

GUARDIAN CAPITAL GROUP LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
THIRD QUARTER
September 30, 2024

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- and nine-month periods ended September 30, 2024 and the comparative period in the year 2023, as well as to certain other prior quarterly periods. Readers are encouraged to refer to the discussions and analyses contained in the 2023 Annual Report. This discussion and analysis has been prepared as of November 7, 2024.

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

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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

Although Guardian believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause Guardian's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: general economic and market conditions, including interest rates, business competition, changes in government regulations or in tax laws, the duration and severity of pandemics, such as COVID-19, military conflicts in various parts of the world, as well as those risk factors discussed or referred to in this Management's Discussion and Analysis and the other disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at www.sedarplus.ca. 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 global financial services company, which provides 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 \$165.1 billion of Total Client Assets, which includes assets under management ("AUM") and assets under advisement ("AUA"). 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"), Galibier Capital Management Ltd. ("Galibier"), Guardian Smart Infrastructure Management Inc. ("GSIM"), Guardian Capital Real Estate Inc. ("GCREInc"), Guardian Capital Advisors LP ("GCA") and Guardian Partners Inc. ("GPI"), the Waterloo, Ontario-based Rae & Lipskie Investment Counsel Inc. ("RaeLipskie"), Vancouver, British Columbia-based Modern Advisor Canada Inc. ("Modern Advisor"), the London, UK-based GuardCap Asset Management Limited ("GuardCap"), the Salt Lake City, Utah-based Alta Capital Management, LLC ("Alta"), the Richmond, Virginia-based Agincourt Capital Management LLC ("Agincourt"), Charlotte, North Carolina-based Sterling Capital Management LLC ("Sterling"), and the Caribbean-based Alexandria Bancorp Limited ("ABL"). Guardian also manages its proprietary investment portfolio which had a fair market value of \$1.2 billion as at September 30, 2024.

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. Definition of EBITDA and Adjusted cash flow from operations are provided on page 13 of the Management Discussions and Analysis. Other Non-IFRS measures are equity per share, and securities per share. Non-IFRS measures do not have standardized meanings prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. However, Guardian believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these measures in analyzing Guardian's results. In the Non-IFRS Measures section of this Management Discussion and Analysis a description of how these measures are defined by Guardian is provided, with reconciliations to their most comparable IFRS measures.

CONSOLIDATED FINANCIAL RESULTS

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

For the periods ended September 30, (\$ in thousands, except per share amounts)	Three months			Nine months		
	2024	2023	% Inc (Dec)	2024	2023	% Inc (Dec)
Net revenue	\$ 98,128	\$ 62,611	56.7%	\$ 224,789	\$ 178,937	25.6%
Expenses	94,534	44,137	114.2%	194,544	132,185	47.2%
Operating earnings	3,594	18,474	-80.5%	30,245	46,752	-35.3%
Net gains (losses)	39,999	(17,358)	330.4%	13,575	(2,960)	558.6%
Earnings before income taxes	43,593	1,116	3,806.2%	43,820	43,792	0.1%
Income tax expense	4,524	3,386	33.6%	6,040	9,278	-34.9%
Net earnings (loss) from continuing operations	39,069	(2,270)	1,821.1%	37,780	34,514	9.5%
Net earnings from discontinued operations	--	--	0.0%	--	554,933	-100.0%
Net earnings (loss)	\$ 39,069	\$ (2,270)	1,821.1%	\$ 37,780	\$ 589,447	-93.6%
EBITDA	\$ 14,120	\$ 24,611	-42.6%	\$ 54,402	\$ 65,181	-16.5%
Adjusted cash flow from operations	13,979	21,568	-35.2%	43,928	55,568	-20.9%
Attributable to shareholders:						
Net earnings (loss) from continuing operations	\$ 38,633	\$ (2,506)	1,641.6%	\$ 36,663	\$ 33,563	9.2%
Net earnings (loss)	38,633	(2,506)	1,641.6%	36,663	496,242	-92.6%
EBITDA	13,407	23,986	-44.1%	52,428	62,683	-16.4%
Adjusted cash flow from operations	13,328	20,971	-36.4%	41,876	53,051	-21.1%
Per share amounts (diluted):						
Net earnings (loss) from continuing operations	\$ 1.58	\$ (0.11)	1,536.4%	\$ 1.49	\$ 1.40	6.4%
Net earnings (loss)	1.58	(0.11)	1,536.4%	1.49	19.40	-92.3%
EBITDA	0.56	1.02	-45.1%	2.12	2.49	-14.9%
Adjusted cash flow from operations	0.56	0.89	-37.1%	1.70	2.12	-19.8%

