Guardian

Guardian Capital Group Limited
Report to Shareholders

Second Quarter
June 30, 2025

TO OUR SHAREHOLDERS:

We present below a summary of the Company's operating results for the periods ended June 30, 2025 and 2024. All per share figures disclosed below are stated on a diluted basis.

For the periods ended June 30,	**Three months**		**Six months**	
($ in thousands, except per share amounts)	**2025**	2024	**2025**	2024
Net revenue	**$ 90,032**	$ 64,164	**$ 185,193**	$ 126,661
Operating earnings	**6,128**	14,333	**13,178**	26,651
Net gains (losses)	**54,983**	(39,161)	**39,260**	(26,424)
Net earnings (loss)	**55,581**	(22,730)	**48,917**	(1,289)
EBITDA (1)	**$ 14,866**	$ 21,376	**$ 30,809**	$ 40,282
Adjusted cash flow from operations (1)	**11,228**	14,740	**24,265**	29,949
Attributable to shareholders:				
Net earnings (loss)	**55,242**	(23,137)	**48,190**	(1,970)
EBITDA (1)	**14,261**	20,688	**29,541**	39,013
Adjusted cash flow from operations (1)	**10,687**	13,853	**23,147**	28,540
Per share amounts (diluted):				
Net earnings (loss)	**2.28**	(0.99)	**2.00**	(0.08)
EBITDA (1)	**0.60**	0.89	**1.24**	1.67
Adjusted cash flow from operations (1)	**0.45**	0.59	**0.97**	1.22

As at	**2025**	2024	2024
($ in millions, except per share amounts)	**June 30**	December 31	June 30
Total client assets	**$ 164,143**	$ 168,979	$ 58,628
Shareholders' equity	**1,323**	1,318	1,223
Securities, net	**1,248**	1,211	1,130
Per share amounts (diluted):			
Shareholders' equity (1)	**$ 54.29**	$ 53.76	$ 49.34
Securities, net (1)	**51.19**	49.38	45.61

Summary

Guardian is reporting Total Client Assets (which includes assets under management and advisement) of $164.1 billion as at June 30, 2025, compared to $169.0 billion, as at December 31, 2024 and $58.6 billion, as at June 30, 2024. Sterling and Galibier accounted for $107.0 billion in increase since June 30, 2024. The largest contributor to the decrease in Total Client Assets since December 31, 2024, was the effect of the decrease in the value of the US dollar against the Canadian dollar, which had the effect of reducing Total Client Assets in the US Segment by $6.5 billion in the current quarter.

Guardian's Net revenue for the current quarter was $90.0 million, compared to $64.2 million in the same quarter in the prior year, with $33.2 million being contributed by Sterling and Galibier, which was partially offset by lower Net management fee revenue in the other asset management businesses and lower interest income.

Guardian's Operating earnings and EBITDA(1) were $6.1 million and $14.9 million, respectively, for the quarter ended June 30, 2025, compared to $14.3 million and $21.4 million, respectively, in the same quarter in the prior year. Dampening the current quarter's results were $2.1 million of costs associated with the integration of Sterling.

Net gains in the current quarter were $55.0 million, compared to Net losses of $39.2 million in the same quarter in the prior year, which largely reflect the changes in fair values of Guardian's Securities portfolio.

Net earnings attributable to shareholders were $55.2 million in the current quarter, compared to Net loss of $23.1 million in the comparative period, resulting largely from the swing to Net gains from Net losses described above.

Adjusted cash flow from operations attributable to shareholders(1) for the current quarter was $10.7 million, compared to $13.9 million in the comparative period.

Guardian's Shareholders' equity as at June 30, 2025 was $1,323 million, or $54.29 per share(1), compared to $1,318 million, or $53.76 per share(1) as at December 31, 2024. Guardian's Securities, net as at June 30, 2025 had a fair value of $1,248 million, or $51.19 per share(1), compared to $1,211 million, or $49.38 per share(1) as at December 31, 2024.

The Board of Directors is pleased to have declared a quarterly eligible dividend of $0.39 per share, payable on October 17, 2025, to shareholders of record on October 10, 2025.

[(1)] These terms do not have standardized measures under International Financial Reporting Standard ("IFRS"). These non-IFRS measures used by the Company are defined in the quarterly Management's Discussion and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.

CAUTION CONCERNING FORWARD-LOOKING INFORMATION

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

Although Guardian Capital Group Limited ("Guardian") believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause Guardian's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: general economic and market conditions, including interest rates, business competition, changes in government regulations or in tax laws or tariffs, the duration and severity of pandemics, natural disasters, the military conflicts in various parts of the world as well as those risk factors discussed or referred to in Guardian's Management's Discussion and Analysis and the other disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at www.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 Report to Shareholders is presented as of the preparation date of this Report to Shareholders and should not be relied upon as representing Guardian's views as of any date subsequent to the date of this Report to Shareholders. Guardian undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

NOTICE TO SHAREHOLDERS

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

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

Commentary

Market Recap

The second quarter of 2025 opened with extraordinary market turbulence as comprehensive tariff policy implementations sent shockwaves through US and Global equity markets. The Federal Reserve maintained a cautious monetary stance and unchanged Fed Funds Rate, inflation measures remained above target levels, and ongoing conflicts and elevated geopolitical tensions remained with no end in sight. However, in the middle portion of the quarter, a 90 day tariff pause announcement renewed risk appetites creating a strong recovery from April's lows and re-ignited the so-called Magnificent Seven, AI/Tech stocks that had dominated the markets in periods prior to the first quarter, while de-emphasizing more defensive sectors like healthcare and energy.

Global fixed income markets were grappling with heightened volatility, rising long-term yields, and geopolitical uncertainty. Across regions, central banks adopted divergent paths. The Federal Reserve paused rate cuts, citing persistent inflation and debt sustainability concerns, while the European Central Bank delivered two rate reductions, bringing its deposit rate to 2.0%**.** These moves reflected contrasting economic conditions, with Europe showing signs of easing inflation and the U.S. facing fiscal expansion. Credit spreads widened globally, with active managers favoring higher-quality bonds and intermediate maturities. Asset-backed securities and the weakening U.S. posed challenges for international investors owning US bonds. The US dollar depreciated in value against all major currencies, including the Canadian dollar. The Canadian dollar gained approximately 3.5% during the quarter. Overall, Q2 underscored the importance of diversification and active management as fixed income investors navigated a complex macro landscape.

Investment Management

Assets under management (AUM) declined marginally to $164 billion Canadian dollars from $167 billion at the end of the previous quarter, and $169 billion at year end. Generally, the asset classes Guardian manages had positive performance in their local currencies, but the decline in the US dollar over the quarter had the most significant impact on AUM, we had small net positive flows in the quarter, but most of the positive flows were into our lower fee fixed income mandates, while our higher fee equity products continued to suffer redemptions. The quarter experienced a return to relative outperformance of the mega-cap high-growth US technology stocks, often called the Magnificent Seven. These stocks account for about a third of the S&P 500 and 20% of the MSCI World that our US and Global equity products are benchmarked against, respectively, and it has been extremely difficult for active managers like us, to create positive relative performance in an environment where so few positions contribute so much to an index's performance. We have seen this type of market before, for example the tech bubble of the late 1990's and the oil and gas bubble in the mid to late 2000s. While these types of excess returns generally revert to the mean, the process can be longer than one would hope, and painful for investors to endure. We will be ready to take advantage, if and when, the Magnificent Seven type stocks transition away from leadership, but until new leadership emerges, it is hard to envision much in the way of momentum for our global and US equity mandates.

Unlike our US and Global strategies which have a recent period of Magnificent Seven induced underperformance, our Canadian Equity strategies have performed relatively well against our benchmarks, and we are starting to witness slightly more interest to invest in Canadian assets with us. While this is good news for our Canadian Equity team, our US and Global teams now have much more AUM than our Canadian team, so positive results in Canada only marginally offset losses that stem from our challenges elsewhere.

Meanwhile operationally, our integration process with Sterling continues to progress, and is in line with or better than our internal goals. The costs associated with the integration and retention incentives payable to key employees will still be a factor for the next couple of years. The greatest near-term business challenge has been eliminating client redemptions across our US equity mutual fund strategies that are largely distributed through US wealth channels. Redemptions across active US equity mutual funds have been a broad industry headwind, especially during these concentrated market returns generated from a handful of mega cap stocks which have many investors increasingly defaulting to passive allocations. Relative market performance across these strategies will need to improve to moderate the outflows. In the meantime our business development efforts to sell more of our US fixed income offerings is trending in the right direction as inflows for these mandates were in excess of any assets lost in the US equity strategies, however given the lower average fee for fixed income relative to equity strategies we need greater levels of asset growth to offset revenue losses from lost equity mandates. The capacity to grow US fixed income assets has the potential to offset any decline in revenues from active US equities. However, this will take time, and patience is required as we execute with this transition in product revenue mix. One such example is our successful launch of our first US active bond exchange traded fund that has raised more than US$400 million in client assets since inception in March 2025.

Guardian's Smart Infrastructure Management ("GSIM") team continues to make progress this quarter. Our team has identified and entered due diligence on a number of potential investment opportunities. We have continued to raise capital, and generate interest from potential investors, and potential partners to co-invest with us on new investments that will enhance our capabilities in the traffic management space, as well as initiatives to enter new markets in the smart infrastructure space. It has been a far greater challenge than we anticipated to raise limited partner commitments for a first fund. However, our persistence and financial commitment to establishing a presence within this asset class is not an easy endeavor and why a very few can realistically attempt a successful organic build. Despite already three plus years into this endeavor, it is still early days in building out our credibility for this alternative asset class. We remain confident that this multi-year investment to build out this asset investment capability will deliver both positive investment returns on our seed capital as well as a profitable business unit contributor to future earnings. Potential profitability from operations will likely remain modest in the near term but long term, the possibility of earning both performance carry incentives and standard base management fees on a growing base of investor commitments, has the prospect for meaningful contributions to group earnings.

We continue to expend time and money on developing products and distribution resources dedicated towards the Canadian retail distribution segment, which we believe can be an important contributor to the future asset base of our Asset Management segment. During the first half of 2025, we achieved net inflows into our mutual funds and ETFs of approximately $195 million Although we would like to have achieved more growth in this business in the time frame that we have been focusing on it, we are steadily realizing improved moderate flows into this segment, and we are encouraged by the progress across all channels (mutual funds, ETF's, SMA/Wrap and Sub-advisory). We remain confident that, in due course, we can build on net positive flows in the Canadian retail distribution segment and, are committed to continuing our investments to achieve success. Our experience has shown that building a following among financial advisors is an effort that requires patience and persistence. We expect that with continued focus and effort to advance the many discussions we have with prospective investors, this initiative will prove to be a profitable investment for future growth.

