



# GUARDIAN CAPITAL

Annual Meeting of Shareholders  
Guardian Capital Group Limited  
May 23, 2013

James S. Anas  
Chairman of the Board

George Mavroudis  
President and Chief Executive Officer

# Forward-Looking Statements

This presentation may contain “forward-looking statements” with respect to Guardian Capital Group Limited and its products and services, including its business operations and strategy and financial performance and condition. These statements, characterized by such words as “goal”, “outlook”, “intends”, “expects”, “plan”, “prospects”, “are confident”, “believe” and “anticipate”, are intended to reflect Guardian’s objectives, plans, expectations, estimates, beliefs and intentions.

By their nature, forward-looking statements involve risks and uncertainties. There is a risk that the expectations reflected in such forward-looking statements will not be achieved. Undue reliance should not be placed on these statements, as a number of factors could cause actual results to differ materially from Guardian’s objectives, plans, expectations and estimates reflected in the forward-looking statements. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest rates, business competition, changes in government regulations or in tax laws, and other factors.

- Overview of Guardian's businesses
- 2012 Financial Review
- Investment Management
- Financial Advisory
- Summary
- Questions

# Guardian's Businesses

## Investment Management

AUM of \$20.4 billion\*



## Financial Advisory

AUA of \$10.5 billion\*



## Corporate Activities and Investments

Management expertise, financing, coordination of business activities and support

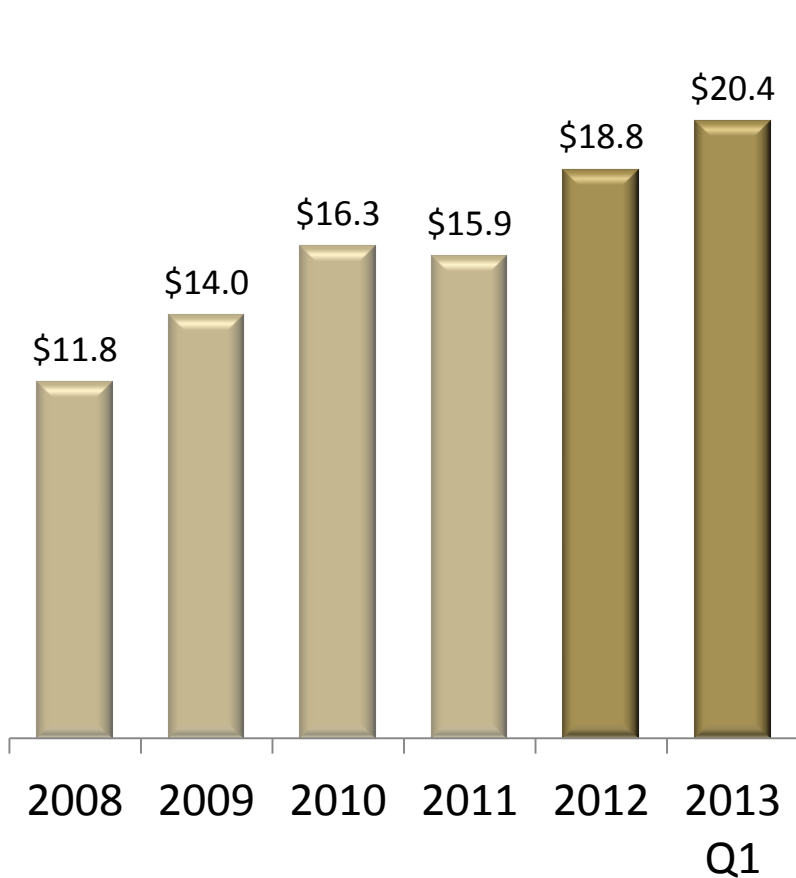
Securities holdings: \$403 million \*

TSX Listed: GCG ; GCG.A

# Guardian's Fee Generating Assets

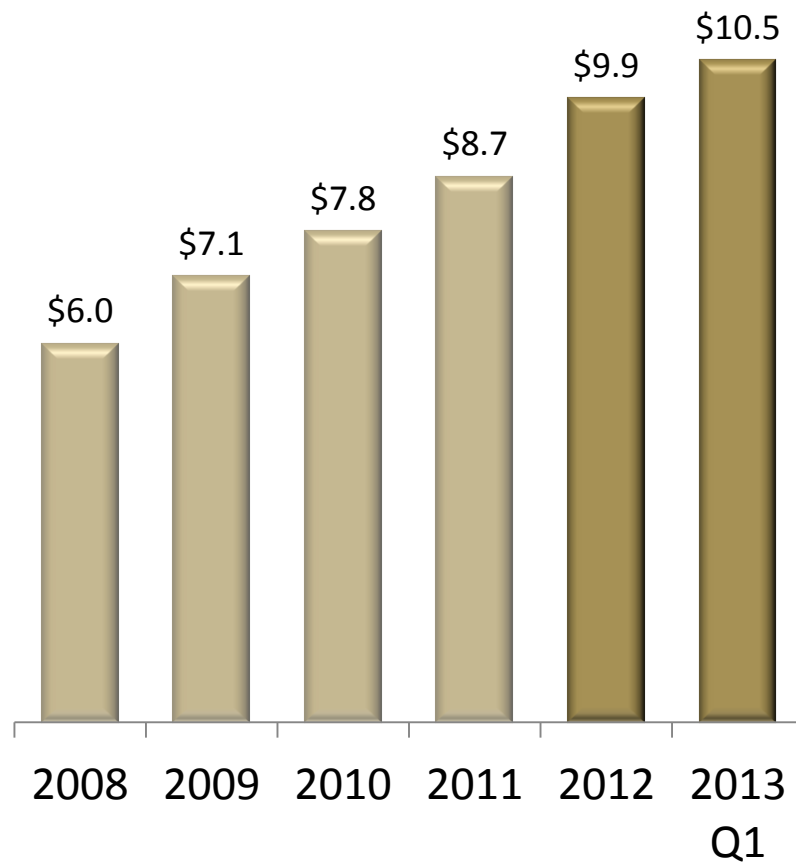
## Investment Management

Assets Under Management  
As at period end (\$ billions)