As at (\$ in millions, except per share amounts)	2024	2023	% Inc (Dec)	2023	% Inc (Dec)
	September 30	December 31		September 30	
Shareholders' equity	\$ 1,244	\$ 1,241	0.3%	\$ 1,201	3.6%
Securities	1,168	1,318	-11.4%	1,276	-8.5%
Per share amounts (diluted):					
Shareholders' equity	\$ 50.35	\$ 49.39	1.9%	\$ 47.54	5.9%
Securities	47.27	52.44	-9.9%	50.49	-6.4%

THIRD QUARTER HIGHLIGHTS**ACQUISITION OF STERLING CAPITAL MANAGEMENT LLC**

As previously announced, Guardian completed its acquisition of a 100% equity interest in Sterling, a Charlotte, North Carolina-based investment management company, from Truist Financial Corporation ("Truist") on July 2, 2024. On closing, Guardian paid US\$68.9 million, based on a US\$70 million base-purchase price, net of various estimated adjustments. These estimated adjustments were determined to be US \$9.5 million and were paid at the end of October 2024. A series of earn-out incentives of up to US\$45 million could also be paid over a 5-year period from closing, depending on the amount of revenue earned from Truist by Sterling.

The strategic acquisition of Sterling significantly enhances Guardian's overall scale as a global asset manager, and expands its platform for future growth in the US market. Sterling currently manages and advises on approximately US\$77 billion (approximately C\$104 billion) of client assets. Since closing, management continued to review Sterling's operations and evaluate its strategic priorities for the near-term.

The following is a summary analysis of Sterling's Total Client Assets:

As at	2024
(\$ in millions)	September 30
Distribution channel	
Institutional	\$ 71,946
Retail and intermediary	31,079
Private wealth	830
	\$ 103,855
Asset class	
Equities	\$ 14,855
US fixed income	67,752
Multi-asset solutions	21,248
	\$ 103,855

The following is a summary of Sterling's operating results for the quarter ended September 30, 2024:

For the three months ended September 30, (\$000's)	2024	
Net revenue	\$	37,074
Operating expenses		32,105
Transitional expenses		7,026
Amortization arising from acquisition		1,655
Total expenses		40,786
Operating loss		(3,712)
EBITDA	\$	(1,090)

During the initial quarter of Sterling ownership, a number of expenses were incurred, that are expected to be one-time or short-term in nature, related to the transaction and certain initial business integration efforts. These include such expenses as transaction success fees, legal and tax advisory fees, retention incentives for key employees, and technology and other business integration related costs (all together "Transitional" expenses). Approximately \$7.0 million (US \$5.2 million) in Transitional expenses were incurred by Sterling during the quarter and another \$3.1 million was incurred within the Corporate Activities and Investments Segment. In addition, the accounting for the acquisition of Sterling resulted in new amortization and interest expenses, which are not part of operating expenses of Sterling. The acquisition accounting related amortization expense included in Sterling's results are \$1.7 million (US \$1.2 million) and interest expense included in Corporate Activities and Investments Segment is \$1.1 million (US \$0.8 million). Dampened by these expenses, Sterling recorded an Operating loss of \$3.7 million (US \$2.7 million) and negative EBITDA of \$1.0 million (US \$0.8 million) in the current quarter.

ACQUISITION OF GALIBIER CAPITAL MANAGEMENT LTD.

Guardian announced on September 3, 2024, that it had completed the transaction to acquire 100% of Galibier Capital Management Ltd. ("Galibier"), an independent, Toronto-based investment management firm. Guardian paid \$2.5 million on closing and is subject to further earn-outs of up to \$7.5 million based on certain metrics related to Total Client Assets on the one-year anniversary date from closing and again on the 5th anniversary date. The acquisition will enhance Guardian's Canadian equity investment capabilities and add approximately \$1.1 billion in Total Client Assets.

TOTAL CLIENT ASSETS

The following is a summary of the Total Client Assets managed and advised by Guardian:

As at (\$ in millions)	2024		2023	% Inc (Dec)	2023	% Inc (Dec)
	September 30	December 31	September 30		September 30	
Institutional	\$ 102,921	\$ 31,295	228.9%	\$ 30,435	238.2%	
Retail and intermediary	51,225	17,948	185.4%	16,592	208.7%	
Private wealth	10,915	9,531	14.5%	9,188	18.8%	
	\$ 165,061	\$ 58,774	180.8%	\$ 56,215	193.6%	

An analysis of the Total Client Assets by asset class is as follows:

As at (\$ in millions)	2024		2023	% Inc (Dec)	2023	% Inc (Dec)
	September 30	December 31	September 30		September 30	
Canadian equities	\$ 5,721	\$ 4,661	22.7%	\$ 4,729	21.0%	
Global equities	22,227	21,781	2.0%	20,519	8.3%	
US equities	19,541	4,298	354.7%	4,006	387.8%	
Canadian fixed income	5,120	6,664	-23.2%	6,099	-16.1%	
US fixed income	81,118	11,839	585.2%	11,674	594.9%	
Multi-asset solutions	31,334	9,531	228.8%	9,188	241.0%	
	\$ 165,061	\$ 58,774	180.8%	\$ 56,215	193.6%	