Our Private Wealth business includes Guardian Capital Advisors, Guardian Partners, our "Outsourced Chief Investment Officer" operation, Alexandria Bancorp Limited and our 60% interest in Rae & Lipskie Investment Counsel Inc. As of June 30, 2025, our Private Wealth operations had a total combined AUM and AUA of C$10.8 billion, from $10.5 billion in the prior quarter, with both positive market increases and client net flows contributed to the growth. Our goal is for the Private Wealth businesses to offer an increasing depth of services to high-net-worth and ultra-high-net-worth clients, as we are positively inclined towards the opportunity in both this segment and the advisory/family office market. We will continue to invest in the growing Private Wealth area while seeking to create revenue synergies between our various private client operations sharing the various capabilities and strengths of each business unit. We believe this business is synergistic with our other investment management businesses and allows us to provide a continuum of services to a spectrum of high-net-worth clients.

Corporate Activities and Investments

In addition to our core Asset Management segment, steady and reliable investment income from our corporate securities portfolio has been a meaningful contributor to Guardian's profitability, long-term financial health, and flexibility. In the second quarter, our investment portfolio was valued at C$1.24 billion, up from C$1.20 billion at the end of the first quarter. The increase in value of the portfolio is largely related to our equity portfolios, and a strong move upwards in our BMO holdings, which remains our largest single position. Our corporate securities portfolio received dividend and interest income of C$9.2 million in the quarter, up slightly from the prior quarter.

Historically, our balance sheet has been heavily equity-oriented, but in the aftermath of the sale of our Worldsource business, we started to hold significant investments in short-term securities, and are still roughly 30% exposed to the fixed income markets, the vast majority having maturities under 12 months. Outside of the short-term investments and our holdings of the Bank of Montreal shares, our portfolio is largely comprised of proprietary, diversified public equity strategies, Canadian real estate, fixed-income strategies, our infrastructure investment through GSIM, and third-party public and private investments.

We have determined that preserving a substantial balance sheet serves as a significant strategic advantage in our efforts to grow our businesses. While our near-term focus will be largely devoted to the integration of Sterling and solidifying our strategy of growing our US business within the Guardian family, we are still open to allocating capital, to complement our organic growth initiatives with potential acquisitions. Our plan also includes careful evaluation of our investment capabilities and using our balance sheet to make sizeable seed investments to introduce new products to the market. The substantial liquidity of our balance sheet will also offer more flexibility to return cash to our shareholders, including a higher percentage of adjusted cash flows from operations to a growing dividend, while still having the option to utilize available capital to fund the purchase and cancellation of our stock, and make acquisitions should the opportunity present itself. Overall, we believe that we have ample capacity to fund any future demand for seeding of proprietary strategies and their respective investment vehicles, corporate acquisitions and buybacks of Guardian stock under our normal course issuer bid.

Capital Allocation

Quality companies consistently generate resilient earnings and cash flows. Historically, Guardian has focused on allocating its cash flow to a combination of growth initiatives, dividend increases and share buybacks. As our financial metrics continue to grow, Guardian is committed to balancing the distribution of our cash flows between investing sufficient funds into the business for future growth and returning an ever-increasing amount of cash to its shareholders. In the second quarter of 2025, Guardian returned C$9.5 million to shareholders in the form of dividends and $3.4 million was paid to purchase 83,000 shares for cancellation as part of our normal course issuer bid, during the quarter. Guardian's management team and Board of Directors remain supportive of buying back our shares if the market continues to materially underappreciate the intrinsic value of our Company. Doing so neither diminishes the quality of our balance sheet nor affects our ability to invest in future growth initiatives. With strong, recurring, cash flows and a fortress-like balance sheet, we are in the enviable position of being able to balance the needs of all stakeholders, including our clients, associates and shareholders. The Board is pleased to report that we have again declared a quarterly dividend of $0.39 per share, payable on October 17, 2025, to the shareholders of record on October 10, 2025.

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

On behalf of the Board,	August 7, 20255
(signed) "James Anas"	(signed) "George Mavroudis"
Chairman of the Board	President and Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with securities regulatory requirements, the discussion and analysis which follows for Guardian Capital Group Limited and its subsidiaries and other controlled entities ("Guardian") pertains to the three-month period ended June 30, 2025 and the comparative period in the year 2024, as well as to certain other prior quarterly periods. Readers are encouraged to refer to the discussions and analyses contained in the 2024 Annual Report. This discussion and analysis has been prepared as of August 7, 2025.

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 ("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, tax laws or tariffs, the duration and severity of pandemics, natural disasters, military conflicts in various parts of the world, 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.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 MD&A is provided 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.

OVERVIEW OF GUARDIAN'S BUSINESS

Guardian is a 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 $164.1 billion of assets under management ("AUM") and assets under advisement ("AUA") (together the "Total Client Assets" or "Client Assets"). 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 Canada, UK, and Other Asset Management Segment ("Canada, UK Segment"), which includes 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 Partners Inc. ("GPI"), which was combined with Guardian Capital Advisors LP on December 31, 2024, 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"), and the Caribbean-based Alexandria Bancorp Limited ("ABL"), and US Asset Management Segment ("US Segment"), which includes the Salt Lake City, Utah-based Alta Capital Management, LLC ("Alta"), the Richmond, Virginia-based Agincourt Capital Management LLC ("Agincourt"), and Charlotte, North Carolina-based Sterling Capital Management LLC ("Sterling"). Guardian also manages its proprietary investment portfolio which had a fair market value of $1.2 billion as at June 30, 2025.

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 IFRS Accounting 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. Other Non-IFRS measures are equity per share, securities, net and securities, net 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.

RE-ORGANIZATION OF GUARDIAN'S OPERATING SEGMENTS

Subsequent to the acquisition of Sterling in 2024, Guardian began a process to re-organize the governance structure of the investment management segment in order to more effectively manage a larger combined operation. A dedicated U.S. governance structure was established, along with new organizational U.S. leadership roles aimed at aligning our interests across all of Guardian's U.S. subsidiaries and business lines. As a result of these changes in governance structure, Guardian has divided the Investment Management Segment into the US Asset Management Segment ("US Segment") and the Canada, U.K. and Other Asset Management Segment ("Canada, UK Segment"), effective January 1, 2025. The Corporate Activities and Investments Segment remains as previously reported. It is intended that these changes to our operating segments will provide information that most closely reflects how management evaluates the strategy and performance of Guardian. Comparative periods have been restated to match the revised segmentation of Guardian's business.

TOTAL CLIENT ASSETS

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

As at ($ in millions)	2025 June 30	2024 December 31	% Inc (Dec)	2024 June 30	% Inc (Dec)
Institutional	$ 103,055	$ 105,221	-2.1%	$ 29,757	246.3%
Retail and intermediary	50,265	52,781	-4.8%	19,239	161.3%
Private wealth	10,823	10,977	-1.4%	9,632	12.4%
	$ 164,143	$ 168,979	-2.9%	$ 58,628	180.0%

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

As at ($ in millions)	2025 June 30	2024 December 31	% Inc (Dec)	2024 June 30	% Inc (Dec)
Canadian equities	$ 5,692	$ 5,718	-0.5%	$ 4,637	22.8%
Global equities	18,466	20,909	-11.7%	21,619	-14.6%
US equities	16,147	19,333	-16.5%	4,693	244.1%
Canadian fixed income	5,332	5,222	2.1%	5,033	5.9%
US fixed income	86,247	85,732	0.6%	13,014	562.7%
Multi-asset solutions	32,259	32,065	0.6%	9,632	234.9%
	$ 164,143	$ 168,979	-2.9%	$ 58,628	180.0%

Guardian is reporting Total Client Assets of $164.1 billion as at June 30, 2025, compared to $169.0 billion, as at December 31, 2024, and $58.6 billion, as at June 30, 2024. Sterling and Galibier accounted for a $107.0 billion increase since June 30, 2024. The largest contributor to the decrease in Total Client Assets since December 31, 2024, was the effect of over 4.5% decrease in the value of the US dollar against the Canadian dollar, which reduced Total Client Assets in the US Segment by $6.5 billion, almost entirely in the second quarter. The net flows in Client Assets were slightly positive during the current quarter, with the US fixed income strategies leading the way, and negative year to date, mainly as a result of outflows from the US and Global equity strategies.

CONSOLIDATED FINANCIAL RESULTS

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

For the periods ended June 30, ($ in thousands, except per share amounts)	Three months 2025	Three months 2024	% Inc (Dec)	Six months 2025	Six months 2024	% Inc (Dec)
Net revenue	$ 90,032	$ 64,164	40.3%	$ 185,193	$ 126,661	46.2%
Expenses	83,904	49,831	68.4%	172,015	100,010	72.0%
Operating earnings	6,128	14,333	-57.2%	13,178	26,651	-50.6%
Net gains (losses)	54,983	(39,161)	240.4%	39,260	(26,424)	248.6%
Earnings (loss) before income taxes	61,111	(24,828)	346.1%	52,438	227	23,000.4%
Income tax expense (recovery)	5,530	(2,098)	363.6%	3,521	1,516	132.3%
Net earnings (loss)	$ 55,581	$ (22,730)	344.5%	$ 48,917	$ (1,289)	3,895.0%
EBITDA	$ 14,866	$ 21,376	-30.5%	$ 30,809	$ 40,282	-23.5%
Adjusted cash flow from operations	11,228	14,740	-23.8%	24,265	29,949	-19.0%
Attributable to shareholders:						
Net earnings (loss)	55,242	(23,137)	338.8%	48,190	(1,970)	2,546.2%
EBITDA	14,261	20,688	-31.1%	29,541	39,013	-24.3%
Adjusted cash flow from operations	10,687	13,853	-22.9%	23,147	28,540	-18.9%
Per share amounts (diluted):						
Net earnings (loss)	2.28	(0.99)	330.3%	2.00	(0.08)	2,600.0%
EBITDA	0.60	0.89	-32.5%	1.24	1.67	-26.0%
Adjusted cash flow from operations	0.45	0.59	-23.7%	0.97	1.22	-20.5%

As at ($ in millions, except per share amounts)	2025 June 30	2024 December 31	% Inc (Dec)	2024 June 30	% Inc (Dec)
Shareholders' equity	$ 1,323	$ 1,318	0.4%	$ 1,223	8.2%
Securities, net	1,248	1,211	3.1%	1,130	10.4%
Per share amounts (diluted):					
Shareholders' equity	$ 54.29	$ 53.76	1.0%	$ 49.34	10.0%
Securities, net	51.19	49.38	3.7%	45.61	12.2%

OPERATING RESULTS

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

For the periods ended June 30, ($ in thousands)	Three months 2025	2024	% Inc (Dec)	Six months 2025	2024	% Inc (Dec)
USA Asset Management	$ (109)	$ 2,733	-104.0%	$ (719)	$ 4,632	-115.5%
Canada, UK and Other Asset Management	2,767	6,864	-59.7%	8,027	14,006	-42.7%
Corporate activities and investments	3,470	4,736	-26.7%	5,870	8,013	-26.7%
	$ 6,128	$ 14,333	-57.2%	$ 13,178	$ 26,651	-50.6%

Guardian's consolidated Operating earnings for the quarter ended June 30, 2025, were $6.1 million and EBITDA was $14.9 million, compared to $14.3 million and $21.4 million, respectively, in the same quarter in the prior year. Dampening the current quarter's results are $2.1 million in Transitional expenses (non-recurring expenses related to the integration of Sterling, including retention bonuses for key employees, technology transitional service fees paid to the previous owner of Sterling, and expenses related to building out Sterling's own technology environment). During the current quarter, we successfully transitioned Sterling onto its own technology platform. As a result, the transitional service fees paid to the previous owner of Sterling will no longer be incurred and expect the technology expenses in Sterling's operations to normalize moving forward.