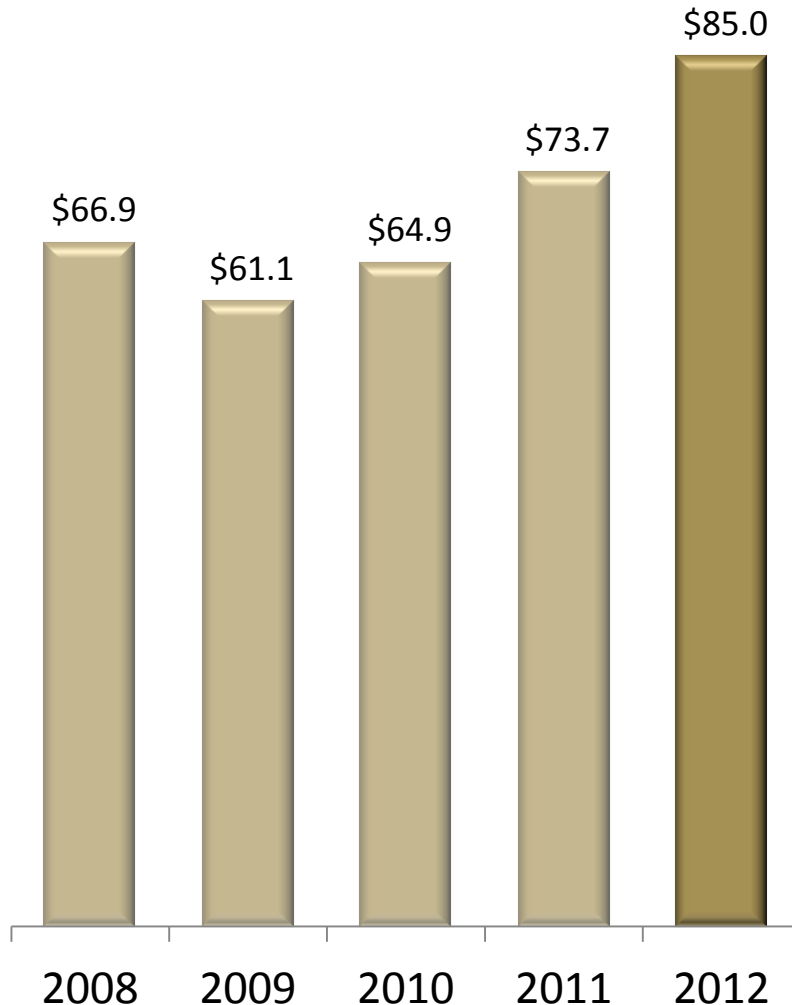
## Financial Advisory

Assets Under Administration  
As at period end (\$ billions)



# Net Revenue

For the years ended December 31 (\$ millions)

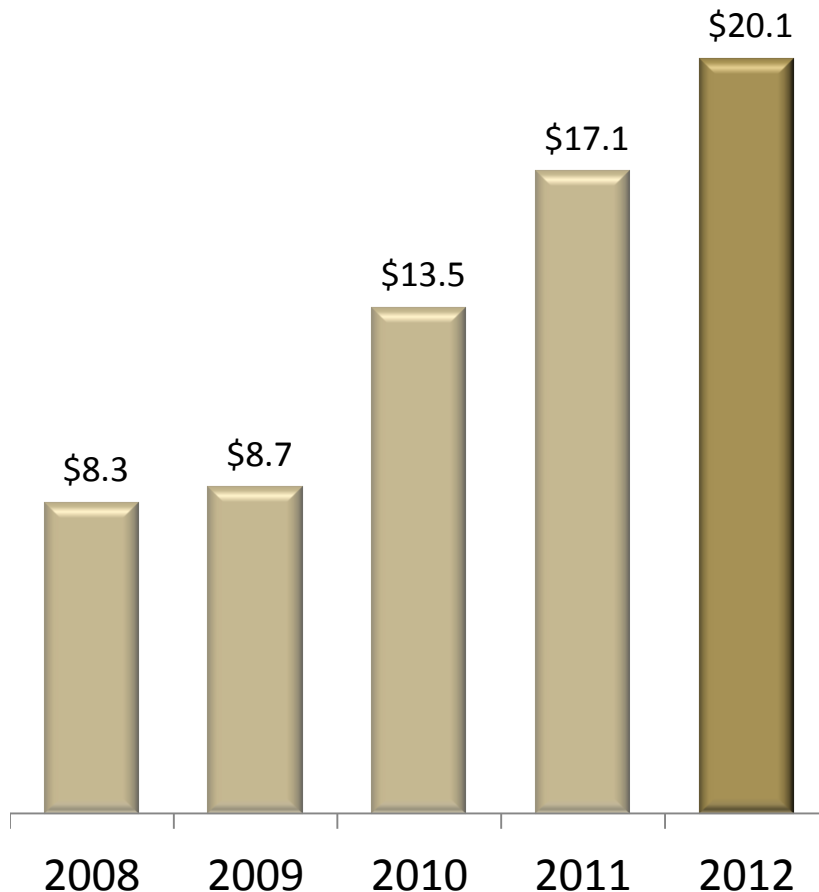


2010 and subsequent years are in accordance with IFRS;  
2008 and 2009 are as reported under Canadian GAAP.

