Option-like entitlements, end of period	708	$	10.20	879	$	9.87

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 three months ended March 31,		2023		2022 *restated*
Dividends on Bank of Montreal shares	$	3,189	$	3,019
Other dividends		1,825		1,831
Dividend income		5,014		4,850
Interest income		2,939		41
	$	7,953	$	4,891

10. NET GAINS (LOSSES)

Net gains (losses) are composed of the following:

For the three months ended March 31,		2023		2022 *restated*
Bank of Montreal common shares	$	(4,884)	$	25,084
Other securities		22,592		(35,338)
Securities (i)		17,708		(10,254)
Foreign exchange (ii)		426		505
	$	18,134	$	(9,749)

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

11. 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 three months ended March 31,		2023		2022 *restated*
Weighted average number of Class A and common shares outstanding:				
Basic		24,061		24,677
Effects of outstanding entitlements from stock-based compensation plans		1,913		1,887
Diluted		25,974		26,564
Net earnings (loss) from continuing operations attributable to shareholders:				
Basic	$	26,114	$	(353)
Effects of outstanding entitlements from stock-based compensation plans		380		--
Diluted	$	26,494	$	(353)
Net earnings attributable to shareholders:				
Basic	$	487,603	$	4,262
Effects of outstanding entitlements from stock-based compensation plans		380		121
Diluted	$	487,983	$	4,383

12. 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 March 31,	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	$ 47,812	$ 48,730	$ --	$ --	$ --	$ --	$ (389)	$ (490)	$ 47,423	$ 48,240
Fees paid to referring agents	(3,404)	(3,451)	--	--	--	--	--	--	(3,404)	(3,451)
Net management and advisory fees	44,408	45,279	--	--	--	--	(389)	(490)	44,019	44,789
Administrative services income	2,253	2,102	--	--	212	16	56	26	2,521	2,144
Dividend and interest income	356	1	--	--	7,509	4,792	88	98	7,953	4,891
Net revenue	47,017	47,382	--	--	7,721	4,808	(245)	(366)	54,493	51,824
Expenses										
Employee comp. & benefits	25,747	24,843	--	--	2,998	2,185	--	--	28,745	27,028
Amortization	2,698	2,488	--	--	588	302	--	--	3,286	2,790
Interest	207	109	--	--	1,778	464	(56)	(28)	1,929	545
Other expenses	8,527	7,688	--	--	955	604	(189)	(338)	9,293	7,954
	37,179	35,128	--	--	6,319	3,555	(245)	(366)	43,253	38,317
Operating earnings	9,838	12,254	--	--	1,402	1,253	--	--	11,240	13,507
Net gains (losses)	885	166	--	--	17,249	(9,915)	--	--	18,134	(9,749)
Net earnings (loss) before income taxes	10,723	12,420	--	--	18,651	(8,662)	--	--	29,374	3,758
Income tax expense	2,027	2,781	--	--	905	753	--	--	2,932	3,534
Net earnings (loss) from continuing operations	8,696	9,639	--	--	17,746	(9,415)	--	--	26,442	224
Net earnings from discontinued operations	--	--	553,743	5,591	--	--	--	--	553,743	5,591
Net earnings (loss)	$ 8,696	$ 9,639	$ 553,743	$ 5,591	$ 17,746	$ (9,415)	$ --	$ --	$ 580,185	$ 5,815
Net earnings (loss) attributable to:										
Shareholders	$ 8,368	$ 8,949	$ 461,489	$ 4,728	$ 17,746	$ (9,415)	$ --	$ --	$ 487,603	$ 4,262
Non-controlling interests	328	690	92,254	863	--	--	--	--	92,582	1,553
	$ 8,696	$ 9,639	$ 553,743	$ 5,591	$ 17,746	$ (9,415)	$ --	$ --	$ 580,185	$ 5,815
Additions to segment assets:										
Intangible assets	$ 847	$ 843	$ --	$ 2,380	$ --	$ --	$ --	$ --	$ 847	$ 3,223
Equipment	392	511	--	--	49	75	--	--	441	586
Goodwill	--	--	--	--	--	--	--	--	--	--