The current quarter's Net revenue was $90.0 million, increased by $25.9 million from $64.2 million in the same quarter in the prior year. The inclusion of Sterling and Galibier, which were acquired during the third quarter of 2024, contributed $33.2 million to the increase, which was partially offset by lower Net revenues in the Canada, UK and Other Segment resulting from lower AUM in the Global equity strategies, since the same quarter in the prior year, and approximately $3.5 million in lower Dividend and interest income. In addition, the strengthening in the Canadian dollar relative to the US dollar during the current quarter also had the effect of dampening the current quarter's revenues in the US Segment compared to the prior quarter. This is further described in the relevant operating segment discussions below.

Total expenses in the current quarter were $83.9 million, compared to $49.8 million in the same quarter in the prior year. The addition of expenses from Sterling and Galibier accounted for $36.1 million in increased operating expenses, which includes $2.1 million in Transitional expenses. Included in the prior year were approximately $0.4 million in legal and other advisory costs related to the acquisition of Sterling. The expenses within the remaining businesses were substantially unchanged in aggregate, however increases were incurred as part of the multi-year strategic investments into enhancements in the technology platform, which were offset by lower interest expenses and variable compensation.

Net gains in the current quarter were $55.0 million, compared to Net losses of $39.2 million in the same quarter in the prior year. The Net gains largely reflect the increase in the fair value of Guardian's substantial Securities portfolio, driven by the positive performance in the global financial markets, and to a lesser extent the foreign exchange gains recorded on Bank loans and borrowings denominated US dollar.

Net income attributable to shareholders in the current quarter was $55.2 million, compared to Net loss of $23.1 million in the same period in the prior year. The swing to Net earnings from Net loss was due to a swing to Net gains from Net losses and partially offset by the decrease in Operating earnings.

Adjusted cash flow from operations attributable to shareholders for the quarter was $10.7 million, compared to $13.9 million in the same period in 2024.

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 Second Quarter 2025 Consolidated Financial Statements.

US Asset Management Segment

Selected financial information for the US Asset Management Segment is as follows:

For the periods ended June 30, ($ in thousands)	Three months 2025	2024	% Inc (Dec)	Six months 2025	2024	% Inc (Dec)
Net revenue	$ 42,127	$ 10,103	317.0%	$ 88,373	$ 19,247	359.2%
Expenses	42,236	7,370	473.1%	89,092	14,615	509.6%
Operating earnings (loss)	(109)	2,733	-104.0%	(719)	4,632	-115.5%
EBITDA	3,995	4,516	-11.5%	7,772	8,170	-4.9%

The US Asset Management Segment's Net revenue in the current quarter were $42.1million, compared to $10.1 million in the same quarter in the prior year. The Net revenue contribution from Sterling of $32.4 million, largely accounted for the increase in Net revenue. During the current quarter, the Canadian dollar strengthened against the US dollar, which negatively impacted the Segment's revenues by approximately $1.5 million when reported in Canadian dollars, compared to Q1 2025 and Q2 2024. Within Sterling, the net flows in Client Assets were slightly positive during the current quarter, however the flows in Client Assets were positive in fixed income strategies, which earn lower average fee than the Client Assets outflows from the US equity strategies. Both factors contributed to the decrease in Net revenues earned in Sterling, quarter over quarter. Consistent improvements in relative performance in US equity will be important to curb further outflows in this strategy. Sterling continues to see success in winning new mandates in fixed income strategies, in both the institutional and retail channels. In addition, Sterling successfully completed the launch of the Enhanced Core Bond ETF, in partnership with its longstanding client, with inflows of over US$400 million recorded to date. This represents the first ETF developed at Sterling under Guardian's ownership. Sterling plans to continue to build on this successful first launch as part of this partnership and explore opportunities with other partners in the US.

The total expenses in the Segment increased by $34.9 million, compared to the same period in the prior year. The increase in expenses was driven by the addition of Sterling, including $2.1 million in Transitional expenses. The successful completion of the buildout and transition of Sterling onto its own technology platform at the end of April 2025 resulted in the technology transitional service fees paid to the previous owner also being terminated. We expect the technology costs within Sterling to transition to normalized levels in Q3.

Canada, UK and Other Asset Management Segment

Selected financial information for the Canada, UK and Other Asset Management Segment is as follows:

	Three months			Six months		
For the periods ended June 30, ($ in thousands)	**2025**	2024	% Inc (Dec)	**2025**	2024	% Inc (Dec)
Net revenue	**$ 38,971**	$ 41,693	-6.5%	**$ 79,429**	$ 83,525	-4.9%
Expenses	**36,204**	34,829	3.9%	**71,402**	69,519	2.7%
Operating earnings	**2,767**	6,864	-59.7%	**8,027**	14,006	-42.7%
EBITDA	**4,744**	8,630	-45.0%	**11,890**	17,376	-31.6%

The Canada, UK and Other Asset Management Segment's Net revenue in the current quarter decreased by $3.5 million, net of $0.7 million contributed by Galibier, compared to the prior year. The net decrease is largely the result of decreases in Client Assets in the Fundamental Global Equity strategy, year-over-year. Sustained improvements in performance will be important to curb further outflows of Client Assets.

Total expenses in the Segment increased by $1.4 million, compared to the same period in the prior year. The increase in expenses related to the addition of Galibier, which accounted for $0.9 million, and the strategic investment in technology platform enhancement, were partially offset by the reduction in variable compensation expenses. The technology costs are expected to remain elevated over the remainder of 2025, before normalizing in 2026.

Corporate Activities and Investments Segment

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

	Three months			Six months		
For the periods ended June 30, ($ in thousands)	**2025**	2024	% Inc (Dec)	**2025**	2024	% Inc (Dec)
Net revenue	**$ 9,016**	$ 12,722	-29.1%	**$ 17,554**	$ 24,492	-28.3%
Expenses	**5,546**	7,986	-30.6%	**11,684**	16,479	-29.1%
Operating earnings	**3,470**	4,736	-26.7%	**5,870**	8,013	-26.7%
EBITDA	**6,127**	8,230	-25.6%	**11,147**	14,736	-24.4%

The Net revenue in the Corporate Activities and Investments Segment decreased by $3.7 million, the largest of which was the interest income earned on the short-term securities. Guardian has utilized a portion of the short-term securities portfolio to fund share buybacks, the acquisitions of Sterling and Galibier, pay tax liabilities and seed various investment strategies since the second quarter of 2024, significantly reducing the interest-earning base. This coupled with lower interest yields earned on short-term securities since the third quarter of 2024, resulted in $3.7 million in lower interest income earned in the current quarter. Expenses in the current quarter were $2.4 million lower than in the same quarter in the prior year mainly driven by lower compensation and interest expenses in the current quarter.

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 thousands)	2025 June 30	2024 December 31	% Inc (Dec)	2024 June 30	% Inc (Dec)
Securities, carried at fair value					
Proprietary investment strategies					
Short-term and fixed-income securities	$ 97,167	$ 88,296	10.0%	$ 78,252	24.2%
Canadian equities	7,073	7,936	-10.9%	6,363	11.2%
Global equities	334,381	325,464	2.7%	304,837	9.7%
Global equities sold short	(16,717)	(11,678)	43.1%	--	-100.0%
Private investments and real estate	172,760	161,602	6.9%	157,185	9.9%
	594,664	571,620	4.0%	546,637	8.8%
Bank of Montreal common shares	336,061	310,594	8.2%	255,469	31.5%
Short-term securities	273,533	287,491	-4.9%	287,798	-5.0%
Fixed-income securities	--	--	0.0%	4,081	-100.0%
Other equities	43,432	40,943	6.1%	36,391	19.3%
Securities, net	$ 1,247,690	$ 1,210,648	3.1%	$ 1,130,376	10.4%
Securities, net per share amount, diluted	$ 51.19	$ 49.38	3.7%	$ 45.61	12.2%

Guardian's Securities, net as at June 30, 2025, had a fair value of $1,248 million, or $51.19 per share, diluted, compared with $1,211 million, or $49.38 per share, diluted, at the end of 2024. Shareholders' equity as at June 30, 2025, amounted to $1,323 million, or $54.29 per share, diluted, compared to $1,318 million, or $53.76 per share, diluted, at the end of 2024. Securities and Shareholders' equity both increased due to the Net gains, largely resulting from the increase in fair value of Securities, net recorded during the current quarter.

In addition to its strong balance sheet, Guardian has, under various borrowing arrangements, total borrowing capacity of $175.0 million. As at June 30, 2025, the total borrowings amounted to $147.4 million, compared to $144.1 million at the end of 2024. Guardian's Adjusted cash flow from operations attributable to shareholders for the current quarter was $10.7 million, compared to $13.9 million the same period in 2024.

Guardian returned to shareholders $9.5 million in the form of dividends and $3.4 million in the form of share buyback during the current quarter. These were funded from Adjusted cash flow from operations and to a lesser extent from the Securities portfolio.

