



CAUTION CONCERNING FORWARD-LOOKING INFORMATION

Certain information included in this Management's Discussion and Analysis ("MD&A") 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 MD&A 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 MD&A 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 ongoing conflict in the Ukraine, as well as those risk factors discussed or referred to in the Risk Factors section 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 contained in this MD&A is presented as of the preparation date of this MD&A and should not be relied upon as representing Guardian's views as of any date subsequent to the date of this MD&A. 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.

MANAGEMENT'S

DISCUSSION AND ANALYSIS

In accordance with securities regulatory requirements, the management's discussion and analysis which follows for Guardian Capital Group Limited, its subsidiaries and other controlled entities (together, "Guardian") pertains to the year ended December 31, 2022, with comparatives for the year ended December 31, 2021. Readers are encouraged to refer to Guardian's Consolidated Financial Statements contained in the 2022 Annual Report. This discussion and analysis has been prepared as of March 2, 2023.

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

OVERVIEW OF GUARDIAN'S BUSINESS

Guardian is a diversified financial services company, which serves the investment and wealth management needs of a range of clients through its various business segments. The areas in which Guardian operates are: Investment Management, Wealth Management, and Corporate Activities and Investments. Guardian is headquartered in Canada and operates in Canada, the United Kingdom, the United States and the Caribbean. The Investment Management business is operated through the Toronto, Ontario-based Guardian Capital LP ("GCLP") and Guardian Smart Infrastructure Management Inc. ("GSIM"), the London, UK-based GuardCap Asset Management Limited ("GuardCap"), the Salt Lake City, Utah-based Alta Capital Management, LLC ("Alta") and the Richmond, Virginia-based Agincourt Capital Management LLC ("Agincourt"). The Wealth Management business is operated through the following businesses: Guardian Capital Advisors LP ("GCA"), Guardian Partners Inc. ("GPI") and the newly acquired Rae & Lipskie Investment Counsel Inc. ("RaeLipskie"), which serve the wealth management and advisory needs of high- and ultra-high net worth clients; Modern Advisor Canada Inc. ("Modern Advisor") which is a digital-advisory operation which also serves as the technology platform for Guardian's digital strategy; and Alexandria Bancorp Limited ("ABL"), a Caribbean-based international private bank serving the wealth management needs of international clients. As described below, the previously announced transaction to sell Worldsource Financial Management Inc. ("WFM"), a mutual fund dealer and Worldsource Securities Inc. ("WSI"), a securities dealer (together, the "Dealers"), and IDC Worldsource Insurance Network Inc. ("IDC WIN", or "MGA") closed on March 1, 2023. These two businesses have been classified as discontinued operations in Guardian's Consolidated Financial Statements and in the following discussion and analysis. As at December 31, 2022, Guardian had \$49.6 billion of assets under management ("AUM") and \$27.5 billion of assets under administration and advisement ("AUA"), including \$23.8 billion in AUA associated with the Dealers and IDC WIN businesses. In addition, Guardian had a diversified portfolio of securities, which includes its investment in Bank of Montreal ("BMO") shares, with a fair value of approximately \$660 million as at December 31, 2022.

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 per share, EBITDA from discontinued operations, Adjusted cash flow from operations, Adjusted cash flow from operations attributable to shareholders, Adjusted cash flow from operations per share. As a result of the sale of the Dealers and the IDC WIN businesses as discussed below, we have changed the definition of EBITDA to exclude Net earnings from discontinued operations. More detailed definition of EBITDA is provided on page 24 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.

2022 HIGHLIGHTS

On November 30, 2022, Guardian announced it had entered into an agreement to sell the businesses of the Dealers and IDC WIN (the "Discontinued Operations") 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. This transaction was successfully completed on March 1, 2023. On closing, Guardian received approximately \$627 million in net proceeds, which was immediately invested in short-term securities. The minority shareholders of IDC WIN received approximately \$104 million in proceeds.

In addition, prior to closing, the Dealers and IDC WIN transferred, in various forms, approximately \$39 million in excess cash to Guardian and IDC WIN paid approximately \$7 million in cash dividends to its minority shareholders.

As part of the transaction to sell the Dealers and IDC WIN, Guardian agreed to provide transitional services to the purchaser for a period up to 24 months from closing in exchange for a fee equal to the cost of providing the services. During the transitional services period Guardian's staff will provide ongoing support services to the Discontinued Operations, similar to those provided prior to the sale.

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

Further details of the sales transaction are provided in note 25 to Guardian's 2022 Consolidated Financial Statements. In the following discussions and analysis and in Guardian's Consolidated Financial Statements, the businesses of the Dealers and IDC WIN have been classified as discontinued operations. They are presented on Guardian's 2022 Balance Sheet as Assets of discontinued operations and Liabilities of discontinued operations. In the Statement of Operations and Comprehensive Income, the current and comparative period results of the Discontinued Operations have been presented on a single line called Net earnings from discontinued operations.

On September 1, 2022, Guardian acquired a 60% interest in Rae & Lipskie Investment Counsel Inc. ("RaeLipskie"), a Waterloo, Ontario-based private wealth management firm with over \$1 billion in AUM. The purchase price for the 60% interest was \$7.9 million in cash which includes an adjustment for working capital, a \$1.8 million promissory note due between two and four years from closing, subject to various adjustments based on the level of AUM, and additional earn-outs over a five-year period from closing. The current employees of RaeLipskie will retain the remaining 40% ownership interest. This strategic acquisition continues to expand and enhance Guardian's wealth management offering. Further details of the transaction are provided in note 24 to Guardian's 2022 Consolidated Financial Statements.