Guardian is reporting Total Client Assets (which includes Assets Under Management and Assets Under Advisement) of \$165.1 billion as at September 30, 2024, compared to \$58.8 billion, as at December 31, 2023 and \$56.2 billion, as at September 30, 2023. The largest contributor to the increase in Total Client Assets since December 31, 2023 was the contributions from the two acquisitions, as described above. The remaining increase was due to net outflows year-to-date, partially offset by positive market performance year-to-date. With the acquisition of Sterling, Guardian's US businesses, which also includes Alta and Agincourt, manage and advise on \$122.0 billion (US \$90.3 billion) of Total Client Assets

OPERATING RESULTS

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

For the periods ended September 30, (\$ in thousands)	Three months			Nine months		
	2024	2023	% Inc (Dec)	2024	2023	% Inc (Dec)
Investment management	\$ 4,414	\$ 11,099	-60.2%	\$ 23,054	\$ 31,182	-26.1%
Corporate activities and investments	(820)	7,375	-111.1%	7,191	15,570	-53.8%
	\$ 3,594	\$ 18,474	-80.5%	\$ 30,245	\$ 46,752	-35.3%

Guardian's consolidated Operating earnings for the quarter ended September 30, 2024, were \$3.6 million and EBITDA was \$14.1 million, compared to \$18.5 million and \$24.6 million, respectively, in the same quarter in the prior year. As stated above in the Acquisition of Sterling Capital Management

LLC section, dampening the current quarter results are \$10.1 million in Transitional expenses, of which \$3.1 million was incurred in the Corporate Activities and Investments Segment and \$7.0 million directly by Sterling.

Current quarter Net revenue grew to \$98.1 million, compared to \$62.6 million in the same quarter in the prior year. Net management and advisory fees increased by \$38.8 million, from the same quarter in the prior year with Sterling and Galibier contributing \$37.4 million to the increase, while interest income earned in Corporate Activities and Investments Segment decreased by \$3.7 million. The latter resulted from lower average balance of interest earning short-term securities held during the current quarter, compared to the prior year. Over that period, Guardian used portions of the short-term securities portfolio to fund payment of tax liabilities arising from the net gains realized on the sale of Worldsource in 2023, fund share buybacks, seed new investment strategies and fund the acquisitions of Sterling and Galibier.

Total expenses in the current quarter were \$94.5 million, compared to \$44.1 million in the same quarter in the prior year. The addition of expenses from Sterling and Galibier increased expenses by \$41.1 million, and Corporate Activities and Investments incurred an additional \$3.1 million in Transitional expense and \$1.1 million in interest expense arising from accounting for the acquisitions. The remaining increase is related largely to our continued multi-year strategic investments into the technology platform enhancement projects and the Retail Asset Management initiative in both the US and Canada.

Net gains in the current quarter were \$40.0 million, compared to Net losses of \$17.4 million in the same quarter in the prior year. The Net gains largely reflect the positive market performance driving the increase in the fair value of Guardian's substantial Securities portfolio in the current quarter.

Net earnings from continuing operations in the current quarter was \$39.1 million, compared to a Net loss of \$2.3 million in the same period in the prior year. The swing from Net loss to Net earnings was due to substantially higher Net gains arising from the Securities portfolio as described above.

Adjusted cash flow from operations for the quarter was \$14.0 million, compared to \$21.6 million in the same period in 2023. The decrease of \$7.6 million was due largely to decrease in Operating earnings as described above.

The discussion on Guardian's operating results by Segments, before inter-segment elimination transactions, are provided below. The discussion should be read in conjunction with Note 13 (a), Business Segments, contained in Guardian's Third Quarter 2024 Consolidated Financial Statements.

Investment Management Segment

Selected financial information for the Investment Management Segment is as follows:

For the periods ended September 30, (\$ in thousands)	Three months			Nine months		
	2024	2023	% Inc (Dec)	2024	2023	% Inc (Dec)
Net revenues	\$ 88,280	\$ 49,503	78.3%	\$ 191,054	\$ 145,038	31.7%
Expenses	83,866	38,404	118.4%	168,000	113,856	47.6%
Operating earnings	4,414	11,099	-60.2%	23,054	31,182	-26.1%
EBITDA	10,672	14,474	-26.3%	36,220	41,232	-12.2%

The Investment Management Segment's Net revenue in the current quarter increased by \$38.8 million with \$37.4 million being contributed by Sterling and Galibier. The remaining increase, compared to the same period in the prior year, is driven by the increases in Total Client Assets resulting from the positive global financial market performance, year-over-year, partially offset by the net outflows over the same period. The total expenses in the Segment increased by \$45.5 million, compared to the same period in the prior year. The addition of Sterling and Galibier accounted for \$41.1 million of the increase with the remainder of the increase resulting from the continuing multi-year strategic investments into enhancing our technology platform, to support our Retail Asset Management initiatives in both the US and Canada and the additional associates hired to support these strategic efforts.