- 2012 net revenue of \$85 million, 15% increase over prior year
  - ✓ \$42.4 million in net management fees, 14% higher
  - ✓ \$18.9 million in net commission revenue, 36% higher largely due to IDC acquisition completed on July 1, 2011
  - ✓ \$16.6 million in dividend and interest income, 4% lower
  - ✓ \$7.2 million in administrative services income, 34% higher
- Q1 2013 net revenue of \$23.2 million, 13% year over year growth

# Operating Earnings

For the years ended December 31 (\$ millions)



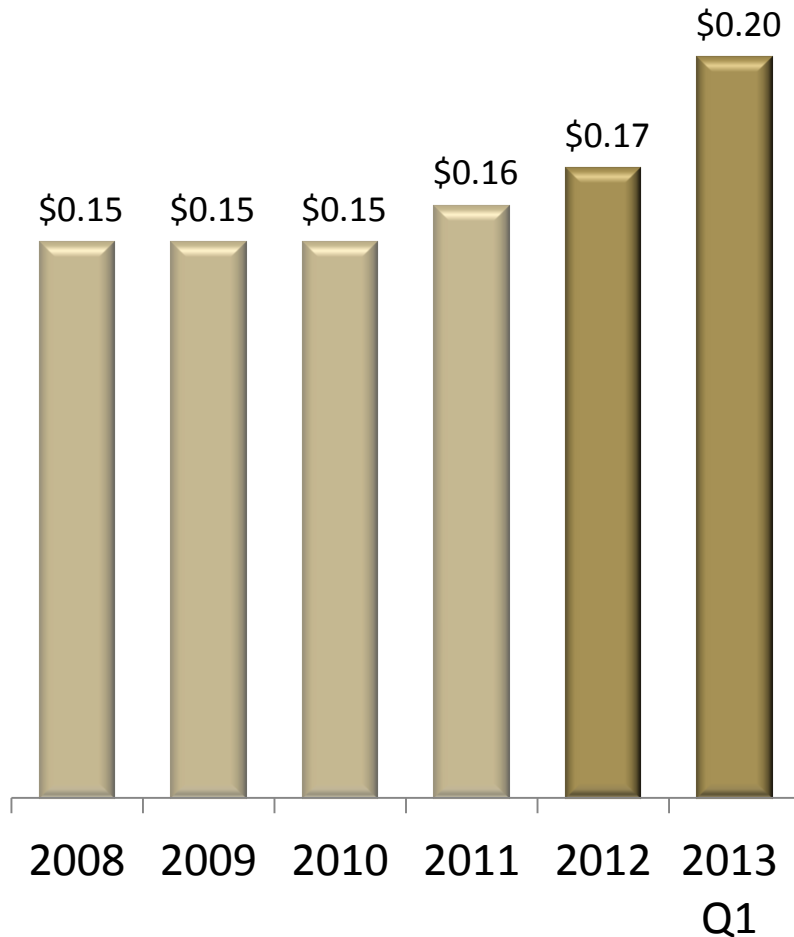
- Operating earnings increase \$3.0 million, or 18%, from the prior year
  - ✓ 25% compound annual growth rate since 2008
- Q1 2013 operating earnings of \$5.1 million, 5% year over year growth
- 23% operating margin in 2012

2010 and subsequent years are in accordance with IFRS;  
2008 and 2009 are as reported under Canadian GAAP.

# Dividends

Per share

For the years ended December 31 and for 2013 Q1 (\$s)

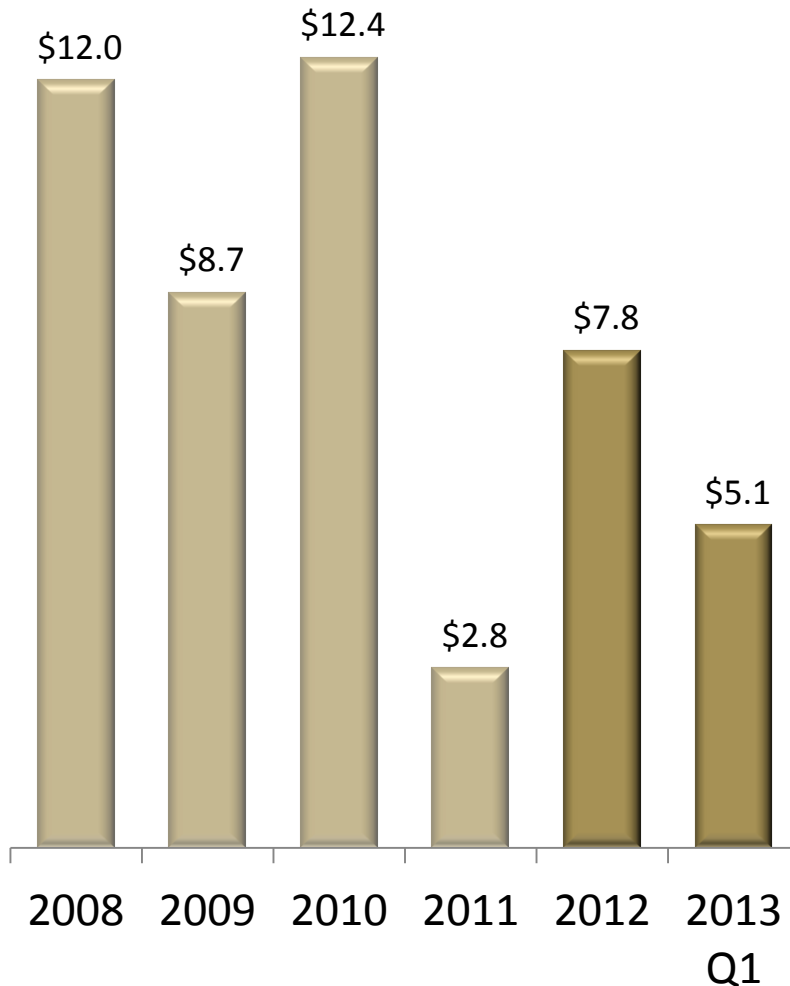


- 2013 annual dividend paid in March increased 18% compared to 2012
  - ✓ 33% increase in annual dividend from 2010 to 2013
- Transition to a quarterly dividend starting in 2013
  - ✓ \$0.05 dividend declared, payable July 17, 2013, to shareholders of record July 10, 2013



# Share Buybacks

For the years ended December 31 and for 2013 Q1 (\$ millions)