CONSOLIDATED FINANCIAL RESULTS

In the following discussion and analysis, all referenced terms and line items are those associated with the continuing operations, unless specifically indicated otherwise. Prior periods have been restated to reclassify the results of the Discontinued Operations into Net earnings from discontinued operations.

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

For the years ended December 31 (\$ in thousands, except per share amounts)	2022	2021 <i>Restated</i>	% Inc (Dec)
Net revenue	\$ 200,996	\$ 194,001	3.6%
Expenses	156,873	139,062	12.8%
Operating earnings	44,123	54,939	-19.7%
Net gains (losses)	(104,216)	139,687	-174.6%
Net earnings (loss) before income taxes	(60,093)	194,626	-130.9%
Income tax expense (recovery)	(525)	25,672	-102.0%
Net earnings (loss) from continuing operations	(59,568)	168,954	-135.3%
Net earnings from discontinued operations	22,251	21,786	2.1%
Net earnings (loss)	\$ (37,317)	\$ 190,740	-119.6%
EBITDA	\$ 64,198	\$ 69,558	-7.7%
Adjusted cash flow from operations	44,339	55,768	-20.5%
Attributable to shareholders:			
Net earnings (loss) from continuing operations	\$ (61,503)	\$ 166,147	-137.0%
Net earnings (loss)	(43,078)	184,239	-123.4%
EBITDA	59,854	64,626	-7.4%
Adjusted cash flow from operations	39,827	50,761	-21.5%
Per share amounts (diluted):			
Net earnings (loss) from continuing operations	\$ (2.52)	\$ 6.19	-140.7%
Net earnings (loss)	(1.76)	6.87	-125.6%
EBITDA	2.32	2.42	-4.1%
Adjusted cash flow from operations	1.55	1.90	-18.4%
As at December 31, (\$ in thousands, except per share amounts)	2022	2021	% Inc (Dec)
Shareholders' equity	\$ 767,864	\$ 838,520	-8.4%
Securities	660,413	751,885	-12.2%
Diluted per share			
Shareholders' equity	\$ 29.43	\$ 31.53	-6.7%
Securities	25.31	28.27	-10.5%

As at December 31, (\$ in millions)	2022	2021	% Inc (Dec)
Assets under management			
Institutional			
Global equities	\$ 23,050	\$ 27,298	-15.6%
Canadian equities	5,199	7,858	-33.8%
Fixed income	16,124	16,750	-3.7%
Institutional assets under management	44,373	51,906	-14.5%
Wealth management	5,214	4,435	17.6%
Total assets under management	49,587	56,341	-12.0%
Assets under administration and advisement	3,716	4,338	-14.3%
Total client assets	\$ 53,303	\$ 60,679	-12.2%
Assets under administration – discontinued operations	23,817	27,170	-12.3%

The following is an analysis of the change in Guardian's assets under management:

For the years ended December 31, (\$ in thousands)	2022	2021	% Inc (Dec)
Beginning of year	\$ 56,341	\$ 45,984	22.5%
Acquisition	1,134	581	95.2%
Net additions from (withdrawals by) clients	(1,546)	3,984	-138.8%
Net market appreciation (depreciation)	(6,342)	5,792	-209.5%
Total client assets	\$ 49,587	\$ 56,341	-12.0%

Guardian is reporting total client assets of the continuing operations of \$53.3 billion as at December 31, 2022, consisting of \$49.6 billion in AUM and \$3.7 billion in AUA, compared to \$56.3 billion and \$4.3 billion, respectively, at the end of the prior year. In addition, Guardian also had \$23.8 billion in AUA at December 31, 2022 and \$27.2 billion in 2021, related to the Discontinued Operations. The declines in all balances discussed above were driven largely by the negative performance of the global financial markets in 2022. In addition, approximately \$1.5 billion in net outflows of assets were experienced in 2022. The majority of the net outflows were experienced in Canadian Equity strategies where we continue to be negatively impacted by institutional investors reducing their allocations to this asset class. Partially offsetting the outflows was the addition of \$1.1 billion on the acquisition of RaelLipskie which occurred on September 1, 2022.

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

For the years ended December 31 (\$ in thousands)	2022	2021	% Inc (Dec)
Investment management	\$ 37,373	\$ 48,037	-22.2%
Wealth management	3,336	3,177	5.0%
Corporate activities and investments	3,414	3,725	-8.3%
	\$ 44,123	\$ 54,939	-19.7%

Guardian's consolidated Operating earnings for the year ended December 31, 2022 were \$44.1 million, compared to \$54.9 million for the year ended December 31, 2021, a 19.7% decrease. The EBITDA and EBITDA attributable to shareholders in the current year were \$64.2 million and \$59.9 million, respectively, compared to \$69.6 million and \$64.6 million, respectively, in the prior year. Net revenues grew to \$200.1 million, a 3.6% increase from \$194.0 million in 2021. The increase was largely driven by increased dividend income earned in Corporate Activities and Investments Segment and increased Net management fees earned in GuardCap, partially offset by lower revenues in most other businesses with the most significant reduction being in the Domestic business. The significant declines in both the global equities and fixed-income markets had the most significant impact on revenues in these other businesses and to a lesser extent \$1.5 billion in net outflow of institutional client assets, the largest of which were experienced in the Domestic business. Total expenses in 2022 were \$156.9 million, a 12.8% increase from \$139.1 million in 2021. The increase in expenses was largely driven by the continued multi-year strategic investments in our future growth sources, mainly into the buildout of the Canadian Retail Asset Management team ("CRAM") and the Guardian Smart Infrastructure Management team ("GSIM") and higher interest expenses in the Corporate Activities and Investments Segment.