Corporate Activities and Investments Segment

Selected financial information for the Corporate Activities and Investments Segment is as follows:

For the periods ended September 30, (\$ in thousands)	Three months			Nine months		
	2024	2023	% Inc (Dec)	2024	2023	% Inc (Dec)
Net revenues	\$ 9,998	\$ 13,388	-25.3%	\$ 34,490	\$ 34,770	-0.8%
Expenses	10,818	6,013	79.9%	27,299	19,200	42.2%
Operating earnings	(820)	7,375	-111.1%	7,191	15,570	-53.8%
EBITDA	3,448	10,137	-66.0%	18,182	24,006	-24.3%

The Net revenue in the Corporate Activities and Investments Segment decreased by \$3.4 million, largely the interest income earned on the short-term securities. Since the third quarter of 2023, investment balance in short-term securities have steadily declined as payment of tax liabilities, share buybacks the seeding of various investment strategies and the acquisitions of Sterling and Galibier were funded from the short-term investments, significantly reducing the interest earning base. Expenses in the current quarter were \$4.8 million higher than in the same quarter in the prior year mainly driven by \$3.1 million in Transitional expenses and \$1.1 million in interest expense arising from the accounting related to acquisitions of Sterling and Galibier.

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)	2024 September 30	2023 December 31	% Inc (Dec)	2023 September 30	% Inc (Dec)
Securities, carried at fair value					
Proprietary investment strategies					
Short-term and fixed-income securities	\$ 93,695	\$ 79,272	18.2%	\$ 80,839	15.9%
Canadian equities	7,610	5,871	29.6%	12,245	-37.9%
Global equities	309,342	274,700	12.6%	333,357	-7.2%
Private investments and real estate	157,611	157,157	0.3%	43,483	262.5%
	568,258	517,000	9.9%	469,924	20.9%
Bank of Montreal common shares	271,837	292,175	-7.0%	255,447	6.4%
Short-term securities	290,700	470,289	-38.2%	510,157	-43.0%
Fixed-income securities	--	4,053	-100.0%	4,840	-100.0%
Other equities	37,044	34,013	8.9%	35,669	3.9%
Securities	\$ 1,167,839	\$ 1,317,530	-11.4%	\$ 1,276,037	-8.5%
Securities per share amount, diluted	\$ 47.27	\$ 52.44	-9.9%	\$ 50.49	-6.4%

Guardian's Securities as at September 30, 2024 had a fair value of \$1,168 million, or \$47.27 per share, diluted, compared with \$1,318 million, or \$52.44 per share, diluted, at the end of 2023. Shareholders' equity as at September 30, 2024 amounted to \$1,244 million, or \$50.35 per share, diluted, compared to \$1,241 million, or \$49.39 per share, diluted, at the end of 2023. Securities decreased during the nine months as Guardian used a portion of the holdings of short-term securities to fund the payments of the tax liabilities arising from the net gains realized on last year's sale of Worldsource, to fund the closing payments on the acquisition of Sterling and Galibier, and, to a lesser extent, to fund a portion of the \$16.0 million in total share buybacks completed year-to-date. Shareholders' equity remained substantially unchanged during the nine months due to the largely offsetting effects of Net gains and net change in foreign currency translation of foreign subsidiaries recorded in other comprehensive income offset by dividends and share buybacks returned to shareholders.

In addition to its strong balance sheet, Guardian has, under various borrowing arrangements, total borrowing capacity of \$175.0 million. As at September 30, 2024, the total borrowings amounted to \$141.4 million, compared to \$136.0 million at the end of 2023. Guardian's Adjusted cash flow from operations attributable to shareholders for the current quarter was \$13.3 million, compared to \$21.0 million 2023. Adjusted cash flow from operations were used to fund the dividends of \$9.1 million during the current quarter.