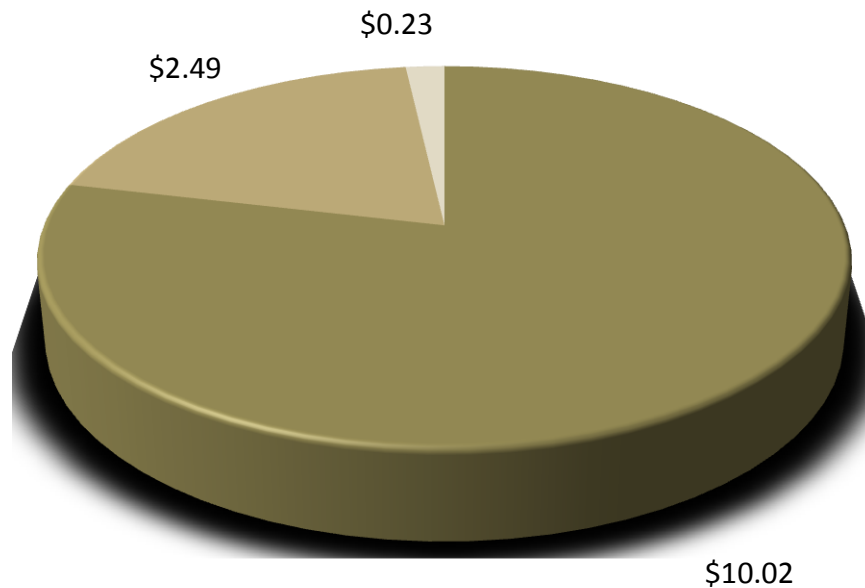
- 17% of outstanding shares repurchased since the start of 2008
  - ✓ \$48.8 million in cash returned to shareholders
  - ✓ 6.8 million shares repurchased
  - ✓ Average purchase price of \$7.22 per share

# Investment Portfolio

## Securities per share, diluted

As at March 31, 2013 (\$s)

**\$403 million or \$12.74 per share**

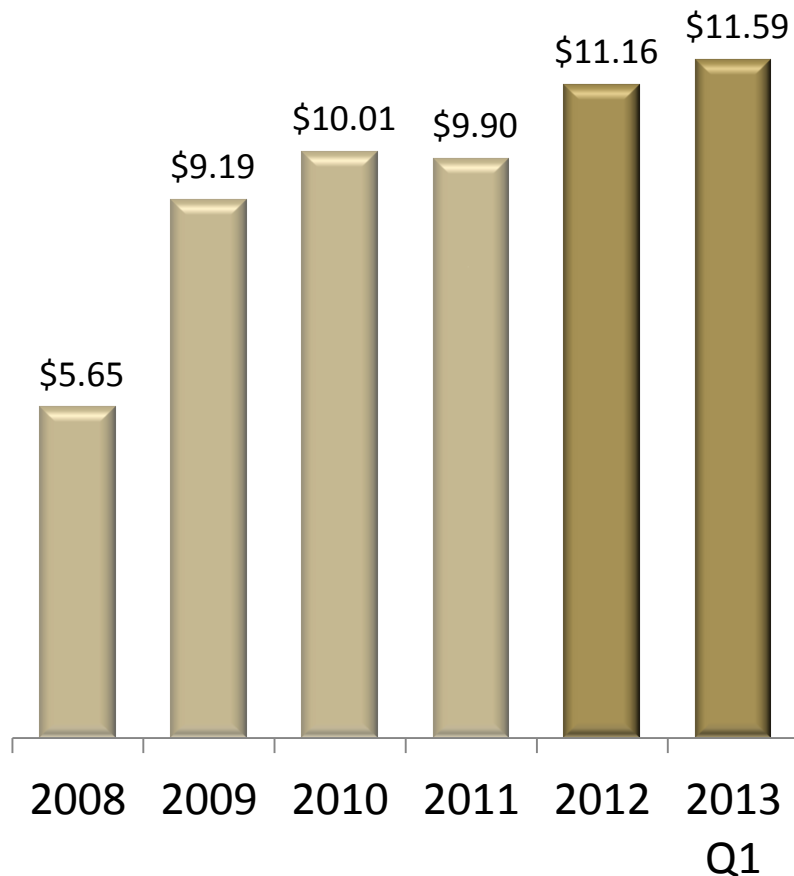


- Bank of Montreal
- Other equity and mutual funds
- Short-term securities

- Provides a stable stream of dividend revenue, including \$13.5 million from BMO shares
- Net gains and losses from these investments also can cause fluctuations in Net earnings
- Strategic focus is to utilize the investment portfolio to support growth in our core operating businesses

# Shareholders' Equity

Per share, diluted  
As at period end (\$s)



- Key long term strategic performance measurement
- 18% compound annual growth rate in shareholders' equity per share from 2008 to Q1 2013
- 12.7% increase in 2012 and 3.8% increase in Q1 2013

Shareholders' equity for 2010 and subsequent years are in accordance with IFRS; 2008 and 2009 are as reported under Canadian GAAP.

# Investment Management

**\$20.4 billion in AUM\***

Competitive investment products  
Executing on opportunities  
Growth across all distribution channels

## Institutional Investment Management

\$18.7 billion in AUM\*



GUARDIAN CAPITAL LP

## Private Wealth Management

\$1.7 billion in AUM\*



GUARDIAN CAPITAL  
ADVISORS LP



ALEXANDRIA

# Institutional Investment Solutions

Canadian Equities \$11.4 billion*	Foreign Equities \$1.2 billion*	Fixed Income \$6.1 billion*
<ul style="list-style-type: none"> <li>✓ Large Cap Core</li> <li>✓ Growth</li> <li>✓ Income</li> <li>✓ Small/Mid Cap</li> </ul>	<ul style="list-style-type: none"> <li>✓ Global / EAFE</li> <li>✓ Global / EAFE Income</li> <li>✓ U.S.</li> <li>✓ Emerging Markets Income</li> </ul>	<ul style="list-style-type: none"> <li>✓ Core</li> <li>✓ Credit Quality</li> <li>✓ Credit Long/Short</li> <li>✓ Liability Driven</li> <li>✓ Short Duration</li> </ul>