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 June 30, 2025		Payments due by period			
($ in thousands)	Total	Within one year	2 - 3 years	4 - 5 years	After five years
Bank loans and borrowings	$ 147,366	$ 147,366	$ --	$ --	$ --
Third party investor liabilities	110,745	110,745	--	--	--
Client deposits	85,192	85,192	--	--	--
Accounts and income taxes payable	94,800	94,800	--	--	--
Acquisition liabilties and due non-controlling interests	39,004	7,267	12,322	19,415	--
Investment commitments	4,240	4,240	--	--	--
Scheduled lease payments, undiscounted	42,084	5,953	11,011	8,953	16,167
Total contractual obligations	$ 523,431	$ 455,563	$ 23,333	$ 28,368	$ 16,167

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 $4.2 million into third-party private equity funds. Guardian will determine 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:

	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
As at ($ in millions)								
Total client assets	**$ 164,143**	$ 167,227	$ 168,979	$ 165,061	$ 58,628	$ 61,316	$ 58,774	$ 56,215
For the three months ended ($ in thousands)								
Net revenue	**$ 90,032**	$ 95,161	$ 98,614	$ 98,128	$ 64,164	$ 62,497	$ 62,245	$ 62,611
Operating earnings	**6,128**	7,050	7,385	4,790	14,333	12,318	13,097	18,474
Net gains (losses)	**54,983**	(15,723)	64,476	39,392	(39,161)	12,737	60,747	(17,358)
Net earnings (loss)	**55,581**	(6,664)	63,231	39,658	(22,730)	21,441	68,048	(2,270)
Net earnings (loss) attributable to shareholders	**55,242**	(7,052)	62,849	39,222	(23,137)	21,167	67,087	(2,506)
Per share amounts (in $)								
Net earnings (loss) attributable to shareholders:								
Basic	**$ 2.38**	$ (0.30)	$ 2.72	$ 1.69	$ (0.99)	$ 0.90	$ 2.85	$ (0.11)
Diluted	**2.28**	(0.30)	2.58	1.60	(0.99)	0.86	2.68	(0.11)
Dividends paid	**$ 0.39**	$ 0.37	$ 0.37	$ 0.37	$ 0.37	$ 0.34	$ 0.34	$ 0.34
As at								
Shareholders' equity *($ in millions)*	**$ 1,323**	$ 1,304	$ 1,318	$ 1,245	$ 1,223	$ 1,255	$ 1,241	$ 1,201
Per share amounts *(in $)*								
Basic	**$ 57.07**	$ 55.94	$ 56.54	$ 53.73	$ 52.59	$ 53.69	$ 52.87	$ 50.90
Diluted	**54.29**	53.30	53.76	50.38	49.34	50.30	49.39	47.54
Total Class A and Common shares outstanding *(shares in thousands)*	**24,564**	24,647	24,647	24,867	24,959	25,136	25,230	25,408

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. During the third quarter of 2024, the acquisitions of Sterling and Galibier were completed causing many of the financial measures to experience a significant increase. While the Net revenues increased beginning in the third quarter of 2024, the Operating earnings were dampened due to Transitional expenses being incurred.

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 holdings of securities trade. The volatility of Net gains (losses) also directly affects Net earnings (losses) 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

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 Second Quarter 2025 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 Second Quarter 2025 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 June 30, 2025, Guardian held $336 million of BMO shares (December 31, 2024 – $311 million), which represents 27% of Guardian's securities (December 31, 2024 – 25%). 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 reduced its exposure over several years, having sold 2.7 million shares since the second quarter of 2013. Guardian also has an investment, through Guardian Smart Infrastructure Partners A-LP ("GSIP"), valued at $126 million (December 31, 2024 - $113 million), in an intelligent tolling and traffic systems company. This private investment represents 10% of the securities (December 31, 2024 –

10%) portfolio. 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)	June 30 2025	December 31 2024	% Inc (Dec)
Bank of Montreal common shares	27%	25%	8%
Intelligent traffic systems company	10%	10%	0%
	37%	35%	6%
Canadian equity securities and real estate	4%	5%	-20%
Emerging market equities	7%	6%	17%
Developed market equities	22%	23%	-4%
Short-term and Fixed income securities	30%	31%	-3%
	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 dollar, as Guardian earns a significant portion of its revenues from Client Assets which are priced in US dollars. 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 +/- $1,159 for the six-month period to June 30, 2025.

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 Second Quarter 2025 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. Exposure to credit risk in fixed-income securities held in the short-term securities portfolio 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.

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. Although the Canadian Securities Administrators have paused their development of the mandatory climate related disclosures, Guardian plans to leverage its existing structures to comply with the regulatory disclosure requirements when they are ultimately finalized.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

Management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR"), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the quarter ended June 30, 2025, the operations of Sterling were integrated 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 2024 Consolidated Financial Statements. The most significant estimates and judgements are related to the identification and valuation of intangible assets and contingent consideration as part of business combinations, the impairment assessment of goodwill, the determination of fair values of financial assets and liabilities classified as level 3 within the fair value hierarchy, and the determination of level and nature of control Guardian has over its investments.

Judgement is required in identifying and valuing material intangible assets acquired and in the valuation of any deferred or contingent consideration in a business combination. Guardian used an income approach – the multi-period excess earnings method to determine estimated fair values of the intangible assets and a multi-scenario Monte Carlo technique to determine the estimated fair value of the contingent consideration. These valuation approaches were developed by management based on expected revenues, expenses and Total Client Assets, utilizing knowledge from recent transactions and research reports by independent research analysts.

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 period 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 period, 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 used to determine the fair value of Guardian's securities classified as level 3 are described in Note 4(c) to Guardian's 2024 Consolidated Financial Statements. The valuation techniques and inputs used to determine the fair value of Guardian's acquisition liabilities and due to non-controlling interests classified as level 3 are described in Note 9(a) to Guardian's 2024 Consolidated Financial Statements.

Judgement is required in determining whether Guardian controls or does not control an investment which can impact how Guardian accounts for an investment. Guardian exercised significant judgement in determining whether it controlled the investment it made in an intelligent traffic systems company, ("Q-Free"), through GSIP, which is considered an investment company. Although GSIP, which is substantially owned and controlled by

Guardian, owns 70% of Q-Free, which normally would be indicative of control. However, it was determined that the third-party investor in Q-Free held certain rights that resulted in joint control. The investment in Q-Free is accounted for at fair value through the profit and loss, since Guardian's interest in Q-Free is jointly controlled and held through an investment company.

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, 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 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", which is 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 three months ended June 30,	2025			
($ in thousands)	USA Asset Management	Canada, UK & Other Asset Management	Corporate Activities and Investments	Consolidated
Net earnings (loss)	$ (249)	$ 2,382	$ 53,448	$ 55,581
Add (deduct):				
Income tax expense (recovery)	109	86	5,335	5,530
Net (gains) losses	31	299	(55,313)	(54,983)
Stock-based compensation	-	687	456	1,143
Interest expense	164	38	1,747	1,949
Amortization	3,940	1,252	454	5,646
EBITDA	3,995	4,744	6,127	14,866
Less attributable to non-controlling interests	(346)	(259)	--	(605)
EBITDA attributable to shareholders	$ 3,649	$ 4,485	$ 6,127	$ 14,261

For the three months ended June 30,	2024			
($ in thousands)	USA Asset Management	Canada, UK & Other Asset Management	Corporate Activities and Investments	Consolidated
Net earnings (loss)	$ 2,203	$ 6,459	$ (31,392)	$ (22,730)
Add (deduct):				
Income tax expense (recovery)	549	1,855	(4,502)	(2,098)
Net (gains) losses	(19)	(1,450)	40,630	39,161
Stock-based compensation	--	598	460	1,058
Interest expense	7	88	2,534	2,629
Amortization	1,776	1,080	500	3,356
EBITDA	4,516	8,630	8,230	21,376
Less attributable to non-controlling interests	(411)	(277)	--	(688)
EBITDA attributable to shareholders	$ 4,105	$ 8,353	$ 8,230	$ 20,688

For the six months ended June 30,	2025			
($ in thousands)	USA Asset Management	Canada, UK & Other Asset Management	Corporate Activities and Investments	Consolidated
Net earnings (loss)	$ (832)	$ 4,121	$ 45,628	$ 48,917
Add (deduct):				
Income tax expense (recovery)	93	481	2,947	3,521
Net (gains) losses	20	3,425	(42,705)	(39,260)
Stock-based compensation	-	1,293	894	2,187
Interest expense	550	78	3,471	4,099
Amortization	7,941	2,492	912	11,345
EBITDA	7,772	11,890	11,147	30,809
Less attributable to non-controlling interests	(752)	(516)	--	(1,268)
EBITDA attributable to shareholders	$ 7,020	$ 11,374	$ 11,147	$ 29,541

For the six months ended June 30,	2024			
($ in thousands)	USA Asset Management	Canada, UK & Other Asset Management	Corporate Activities and Investments	Consolidated
Net earnings (loss)	$ 3,882	$ 11,264	$ (16,435)	$ (1,289)
Add (deduct):				
Income tax expense (recovery)	813	3,996	(3,293)	1,516
Net (gains) losses	(63)	(1,254)	27,741	26,424
Stock-based compensation	--	1,088	836	1,924
Interest expense	14	173	4,891	5,078
Amortization	3,524	2,109	996	6,629
EBITDA	8,170	17,376	14,736	40,282
Less attributable to non-controlling interests	(776)	(493)	--	(1,269)
EBITDA attributable to shareholders	$ 7,394	$ 16,883	$ 14,736	$ 39,013

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 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 the non-IFRS measures:

For the periods ended June 30,	Three months		Six months	
($ in thousands)	2025	2024	2025	2024
Net cash from operating activities	$ 12,337	$ 14,873	$ (33,737)	$ 6,466
Add (deduct):				
Net change in non-cash working capital items	(1,109)	(133)	58,002	23,483
Adjusted cash flow from operations	11,228	14,740	24,265	29,949
Less attributable to non-controlling interests	(541)	(887)	(1,118)	(1,409)
Adjusted cash flow from operations attributable to shareholders	$ 10,687	$ 13,853	$ 23,147	$ 28,540

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, net and Securities, net per share

Securities, net and Securities, net 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 measures are "Securities" & "Securities sold short", which are disclosed in Guardian's Consolidated Balance Sheet. Securities, net is defined as the net sum of

Securities and Securities sold short, as disclosed on the Balance Sheet. Securities, net per share is calculated by dividing the net sum of Securities and Securities sold short by the number and dilutive shares outstanding as at period end.

OUTLOOK

The simplest way to characterize how the global economic outlook has developed over the last three months would be “less bad”. Expectations of what is to come remain less buoyant than at the outset of the year, but there was an improvement versus three months ago and this positive inflection in anticipated economic momentum goes some way in explaining the behaviour of markets since April. Economic uncertainty remains exceedingly high due to the persistent lack of clarity with respect to US policy, but it has come down from the peaks of a couple of months ago as potential for a “scorched earth” approach that was tabled three months ago now appears to be off the table and efforts are being made toward agreements and lower (but by no means low) barriers. Consensus expectations for growth, which were on a one-way ticket lower since the start of the year have broadly begun moving in a more favourable direction. Relative to the start of the year growth globally is still projected to be notably slower, but the outlook is “less bad” than previously assumed and expectations of a looming recession have ebbed from their recent highs as well.

The question of where things go from here clearly depends on whether the downside risks to the outlook continue to subside, and that is clearly a big “if” as trade policy returns to forefront ahead of the latest deadline The geopolitical backdrop remains fraught, concerns rise over fiscal sustainability as governments show little restraint, while the impact of tariffs and related uncertainty will become more prevalent in the dataflow. Markets are aware of the many hazards on the road ahead and have shown a willingness to continue to climb the “Wall of Worry”. That there is also potential for the outlook to not only turn “less bad” but possibly actually “good” if the trade deals are reached that reduce tariffs to a greater degree, geopolitical tensions cool, focus in the US turns to market-friendly policy developments and/or added progress with respect to developments in artificial intelligence that in turn could give markets an added boost through the remainder of the year.