The above discussion excludes the results from the Discontinued Operations. Included in Net earnings from discontinued operations are operating earnings associated with these businesses of \$25.4 million in 2022 and \$26.8 million in 2021. EBITDA from discontinued operations were \$38.5 million in the current year, and \$38.1 million in the prior year.

The discussion on Guardian's operating results by Segments of continuing operations are provided below. The discussion should be read in conjunction with Note 19 (a) Business Segments of the Consolidated Financial Statements contained in Guardian's 2022 Annual Report.

INVESTMENT MANAGEMENT SEGMENT

Operating earnings from the Investment Management Segment were \$37.3 million in the current year, a decrease of \$10.7 million from \$48.0 million in 2021. This Segment's EBITDA in the current year was \$47.9 million, a decrease of \$10.1 million from \$57.0 million in 2021. The Net management and advisory fee revenues in the current year were \$144.4 million, down slightly from \$145.0 million in the prior year. The decrease in the current year's Net management fee revenues was largely driven by a \$7.5 billion decrease in AUM during the current year, partially offset by the full year benefit of revenue realized in the current year from net asset inflows in 2021. The decrease in AUM in the current year was largely driven by the decline in the global financial markets, which accounted for \$6.0 billion of the reduction. Approximately \$1.5 billion in net outflows of assets in the current year were largely from the Domestic business where we continued to be impacted by decreasing allocations to the Canadian equity asset class by institutional investors. The total expenses in the Segment were \$112.0 million in the current year, compared to \$102.1 million in the prior year. Increased expenses were largely driven by the continued strategic investments in the buildout of CRAM and GSIM and those associated with growth in GuardCap. The Operating losses in CRAM and GSIM amounted to \$8.5 million in the current year, an increase of \$3.6 million from \$4.9 million in the prior year. These strategic investments are expected to continue in the near term while we build these future sources of growth.

WEALTH MANAGEMENT SEGMENT

The Wealth Management Segment, which now excludes the Discontinued Operations businesses, is reporting Operating earnings of \$3.3 million, a slight increase from \$3.2 million in the prior year. EBITDA for the current year was \$6.3 million, compared to \$5.7 million in the prior year. The addition of RaelLipskie increased Operating earnings by \$0.3 million and EBITDA by \$0.6 million, which were offset by lower Operating earnings and EBITDA contributions from the remaining businesses in this Segment. A combination of negative financial market impact on revenues and increased costs in these businesses resulted in lower Operating earnings in the current year. We continued to invest in the rebuild of GPI and into the enhancement of Modern Advisor's technology platform. We anticipate Modern Advisor will continue to focus on integrating its technology platform with the Dealers and IDC WIN businesses to offer digitized investment solutions to their advisors and clients. The Operating losses in GPI and Modern Advisor were \$3.0 million in the current year, slightly higher than \$2.8 million in the prior year.

CORPORATE ACTIVITIES AND INVESTMENTS SEGMENT

The Corporate Activities and Investments Segment is reporting \$3.4 million in Operating earnings in 2022, compared to \$3.7 million in 2021. The current year's Net revenue increased to \$21.3 million, from \$16.7 million in the prior year. The growth in revenue was due largely to the increase in the dividend income earned on the Securities, including our holdings of BMO shares, which increased its dividends per share by 25% during the first quarter of 2022 and just under 5% in the last quarter of 2022. The increase in Net revenue was offset by higher interest expense, due largely to higher borrowing rates in 2022, and higher compensation costs.

The following is a summary of Guardian's dividend and interest income:

For the years ended December 31 (\$ in thousands)	2022	2021	% Inc (Dec)
		<i>Restated</i>	
Dividends on Bank of Montreal shares	\$ 12,238	\$ 9,688	26.3%
Other dividends	8,862	7,293	21.5%
Dividend income	21,100	16,981	24.3%
Operating activities	338	6	5533.3%
Investing activities	703	419	67.8%
Interest income	1,041	425	144.9%
	\$ 22,141	\$ 17,406	27.2%

The following is a summary of Guardian's Net gains (losses):

For the years ended December 31 (\$ in thousands)	2022	2021	% Inc (Dec)
		<i>Restated</i>	
Bank of Montreal common shares	\$ (30,447)	\$ 90,358	-133.7%
Other securities	(74,389)	49,507	-250.3%
Net gains (losses) on securities	(104,836)	139,865	-175.0%
Net gains (losses) on disposal of intangible assets	54	(4)	1450.0%
Net foreign exchange gains (losses)	566	(174)	425.3%
	\$ (104,216)	\$ 139,687	-174.6%

Guardian's Net losses in 2022 were \$104.2 million, compared to Net gains of \$139.7 million in 2021. The significant swing to Net losses from Net gains in 2021 was largely due to the decreases in fair values of securities driven by the negative performance in the global equities markets in 2022.

Net loss attributable to shareholders in 2022 was \$43.1 million, compared to Net earnings attributable to shareholders of \$184.2 million in 2021. The loss was driven by the large swing to Net losses from Securities in the current year, compared to Net gains in 2021 and the decrease in Operating earnings compared to the prior year, as described above.