## Stable, Growing Team

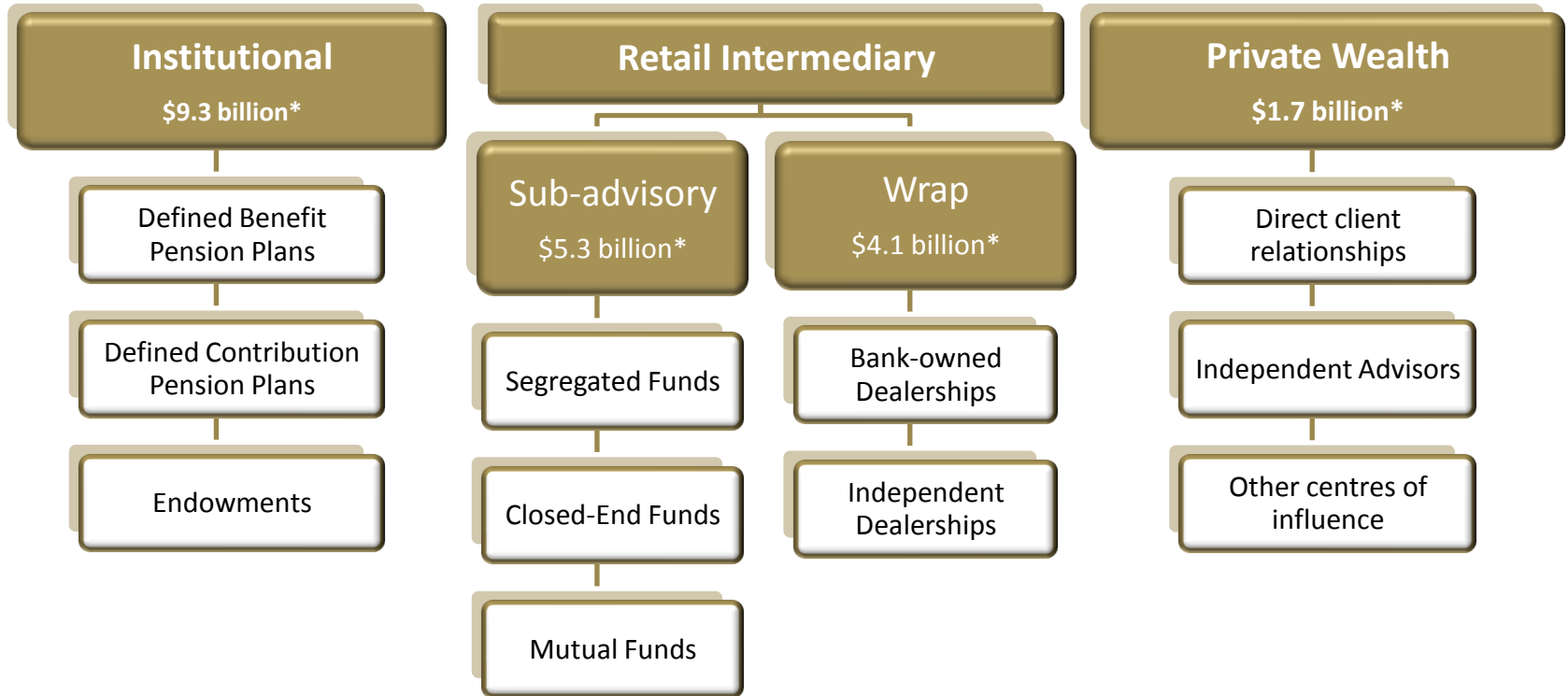
23 Investment professionals




- ✓ Average industry tenure of 21 years
- ✓ Average Guardian tenure of 11 years
- ✓ 7 have joined in the last 5 years

## Growing Assets and Strategies

- ✓ Positive net flows across all major asset classes
- ✓ Experiencing strong growth in Balanced mandates
- ✓ Developing new investment strategies for future growth

# Distribution Channels and Target Clients

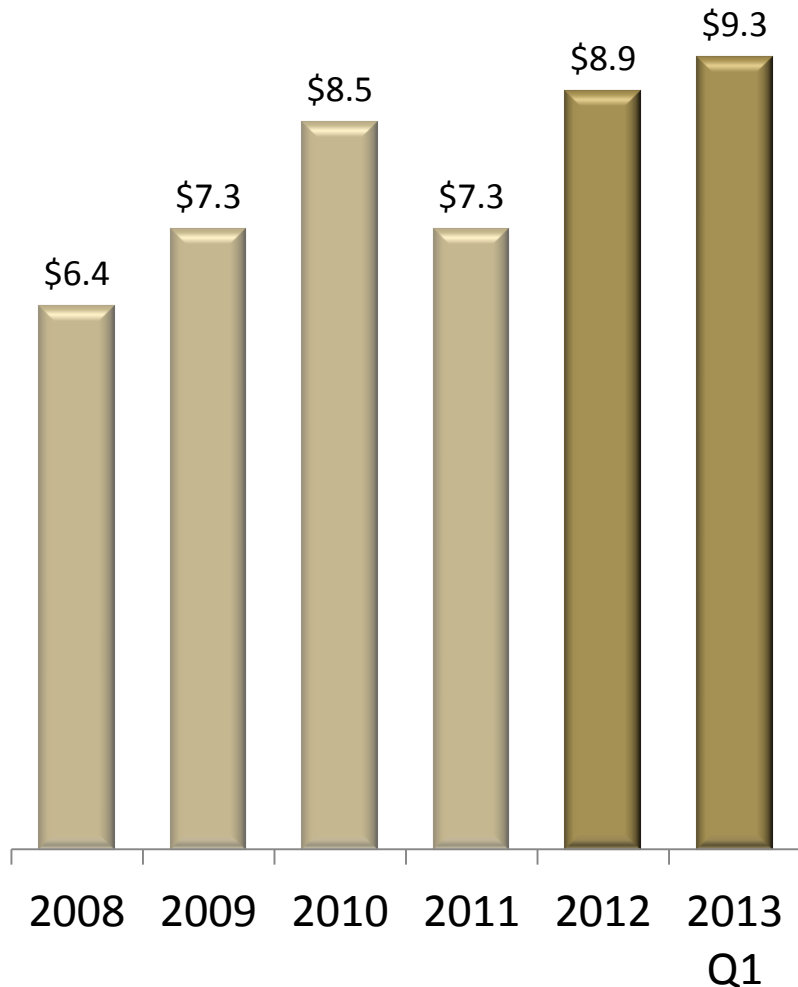


- Global opportunities
  - ✓ Canada 
  - ✓ United States 
  - ✓ International 
- Developing key partners
  - ✓ Consultants