CONTRACTUAL OBLIGATIONS

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

As at September 30, 2024	Payments due by period				
(\$ in thousands)	Total	Within one year	2 - 3 years	4 - 5 years	After five years
Bank loans and borrowings	\$ 141,399	\$ 141,399	\$ --	\$ --	\$ --
Third party investor liabilities	106,762	106,762	--	--	--
Client deposits	79,760	79,760	--	--	--
Accounts and income taxes payable	129,177	129,177	--	--	--
Acquisition liabilities and due non-controlling interests	57,554	15,181	23,825	18,548	--
Investment commitments	21,257	21,257	--	--	--
Scheduled lease payments, undiscounted	45,583	5,660	10,795	10,278	18,850
Total contractual obligations	\$ 581,492	\$ 499,196	\$ 34,620	\$ 28,826	\$ 18,850

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 \$21.3 million in GSIP and other third-party 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:

	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
<i>As at (\$ in millions)</i>								
Total client assets	\$ 165,061	\$ 58,628	\$ 61,316	\$ 58,774	\$ 56,215	\$ 56,527	\$ 56,326	\$ 53,303
<i>For the three months ended (\$ in thousands)</i>								
Net revenue	\$ 98,128	\$ 64,164	\$ 62,497	\$ 62,245	\$ 62,611	\$ 61,833	\$ 54,493	\$ 50,681
Operating earnings	3,594	14,333	12,318	13,097	18,474	17,038	11,240	8,790
Net gains (losses)	39,999	(39,161)	12,737	60,747	(17,358)	(3,736)	18,134	18,225
Net earnings (losses) from continuing operations	39,069	(22,730)	21,441	68,048	(2,270)	11,532	24,852	25,249
Net earnings from discontinued operations	--	--	--	--	--	--	554,933	6,386
Net earnings (losses)	39,069	(22,730)	21,441	68,048	(2,270)	11,532	579,785	31,635
Net earnings (loss) from continuing operations attributable to shareholders	38,633	(23,137)	21,167	67,087	(2,506)	11,145	24,524	24,679
Net earnings (loss) attributable to shareholders	38,633	(23,137)	21,167	67,087	(2,506)	11,145	487,203	29,961
<i>Per share amounts (in \$)</i>								
Net earnings (loss) from continuing operations attributable to shareholders								
Basic	\$ 1.66	\$ (0.99)	\$ 0.90	\$ 2.85	\$ (0.11)	\$ 0.47	\$ 1.04	\$ 1.02
Diluted	1.58	(0.99)	0.86	2.68	(0.11)	0.45	1.00	0.96
Net earnings (loss) attributable to shareholders:								
Basic	\$ 1.66	\$ (0.99)	\$ 0.90	\$ 2.85	\$ (0.11)	\$ 0.47	\$ 20.27	\$ 1.24
Diluted	1.58	(0.99)	0.86	2.68	(0.11)	0.45	18.79	1.16
Dividends paid	\$ 0.37	\$ 0.37	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.24	\$ 0.24
<i>As at</i>								
Shareholders' equity (\$ in millions)	\$ 1,244	\$ 1,223	\$ 1,255	\$ 1,241	\$ 1,201	\$ 1,213	\$ 1,242	\$ 768
<i>Per share amounts (in \$)</i>								
Basic	\$ 53.71	\$ 52.59	\$ 53.69	\$ 52.87	\$ 50.90	\$ 51.11	\$ 52.42	\$ 31.84
Diluted	50.35	49.34	50.30	49.39	47.54	47.63	48.73	29.43
Total Class A and Common shares outstanding (shares in thousands)	24,867	24,959	25,136	25,230	25,408	25,609	26,113	26,246

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.

Partially offsetting this volatility is the income from Securities earned in the Corporate Activities and Investments Segment, which are less directly correlated to the volatility in the global financial markets. The timing of consolidation or deconsolidation of certain investment funds or disposal of securities can also have an impact on the level of dividend and interest income recorded in the period. In addition, certain Non-North American equity investments pay semi-annual dividends which can contribute to increase in income from securities during the second and fourth quarter of each year.

The Net revenue for each of the quarters above generally trended with the levels of Total Client Assets. Starting in the second quarter of 2023, the Net revenue increased greater than expected from the change in Total Client Assets. This was due to the interest income earned on the proceeds of disposition of Worldsource businesses. Starting in the fourth quarter of 2023, expenses related to the technology platform enhancements, the consolidation of expenses incurred in GSIP which were consolidated into Guardian's results and Transitional costs associated with the acquisition of Sterling dampened the Operating earnings for the periods.

Net gains (losses) reflect changes in fair values of the securities during each period, driven by the volatility of the global financial markets in which Guardian's securities trade. The volatility of Net gains (losses) also directly affects Net earnings (losses) attributable to shareholders.

The Net earnings from discontinued operations from the second quarter of 2022 to the first quarter of 2023, includes the Net earnings from Worldsource Businesses, which were reclassified into this line as a result of Guardian's decision to sell the business. Included in the first quarter of 2023 is \$554,933 of net gains realized on the disposition of the Worldsource Businesses and its operating earnings, net of taxes for the period to closing.

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

RISK FACTORS

A key component of a successful business is its ability to manage its risk. The following sections discuss the most significant risks and Guardian's management processes to mitigate them. Readers are encouraged to refer to Note 15 to Guardian's Third Quarter 2024 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 mitigate the risks associated with market fluctuations by having a diversified client base with different

investment needs, and by having a variety of products and services, which may be attractive in different market environments and which have different correlations to equity and other financial markets and to each other. Guardian's securities holdings are managed independently of clients' assets, except for those of our assets that are invested in Guardian's investment funds.