LIQUIDITY AND CAPITAL RESOURCES

The strength of Guardian's balance sheet has enabled Guardian to provide clients with a high level of comfort, maintain the appropriate levels of working capital in each of its areas of operation, make the necessary capital expenditures to develop and support its businesses, attract strong associates and make appropriate use of borrowings, including financing the expansion of its businesses. The hallmark of Guardian's balance sheet is the significant liquid marketable securities portfolio, as presented below:

As at December 31, (\$ in thousands, except per share amounts)	2022	2021	% Inc (Dec)
Securities, carried at fair value			
Proprietary investment strategies			
Short-term and fixed-income securities	\$ 18,495	\$ 19,589	-5.6%
Canadian equities	13,200	13,832	-4.6%
Global equities	269,631	335,460	-19.6%
Canadian real estate	43,182	28,216	53.0%
	344,508	397,097	-13.2%
Bank of Montreal common shares	273,064	308,834	-11.6%
Short-term securities	9,341	8,227	13.5%
Equities	33,500	37,727	-11.2%
Securities	\$ 660,413	\$ 751,885	-12.2%
Securities per share, diluted	\$ 25.31	\$ 28.27	-10.5%

Guardian's securities as at December 31, 2022 had a fair value of \$660 million, or \$25.31 per share, compared with \$752 million, or \$28.27 per share, as at December 31, 2021. The decrease in fair value of securities largely reflects the negative effects of the global financial markets declines in 2022. Guardian's Shareholders' equity as at December 31, 2022 amounted to \$768 million, or \$29.43 per share, compared to \$839 million, or \$31.53 per share, as at December 31, 2021. The decrease reflects the swing from Net earnings to Net loss in 2022, dividends paid to shareholders, and shares repurchased.

In addition to its sizable liquid marketable securities portfolio, Guardian has, under various borrowing arrangements, total borrowing capacity of \$165 million. The total bank borrowing amounted to \$132 million at the end of the current year, as compared with \$115 million at December 31, 2021.

Guardian generated Adjusted cash flow from operations of \$44.3 million during the current year, compared to \$55.8 million in 2021. (A reconciliation to its closest IFRS measure is provided in Non-IFRS Measures section of this Management's Discussion and Analysis.) Guardian uses its Adjusted cash flow from operations primarily to fund its working capital, pay its quarterly dividends, repurchase shares under its Normal Course Issuer Bid, repay debt where possible and fund capital expenditures, including acquisitions. At current levels of cash flow and anticipated dividend payout rates, Guardian generates sufficient cash flow to meet its operating obligations, necessary ordinary course capital expenditures, regular dividend payments and normalized levels of share repurchases.

In 2022, by utilizing its strong balance sheet and cash flows, Guardian returned \$46.3 million to the shareholders in the form of dividends and share repurchases, and funded \$10.1 million in acquisitions.

In addition to the above and as described in the 2022 Highlights section, the previously announced transaction to sell the Dealers and the IDC WIN businesses closed on March 1, 2023. On closing, the transaction will add \$627 million in additional liquid capital to Guardian's balance sheet.

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 December 31, 2022 (\$ in thousands)	Payments due by period				
	Total	Within one year	2 to 3 years	4 to 5 years	After five years
Bank loans and borrowings	\$ 131,566	\$ 131,566	\$ –	\$ –	\$ –
Third party investor liabilities	64,895	64,895	–	–	–
Client deposits	59,080	59,080	–	–	–
Accounts and income taxes payable	81,399	81,399	–	–	–
Obligations to non-controlling interests and other	41,867	28,894	8,336	4,637	–
Investment commitments	11,752	11,752	–	–	–
Scheduled lease payments, undiscounted	33,450	3,196	6,810	5,182	18,262
Total contractual obligations	\$ 424,009	\$ 380,782	\$ 15,146	\$ 9,819	\$ 18,262

Guardian's contractual obligations are supported by its strong financial position, including its securities and its borrowing capacity, referred to above under "Liquidity and Capital Resources". Client deposits, in the offshore banking subsidiary, are largely supported by interest-bearing deposits with banks. The third party investor liabilities are offset by securities backing third party investor liabilities. Guardian also has a commitment to invest \$11.8 million in a private equity fund. Guardian will decide on the appropriate strategy for funding these commitments when called upon by the funds.

SELECTED ANNUAL INFORMATION

Years ended December 31, (\$ in thousands, except per share amounts)	2022	2021 <i>Restated</i>	2020 <i>Restated</i>
Net revenue	\$ 200,996	\$ 194,001	\$ 139,219
Net earnings (loss)	(37,317)	190,740	46,068
Net earnings (loss) attributable to shareholders	(43,078)	184,239	42,358
Per share			
Net earnings (loss) attributable to shareholders:			
Basic	(1.76)	7.35	1.67
Diluted	(1.76)	6.87	1.57
Dividends paid	0.90	0.70	0.63
As at December 31, (\$ in thousands)			
Total assets	\$ 1,364,772	\$ 1,428,675	\$ 1,428,675

The changes in Net earnings attributable to shareholders were driven largely by the Net gains or losses on the holdings of securities as the fair values changed over the periods. The increase in Net revenue and total assets since 2020 reflects the growth of the business, both organically and through acquisitions.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes Guardian's financial results for the past eight quarters.