The improvement in market sentiment is clearly tied to trade policy. The potential for a “scorched earth” approach that was tabled three months ago with tariff rates at levels not seen since the turn of the 1900s and escalating of tensions with China, now appears to be off the table and efforts are being made toward agreements and lower barriers. Measures of the uncertainty related to US trade policy remains in historically uncharted territory, but well off the levels of April as the odds of those “worst case” scenarios materializing have diminished. To be clear, though trade barriers may end up lower than initially proposed on “Liberation Day”, they are not low relative to anything seen in generations.

General tariff rates appear likely to remain higher than at any point in the post-World War II era and stand to restrain economic activity while also putting upward pressure on prices. The current estimated average levy on goods imported into the US of roughly 20%, however, is less painful for businesses and consumers than the average rates of 30% proposed three months ago and likely means somewhat less of a ripple effect across the global economy. Moreover, with the can being kicked further on down the road — August 1 is the new implementation date of the sweeping tariffs and recent history shows that further delays and changes are not out of the question — the more material impacts on activity and prices are not likely to be felt in earnest until later on this year as tariffs filter into the economy.

The top ten stocks by market capitalization in the MSCI World Index accounted for half of the return in the Developed Market benchmark in Q2 and nearly two-thirds of the gains in the S&P 500 in the process, the biggest stocks in the US grew to the biggest cumulative share of the total market ever. The extreme concentration of global equity markets creates risks for passive investors should the fortunes of these few companies turn for the worse. At the same time, the divergent performance between the top performers that are generally leaders in the secular artificial intelligence growth story means that while overall market metrics may point to expensive valuations, the average stock across the globe appears to be relatively fairly valued given the current earnings outlook. This would suggest that there are opportunities for more discriminating investors, assuming they avoid moving into more highly expensive positions in a desperate attempt to follow the market.

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 complimentary capabilities, or geographic presence. Investments can be made, even at the expense of short-term profitability, to organically create new opportunities over a longer timeframe, typically at a lower cost than acquiring a fully formed business. Our strategic planning process has 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 the 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 operating earnings over the next few years, while increasing dividends, both in absolute terms and, as a percentage of our free cash flow even while growing revenues. 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. In the immediate future, we anticipate most of our focus will be on integrating our US businesses, and their capabilities, into our existing strategy, as progress is made on these initiatives, more effort is likely to be made in identifying complimentary 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.

As we have done in the past, we will continue to utilize our balance sheet to seed new strategies and to support growth in our operating business segment. Overall, we believe that we have ample capacity to fund any future demand for seeding of proprietary strategies and their respective investment vehicles, corporate acquisitions and buybacks of Guardian stock under our normal course issuer bid.

CONSOLIDATED BALANCE SHEETS (Unaudited)

As at *($ in thousands)*	June 30 2025	December 31 2024
ASSETS		
Current assets		
Cash	$ 72,835	$ 137,477
Interest-bearing deposits with banks	97,361	85,100
Accounts receivable and other	78,829	87,922
Income taxes receivable	1,731	1,507
Securities backing third party investor liabilities (note 3)	110,745	127,290
	361,501	439,296
Securities (note 4)	1,264,407	1,222,326
Other assets		
Deferred tax assets	6,047	4,189
Intangible assets	148,720	161,928
Equipment	33,853	36,823
Goodwill	83,972	87,824
	272,592	290,764
Total assets	$ 1,898,500	$ 1,952,386
LIABILITIES		
Current liabilities		
Bank loans and borrowings (note 5)	$ 147,366	$ 144,126
Securities sold short (note 4)	16,717	11,678
Third party investor liabilities (note 3)	110,745	127,290
Client deposits	85,192	74,185
Accounts payable and accrued liabilities	92,700	155,162
Acquistion liabilities and due to non-controlling interests (note 6)	7,267	11,016
Lease obligations	3,567	2,142
Income taxes payable	2,100	493
	465,654	526,092
Acquisition liabilities and due to non-controlling interests (note 6)	31,738	27,083
Lease obligations	28,016	32,005
Deferred tax liabilities	51,552	50,227
Total liabilities	576,960	635,407
EQUITY		
Shareholders' equity		
Capital stock (note 7a and 7b)	16,349	16,408
Treasury stock (note 8a)	(34,720)	(31,373)
Contributed surplus	31,928	30,859
Retained earnings	1,279,783	1,253,764
Accumulated other comprehensive income	30,025	48,362
	1,323,365	1,318,020
Other equity interests	(1,825)	(1,041)
Total equity	1,321,540	1,316,979
Total liabilities and equity	$ 1,898,500	$ 1,952,386

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (Unaudited)

For the periods ended June 30,	**Three months**		**Six months**	
($ in thousands, except per share amounts)	**2025**	2024	**2025**	2024
Revenue				
Management and advisory fees, gross	**$ 81,597**	$ 51,989	**$ 168,711**	$ 102,774
Fees paid to referring agents and other	**(4,109)**	(3,383)	**(8,093)**	(6,649)
Net management and advisory fees	**77,488**	48,606	**160,618**	96,125
Administrative services income	**2,932**	2,457	**5,693**	5,298
Dividend and interest income (note 9)	**9,612**	13,101	**18,882**	25,238
Net revenue	**90,032**	64,164	**185,193**	126,661
Expenses				
Employee compensation and benefits	**50,923**	30,953	**104,949**	61,610
Amortization	**5,646**	3,356	**11,345**	6,629
Interest	**1,949**	2,629	**4,099**	5,078
Other expenses (note 10)	**25,386**	12,893	**51,622**	26,693
	83,904	49,831	**172,015**	100,010
Operating earnings	**6,128**	14,333	**13,178**	26,651
Net gains (losses) (note 11)	**54,983**	(39,161)	**39,260**	(26,424)
Earnings (loss) before taxes	**61,111**	(24,828)	**52,438**	227
Income tax expense (recovery)	**5,530**	(2,098)	**3,521**	1,516
Net earnings (loss)	**55,581**	(22,730)	**48,917**	(1,289)
Other comprehensive income (loss)				
Net change in foreign currency translation on foreign subsidiaries	**(22,646)**	7,634	**(18,720)**	17,258
Comprehensive income (loss)	**$ 32,935**	$ (15,096)	**$ 30,197**	$ 15,969
Net earnings (loss) attributable to:				
Shareholders	**$ 55,242**	$ (23,137)	**$ 48,190**	$ (1,970)
Non-controlling interests	**339**	407	**727**	681
	55,581	(22,730)	**48,917**	(1,289)
Per share (note 12)				
Basic	**$ 2.38**	$ (0.99)	**$ 2.07**	$ (0.08)
Diluted	**2.28**	(0.99)	**2.00**	(0.08)
Comprehensive income (loss) attributable to:				
Shareholders	**$ 32,989**	$ (15,610)	**$ 29,853**	$ 14,933
Non-controlling interests	**(54)**	514	**344**	1,036
	32,935	(15,096)	**30,197**	15,969

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

For the periods ended June 30,	Three months		Six months	
($ in thousands)	**2025**	2024	**2025**	2024
Total equity, beginning of period	**$ 1,302,521**	$ 1,256,680	**$ 1,316,979**	$ 1,242,926
Shareholders' equity, beginning of period	**1,303,765**	1,254,996	**1,318,020**	1,240,866
Capital stock, beginning of period	**16,408**	16,759	**16,408**	16,826
Acquired and cancelled (note 7c)	**(59)**	(127)	**(59)**	(194)
Capital stock, end of period	**16,349**	16,632	**16,349**	16,632
Treasury stock, beginning of period	**(33,225)**	(35,858)	**(31,373)**	(32,037)
Acquired (note 8a)	**(1,553)**	(120)	**(4,765)**	(4,985)
Disposed of (note 8a)	**58**	654	**1,418**	1,698
Treasury stock, end of period	**(34,720)**	(35,324)	**(34,720)**	(35,324)
Contributed surplus, beginning of period	**30,843**	27,972	**30,859**	27,956
Stock-based compensation expense	**1,143**	1,058	**2,187**	1,924
Redemption of equity-based entitlements	**(58)**	(305)	**(1,118)**	(1,155)
Contributed surplus, end of period	**31,928**	28,725	**31,928**	28,725
Retained earnings, beginning of period	**1,237,461**	1,223,389	**1,253,764**	1,214,763
Net earnings (loss)	**55,242**	(23,137)	**48,190**	(1,970)
Dividends declared and paid (note 7d)	**(9,540)**	(9,106)	**(18,616)**	(17,485)
Capital stock acquired and cancelled (note 7c)	**(3,380)**	(8,040)	**(3,380)**	(12,202)
Changes in the ownership of a subsidiary (note 6)	**--**	(513)	**(175)**	(513)
Retained earnings, end of period	**1,279,783**	1,182,593	**1,279,783**	1,182,593
Accumulated other comprehensive income, beginning of period	**52,278**	22,734	**48,362**	13,358
Other comprehensive income (loss)	**(22,253)**	7,527	**(18,337)**	16,903
Accumulated other comprehensive income, end of period	**30,025**	30,261	**30,025**	30,261
Shareholders' equity, end of period	**1,323,365**	1,222,887	**1,323,365**	1,222,887
Other equity interests, beginning of period	**(1,244)**	1,684	**(1,041)**	2,060
Non-controlling interests, beginning of period	**12,866**	15,284	**15,243**	15,107
Net earnings	**339**	407	**727**	681
Other comprehensive income (loss)	**(393)**	107	**(383)**	355
Dividends declared and paid	**(711)**	(707)	**(1,160)**	(1,052)
Changes in the ownership of a subsidiary (note 6)	**--**	(283)	**(2,326)**	(283)
Non-controlling interests, end of period	**12,101**	14,808	**12,101**	14,808
Obligations to non-controlling interests, beginning of period	**(14,110)**	(13,600)	**(16,284)**	(13,047)
Changes in the ownership of a subsidiary	**--**	--	**2,300**	--
Other change during period	**184**	(458)	**58**	(1,011)
Obligations to non-controlling interests, end of period	**(13,926)**	(14,058)	**(13,926)**	(14,058)
Other equity interests, end of period	**(1,825)**	750	**(1,825)**	750
Total equity, end of period	**$ 1,321,540**	$ 1,223,637	**$ 1,321,540**	$ 1,223,637

See accompanying selected explanatory notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