As at March 31, 2023 and December 31, 2022	Investment Management		Discontinued Operations		Corporate Activities and Investments		Inter-Segment Transactions		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Segment assets and liabilities:										
Assets	$ 226,971	$ 231,685	$ --	$ 297,223	$ 1,508,395	$ 839,759	$ (3,951)	$ (3,895)	$ 1,731,415	$ 1,364,772
Liabilities	186,118	186,242	--	141,992	311,559	257,573	(3,951)	(3,895)	493,726	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 March 31,								
Net revenue from external parties	$ 32,613	$ 28,894	$ 12,372	$ 12,691	$ 9,508	$ 10,239	$ 54,493	$ 51,824
As at March 31, 2023 and December 31, 2022								
Non-current assets:								
Intangible assets	$ 26,551	$ 26,485	$ 2,889	$ 2,949	$ 65,839	$ 67,452	$ 95,279	$ 96,886
Equipment	21,863	22,172	817	826	2,192	2,304	24,872	25,302
Goodwill	11,133	11,133	888	888	30,462	30,498	42,483	42,519

13. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

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

For the three months ended March 31,		2023		2022
Decrease (increase) in non-cash working capital assets:				
Interest-bearing deposits with banks	$	(8,241)	$	(12,912)
Accounts receivable and other		353		5,182
Receivables from clients and broker		28,524		(15,854)
Increase (decrease) in non-cash working capital liabilities:				
Client deposits		2,830		6,851
Accounts payable and other		(6,737)		(19,762)
Payable to clients		(25,013)		15,854
	$	(8,284)	$	(20,641)

14. 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 $268,180 (December 31, 2022 – $273,064) investment in the Bank of Montreal shares, which represents 21% (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 $26,818 (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 March 31, 2023				
Canada	$	58,787	±$	5,879
Rest of World		322,736		32,273
	$	381,523	±$	38,152
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 most significant exposure to currency risk are as follows:

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 approximately $330 change in Net revenues.

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	March 31 2023	December 31 2022
Interest rate sensitive assets:		
Interest-bearing deposits with banks	$ 75,541	$ 67,446
Short term securities	638,852	9,577
Fixed-income securities	12,929	18,259
	$ 727,322	$ 95,282
Interest rate sensitive liabilities:		
Bank loans and borrowings	$ 127,404	$ 131,566
Client deposits	61,780	59,080
	$ 189,184	$ 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. The 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	March 31 2023	December 31 2022
Cash	$ 73,317	$ 54,894
Interest-bearing deposits with banks	75,541	67,446
Accounts receivable and other	51,341	48,398
Short-term securities	638,852	9,577
Fixed-income securities	12,929	18,259
	$ 851,980	$ 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. The accounts receivable may also include amounts that the Company is owed from advisors for advances or commission reversals. The credit risk associated with these amounts is mitigated by management's review of the advisors' ability to repay the advances or commission reversals, particularly, before amounts are paid to the advisors. The credit exposure on Receivables from clients is offset with securities, which are held in the client margin accounts of the securities dealer subsidiary. 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.

15. 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 three months ended March 31,		2023		2022
Operating activities				
Net revenue	$	17,615	$	23,242
Expenses		14,333		17,382
Operating earnings		3,282		5,860
Net gains		387		1,767
Income tax expense		404		2,036
		3,265		5,591
Gain on disposition		619,513		--
Income tax expense		69,035		--
		550,478		--
Net earnings from discontinued operations	$	553,743	$	5,591
Net earnings from discontinued operations attributable to:				
Shareholders	$	461,489	$	4,615
Non-controlling interests		92,254		976
		553,743		5,591
Per share (note 11):				
Basic	$	19.18	$	0.18
Diluted		17.78		0.17

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 three months ended March 31,		2023		2022
Net cash from (used in)				
Operating activities	$	10,087	$	9,848
Investing activities		726,580		334
Financing activities		(43,390)		(10,180)
	$	693,277	$	2

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.

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 March 31, 2023 and the comparative period 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 May 11, 2023

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

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, the current conflict in the Ukraine, 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 $4.1 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 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.