Portfolio Value and Concentration Risks

Guardian's securities are subject to price fluctuations risk. The potential impact of market fluctuations on the value of Guardian's securities is quantified in Note 15 of Guardian's Third Quarter 2024 Consolidated Financial Statements. Guardian manages this risk through professional in-house investment management expertise, which takes a disciplined approach to investment management. All securities are held by independent custodians chosen by Guardian. As at September 30, 2024, Guardian held \$272 million of BMO shares (December 31, 2023 – \$292 million), which represents 23% of Guardian's securities (December 31, 2023 – 22%). 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. Guardian also has an investment, through GSIP valued at \$113 million (December 31, 2023 - \$113 million), in an intelligent tolling and traffic systems company, and this investment represents 10% of the securities (December 31, 2023 – 9%). Guardian has accepted this concentration risk, as the investment is strategically important for the development of Guardian's Smart Infrastructure Management business. Guardian mitigates and manages this risk by actively monitoring management of the investee company through Guardian's representation on the board and by marketing GSIP to prospective third-party investors. The remainder of Guardian's securities portfolio is more diversified, from both an asset class and a geographical perspective.

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

As at (as a percentage of securities)	September 30 2024	December 31 2023	% Inc (Dec)
Bank of Montreal common shares	23%	22%	5%
Other Canadian equity securities and real estate	5%	4%	25%
Canadian equities and real estate	28%	26%	8%
Non-Canadian equities	39%	32%	22%
Short-term and Fixed income securities	33%	42%	-21%
	100%	100%	0%

Foreign Currency Risk

Guardian's operating results 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 Total Client Assets are US dollar denominated portfolios. With the acquisition of Sterling, which closed on July 2, 2024, operating results of Guardian will be more sensitive to the fluctuations in the currency exchange rate between the Canadian dollar and the US dollar. The Company estimates that for every 1% change in the average exchange rate between the Canadian and US dollars would result in a change in Net Revenue of approximately +/- \$2,274 and +/- \$755 for the respective nine-and three month periods to September 30, 2024. With the acquisition of Sterling, which closed on July 2, 2024, future operating results of Guardian will be more sensitive to the fluctuations in the currency exchange rate between the Canadian dollar and the US dollar.

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

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

Readers are encouraged to refer to Note 15 in Guardian's Third Quarter 2024 Consolidated Financial Statements for further discussion and sensitivity analyses.

Credit Risk

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

Interest Rate Risk

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

Liquidity Risk

Guardian manages liquidity risk through the monitoring and managing of cash flows from operations, by establishing sufficient cash borrowing facilities with major Canadian banks, which currently total \$175 million through three credit facilities, and leveraging the support of its significant security portfolio.

The maturities of Guardian's contractual commitments are outlined under "Contractual Commitments" in this Management Discussion and Analysis. The combination of the cash flows from operations, the securities holdings and the borrowing facilities provides reasonable resources to manage its liquidity risk.

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

Product Performance Risk

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

Competition Risk

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

Regulatory and Legal Risk

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

Key Personnel Risk

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

Information Technology and Cybersecurity Risk

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

As remote working by Guardian employees has increased, remote access to Guardian's data centre by its employees has 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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

The Chief Executive Officer and the Chief Financial Officer have designed or caused the design of Guardian's Internal Controls over Financial Reporting (ICFR) and Disclosure Controls and Procedures. There have been no material weaknesses identified relating to the design of the ICFR. During the quarter ended September 30, 2024, Guardian acquired Sterling Capital Management LLC ("Sterling"), adding \$37.1 million in Net revenue in the current quarter, or 57% increase from the prior quarter. We are evaluating the effectiveness of Sterling's ICFR as we integrate Sterling's operations into Guardian and will make the necessary changes to incorporate it into Guardian's ICFR.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to use its judgement to make estimates and assumptions, which affect the reported amounts of assets, liabilities, contingencies, revenues and expenses. These estimates and judgment are listed in note 2 (c) to Guardian's 2023 Consolidated Financial Statements. The most significant of these are related to the impairment assessment of goodwill, the determination of fair value of securities classified as level 3 within the fair value hierarchy, the determination of level and nature of control Guardian can exercise over its investments and arising this quarter from the acquisitions of Sterling and Galibier, the judgement and estimates required to account for business combinations.