As at (\$ in millions)	2022				2021			
	Dec 31	Sept 30 <i>Restated</i>	Jun 30 <i>Restated</i>	Mar 31 <i>Restated</i>	Dec 31 <i>Restated</i>	Sept 30 <i>Restated</i>	Jun 30 <i>Restated</i>	Mar 31 <i>Restated</i>
Assets under management	\$ 49,587	\$ 47,814	\$ 46,931	\$ 53,123	\$ 56,341	\$ 53,113	\$ 51,641	\$ 47,945
Assets under administration	3,716	3,788	3,944	4,273	4,338	5,061	5,542	5,138
Total client assets	53,303	51,602	50,875	57,396	60,679	58,174	57,183	53,083
Assets under administration, discontinued operations	23,817	22,998	23,682	26,253	27,170	24,954	24,360	23,238
For the three months ended (\$ in thousands)								
Net revenue	\$ 50,681	\$ 48,434	\$ 50,056	\$ 51,824	\$ 52,961	\$ 50,873	\$ 47,437	\$ 42,730
Operating earnings	8,790	10,419	11,404	13,507	14,086	15,385	14,134	11,334
Net gains (losses)	18,225	(21,148)	(91,545)	(9,749)	51,408	(8,960)	55,915	41,324
Net earnings (loss) from continuing operations	25,249	(11,582)	(73,463)	224	57,909	4,005	61,193	45,847
Net earnings from discontinued operations	6,386	5,034	5,239	5,591	6,542	4,592	5,638	5,014
Net earnings (loss)	31,635	(6,548)	(68,224)	5,815	64,451	8,597	66,831	50,861
Net earnings (loss) from continuing operations attributable to shareholders	24,679	(11,780)	(74,053)	(353)	56,999	3,268	60,681	45,199
Net earnings (loss) attributable to shareholders	29,961	(7,608)	(69,698)	4,262	62,422	7,054	65,138	49,625
Per share (in \$)								
Net earnings (loss) from continuing operations attributable to shareholders								
Basic	\$ 1.02	\$ (0.49)	\$ (3.03)	\$ (0.01)	\$ 2.30	\$ 0.13	\$ 2.41	\$ 1.77
Diluted	0.96	(0.49)	(3.03)	(0.01)	2.15	0.12	2.25	1.66
Net earnings (loss) attributable to shareholders:								
Basic	1.24	(0.31)	(2.85)	0.17	2.52	0.28	2.59	1.95
Diluted	1.16	(0.31)	(2.85)	0.16	2.35	0.27	2.42	1.83
Dividends paid on Class A and Common shares	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.16
As at								
Shareholders' equity (\$ in thousands)	\$767,864	\$743,331	\$742,917	\$828,404	\$838,520	\$781,334	\$780,323	\$737,363
Per share (in \$)								
Basic	\$ 31.84	\$ 30.82	\$ 30.68	\$ 33.67	\$ 33.89	\$ 31.56	\$ 31.15	\$ 29.02
Diluted	29.43	28.88	28.74	31.27	31.53	29.40	29.09	27.14
Total Class A and Common shares outstanding (shares in thousands)	26,246	26,246	26,342	26,892	26,954	26,968	27,263	27,691

Over the past eight quarters presented above, Guardian's Net revenue 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.

Within Net revenue, the investment management and advisory fees are highly correlated to the changes in AUM and AUA, which are affected by the volatility of the global financial markets and additions and withdrawals of client assets. In the Corporate Activities and Investments Segment, some increases in dividend income can be seen in the second quarter and, to a lesser extent, in the fourth quarter of each year, due largely to dividends from foreign equities, which pay semi-annual dividends and some "special" mid-year dividends. In addition, 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.

The Total client assets had grown to a peak in the fourth quarter of 2021, then declined steadily as the global financial markets declined in 2022. The Net revenue and Operating earnings over the past eight quarters has generally trended in the same direction as the changes in Total client assets, with slight variations in the second quarters of each year. The dividend income earned in the second quarters of each year from foreign equities have tended to dampen the reduction in revenues in 2022 and accentuated the increase in 2021.

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

RISK FACTORS

Guardian applies many of the same risk management principles to its business as a whole, as it applies to the management of client assets. One of these principles is that risk can pose challenges, as well as provide opportunities, depending upon the effectiveness of the way in which it is managed. The following sections discuss the most significant risks and Guardian's management processes to mitigate them. Readers are encouraged to refer to Note 21 of the Consolidated Financial Statements, contained in Guardian's 2022 Annual Report, for additional information on financial risk management.

MARKET RISK

Market fluctuations can have a significant effect on the value of both clients' portfolios and our earnings, since the largest portion of our revenues are generated from AUM and AUA. The market fluctuations can be driven by political, economic or other changes in various regions of the world. We manage the risk of 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 RISK

Guardian's securities are subject to the risk of price fluctuations. The potential impact of market fluctuations on the value of Guardian's securities is quantified in Note 21 of the 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 December 31, 2022, Guardian holds \$273 million of BMO shares (2021 – \$309 million), which represents 41% of Guardian's securities (2021 – 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, or 55% of its holdings since the second quarter of 2013. The remainder of Guardian's security 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)	2022	2021
Bank of Montreal common shares	41%	41%
Other Canadian equity securities and real estate	9%	5%
Canadian equities and real estate	50%	46%
Non-Canadian equities	46%	50%
Short-term and Fixed income securities	4%	4%
	100%	100%

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 dollar 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 \$1,287 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.

Guardian recognizes 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.

From time to time, Guardian may record certain foreign exchange gains (losses) in Net earnings on non-domestic currency cash balances held in various operations. These balances are monitored by local management and are largely limited to amounts necessary to its operating working capital needs. Readers are encouraged to refer to Note 21 in the 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, or from individuals, which are secured by marketable securities. Guardian periodically reviews the financial strength of all of its counterparties, and if the circumstances warrant it, 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. From time to time, advisors in the Wealth Management segment may owe advances received or amounts resulting from reversal of commissions to the Dealer or the MGA. The credit risk associated with these amounts is mitigated by management's review of the advisors' abilities to repay the advances or the potential commission reversals, particularly in the MGA business, before amounts are paid to the advisors. These businesses were sold on March 1, 2023.