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. More detailed definition of EBITDA is provided on page 25 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 three months ended March 31, ($ in thousands, except per share amounts)	2023	2022 *Restated*	% Inc (Dec)
Net revenue	$ 54,493	$ 51,824	5.2%
Expenses	43,253	38,317	12.9%
Operating earnings	11,240	13,507	-16.8%
Net gains (losses)	18,134	(9,749)	286.0%
Net earnings before income taxes	29,374	3,758	681.6%
Income tax expense	2,932	3,534	-17.0%
Net earnings from continuing operations	26,442	224	11,704.5%
Net earnings from discontinued operations	553,743	5,591	9,804.2%
Net earnings	$ 580,185	$ 5,815	9,877.4%
EBITDA	$ 17,371	$ 17,504	-0.8%
Adjusted cash flow from operations	18,097	16,778	7.9%
Attributable to shareholders:			
Net earnings (loss) from continuing operations	$ 26,114	$ (353)	7,497.7%
Net earnings	487,603	4,262	11,340.7%
EBITDA	16,395	16,390	0.0%
Adjusted cash flow from operations	17,113	15,635	9.5%
Per share amounts (diluted):			
Net earnings (loss) from continuing operations	$ 1.02	$ (0.01)	10,300.0%
Net earnings	18.79	0.16	11,643.8%
EBITDA	0.65	0.64	1.6%
Adjusted cash flow from operations	0.67	0.61	9.8%

As at ($ in millions, except per share amounts)	2023 March 31	2022 December 31	% Inc (Dec)	2022 March 31	% Inc (Dec)
Shareholders' equity	$ 1,242	$ 768	61.8%	$ 828	50.0%
Securities	1,301	660	97.1%	741	75.6%
Diluted per share					
Shareholders' equity	$ 48.73	$ 29.43	65.6%	$ 31.27	55.8%
Securities	51.06	25.31	101.7%	27.97	82.6%

FIRST QUARTER HIGHLIGHTS

On March 1, 2023, Guardian closed on the previously announced transaction to sell the businesses of IDC Worldsource Insurance Network Inc. ("IDC WIN"), Worldsource Financial Management Inc. and Worlsource Securities Inc. (together the "Dealers") (all three entities together, the "Sold Businesses") to Desjardins Group for a total purchase price of $750 million, of which $600 million related to the sale of IDC WIN and $150 million related to the sale of the Dealers. These gross proceeds are subject to adjustments for net working capital in each of the businesses and the proportionate amounts owed to minority shareholders of IDC WIN. On closing of the transaction, $15 million of the gross proceeds of the IDC WIN disposition and $5 million from the gross proceeds of the disposition of the Dealers were placed in escrow. These amounts will be held in escrow for a period up to 18 months from the date of closing to be available to offset indemnity claims which may be brought by the purchaser or to offset further adjustments to closing net working capital of the Sold Businesses.

In the current quarter, Net earnings from discontinued operations were $553.7 million, which includes net gains of $619.5 million realized on the disposition of the Worldsource Businesses, income tax expense of $69.0 million on the net gains and $3.2 million in operating earnings, net of taxes, for the period up to the closing date. Further details of the sales transaction are provided in note 15 to Guardian's First Quarter 2023 Consolidated Financial Statements.

In the following discussion and analysis and in Guardian's Consolidated Financial Statements, the Sold Businesses, up to the date of closing, have been classified as discontinued operations. In the Statement of Operations and Comprehensive Income, the current and comparative period results, including the Net gains realized on the sale of the Sold 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.

The completion of the transaction returns Guardian's strategic focus to its roots and core competency of an investment management business. Over the coming quarters, Guardian will review and update its strategic plan, which will explore the various options to deploy the additional liquid capital received upon the dispositions.

Subsequent to the quarter end, as part of a renewed focus on expanding its presence in the United States, Guardian is exercising a portion of its call option to acquire an additional 24% interest in Alta from the minority shareholders. The transaction is expected to close in the second quarter of 2023 and will result in Guardian owning 94% of Alta.