The valuation approach to level 3 securities which are valued by Guardian is most sensitive to the level of EBITDA associated with the issuer of the security. The valuation approach to level 3 securities, primarily private equity funds, which are not valued by the Company are to use the reported fair

value as provided by the fund's manager. Guardian obtains comfort over the fair value reported by the managers by reviewing and discussing with the managers on an annual basis the valuation process and by comparing the reported fair value against each fund's audited financial statements. Guardian tests goodwill on an annual basis for impairment and reviews goodwill and intangible assets for indications of impairment at the end of each reporting period. If indications of impairment exist, the goodwill is then assessed for impairment in that period. The valuation approach to Investment Management Segment goodwill is most sensitive to the levels of the Total Client Assets within the Segment. Management assess all significant investments to determine whether Guardian can exercise control over its investment, in which case it must consolidate the investment, or whether another method of accounting is more appropriate.

From time to time Guardian acquires businesses to complement its various organic growth strategies. Accounting for such business combinations require judgement to identify the various assets acquired and the liabilities assumed. Business combinations also require that Guardian make estimates of the fair value of the identified assets and liabilities. Guardian uses various models, assumptions and available information to determine these estimated fair values. The finalization of the accounting for business combinations could stretch over a number of reporting periods. Until then, the estimated fair values may change due to changes in assumptions and information which was not available earlier but pertain to conditions that existed at the date of acquisition, such as finalizing networking capital balances, which were initially estimated.

NON-IFRS MEASURES

EBITDA, EBITDA attributable to shareholders, and EBITDA per share

Guardian defines EBITDA as net earnings before interest, income tax, amortization, 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 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 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.

Reconciliations of the IFRS measures to the non-IFRS measures for the Company and its major operating segments, excluding the effects of inter-segment transactions, are as follows:

For the periods ended September 30, 2024	Three months			Nine months		
	Investment management	Corporate Activities and Investments	Consolidated	Investment management	Corporate Activities and Investments	Consolidated
(\$ in thousands)						
Net earnings	\$ 3,492	\$ 35,577	\$ 39,069	\$ 18,640	\$ 19,140	\$ 37,780
Add (deduct):						
Net earnings from discontinued operations	--	--	--	--	--	--
Income tax expense	782	3,742	4,524	5,591	449	6,040
Net (gains) losses	140	(40,139)	(39,999)	(1,177)	(12,398)	(13,575)
Stock-based compensation	619	448	1,067	1,707	1,284	2,991
Interest expense	369	3,313	3,682	556	8,204	8,760
Amortization	5,270	507	5,777	10,903	1,503	12,406
EBITDA	10,672	3,448	14,120	36,220	18,182	54,402
Less attributable to non-controlling interests in continuing operations	(713)	--	(713)	(1,974)	--	(1,974)
EBITDA attributable to shareholders	\$ 9,959	\$ 3,448	\$ 13,407	\$ 34,246	\$ 18,182	\$ 52,428

For the periods ended September 30, 2023	Three months			Nine months		
	Investment management	Corporate Activities and Investments	Consolidated	Investment management	Corporate Activities and Investments	Consolidated
(\$ in thousands)						
Net earnings (loss)	\$ 10,455	\$ (12,725)	\$ (2,270)	\$ 26,608	\$ 7,906	\$ 589,447
Add (deduct):						
Net earnings from discontinued operations	--	--	--	--	--	(554,933)
Income tax expense	3,634	(248)	3,386	7,872	1,406	9,278
Net (gains) losses	(2,990)	20,348	17,358	(3,298)	6,258	2,960
Stock-based compensation	474	401	875	1,393	1,319	2,712
Interest expense	84	1,834	1,918	391	5,566	5,900
Amortization	2,817	527	3,344	8,266	1,551	9,817
EBITDA	14,474	10,137	24,611	41,232	24,006	65,181
Less attributable to non-controlling interests in continuing operations	(625)	--	(625)	(2,498)	--	(2,498)
EBITDA attributable to shareholders	\$ 13,849	\$ 10,137	\$ 23,986	\$ 38,734	\$ 24,006	\$ 62,683

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

Guardian defines Adjusted cash flow from operations as net cash from operating activities, net of changes in non-cash working capital items and cash flows of discontinued operations. Adjusted cash flow from operations attributable to shareholders as Adjusted cash flow from operations less non-controlling interests. Adjusted cash flow from operations attributable to shareholders per share is calculated using the same method, which is used to determine net earnings attributable to shareholders per share, including any adjustment to the average number of shares outstanding, or to income, to calculate the dilutive effect. Adjusted cash flow from operations attributable to shareholders and the per share amount are used by management to

measure the amount of cash, either provided by or used, in Guardian's operating activities available to shareholders, without the distortions caused by fluctuations in its working capital. The most comparable IFRS measure is "Net cash from operating activities", which is disclosed in Guardian's Consolidated Statements of Cash Flow.