\* As at March 31, 2013

# Institutional

Assets Under Management  
As at period end (\$ billions)

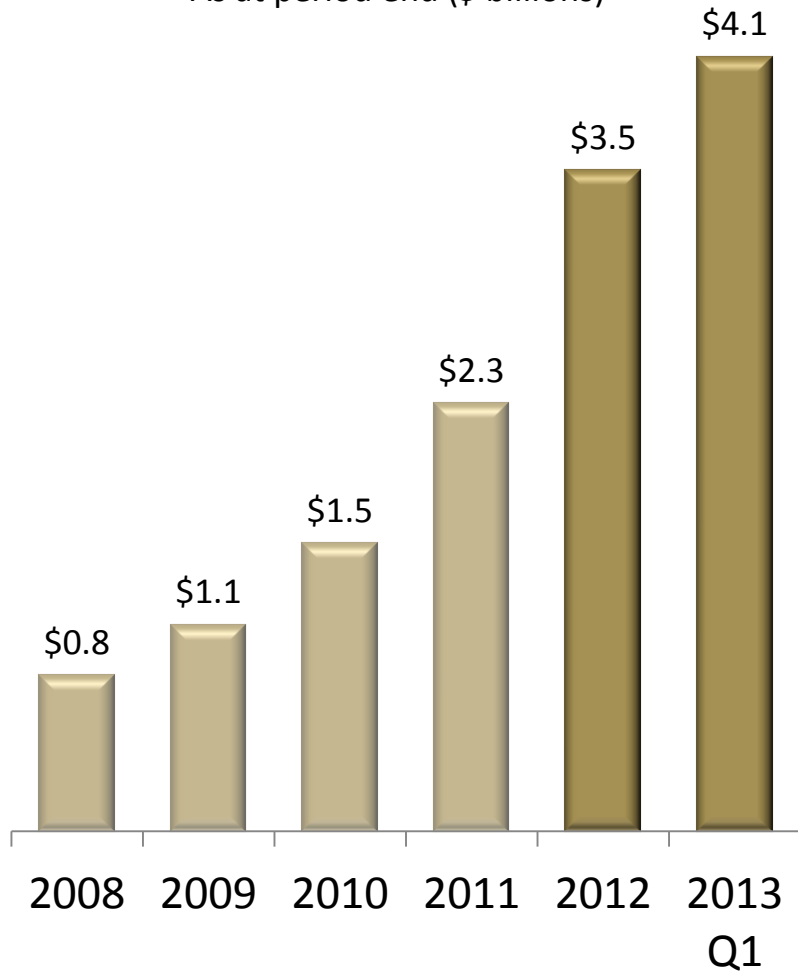


- AUM increased 4.5% in Q1 2013, versus a 3.3% rise in the S&P/TSX
  - ✓ 22% increase in 2012 versus an 8.2% increase in the S&P/TSX
- Future growth opportunities remain strong
  - ✓ Continued success in developing leads through key consultants

# Retail Intermediary

## Broker-Dealer Wrap Programs

Assets Under Management  
As at period end (\$ billions)



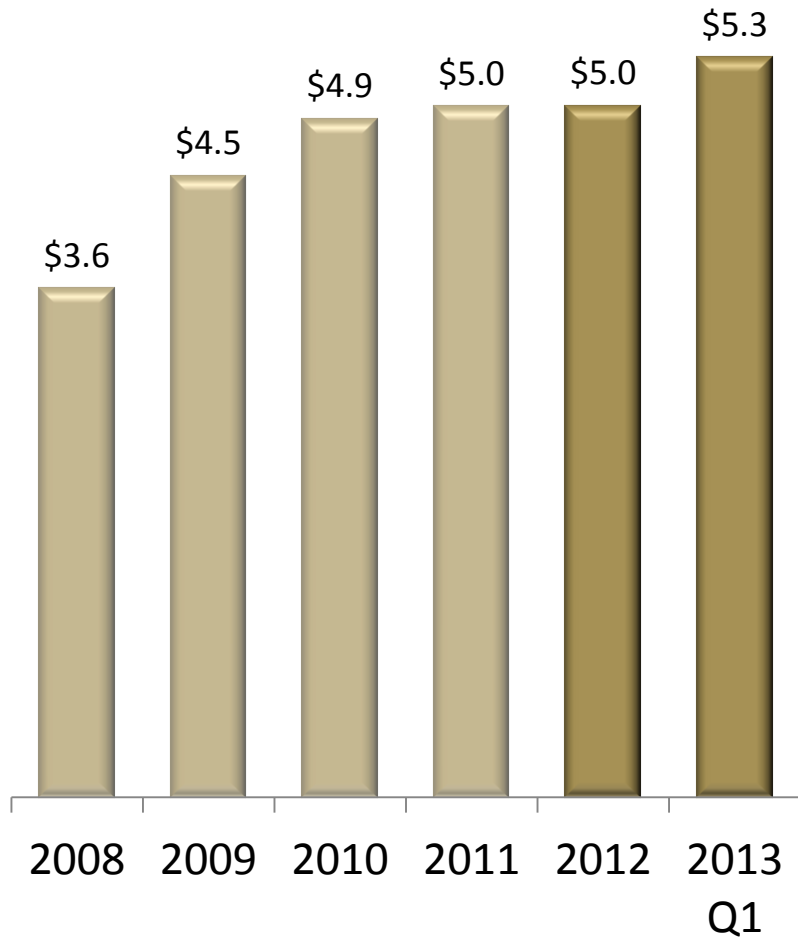
- AUM increased 17% in Q1 2013
  - ✓ 54% growth in 2012
  - ✓ Over 400% growth in AUM from 2008 to Q1 2013
- Canada's #1 sub-advisor in Managed Wrap Programs\*
  - ✓ Significant representation, \$3.6 billion, on the 5 major banks' wrap platforms
- Growing relationships on a solid foundation
  - ✓ Diverse Guardian investment products and dedicated client service team
  - ✓ Seeking opportunities beyond the Canadian market