ASSETS UNDER MANAGEMENT AND ADVISEMENT

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

As at ($ in millions)	**2023 March 31**	2022 December 31	% Inc (Dec)	2022 March 31 *Restated*	% Inc (Dec)
Assets under management					
Institutional					
Global equities	**$ 24,985**	$ 23,050	8.4%	$ 24,739	1.0%
Canadian equities	**5,340**	5,199	2.7%	7,919	-32.6%
Fixed income	**16,591**	16,124	2.9%	16,054	3.3%
Institutional assets under management	**46,916**	44,373	5.7%	48,712	-3.7%
Wealth management	**5,345**	5,214	2.5%	4,411	21.2%
Total assets under management	**52,261**	49,587	5.4%	53,123	-1.6%
Assets under advisement	**4,065**	3,716	9.4%	4,272	-4.8%
Total client assets	**$ 56,326**	$ 53,303	5.7%	$ 57,395	-1.9%

Guardian is reporting Total Client Assets of $56.3 billion as at March 31, 2023, compared to $53.3 billion, as at December 31, 2022 and $57.4 billion, as at March 31, 2022. The increase since December 31 was due mainly to the positive market performance. The decline since the same quarter in the prior year was driven largely by net outflows of assets experienced in 2022, partially offset by the positive returns in the global equities market and the addition of $1.1 billion on the acquisition of RaeLipskie, which occurred on September 1, 2022. The majority of the net outflows over the prior year were experienced in Canadian Equity strategies, negatively impacted by the continued reduction in allocation to this asset class by institutional investors. .

OPERATING RESULTS

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

For the three months ended March 31, ($ in thousands)	**2023**	2022 *Restated*	% Inc (Dec)
Investment management	**$ 9,838**	$ 12,254	-19.7%
Corporate activities and investments	**1,402**	1,253	11.9%
	$ 11,240	$ 13,507	-16.8%

Guardian's consolidated Operating earnings for the current quarter ended March 31, 2023, were $11.2 million, compared to $13.5 million for the same quarter in the prior year, a 17% decrease. The EBITDA for the current quarter was $17.4 million substantially unchanged from $17.5 million in the same quarter in the prior year. Net revenues grew to $54.5 million in the current quarter, a 5% increase from $51.8 million in the prior year. The increase was largely driven by interest income earned on the proceeds of disposition of the Sold Businesses in the Corporate Activities and Investments Segment and the contribution from RaeLipskie, which was acquired in Q3 of 2022, partially offset by lower management fee revenue earned in the remaining businesses. Total expenses in the current quarter were $43.3 million, a 13% increase from $38.3 million in the prior year. The increased expenses were due to the addition of expenses associated with RaeLipskie, higher interest expenses, the continued multi-year strategic investments in our future growth sources, inflationary increases in technology expenses and increased travel activities.

Net gains in the current quarter were $18.1 million, compared to Net losses of $9.7 million in the same quarter in the prior year. These gains and losses largely reflect the changes in fair values of our Securities portfolio. The positive performance in the global equities market during the current quarter resulted in increases in the fair value of our securities portfolio. The net gains in our proprietary investments were partially offset by a decrease in the fair value of the Bank of Montreal shares, which were negatively impacted by the banking sector declines.

Net earnings attributable to shareholders was $487.6 million, compared to Net earnings attributable to shareholders of $4.3 million in the same quarter in the prior year. The increase was due to the increase in Net earnings from discontinued operations as described above in First Quarter Highlights section, higher Net gains, partially offset by lower Operating earnings in the current quarter.

Adjusted cash flow from operations for the quarter was $18.1 million, a $1.3 million increase from $16.8 million in the same period in 2022. The increase is due to higher tax payments in the prior year, partially offset by lower Operating earnings in the current quarter.

The discussion on Guardian's operating results by Segments of continuing operations are provided below. The discussion should be read in conjunction with Note 12 (a), Business Segments, contained in Guardian's First Quarter 2023 Consolidated Financial Statements.

Investment Management Segment

Operating earnings from the Investment Management Segment were $9.8 million in the current quarter, a decrease of $2.5 million from $12.3 million in the prior year. This Segment's EBITDA in the current quarter was $ 13.2 million, a decrease of $1.9 million from $15.1 million in the prior year. The Net management and advisory fee revenues in the current quarter were $44.0 million, down from $44.8 million in the prior year. The decrease in AUM, largely in the Canadian Equity strategy, compared to the same quarter in the prior year, resulted in the decrease in Net management and advisory fee revenues. This decrease was partially offset by $1.9 million in revenue contributions from RaeLipskie, which was acquired on September 1, 2022. The total expenses in the Segment were $37.2 million in the current quarter, compared to $35.1 million in the prior year. Increased expenses were largely the result of the addition of expenses associated with RaeLipskie and the continued strategic investments into our additional future growth sources, the Canadian Retail Asset Management ("CRAM") team, the Guardian Smart Infrastructure ("GSIM") team, Guardian Partners Inc. and Modern Advisor. The Operating losses in these businesses $3.5 million in the current quarter, an increase of $1.2 million from $2.3 million in the prior year. These strategic investments are expected to continue in the near term while we continue to build these future sources of growth.