INTEREST RATE RISK

Guardian's most significant exposure to interest rate risk is through its bank loans and borrowings. The interest rates on these borrowings are short-term, and Guardian's interest expense and net earnings will fluctuate with the changes in short-term rates. Guardian manages interest rate risk in its international banking operations, through matching the interest rates of client deposit liabilities with the assets, which consist of interest-bearing deposits with banks or other similar interest-earning instruments. 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 borrowing facilities with major Canadian banks, which currently has \$33 million of the \$165 million available to be drawn upon through three credit facilities, and by leveraging the support of its significant security portfolio. The maturities of Guardian's contractual commitments are outlined under "Contractual Commitments" in this MD&A. Management believes the combination of the cash flows from operations, the securities holdings and the borrowing facilities provides sufficient resources to manage Guardian's liquidity risk.

REGULATORY RISK AND LEGAL RISK

Guardian and its subsidiaries operate in an environment subject to various laws and regulations. Given the nature of certain of Guardian's subsidiaries, they 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, adequate insurance coverage and, where appropriate, utilizing assistance from external advisors.

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.

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.

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 offered, business reputation and financial strength. Loss of client assets, in both the Investment Management Segment and the Financial Advisory Segment, will result in losses of revenue and earnings to Guardian. Guardian attempts to mitigate this risk by developing and maintaining strong client and advisor relationships, a competitive product line with competitive relative performance of its products, the recruitment and retention of high-quality 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.

INFORMATION TECHNOLOGY AND CYBERSECURITY RISK

Guardian uses information technology and the internet to streamline business operations and to improve client and advisor 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, and the use of internet, such as emails and other online capabilities, Guardian is exposed to information security and other technology disruptions risks that could potentially have an adverse impact on its business. Guardian actively monitors this risk and continues to develop controls to protect against such threats that are becoming more sophisticated and

pervasive. The cyber security risk has increased during the current period while the majority of Guardian's employees are working remotely and connecting to Guardian's data centres as part of its Business Continuity Plan. Guardian has heightened its monitoring of the internal network traffic and the monitoring of developments in latest known cyber threats.

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, judgements and assumptions which affect the reported amounts of assets, liabilities, contingencies, revenues and expenses. These estimates and judgements are listed in Note 2(c) to Guardian's 2022 Consolidated Financial Statements. The most significant accounting estimates and judgements are related to the impairment assessment of goodwill, and the determination of fair value of securities classified as level 3 within the fair value hierarchy and the determination of whether an acquisition is of a business or of a group of assets, along with the identification and estimation of fair value of assets acquired or liabilities assumed in a business combination.

The impairment assessment of goodwill includes a comparison of the carrying value and the recoverable amount of each business unit to verify that the recoverable amount of the business unit is greater than its carrying value. In the current periods, the recoverable amounts were estimated using the fair value less cost to sell method for each of the business units. Guardian used valuation approaches to determine estimated fair values in the current periods, based on a multiple of AUM and AUA. These multiples are developed by management based on recent transactions and research reports by independent research analysts and are the most significant internally generated unobservable input used in these valuations. These valuations approaches are also sensitive to the levels of AUM and AUA.

A financial instrument is classified as level 3 when the fair value of the instrument is determined using valuation techniques based on significant inputs which are not observable in the market. The valuation techniques and inputs of used to determine the fair value of Guardian's securities classified as level 3 are described in Note 4(c) to Guardian's 2021 Consolidated Financial Statements.

Accounting for business combinations requires judgement to identify the assets acquired and liabilities assumed in a transaction. It also requires fair values to be estimated for these identified assets and liabilities. Guardian uses various assumptions and available information to determine these estimated fair values. Until the purchase price is finalized, changes to these assumptions and available information would result in changes to these estimates.

NON-IFRS MEASURES

EBITDA, EBITDA attributable to shareholders, EBITDA from discontinued operations and EBITDA per share

Guardian defines EBITDA as net earnings before interest, income tax, amortization, stock-based compensation, any 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 from discontinued operations is defined as net earnings from discontinued operations, before interest, income tax, amortization, stock-based compensation and any net gains or losses, all associated with Discontinued Operations. EBITDA per share is calculated on EBITDA attributable to shareholders using the same average shares outstanding that are used in calculating Net earnings attributable to 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 distortion caused by the impact of non-core business items, different financing methods, levels of income taxes and the level of capital expenditures. The most comparable IFRS measure 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 this non-IFRS measure:

For the years ended December 31 (\$ in thousands)	2022	2021 <i>Restated</i>
Net earnings (loss)	\$ (37,317)	\$ 190,740
Add (deduct):		
Net earnings from discontinued operations	(22,251)	(21,786)
Income tax expense (recovery)	(525)	25,672
Net (gains) losses	104,216	(139,687)
Stock-based compensation	3,597	2,602
Interest expense	4,351	1,142
Amortization	12,127	10,875
EBITDA	64,198	69,558
Less attributable to non-controlling interests in continuing operations	(4,344)	(4,932)
EBITDA attributable to shareholders	59,854	64,626

For the years ended December 31, (\$ in thousands)	2022	2021 <i>Restated</i>
Net earnings from discontinued operations	\$ 22,251	\$ 21,786
Add (deduct):		
Income tax expense	8,227	7,999
Net (gains)	(5,030)	(2,936)
Stock-based compensation	409	368
Interest expense	1,385	249
Amortization	11,262	10,615
EBITDA from discontinued operations	\$ 38,504	\$ 38,081

Adjusted Cash Flow From Operations, Adjusted Cash Flow From Operations Attributable to Shareholders and Adjusted Cash Flow From Operations 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 is defined as Adjusted cash flow from operations less non-controlling interests. Adjusted cash flow from operations per share is calculated on Adjusted cash flow from operations attributable to shareholders, divided using the same average shares outstanding that are used in calculating Net earnings attributable to shareholders per share. These measures 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 Statement of Cash Flows. Adjusted cash flow from operations per share is calculated using the same average shares outstanding as are used in calculating Net earnings attributable to shareholders per share.