For the periods ended June 30,	Three months		Six months	
($ in thousands)	**2025**	2024	**2025**	2024
Operating activities				
Net earnings (loss)	**$ 55,581**	$ (22,730)	**$ 48,917**	$ (1,289)
Adjustments for:				
Income taxes paid	**(1,708)**	(4,127)	**(3,704)**	(5,635)
Income tax refunded	**19**	68	**1,259**	277
Income tax expense (recovery)	**5,530**	(2,098)	**3,521**	1,516
Net (gains) losses	**(54,983)**	39,161	**(39,260)**	26,424
Amortization of intangible assets	**4,056**	2,515	**8,163**	4,957
Amortization of equipment	**1,590**	841	**3,182**	1,672
Stock-based compensation	**1,143**	1,058	**2,187**	1,924
Other non-cash expenses	**--**	52	**--**	103
	11,228	14,740	**24,265**	29,949
Net change in non-cash working capital items (note 14)	**1,109**	133	**(58,002)**	(23,483)
Net cash from (used in) operating activities	**12,337**	14,873	**(33,737)**	6,466
Investing activities				
Net (acquistion) disposition of securities	**(1,504)**	90,488	**(1,440)**	176,341
Net (acquisition) disposition of securities backing third party investor	**(24,072)**	7,364	**13,380**	3,172
Acquisition of intangible assets	**(2,228)**	(672)	**(4,226)**	(1,300)
Acquisition of equipment	**(395)**	(575)	**(1,064)**	(620)
Disposition of intangible assets	**--**	--	**--**	10
Income tax paid on discontinued operations	**--**	--	**--**	(73,600)
Net cash from (used in) investing activities	**(28,199)**	96,605	**6,650**	104,003
Financing activities				
Dividends paid to shareholders	**(9,540)**	(9,106)	**(18,616)**	(17,485)
Dividends paid to non-controlling interests	**(711)**	(707)	**(1,160)**	(1,052)
Acquisition and cancellation of capital stock	**(3,372)**	(8,009)	**(3,372)**	(12,156)
Acquisition of treasury stock	**(1,553)**	(120)	**(4,765)**	(4,985)
Disposition of treasury stock	**--**	349	**300**	543
Net proceeds (repayments) of bank loan and bankers' acceptances	**619**	5,581	**(3,187)**	3,904
Principal payments on lease obligations	**(766)**	(304)	**(1,534)**	(614)
Net subscriptions (redemptions) by third party investors	**24,072**	(7,364)	**(13,380)**	(3,172)
Changes in the ownership of a subsidiary (note 6)	**--**	(796)	**(2,501)**	(796)
Net cash from (used in) investing activities	**8,749**	(20,476)	**(48,215)**	(35,813)
Foreign exchange				
Net effect of foreign exchange rate changes on cash balances	**(508)**	255	**552**	686
Net change in net cash	**(7,621)**	91,257	**(74,750)**	75,342
Net cash, beginning of period	**34,514**	34,115	**101,643**	50,030
Net cash, end of period	**$ 26,893**	$ 125,372	**$ 26,893**	$ 125,372
Net cash, end of period represented by:				
Cash			**$ 72,835**	$ 159,074
Bank indebtedness			**(45,942)**	(33,702)
			$ 26,893	$ 125,372

See accompanying selected explanatory notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. REPORTING ENTITY

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

2. ACCOUNTING POLICIES

(a) Basis of Preparation

These unaudited consolidated interim financial statements include the accounts of Guardian and its subsidiaries (together, the "Company") and have been prepared under IFRS Accounting Standards ("IFRS"), in compliance with International Accounting Standard 34, *Interim Financial Reporting*, using the same accounting policies as those used in the Company's consolidated financial statements for the year ended December 31, 2024. Certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed in these consolidated interim financial statements. These consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024, which are included in the Company's 2024 annual report.

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

As described in Note 13, the Company reclassified its business segments to reflect its current operating structure.

These consolidated interim financial statements were authorized for issuance by the Board of Directors of Guardian on August 7, 2025.

(b) Future Changes in Accounting Policies - IFRS 18 Presentation and Disclosures in Financial Statements

The International Accounting Standards Board issued on April 9, 2024, IFRS 18 Presentation and Disclosures in Financial Statements ("IFRS 18") which replaces IAS 1 Presentation of Financial Statements, effective for annual periods beginning on or after January 1, 2027. The objective of IFRS 18 is to provide investors with more relevant information and transparency on a company's financial results and greater comparability and consistency of financial presentations between companies. IFRS 18 will not change the reported net earnings, but it is expected to result in significant changes to the structure and organization of the Statements of Operations and Comprehensive Income. Although net earnings will not be impacted, the Statements of Operations and Comprehensive Income above "earnings before taxes" will be required to be organized into Operating, Investing and Financing categories, and the allocation to each category will depend on the company's business activities. In addition, IFRS 18 will require management-defined performance measures, such as EBITDA, to be included in the notes to financial statements. The Company's Management is currently evaluating the standard and its impact on the Company. As part of this evaluation, the Company is also assessing its business activities to determine how these align with the IFRS 18 framework.

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

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

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

4. SECURITIES AND SECURITIES SOLD SHORT

(a) Classification of securities

An analysis of the Company's securities and securities sold short, which may include individual securities or units of investment funds, by classifications and by the type of security is as follows:

As at		June 30 2025		December 31 2024
Fair value through profit or loss:				
Short-term securities	$	**317,034**	$	334,091
Fixed-income securities		**53,666**		41,696
Bank of Montreal common shares (i)		**336,061**		310,594
Public equity securities		**341,544**		333,495
Private equity investments and real estate (ii)		**216,102**		202,450
		1,264,407		1,222,326
Less public equity securities sold short		**(16,717)**		(11,678)
	$	**1,247,690**	$	1,210,648

(i) There have been no sales of Bank of Montreal common shares during the three-month and six-month periods in the current and the comparative periods.

(ii) The Company has capital commitments to two private investment funds and the outstanding capital commitments for future investments are as follows:

As at		June 30 2025		December 31 2024
Investment commitments	$	**4,240**	$	5,329

(b) Fair value hierarchy

The Company's securities and securities sold short, carried at fair value, have been categorized based upon a fair value hierarchy, as follows:

As at	June 30 2025	December 31 2024
Securities		
Level 1	$ 735,703	$ 660,990
Level 2	359,121	405,181
Level 3	169,583	156,155
	1,264,407	1,222,326
Securities sold short		
Level 1	(16,717)	(11,678)
	$ 1,247,690	$ 1,210,648

Level 2 securities include investments in certain investment funds and are valued using the published net asset value of each fund. Certain equity securities may be re-classed between Level 1 and Level 2 depending on observed trading volumes at the period end. During 2025, certain equity securities were reclassified from Level 2 to Level 1 due to higher trading volumes. During 2024 these securities had been reclassified from Level 1 to Level 2. There have been no transfers of securities into or out of Level 3 during 2025 or 2024.

(c) Analysis of Level 3 securities

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

For the periods ended June 30,	Three months 2025	Three months 2024	Six months 2025	Six months 2024
Securities categorized as Level 3, beginning of period	$ 156,784	$ 147,372	$ 156,155	$ 146,438
Increase in fair value	12,619	2,069	12,713	2,217
Additions	323	--	856	134
Reductions	--	(647)	--	--
Foreign exchange translation adjustments	(143)	2	(141)	7
	$ 169,583	$ 148,796	$ 169,583	$ 148,796

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

As at	June 30 2025	December 31 2024
Intelligent traffic systems company	$ 126,241	$ 115,307
Private equity funds	39,759	37,110
Other	3,583	3,738
	$ 169,583	$ 156,155

The investments in the intelligent traffic systems company is valued using a discounted cash flow model using internally generated unobservable inputs for the future financial performance of the investee, discount rates and exit price. The estimate is supported by analysis of the investee's peer group and review of precedent transactions. The investment in the private equity funds are valued using the most recent fair value as obtained from each fund's manager.

5. BANK LOANS AND BORROWINGS

Bank loans and borrowings are composed of the following:

As at		June 30 2025	December 31 2024
General corporate borrowings (i):			
Bank indebtedness		$ 45,543	$ 35,834
Short-term	US dollar	66,724	73,492
Employee profit sharing plan borrowings (ii):			
Bank indebtedness		399	--
Short-term	Canadian dollar	34,700	34,800
		$ 147,366	$ 144,126

i) The Company maintains two short-term revolving credit facilities for general corporate purposes with a total borrowing capacity of $130,000 (December 31, 2024 - $130,000). Borrowings under these facilities can be drawn in various short-term forms in both Canadian and US dollars, and bear interest at the bank's prime rate plus 0.4% for bank indebtedness and Term CORRA plus 1.4% for Canadian short-term borrowings or SOFR plus 1.4% on similar US dollar borrowings. For the calculation of interest on the bank indebtedness the Company may offset a portion of the bank indebtedness with certain cash balances. Such offsetting cash balances were $38,892 as at June 30, 2025 (December 31, 2024 - $35,570). The terms of these facilities require that the Company maintain certain financial ratios and the Company is in compliance with these requirements.

ii) The Company maintains a short-term revolving credit facility for borrowings by the Company's Employee Profit Sharing Plan Trust ("EPSP Trust"), which has a total borrowing capacity of $45,000 (December 31, 2024 - $45,000). Borrowings under this facility are secured by a deposit of all treasury stock held by the EPSP Trust as detailed in Note 8, and the Company may need to provide additional security if the value of the treasury stock drops below the minimum value required for the borrowing outstanding. Borrowings under this facility can be drawn in various short-term forms in Canadian dollars and bear interest at the bank's prime rate plus 0.5% for bank indebtedness and Term CORRA plus 1.4% for short-term borrowings.

6. ACQUISTION LIABILITIES AND DUE TO NON-CONTROLLING INTERESTS

Acquisition liabilities and due to non-controlling interests are comprised of the following:

As at	June 30 2025	December 31 2024
Current:		
Acquistion related (i)	$ --	$ 1,183
Obligations to non-controlling interests (ii)	7,267	9,833
	7,267	11,016
Non-current:		
Acquistion related (i)	25,080	20,632
Obligations to non-controlling interests (ii)	6,658	6,451
	31,738	27,083
	$ 39,005	$ 38,099

i) These are deferred amounts owed by the Company relating to completed acquisitions. During 2025, certain conditions were met which resulted in the de-recognition of a certain earn-out payment in respect of the acquisition of Galibier Capital Management Ltd ("Galibier").

The acquisition-related liabilities, which are carried at fair value, are valued using a Monte Carlo technique using actual observed revenues or assets under management.

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

The Obligations, which are carried at fair value, are valued using internally generated unobservable inputs for the future revenue of the subsidiary or recent observed transactions.