Subsequent to March 31, 2023, Guardian provided notice to the non-controlling interests of its subsidiary, Alta Capital Management LLC ("Alta"), of its intent to exercise a portion of its option and purchase an additional 24% ownership interest in Alta. The transaction is expected to be completed in the second quarter of 2023 and will result in the Company having a 94% ownership interest in Alta.

Corporate Activities and Investments Segment

The Corporate Activities and Investments Segment's Operating earnings for the current quarter were $1.4 million, a $0.1 million increase from the $1.3 million earned in the same quarter in the prior year. The current quarter's Net revenue increased to $7.8 million, from $4.8 million in the same quarter in 2022. The largest contributor to the growth was the one month's interest income of $2.4 million earned on the net proceeds of disposal of the Sold Businesses received on March 1, 2023. Included in the total revenues were $0.2 million in fees charged to Worldsource for transitional services in March 2023. The increase in Net revenue was partially offset by higher expenses in the current quarter of $6.3 million, compared to $3.6 million in the same quarter in the prior year. The increase is mainly due to $1.3 million increase in interest expense, resulting from increased borrowing rates over the period, addition of employees to support our strategic investments in the operating segments, allocation of certain costs to Worldsource Businesses in prior periods being absorb in the current period, inflationary impact of technology costs and growth in travel expenditures. The investments into additional resources in this Segment is expected to grow in the near term to support the anticipated strategic investments into technology.

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 March 31	2022 December 31	% Inc (Dec)	2022 March 31	% Inc (Dec)
Securities, carried at fair value					
Proprietary investment strategies					
Short-term and fixed-income securities	$ 13,168	$ 18,495	-28.8%	$ 19,048	-30.9%
Canadian equities	13,624	13,200	3.2%	14,087	-3.3%
Global equities	291,016	269,631	7.9%	299,650	-2.9%
Canadian real estate	43,345	43,182	0.4%	29,669	46.1%
	361,153	344,508	4.8%	362,454	-0.4%
Bank of Montreal common shares	268,180	273,064	-1.8%	333,917	-19.7%
Short-term securities	638,613	9,341	6,736.7%	8,266	7,625.8%
Equities	33,538	33,500	0.1%	36,516	-8.2%
Securities	$ 1,301,484	$ 660,413	97.1%	$ 741,153	75.6%
Securities per share, diluted	$ 51.06	$ 25.31	101.7%	$ 27.97	82.6%

Guardian's Securities as at March 31, 2023 had a fair value of $1,301.5 million, or $51.06 per share, diluted, compared with $660.4 million, or $25.31 per share, diluted, at the end of 2022. Shareholders' equity as at March 31, 2023 amounted to $1,242.0 million, or $48.73 per share, diluted, compared to $767.9 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 Sold Businesses, respectively. The proceeds were invested in fixed income investments with varying maturity, all less than one year. In the current quarter, Guardian returned to its shareholders $6.1 million in dividends and $5.4 million in share buybacks.

In addition to its strong balance sheet, Guardian has, under various borrowing arrangements, total borrowing capacity of $175.0 million. As at March 31, 2023, the total borrowings amounted to $127.4 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 $17.1 million, compared to $15.6 million in the same quarter in 2022. The increase in the current quarter, compared to the same period one year earlier, was due to higher tax payments in the prior year, partially offset by lower Operating earnings. Guardian uses its Adjusted cash flow from operations attributable to shareholders primarily to fund its working capital, pay its quarterly dividends, fund its capital expenditures and repay debt where possible. From time to time, Guardian may use a combination of Adjusted cash flow from operations attributable to shareholders, debt and disposal of Securities to help finance larger capital expenditures repurchase shares under its Normal Course Issuer Bid. Guardian will revisit its use of Adjusted cash flow from operations attributable to shareholders and capital resources over the coming quarters as part of its review of its strategic plan.