# Retail Intermediary

## Sub-Advisory

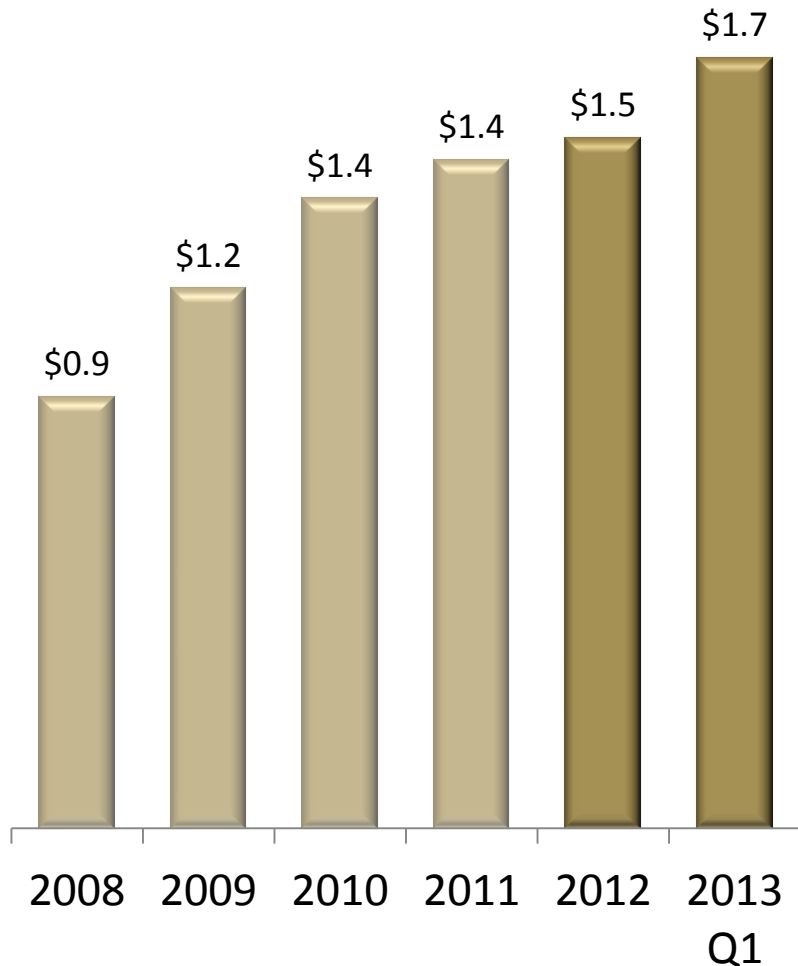
Assets Under Management  
As at period end (\$ billions)



- AUM increased 7% in Q1 2013
  - ✓ 47% growth from 2008 to Q1 2013
- Expanding our client base
  - ✓ 7 relationships in 2013 compared to 3 in 2008

# Private Wealth Management

Assets Under Management  
As at period end (\$ billions)



- AUM increased 11% in Q1 2013
  - ✓ 78% growth from 2008 to Q1 2013
- Experienced client-focused investment professionals offering customized services in the major Canadian markets of Toronto, Vancouver and Calgary
- Average relationship size is approximately \$2.0 million
- Over 800 family relationships

# Financial Advisory

**\$10.5 billion in AUA\***

National distribution platform  
The leading platform for Canada's independent  
investment advisors



**Life Insurance MGA**

\$2.3 billion in AUA\*



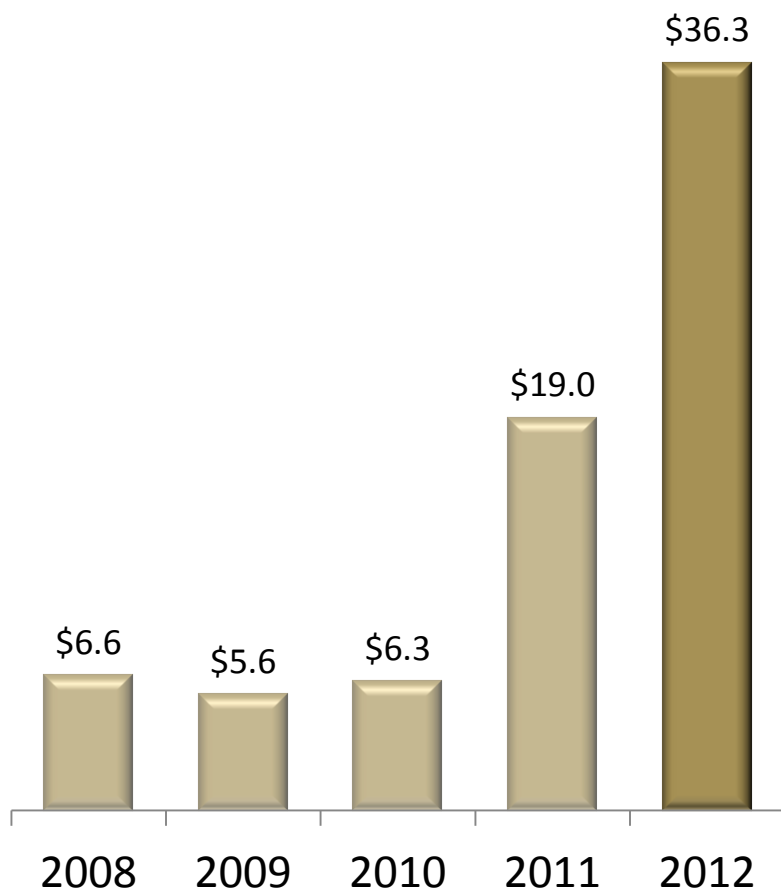
**Mutual Fund and Securities Dealers**

\$8.2 billion in AUA\*



- IDC Worldsource Insurance Network is one of Canada's leading MGAs
  - ✓ Life insurance
  - ✓ Disability and critical care insurance
  - ✓ Segregated funds, term deposits and annuities
- An attractive value proposition for recruiting new advisors
- Strategic acquisitions in important high growth markets
  - ✓ Southern Ontario: July 1, 2011, IDC Financial
  - ✓ Alberta: November 30, 2012, Strategic Brokerage Services
- EBITDA of \$2.7 million in 2012 and \$923,000 in 2011
- AUA of \$2.3 billion at end of Q1 2013