During 2025, the Company purchased an additional 7% interest in Agincourt Capital Management LLC ("Agincourt") from the non-controlling interests and increased its ownership interest in Agincourt to 77%. A summary of these transactions is provided below:

For the periods ended June 30,	Three months 2025	Three months 2024	Six months 2025	Six months 2024
Consideration paid to non-controlling interests	$ --	$ 796	$ 2,501	$ 796
Less: Carrying value of non-controlling interest in subsidiaries	--	283	2,326	283
Excess consideration charged to retained earnings	$ --	$ 513	$ 175	$ 513

7. CAPITAL STOCK

(a) Authorized

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

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

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

(b) Issued and outstanding

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

For the three months ended June 30,	2025		2024	
	Shares	Amount	Shares	Amount
Class A shares				
Outstanding, beginning of period	21,909	$ 15,747	22,398	$ 16,098
Acquired and cancelled	(83)	(59)	(177)	(127)
Converted from Common	--	--	--	--
Outstanding, end of period	21,826	15,688	22,221	15,971
Common shares				
Outstanding, beginning of period	2,738	661	2,738	661
Converted into Class A	--	--	--	--
Outstanding, end of period	2,738	661	2,738	661
Total outstanding, end of period	24,564	$ 16,349	24,959	$ 16,632

For the six months ended June 30,	2025		2024	
	Shares	Amount	Shares	Amount
Class A shares				
Outstanding, beginning of period	21,909	$ 15,747	22,492	$ 16,165
Acquired and cancelled	(83)	(59)	(271)	(194)
Converted from Common	--	--	--	--
Outstanding, end of period	21,826	15,688	22,221	15,971
Common shares				
Outstanding, beginning of period	2,738	661	2,738	661
Converted into Class A	--	--	--	--
Outstanding, end of period	2,738	661	2,738	661
Total outstanding, end of period	24,564	$ 16,349	24,959	$ 16,632

(c) Issuer bid

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

For the periods ended June 30,	Three months		Six months	
	2025	2024	2025	2024
Shares purchased and cancelled				
Class A	83	177	83	271
Consideration paid and provision for capital taxes	$ 3,439	$ 8,167	$ 3,439	$ 12,396
Less: average issue price, charged to share capital	59	127	59	194
Excess consideration charged to retained earnings	$ 3,380	$ 8,040	$ 3,380	$ 12,202

A summary of the current NCIB, which commenced on December 19, 2024 and expires on December 18, 2025, is as follows:

For the period from December 19, 2024 to June 30, 2025	Common shares	Class A shares
Authorized limit available	137	1,508
Purchased by the Employee Profit Sharing Plan Trust	--	(113)
Purchased and cancelled	--	(153)
Remaining limit available	137	1,242

(d) Dividends

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

For the periods ended June 30,	Three months		Six months	
	2025	2024	2025	2024
Dividends declared and paid, per share	$ 0.39	$ 0.37	$ 0.76	$ 0.71

The Company has also declared dividends of $0.39 per share payable on each of July 18, 2025 and October 17, 2025, on the Common and Class A shares outstanding. These dividends, which will be recognized on the record dates, have not been reflected in these financial statements.

8. TREASURY STOCK

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

(a) Changes in treasury stock

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

For the three months ended June 30,	2025		2024	
	Shares	**Amount**	Shares	Amount
Balance, beginning of period	**1,339**	**$ 33,225**	1,754	$ 35,858
Acquired	**39**	**1,553**	3	120
Disposed	**(2)**	**(58)**	(53)	(654)
Balance, end of period	**1,376**	**$ 34,720**	1,704	$ 35,324

For the six months ended June 30,	2025		2024	
	Shares	**Amount**	Shares	Amount
Balance, beginning of period	**1,337**	**$ 31,373**	1,758	$ 32,037
Acquired	**113**	**4,765**	101	4,985
Disposed	**(74)**	**(1,418)**	(155)	(1,698)
Balance, end of period	**1,376**	**$ 34,720**	1,704	$ 35,324

As at June 30, 2025, the treasury stock was composed of 30 common shares (December 31, 2024 – 30) and 1,346 class A shares (December 31, 2024 – 1,307).

(b) Equity-based entitlements

Equity-based entitlements allow the employees to purchase shares of the Company from the EPSP Trust at zero cost, subject to predetermined vesting arrangements and other conditions. Equity-based entitlements are valued at the cost of the shares purchased by the EPSP Trust and this value is recorded by the Company as compensation expense over the vesting period and is credited to contributed surplus. On the exercise of an entitlement, the contributed surplus and treasury stock are reduced by the original cost of the those shares which are delivered to the employee.

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

For the periods ended June 30,	**Three months**		**Six months**	
	2025	2024	**2025**	2024
Equity-based entitlements, beginning of period	**1,179**	1,238	**1,220**	1,221
Provided	**113**	3	**113**	102
Exercised	**(2)**	(20)	**(43)**	(102)
Forfeited	**(2)**	--	**(2)**	--
Equity-based entitlements, end of period	**1,288**	1,221	**1,288**	1,221

During the three-month period ended June 30, 2025, the equity-based entitlements provided had a fair value of $4,805 (2024 - $nil).

(c) Option-like entitlements

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

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

For the three months ended June 30,	2025		2024	
	Shares	**Weighted average exercise price per share**	Shares	Weighted average exercise price per share
Option-like entitlements, beginning of period	**86**	**$ 8.79**	516	$ 10.38
Exercised	**--**	**--**	(33)	10.74
Option-like entitlements, end of period	**86**	**$ 8.79**	483	$ 10.35

For the six months ended June 30,	2025		2024	
	Shares	Weighted average exercise price per share	Shares	Weighted average exercise price per share
Option-like entitlements, beginning of period	117	$ 9.03	536	$ 10.35
Exercised	(31)	9.69	(53)	10.34
Option-like entitlements, end of period	86	$ 8.79	483	$ 10.35

No option-like entitlements were provided in 2025 or 2024.

9. DIVIDEND AND INTEREST INCOME

Dividend and interest income is composed of the following:

For the periods ended June 30,	Three months		Six months	
	2025	2024	2025	2024
Dividends on Bank of Montreal shares	$ 3,546	$ 3,367	$ 7,091	$ 6,735
Other dividends	3,231	3,108	5,461	5,071
Dividend income	6,777	6,475	12,552	11,806
Interest income	2,835	6,626	6,330	13,432
	$ 9,612	$ 13,101	$ 18,882	$ 25,238

10. OTHER EXPENSES

Other expenses are composed of the following:

For the periods ended June 30,	Three months		Six months	
	2025	2024	2025	2024
Information and technology services	$ 14,275	$ 6,143	$ 29,575	$ 12,033
Professional and outsourced services	5,448	2,817	10,796	7,128
Marketing and travel	2,994	1,879	5,488	3,295
Registrations, facilities and other	2,669	2,054	5,763	4,237
	$ 25,386	$ 12,893	$ 51,622	$ 26,693

11. NET GAINS (LOSSES)

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

For the periods ended June 30,	Three months		Six months	
	2025	2024	2025	2024
Bank of Montreal common shares	$ 30,328	$ (39,315)	$ 25,467	$ (36,706)
Other securities	26,351	(492)	19,420	12,269
Securities (i)	56,679	(39,807)	44,887	(24,437)
Intangible assets (ii)	--	--	(2,946)	10
Acquistion related liabilities (iii)	(4,421)	--	(4,319)	--
Foreign exchange	2,725	646	1,638	(1,997)
	$ 54,983	$ (39,161)	$ 39,260	$ (26,424)

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

(ii) Net gains (losses) recorded on intangible assets in the current period are an impairment charge on intangible assets acquired as part of the acquisition of Galibier.

(iii) Net gains (losses) recorded on acquisition related liabilities are the change in the fair value of these liabilities. During the six-month period net gains (losses) on these liabilities included a gain of $1,366 on the liabilities incurred related to the acquisition of Galibier.

12. CALCULATIONS OF NET EARNINGS PER SHARE

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

For the periods ended June 30,	Three months		Six months	
	2025	2024	**2025**	2024
Weighted average number of Class A and common shares outstanding:				
Basic	**23,197**	23,312	**23,256**	23,372
Effects of outstanding entitlements from stock-based compensation plans	**1,172**	--	**1,173**	--
Diluted	**24,369**	23,312	**24,429**	23,372
Net earnings (loss) attributable to shareholders:				
Basic	**$ 55,242**	$ (23,137)	**$ 48,190**	$ (1,970)
Effects of outstanding entitlements from stock-based compensation plans	**327**	--	**652**	--
Diluted	**$ 55,569**	$ (23,137)	**$ 48,842**	$ (1,970)

13. BUSINESS SEGMENTS

As a result of the acquisition of Sterling in 2024, the Company began a process to re-organize the governance structure of the investment management segment in order to more effectively manage a larger combined operation. A dedicated U.S. governance structure was established, along with new organizational U.S. leadership roles aimed at aligning our interests across all of the Company's U.S. subsidiaries and business lines. As a result of these changes in governance structure, the Company has adjusted its reported operating segments to reflect these changes effective January 1, 2025.

The Company operates through three segments: a) USA Asset Management, which primarily involves earning fees relating to investment management services and operates in USA; b) Canada, UK and Other Asset Management which primarily involves earning fees relating to investment management and other services and operates in Canada, UK and other regions and c) Corporate Activities and Investments, which relates substantially to the investment of the Company's securities holdings, as well as corporate management and development activities. The segmented operating results below include certain centralized costs which are allocated from Corporate Activities and Investments segment to operating segments to better reflect the costs associated with each of the segments.

(a) Business segments

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

For the three months ended June 30,	USA Asset Management		Canada, UK & Other Asset Management		Corporate Activities and Investments		Inter-Segment Transactions		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue										
Management and advisory fees	$ 43,390	$ 11,286	$ 39,275	$ 42,139	$ --	$ --	$ (1,068)	$ (1,436)	$ 81,597	$ 51,989
Fees paid to referring agents	(1,263)	(1,183)	(3,671)	(3,080)	--	--	825	880	(4,109)	(3,383)
Net management and advisory fees	42,127	10,103	35,604	39,059	--	--	(243)	(556)	77,488	48,606
Administrative services income	--	--	2,908	2,118	24	337	--	2	2,932	2,457
Dividend and interest income	--	--	459	516	8,992	12,385	161	200	9,612	13,101
Net revenue	42,127	10,103	38,971	41,693	9,016	12,722	(82)	(354)	90,032	64,164
Expenses										
Employee comp. & benefits	26,564	4,275	22,044	23,077	2,315	3,601	--	--	50,923	30,953
Amortization	3,940	1,776	1,252	1,080	454	500	--	--	5,646	3,356
Interest	164	7	38	88	1,747	2,534	--	--	1,949	2,629
Other expenses	11,568	1,312	12,870	10,584	1,030	1,351	(82)	(354)	25,386	12,893
	42,236	7,370	36,204	34,829	5,546	7,986	(82)	(354)	83,904	49,831
Operating earnings	(109)	2,733	2,767	6,864	3,470	4,736	--	--	6,128	14,333
Net gains (losses)	(31)	19	(299)	1,450	55,313	(40,630)	--	--	54,983	(39,161)
Net earnings (loss) before income taxes	(140)	2,752	2,468	8,314	58,783	(35,894)	--	--	61,111	(24,828)
Income tax expense (recovery)	109	549	86	1,855	5,335	(4,502)	--	--	5,530	(2,098)
Net earnings (loss)	$ (249)	$ 2,203	$ 2,382	$ 6,459	$ 53,448	$ (31,392)	$ --	$ --	$ 55,581	$ (22,730)
Net earnings (loss) attributable to:										
Shareholders	$ (469)	$ 1,929	$ 2,263	$ 6,326	$ 53,448	$ (31,392)	$ --	$ --	$ 55,242	$ (23,137)
Non-controlling interests	220	274	119	133	--	--	--	--	339	407
	$ (249)	$ 2,203	$ 2,382	$ 6,459	$ 53,448	$ (31,392)	$ --	$ --	$ 55,581	$ (22,730)
Additions to segment assets:										
Intangible assets	$ 1,112	$ 55	$ 792	$ 605	$ 324	$ 12	$ --	$ --	$ 2,228	$ 672
Equipment	81	7	230	502	84	66	--	--	395	575
Goodwill	--	--	--	--	--	--	--	--	--	--