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 March 31, 2023		Payments due by period			
($ in thousands)	Total	Within one year	2 - 3 years	4 - 5 years	After five years
Bank loans and borrowings	$ 127,404	$ 127,404	$ --	$ --	$ --
Third party investor liabilities	55,999	55,999	--	--	--
Client deposits	61,780	61,780	--	--	--
Accounts and income taxes payable	144,410	144,410	--	--	--
Obligations to non-controlling interests and other	42,150	28,859	8,494	4,797	--
Investment commitments	11,787	11,787	--	--	--
Scheduled lease payments, undiscounted	29,998	2,767	5,105	4,391	17,735
Total contractual obligations	$ 473,528	$ 433,006	$ 13,599	$ 9,188	$ 17,735

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 $11.8 million in a private equity funds. Guardian will decide on the appropriate strategy for funding these commitments when called upon by the funds

SUMMARY OF QUARTERLY RESULTS

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

	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022 *Restated*	Jun 30, 2022 *Restated*	Mar 31, 2022 *Restated*	Dec 31, 2021 *Restated*	Sep 30, 2021 *Restated*	Jun 30, 2021 *Restated*
As at ($ in millions)								
Assets under management	**$ 52,261**	$ 49,587	$ 47,814	$ 46,931	$ 53,123	$ 56,341	$ 53,113	$ 51,641
Assets under advisement	**4,065**	3,716	3,788	3,944	4,272	4,338	5,061	5,542
Total client assets	**56,326**	53,303	51,602	50,875	57,395	60,679	58,174	57,183
For the three months ended ($ in thousands)								
Net revenue	**$ 54,493**	$ 50,681	$ 48,434	$ 50,056	$ 51,824	$ 52,961	$ 50,873	$ 47,437
Operating earnings	**11,240**	8,790	10,419	11,404	13,507	14,086	15,385	14,134
Net gains (losses)	**18,134**	18,225	(21,148)	(91,545)	(9,749)	51,408	(8,960)	55,915
Net earnings (losses) from continuing operations	**26,442**	25,249	(11,582)	(73,463)	224	57,909	4,005	61,193
Net earnings from discontinued operations	**553,743**	6,386	5,034	5,239	5,591	6,542	4,592	5,638
Net earnings (losses)	**580,185**	31,635	(6,548)	(68,224)	5,815	64,451	8,597	66,831
Net earnings (loss) from continuing operations attributable to shareholders	**26,114**	24,679	(11,780)	(74,053)	(353)	56,999	3,268	60,681
Net earnings (loss) attributable to shareholders	**487,603**	29,961	(7,608)	(69,698)	4,262	62,422	7,054	65,138
Per share (in $)								
Net earnings (loss) from continuing operations attributable to shareholders								
Basic	**$ 1.09**	$ 1.02	$ (0.49)	$ (3.03)	$ (0.01)	$ 2.30	$ 0.13	$ 2.41
Diluted	**1.02**	0.96	(0.49)	(3.03)	(0.01)	2.15	0.12	2.25
Net earnings (loss) attributable to shareholders:								
Basic	**$ 20.27**	$ 1.24	$ (0.31)	$ (2.85)	$ 0.17	$ 2.52	$ 0.28	$ 2.59
Diluted	**18.79**	1.16	(0.31)	(2.85)	0.16	2.35	0.27	2.42
Dividends paid	**$ 0.34**	$ 0.24	$ 0.24	$ 0.24	$ 0.18	$ 0.18	$ 0.18	$ 0.18
As at								
Shareholders' equity *($ in millions)*	**$ 1,242**	$ 768	$ 743	$ 743	$ 828	$ 839	$ 781	$ 780
Per share *(in $)*								
Basic	**$ 52.42**	$ 31.84	$ 30.82	$ 30.68	$ 33.67	$ 33.89	$ 31.56	$ 31.15
Diluted	**48.73**	29.43	28.88	28.74	31.27	31.53	29.40	29.09
Total Class A and Common shares outstanding *(shares in thousands)*	**26,113**	26,246	26,246	26,342	26,892	26,954	26,968	27,263

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 income recorded in the period.