Life Insurance Premium Sales  
For the years ended December 31 (\$ millions)



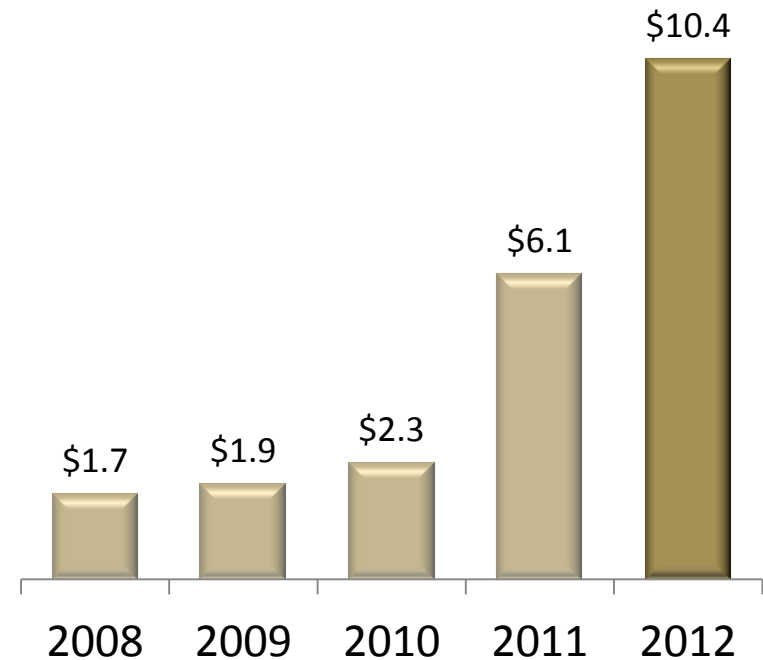
- 475% growth in annual premium sales from 2010 to 2012
  - ✓ Immediate sales revenues
  - ✓ Recurring annual revenue streams
  - ✓ Growth in value

# Life Insurance Managing General Agency

Service Fees and First Year Life Commissions  
For the years ended December 31 (\$ millions)



Net Insurance Commission Revenue  
For the years ended December 31 (\$ millions)

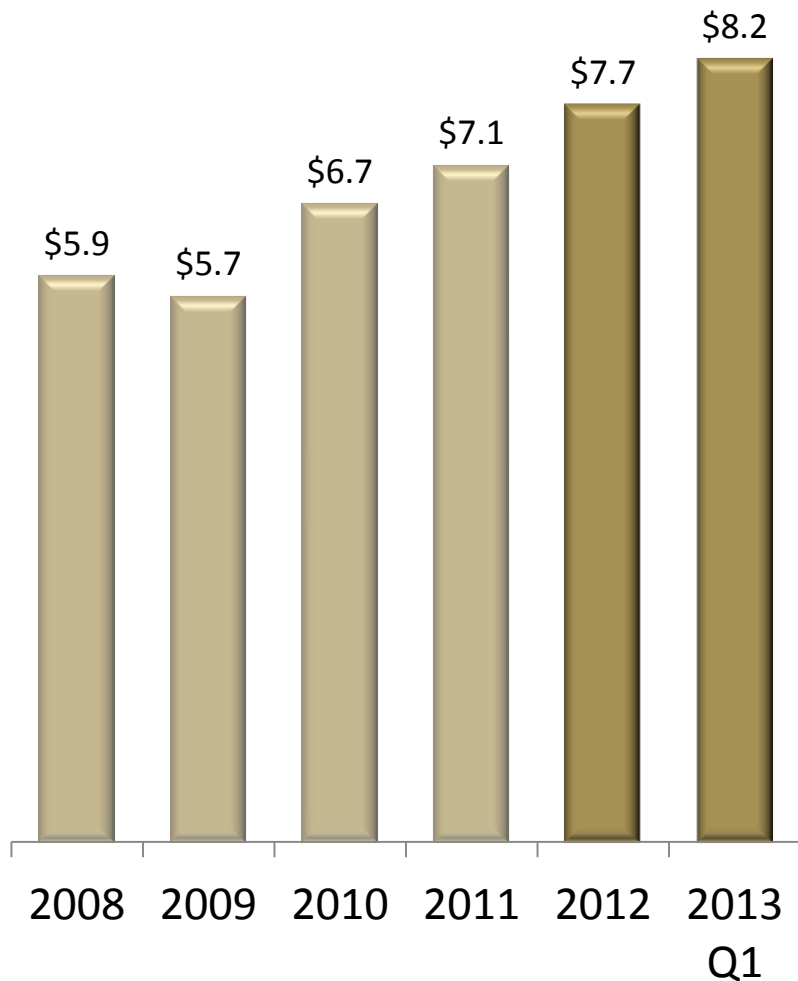


- \$36.3 million premium sales in 2012 generated \$4.3 million in first year commissions
- Prior years sales accumulated \$3.7 million in recurring service fee revenue
- Growth in revenues from new sales adding to recurring revenues with high persistency (95%).

2010 and subsequent years are in accordance with IFRS;  
2008 and 2009 are as reported under Canadian GAAP.

# Mutual Fund and Securities Dealers

Assets Under Administration  
As at period end (\$ billions)



- WFM has 550 advisors and \$7.2 billion of AUA
- WSI has 35 advisors and \$1 billion of AUA
- Recruiting pipeline remains strong for both channels
- Focus on gaining further scale, improve operational efficiencies and conversion of AUA to AUM

# Summary

- All key financial operating metrics set historical highs in 2012:
  - » AUM & AUA
  - » Net revenue
  - » Operating Earnings
  - » Cash Flow from Operations
  - » Shareholders' Equity
- Continued growth in Q1 2013
- Solid investment performance
- Improving sustainable growth in operating earnings provides opportunity to fund returns for our shareholders





**GUARDIAN**  
**CAPITAL**

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Questions?