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

For the years ended December 31 (\$ in thousands)	2022	2021 <i>Restated</i>
Net cash from operating activities, as reported	\$ 81,228	\$ 102,859
Add (deduct):		
Net cash from operating activities, discontinued operations	(23,524)	(29,671)
Net change in non-cash working capital items	(6,877)	(18,067)
Net change in non-cash working capital items, discontinued operations	(6,488)	647
Adjusted cash flow from operations	44,339	55,768
Less attributable to non-controlling interests, continuing operations	(4,512)	(5,007)
Adjusted cash flow from operations attributable to shareholders	\$ 39,827	\$ 50,761

Shareholders' Equity per share

Shareholders' equity per share, diluted, is used by management to indicate the retained value per share available to shareholders which is 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 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 and dilutive shares outstanding as at period end.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROL

Management is responsible for establishing and maintaining adequate internal controls over financial reporting, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no changes in Guardian's internal control over financial reporting during the quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, Guardian's internal control over financial reporting.

Management of Guardian has evaluated the effectiveness of its disclosure controls and procedures and internal controls over financial reporting (as defined under National Instrument 52-109) as of December 31, 2022, under the supervision of the Chief Executive Officer and the Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the design and operation of those disclosure controls and procedures and internal controls over financial reporting were effective.

OUTLOOK

As we enter 2023, all signs point to the COVID-19 pandemic entering its final stages as public health restrictions worldwide seem to be nearly lifted, and the effects of the shutdowns and fiscal and monetary policies put in place come into clearer focus. A year ago, the outlook was pretty positive. The anticipated move back to "normal" activity levels underpinned sustained economic growth rates above the past decade's trends. Additionally, the uncertainty surrounding growth forecasts was ebbing as the pandemic appeared to be coming under greater control and geopolitical tensions were coming off the boil. While inflation was on the rise, it was viewed as "transitory," a by-product of the pandemic's onset that would be unwound as the global economy's broader reopening continued. Accordingly, while central banks acknowledged that crisis-era levels of policy stimulus were no longer warranted, they were in no hurry to raise rates and broadly expected to move only gradually once they did.

This anticipated macro backdrop drove robust profit growth, giving a fundamental lift to risk assets. Though valuations for these securities elevated, they were arguably justified by the low-rate environment, which not only raised the values of the output of "discounted cash flow" models but meant that there was no alternative for investors looking to generate any sort of real return. As a result, investors were upbeat and willing to chase momentum. Of course, inflation quickly proved to be anything but transitory. The imbalance between strong demand and constrained production was exacerbated by supply chain pressures that persisted due to renewed public health restrictions in early 2022 (particularly in China) and the commodity price shock driven by Russia's invasion of Ukraine.

In response to the significant upward shift in inflation and inflation expectations, monetary policymakers felt pressure to move quickly and aggressively to try to get ahead of the curve and prevent price pressures from spiraling ever higher at significant, longer-run costs to the global economy. Suddenly, markets that had largely been permitted to ignore inflation and capital costs over the last decade were forced to recalibrate slowly, then all at once, as the breadth and magnitude of central banks' responses to firm readings for pricing and underlying economic activity expanded. The sharp upward adjustment to rates quickly devastated bond markets as downgrades to growth forecasts globally weighed on the prospects for earnings, serving a blow to equity markets. As low rates had earlier boosted valuations, higher rates drove multiple compressions at the same time as earnings expectations were moderating. The effects were significant declines, particularly among the high-flying growth stocks that had previously been the markets' largest drivers of growth. Stocks and bonds marched lower in step, and as correlations between asset classes surged to quarter-century highs, the typical diversification benefits of multi-asset portfolios were nowhere to be seen as balanced investors recorded historically poor performance.

Focusing on the year ahead, what stands out is that the market landscape is almost the polar opposite of what prevailed 12 months ago. The current consensus is that a global recession is effectively a certainty in the next 12 months as the impact of high inflation and restrictive monetary policy work together to restrain demand. The Survey of Professional Forecasters from the Federal Reserve Bank of Philadelphia revealed that experts have assigned the highest probability of a near-term US recession in the study's more than 50-year history. The combination of this backdrop and 2022's broad reset in asset prices contrast with last year's optimism, and expensive assets are now pervasive pessimism and more moderate valuations. This ironically makes for a more constructive outlook for performance of stocks and bonds than what prevailed a year ago.

Undeniably, downside risks could materialize in the months ahead and provide a material drag on economic momentum. That said, the fact that everybody is on high alert for signs of deteriorating conditions and proceeding with caution arguably lowers the risk of any drawdown or at least the potential size. Economic downturns are usually the product of systemic imbalances. Excesses can persist until a catalyst forces the excess to unwind. Typically, a central bank-induced jump in capital costs makes overextended financial positions untenable, with the larger the imbalance, the greater the unwind and resultant negative spillovers. The human tendency to catastrophize, particularly in times of heightened uncertainty, means that undue weight is often put on the worst-case scenario, which lowers the bar for expectations, but right now, the worst-case scenario has not occurred.

For example, a big source of upside surprises of late has been Europe. Heading into the winter, it was expected that the continent's dependence on energy imports, especially Russian-produced oil and gas, could see supply shortages that would further drive up prices and constrain already crimped household budgets. These shortfalls have not materialized as governments across Europe rapidly shored up their stockpiles ahead of the traditional heating season. Supplies have also seen a smaller-than-normal drawdown as demand for heating has been depressed by an

unseasonably warm winter. As a result, lower-than-expected gas use and prices have been observed, and European consumers' balance sheets are stronger than expected, leading to upside surprises in consumption. If similar surprises emerge elsewhere, we may be in line for an unexpectedly strong upside surprise.