Large increases in AUM in the fourth quarter of 2020 and AUA in the first quarter of 2021 reflect the acquisitions of Agincourt and GPI completed in those periods, with a smaller increase attributable to the acquisition of Rae & Lipskie in the third quarter of 2022. The Net revenue for each of the quarters above generally trended with the levels of Total Client Assets. During the second quarter of 2022, increased Dividend and Interest income partially offset some of the decrease in Management and advisor fee revenue. 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 of $553,743 in the first quarter of 2023 reflects largely the net gains realized on the disposition of the Sold 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 14 to Guardian's First 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 14 of Guardian's First 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 March 31, 2023, Guardian held $268 million of BMO shares (December 31, 2022 – $273 million), which represents 21% 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 current quarter, Guardian's securities increased its holdings in Fixed income securities to 50% of the portfolio. This is the result of the proceeds from the sale of the Sold Businesses being invested in fixed income securities of varying terms to maturities. These securities are all government issued or high-quality corporate securities with terms to maturities all under one year. 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 December 31, (as a percentage of securities)	2023	2022	% Inc (Dec)
Bank of Montreal common shares	21%	41%	-49%
Other Canadian equity securities and real estate	4%	9%	-56%
Canadian equities and real estate	25%	50%	-50%
Non-Canadian equities	25%	46%	-46%
Short-term and Fixed income securities	50%	4%	1150%
	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 1% change in the value of the Canadian dollar against the US dollar would result in approximately $330 change in Net revenues.

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 14 in Guardian's First 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 Sold 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

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions, which affect the reported amounts of assets, liabilities, contingencies, revenues and expenses. These estimates and assumptions are listed in note 2 (c) to Guardian's December 31, 2022, Consolidated Financial Statements. The most significant accounting estimates are related to the impairment assessment of goodwill and the determination of fair value of securities, which are classified as level 3 within the fair value hierarchy. The valuation approach to level 3 securities is most sensitive to the level of AUM associated with the issuer of the security. 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. In addition, Guardian reviews goodwill 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.

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 three months ended March 31, ($ in thousands)	2023	2022 *Restated*	% Inc (Dec)
Net earnings	$ 580,185	$ 5,815	9,877.4%
Add (deduct):			
Net earnings from discontinued operations	(553,743)	(5,591)	9,804.2%
Income tax expense	2,932	3,534	-17.0%
Net (gains) losses	(18,134)	9,749	-286.0%
Stock-based compensation	916	662	38.4%
Interest expense	1,929	545	253.9%
Amortization	3,286	2,790	17.8%
EBITDA	17,371	17,504	-0.8%
Less attributable to non-controlling interests in continuing operations	(976)	(1,114)	-12.3%
EBITDA attributable to shareholders	$ 16,395	$ 16,390	0.0%

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 three months ended March 31, ($ in thousands)	2023	2022 *Restated*	% Inc (Dec)
Net cash from operating activities	$ 10,187	$ (692)	-1,572.1%
Add (deduct):			
Net cash from operating activities, discontinued operations	(10,087)	(9,848)	2.4%
Net change in non-cash working capital items	8,284	20,641	-59.9%
Net change in non-cash working capital items, discontinued operations	9,713	6,677	45.5%
Adjusted cash flow from operations	18,097	16,778	7.9%
Less attributable to non-controlling interests, continuing operations	(984)	(1,143)	-13.9%
Adjusted cash flow from operations attributable to shareholders	$ 17,113	$ 15,635	9.5%