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

For the periods ended September 30, (\$ in thousands)	Three months		Nine months	
	2024	2023	2024	2023
Net cash from operating activities	\$ 39,609	\$ 29,072	\$ 46,075	\$ 54,141
Add (deduct):				
Net cash from operating activities, discontinued operations	--	--	--	(10,087)
Net change in non-cash working capital items	(25,630)	(7,504)	(2,147)	1,801
Net change in non-cash working capital items, discontinued operations	--	--	--	9,713
Adjusted cash flow from operations	13,979	21,568	43,928	55,568
Less attributable to non-controlling interests, continuing operations	(651)	(597)	(2,052)	(2,517)
Adjusted cash flow from operations attributable to shareholders	\$ 13,328	\$ 20,971	\$ 41,876	\$ 53,051

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

The ongoing indications of sustained underlying economic momentum, combined with easing inflationary pressures is permitting central banks to move away from their highly restrictive policy stances. The consensus view now is that the foreseeable future will simply see more of the same. In other words, barring an exogenous shock it appears that the global economy may well end up skirting the widely and persistently forecast recession, and all of the negative fallout in markets that would come with it.

History shows that a rising short-term interest rate environment (such as seen in recent years) is the only backdrop in which short-term bonds and cash outperform, while flat-to-down rates eras have seen better performance further along the curve. With respect to longer duration bonds, yields are generally expected to remain comparably more anchored than those at the front-end of the curve reflecting the return to more "normal" market supply and demand dynamics as central banks are no longer active participants in the market and governments worldwide continue to issue debt to fund their yawning deficits.

Current consensus forecasts are for 10-year sovereign bond yields to largely hold within their recent ranges for the foreseeable future. Moving further out the risk spectrum into credit can provide additional yield, while also offering the potential for positive performance tied to improving credit fundamentals. High-grade corporate bonds appear to offer a somewhat better risk/return profile at the moment given current relative valuations and the outlook, while history shows quality credit issues have turned in the best performance against declining rates.

The baseline outlook for growth and inflation also represents a positive backdrop for equities as well, while history shows that modestly declining short-term rates tend to result in the best performance from the asset class. The question remains: how much upside remains in the market given the strong performance seen over the last two years that has pushed global stocks up by more than 40%. The last two years have seen a significant divergence in performance, with an extremely narrow subset of stocks of mega-cap US Tech-adjacent companies, with a specific bend toward leaders in artificial intelligence, accounting for a substantial share of overall gains, while other areas of the market have seen more modest returns. This has resulted in a marked gap between valuations of these mega-cap tech stocks, and the remainder of the market.

Instead, most stocks are more reasonably valued than overall gauges would otherwise imply, indicating that there are opportunities for active and selective investors, especially for those with a more global focus, while also suggesting that there is some cushion (outside of the aforementioned mega-tech stocks) in the event earnings expectations prove too optimistic.

Rather than purely being driven by investor sentiment, markets have been experiencing a fundamental thrust on the back of improving earnings momentum. With earnings momentum still tilted to the upside and global profits expected to post double-digit growth next year, led by the US and recently upgraded Emerging Markets, that suggests there is scope for further decent performance to come.

Guardian's strong balance sheet and earnings from operations offer the opportunity to make long-term plans that are not necessarily reliant on the cooperation of events outside our control. Acquisitions can be made to quickly bring new or complementary capabilities, or geographic presence, while investments can be made, even at the expense of short-term profitability, to organically create new opportunities over a longer time-frame, typically at a lower cost than acquiring a fully formed business. In our ongoing strategic planning process, we have concluded that, in the near term, our plan to grow the business should not be a radical departure from what has led us to the success we have enjoyed over past decades but should take into account the increased flexibility and capacity conferred on us by our substantial cash position. Our ambition is to create an environment where it is possible to double our Investment Management Segment's fiscal 2023 operating earnings over the next five years, while increasing dividends, both in absolute terms and, while revenues grow, as a percentage of our free cash flow. We also plan to use our balance sheet to opportunistically buy back Guardian shares for cancellation, all while maintaining our financial strength, and the flexibility that comes along with it. Given our recent history of acquisitions in asset management along with the liquidity and size of our capital base, we are regularly presented with a variety of acquisition targets. The number of acquisition opportunities appears to be plentiful and growing, however, we must remain disciplined and selective in reviewing these situations as we acquire further market intelligence of the opportunities and challenges across our industry. The acquisition of Sterling, which closed in early July, brings a new set of investment and money management capabilities, alongside a platform that will enhance our US distribution capabilities. In the immediate future, we anticipate most of our focus will be on integrating Sterling, and its capabilities, into our existing strategy, as progress is made on these initiatives, more effort is likely to be made in identifying complementary acquisitions. All in all, our plans are not significantly different from how we have run the company in the past, but on a much larger scale. We will continue to utilize our balance sheet to support growth in our operating business

segment by allocating capital to seed new strategies, to fund new acquisitions when opportunities arise and to fund buybacks of Guardian stock under our normal course issuer bid.