In conclusion, while the monetary environment will remain somewhat constrictive going forward, much of this is already priced into risk assets. Given the price corrections seen in the last year, markets are well positioned for positive returns if the underlying economic reality reveals itself to be stronger than the forecasts of market participants.

As a participant in the financial markets, Guardian's results are significantly affected by the level and performance of stock and bond markets; as such, during the COVID-19 pandemic, we, along with other market participants, benefitted from the resulting impact of the fiscal and monetary stimulus provided by governments around the world and our results have been affected by the recent withdrawal of this stimulus. It is worth noting, with the recent sale of our Worldsource businesses, we have received a significant cash inflow and are in a better position to take advantage of the prevailing, higher dividend and interest rates as we invest this capital in the markets. Guardian is somewhat unusual for companies of our size in that our strong balance sheet, which has been almost doubled with the sale of Worldsource, combined with strong profitability in our remaining businesses, allow us the luxury of making long-term plans that are not necessarily wholly reliant on the co-operation of events outside of 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 while bringing in new human and technological assets that will permit us to execute on those capabilities. Success in creating new products that can be sold through our existing platforms gives us a very efficient way to grow Guardian and its profitability. We have a number of initiatives that can fit into this strategy and a large amount of capital to fund them. We will also continue to look for potential acquisition opportunities, and our cash injection will make any acquisition we identify easier to accomplish without starving our other growth initiatives for capital. In fact, if the opportunity arises, we feel we can be more aggressive in funding both organic and acquisition-related growth. Over the long term, shareholders can expect activity in both growth areas.

TEN YEAR REVIEW

Note(b)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
As at December 31, (\$ in millions)		<i>Restated</i>								
Assets under management	\$ 49,587	\$ 56,341	\$ 45,984	\$ 31,147	\$ 26,962	\$ 27,250	\$ 27,280	\$ 24,278	\$ 24,968	\$ 22,228
Assets under administration	3,716	4,338	-	-	-	-	-	-	-	-
Assets under administration relating to discontinued operations	23,817	27,170	22,289	20,248	17,385	17,795	16,489	14,943	13,126	11,559
Shareholders' equity	768	839	700	683	599	634	580	504	489	415
Securities	660	752	633	682	627	652	620	540	525	449
For the year ended December 31, (\$ in thousands)										
Net revenue	\$ 200,996	\$ 194,001	\$ 139,219	\$ 120,077	\$ 114,014	\$ 98,600	\$ 95,171	\$ 90,352	\$ 83,473	\$ 70,816
Expenses (a)	156,873	139,062	103,287	86,858	80,555	64,979	61,459	57,457	51,772	46,079
Operating earnings	44,123	54,939	35,932	33,219	33,459	33,621	33,712	32,895	31,701	24,737
Net gains (losses)	(104,216)	139,687	(2,890)	95,578	(56,867)	64,396	93,511	(20,158)	55,019	58,134
Net earnings (loss) from continuing operations attributable to shareholders	(61,503)	166,147	29,988	102,374	(34,494)	77,471	103,401	3,189	70,130	71,687
Net earnings (loss) attributable to shareholders	(43,078)	184,239	42,358	112,747	(25,723)	87,145	110,860	10,046	74,242	73,329
Per share, Common and Class A (in dollars)										
For the year ended December 31,										
Net earnings (loss) from continuing operations attributable to shareholders										
Basic	\$ (2.52)	\$ 6.63	\$ 1.18	\$ 3.97	\$ (1.28)	\$ 2.79	\$ 3.63	\$ 0.11	\$ 2.32	\$ 2.35
Diluted	(2.52)	6.19	1.12	3.75	(1.28)	2.64	3.45	0.12	2.24	2.29
Net earnings (loss) attributable to shareholders										
Basic	(1.76)	7.35	1.67	4.77	(0.63)	3.49	4.16	0.57	2.60	2.46
Diluted	(1.76)	6.87	1.57	4.50	(0.63)	3.30	3.95	0.56	2.50	2.39
Dividends paid	0.90	0.70	0.63	0.58	0.48	0.39	0.33	0.29	0.24	0.30
As at December 31,										
Shareholders' equity										
Basic	31.84	33.89	27.43	26.73	22.85	23.20	20.75	17.37	16.33	13.68
Diluted	29.43	31.53	25.69	25.01	21.57	21.88	19.62	16.55	15.62	13.17
Share prices:										
Common high	40.80	42.50	28.80	28.00	27.00	29.50	25.98	24.61	21.45	18.00
low	24.62	26.00	16.00	22.38	20.40	23.41	16.20	16.55	15.30	11.50
Class A high	41.00	37.00	28.10	27.98	27.05	29.00	25.10	19.25	18.85	16.82
low	24.51	25.53	16.05	21.68	20.05	23.45	15.58	15.50	15.10	10.40
Common and Class A shares outstanding (thousands of shares)										
As at December 31,										
Basic	24,115	24,741	25,506	25,542	26,232	27,345	27,963	29,029	29,940	30,333
Diluted	26,093	26,595	27,234	27,302	27,782	29,001	29,576	30,472	31,300	31,510

Notes

(a) Excluding referral fees and income taxes.

(b) The results of operations for 2021 and earlier years have been restated to reflect the reclassification of certain subsidiaries to discontinued operations in 2022. The results of operations for 2017 and earlier years have been restated to reflect the impact of IFRS 9.



GUARDIAN CAPITAL™