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

Surprises in the economic dataflow have reliably beaten pessimistic forecasts since the onset of the pandemic. Despite the durability of this general trend, markets remain perpetually unconvinced that it can be sustained; the indications of underlying strength just represent a downturn delayed. As a result, the data is forcing near-term forecasts (that had been slashed) to be revised higher to reflect the solid handoff from the current economic reality. These upgrades are coming at the expense of future projected growth, with the expected start of a recession just kicked further into the future. The question then becomes whether the consensus forecasts, which have been reliably subject to significant revisions over the last few years, will prove correct this time or if there is still scope for more upside surprises in the days ahead. While there are still plenty of risks in the outlook, it would appear that the underpinnings of the global economy at the moment would support the possibility for continued outperformance. To be clear, the base case is not for anything particularly noteworthy, the days of markedly above-potential growth rates fueled by the pandemic recovery are over. Instead, growth that is more consistent with pre-COVID trends could act as a ceiling in the months ahead. That said, even fairly anemic but positive growth over the forecast horizon is still a better relative outcome than an economic downturn that carries negative implications for households, businesses and markets. The primary reason for the expectation that economic conditions are broadly slated to worsen is tied to monetary policy. The past year has seen central banks embark on a tightening campaign that has been a standout versus history in terms of the speed and magnitude with which rates have gone up. As a result, there has been a sharp tightening of financial conditions over the last year, as markets processed higher rates and embedded risk premia on risk assets rose. Compounding the surge in costs of capital, there are growing signs that the availability of credit, the lifeblood of the economy, is becoming scarcer. On the other hand, the still-lingering scars of the last financial crisis amid the persistent calls for an imminent recession have kept households and businesses on comparatively high alert, and restrained risk-taking that has limited the development of significant financial excesses, and aside from exogenous shocks (such as war, natural disasters or a pandemic), it is the unwind of these financial imbalances that usually drive downturns. Banks which have more capital and less leverage than before have kept lending standards stringent since the last credit crisis. For example, the 25th percentile credit score at loan origination now in the US is where the median was in 2007 (i.e., the distribution has shifted higher in quality). This increased assurance of borrowers' ability to meet their financial obligations has meant that the rise in rates has so far been taken in stride.

The latest delinquency data for the US shows no notable change in the share of borrowers that are at least a month behind on their mortgage payments from its recent record lows. There has been an uptick in consumer loan delinquencies that bears watching, but they still remain historically low. As well, the relatively restrained availability of credit, and an aversion to borrowing even when rates were at their lows, have resulted in consumers being less reliant on debt than they have been in generations. The household debt-to-asset ratio in the US sits at levels last seen in the early 1980s (the reduction in areas like Canada and Australia, however, is not as stark). The fact that consumers continue to sit on a pandemic-driven excess of savings, and aggregate wealth remains near all-time highs despite weakness in financial and housing markets at a time when the cost of living pressures are abating, suggests that scope remains for the consumer to continue to support overall growth and despite the growing market pessimism on the outlook, consumer sentiment is actually on an upswing from the historically depressed inflation related levels seen last year. Consumers have consistently been the source of surprise over the last three years and there are no convincing signs yet that this resiliency is set to fade. For businesses, balance sheets similarly remain in good shape overall with low leverage, extended maturities and high-interest coverage providing a degree of insulation from the rise in costs of capital. The ability to manage existing debt for businesses, however, is not the same as being able to access new funding, which looks to become more difficult. Overall, the outlook points to slowing, growth, but not necessarily negative recessionary growth, which should support financial assets.

In recent times, economic shocks have sprung from unexpected sources (COVID, Ukraine invasion) but right now it appears the biggest risk to markets is visible and it is related to banking, where a number of bank failures where client withdrawals exceeded the liquidity required by the banks to fund the withdrawals, have made headlines. So far it seems that the authorities have been able to contain the fallout by seizing and selling off the assets of the failed banks to stronger competitors, while effectively guaranteeing all deposits. For now, it looks like the effect of the bank failures do not pose a systemic risk to the overall economy or markets in aggregate but it is definitely something to pay attention to.

In the meantime, Guardian's strong balance sheet offers the comfort of making long-term plans that are not necessarily reliant on the cooperation of events outside our control. We will continue upon our long-held path of innovating new product lines created from existing teams at Guardian, in addition to identifying new capabilities we wish to add and bringing in human and technological assets that will permit us to execute on those capabilities. Success in creating new products gives us an efficient way to grow Guardian's assets under management, generating revenue and profitability. We have a number of organic initiatives that fit well with this strategy. We will evaluate them along with potential acquisition opportunities that can strengthen aspects of our business or accelerate our growth plans as part of our upcoming strategic review. Over the long term, shareholders can expect to experience the benefits of both strategies.

GUARDIAN
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