For the six months ended June 30,	USA Asset Management 2025	USA Asset Management 2024	Canada, UK & Other Asset Management 2025	Canada, UK & Other Asset Management 2024	Corporate Activities and Investments 2025	Corporate Activities and Investments 2024	Inter-Segment Transactions 2025	Inter-Segment Transactions 2024	Consolidated 2025	Consolidated 2024
Revenue										
Management and advisory fees	$ 90,955	$ 21,522	$ 80,021	$ 84,069	$ --	$ --	$ (2,265)	$ (2,817)	$ 168,711	$ 102,774
Fees paid to referring agents	(2,583)	(2,275)	(7,287)	(6,091)	--	--	1,777	1,717	(8,093)	(6,649)
Net management and advisory fees	88,372	19,247	72,734	77,978	--	--	(488)	(1,100)	160,618	96,125
Administrative services income	1	--	5,643	4,576	49	720	--	2	5,693	5,298
Dividend and interest income	--	--	1,052	971	17,505	23,772	325	495	18,882	25,238
Net revenue	88,373	19,247	79,429	83,525	17,554	24,492	(163)	(603)	185,193	126,661
Expenses										
Employee comp. & benefits	56,136	8,585	43,671	45,914	5,142	7,111	--	--	104,949	61,610
Amortization	7,941	3,524	2,492	2,109	912	996	--	--	11,345	6,629
Interest	550	14	78	173	3,471	4,891	--	--	4,099	5,078
Other expenses	24,465	2,492	25,161	21,323	2,159	3,481	(163)	(603)	51,622	26,693
	89,092	14,615	71,402	69,519	11,684	16,479	(163)	(603)	172,015	100,010
Operating earnings	(719)	4,632	8,027	14,006	5,870	8,013	--	--	13,178	26,651
Net gains (losses)	(20)	63	(3,425)	1,254	42,705	(27,741)	--	--	39,260	(26,424)
Net earnings (loss) before income taxes	(739)	4,695	4,602	15,260	48,575	(19,728)	--	--	52,438	227
Income tax expense (recovery)	93	813	481	3,996	2,947	(3,293)	--	--	3,521	1,516
Net earnings (loss)	$ (832)	$ 3,882	$ 4,121	$ 11,264	$ 45,628	$ (16,435)	$ --	$ --	$ 48,917	$ (1,289)
Net earnings (loss) attributable to:										
Shareholders	$ (1,328)	$ 3,377	$ 3,890	$ 11,088	$ 45,628	$ (16,435)	$ --	$ --	$ 48,190	$ (1,970)
Non-controlling interests	496	505	231	176	--	--	--	--	727	681
	$ (832)	$ 3,882	$ 4,121	$ 11,264	$ 45,628	$ (16,435)	$ --	$ --	$ 48,917	$ (1,289)
Additions to segment assets										
Intangible assets	$ 2,403	$ 109	$ 1,169	$ 1,179	$ 654	$ 12	$ --	$ --	$ 4,226	$ 1,300
Equipment	651	9	376	636	111	202	--	--	1,138	847
Goodwill	--	--	--	--	--	--	--	--	--	--

As at June 30, 2025 and December 31, 2024	USA Asset Management 2025	USA Asset Management 2024	Canada, UK & Other Asset Management 2025	Canada, UK & Other Asset Management 2024	Corporate Activities and Investments 2025	Corporate Activities and Investments 2024	Inter-Segment Balances 2025	Inter-Segment Balances 2024	Consolidated 2025	Consolidated 2024
Segment assets and liabilities:										
Assets	$ 256,708	$ 307,452	$ 276,907	$ 294,172	$ 1,345,122	$ 1,333,726	$ 19,763	$ 17,036	$ 1,898,500	$ 1,952,386
Liabilities	$ 47,882	$ 78,141	$ 166,176	$ 185,796	$ 343,139	$ 354,434	$ 19,763	$ 17,036	$ 576,960	$ 635,407

(b) Geographic segments

The Company's legal entities operate in various geographic regions. The Company attributes revenues generated by an entity to the geographic region based on where that legal entity resides. The following tables disclose certain information about the Company's operations by geography:

	Canada 2025	Canada 2024	United Kingdom 2025	United Kingdom 2024	USA and other 2025	USA and other 2024	Consolidated 2025	Consolidated 2024
For the three months ended June 30,								
Net revenue from external parties	$ 37,097	$ 37,950	$ 9,795	$ 15,235	$ 43,140	$ 10,979	$ 90,032	$ 64,164
For the six months ended June 30,								
Net revenue from external parties	$ 74,047	$ 75,193	$ 20,981	$ 30,497	$ 90,165	$ 20,971	$ 185,193	$ 126,661
As at June 30, 2025 and December 31, 2024								
Non-current assets:								
Intangible assets	$ 29,938	$ 32,814	$ 1,973	$ 2,196	$ 116,809	$ 126,918	$ 148,720	$ 161,928
Equipment	16,940	17,637	105	270	16,808	18,916	33,853	36,823
Goodwill	11,134	11,134	904	871	71,934	75,819	83,972	87,824

14. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

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

For the periods ended June 30,	Three months 2025	Three months 2024	Six months 2025	Six months 2024
Decrease (increase) in non-cash working capital assets:				
Interest-bearing deposits with banks	**$ 36,492**	$ (30,396)	**$ (19,306)**	$ (49,342)
Accounts receivable and other	**6,494**	(9,691)	**6,981**	(9,690)
Increase (decrease) in non-cash working capital liabilities:				
Client deposits	**(36,686)**	41,800	**17,395**	55,106
Accounts payable and accrued liabilities	**(5,191)**	(1,580)	**(63,072)**	(19,557)
	$ 1,109	$ 133	**$ (58,002)**	$ (23,483)

15. FINANCIAL RISK MANAGEMENT

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

(a) Concentration risk

The Company is exposed to concentration risk associated with certain investments as follows:

As at	June 30 2025	December 31 2024
Bank of Montreal common shares	**$ 336,061**	$ 310,594
Intelligent traffic systems company	**126,241**	115,307
	$ 462,302	$ 425,901

The investment in the Bank of Montreal shares represents 27% (December 31, 2024 – 25%) of the Company's securities. The Company monitors the investment in the Bank of Montreal shares on a continuous basis. A change in the price of the Bank of Montreal shares by 10% would result in gain or loss of $33,606 (December 31, 2024 - $31,059) being recorded in net gains (losses).

The investment in Intelligent traffic systems company represents 10% (December 31, 2024 – 10%) of the Company's securities. The Company's interest in this level 3 investment is held through an investment in the Company's smart infrastructure partnerships. The Company, through the partnerships, jointly controls the investment and manages its risk through representation on the investment's board and the active monitoring of the investment's operations. A change in the price of the investment by 10% would result in gain or loss of $12,624 (December 31, 2024 - $11,531) being recorded in net gains (losses).

(b) Market risk

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

i) Price risk

Price risk, the risk of a gain or loss resulting from movements in the price of securities, arises when the Company invests in equity securities. The Company is exposed to price risk with its investment in equity securities. Changes in the fair values of its equity securities positions are recognized in net gains (losses) and can have a significant impact on net earnings (loss) attributable to shareholders. This risk is managed through the use of professional in-house expertise, which takes a disciplined approach to investment management.

The equity securities positions, excluding the investments subject to concentration risk, are diversified by asset class and, as shown in the chart below, by geographical region. The chart also indicates the gain or loss which would be recognized in net earnings as a result of a 10% change in the market prices:

	Equity securities classified as fair value through the profit and loss	Gain or loss recognized from a 10% change in fair value
As at June 30, 2025		
Canada	**$ 55,410**	**±$ 5,541**
Emerging markets	**82,478**	**8,248**
Developed markets	**276,800**	**27,680**
	$ 414,688	**±$ 41,469**
As at December 31, 2024		
Canada	$ 56,108	±$ 5,611
Emerging markets	78,920	7,892
Developed markets	273,932	27,393
	$ 408,960	±$ 40,896

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

ii) Currency risk

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

The Company's significant financial instruments which are subject to currency risk are as follows:

As at	June 30 2025	December 31 2024
USD currency exposure:		
Assets:		
Cash	$ --	$ 14,280
Short-term securities	16,382	13,723
Liabilities:		
Bank loans and borrowings	66,724	73,492
Net USD liability	$ (50,342)	$ (45,489)

The Company is exposed to currency risk related to a certain of its short-term securities and Bank loans and borrowings, which are denominated in US Dollars. The risk associated with net exposure is mitigated by the US Dollar cash flows that are generated by the Company's foreign subsidiaries. The effects of foreign exchange on the short-term securities are included in Net gains on securities. A change in the CAD-USD exchange rate by +/-10% would result in a gain or loss of +/- $5,034 (December 31, 2024 – +/- $4,549) being recognized in net earnings.

As a result of significant operations outside of Canada, the Company's revenues, expenses and operating results from foreign operations may fluctuate with the changes in the foreign currency exchange rates compared to the Canadian dollar. The most significant foreign currency exposure is to the US dollars as a significant portion of assets under management are US dollar denominated portfolios. 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 +/- $1,159 for the six-month period to June 30, 2025.

From time to time, a foreign subsidiary may hold an unhedged position in financial instruments denominated in Canadian dollars, which can result in foreign exchange gains or losses in that subsidiary. Upon translation of their results on consolidation, the Company will recognize an equal and offsetting foreign currency translation adjustment in other comprehensive income.

iii) Interest rate risk

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

As at	June 30 2025	December 31 2024
Interest rate sensitive assets:		
Interest-bearing deposits with banks	$ 97,361	$ 85,100
Short term securities	317,034	334,091
Fixed-income securities	53,666	41,696
	$ 468,061	$ 460,887
Interest rate sensitive liabilities:		
Bank loans and borrowings	$ 147,366	$ 144,126
Client deposits	85,192	74,185
	$ 232,558	$ 218,311

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

The interest rate risk on interest-bearing deposits with banks and the client deposits, both of which arise in the international banking operation, is managed by matching interest and maturities.

(c) Credit risk

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

As at		June 30 2025		December 31 2024
Cash	$	72,835	$	137,477
Interest-bearing deposits with banks		97,361		85,100
Accounts receivable and other		78,829		87,922
Short-term securities		317,034		334,091
Fixed-income securities		53,666		41,696
	$	619,725	$	686,286

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

(d) Liquidity risk

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

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