



Value Stocks: 1 Dividend-Paying Asset Manager Set to Outperform

Description

Guardian Capital ([TSX:GCG](#)) provides investment management services and financial advisory services related to the retail distribution of mutual funds. Guardian manages the company's own investment capital and offers a [broad range of investment products](#) in Canada to government, university and corporate pension funds, unions, labour associations, taxable corporations, and to high-net-worth individual investors. It also provides investment advice to mutual funds and third-party wrap programs.

The Canadian investment management operation is carried on primarily through Guardian Capital LP, which provides institutional investment management, and Guardian Capital Advisors LP, which provides [private client investment management](#) from offices located in Toronto, Calgary, and Vancouver. In each case, these services are provided by teams of individual professional portfolio managers, supported by sophisticated administrative systems and support staff.

Fully competitive medium-sized firm

In these areas, Guardian ranks as a fully competitive medium-sized firm. Guardian also provides fundamental emerging markets and global equity investment management from the investment teams of GuardCap Asset Management Limited, through segregated investment accounts and mutual funds distributed in various parts of the world.

Additionally, Guardian Capital Real Estate manages a limited partnership with a diversified portfolio of direct Canadian real estate, with capital provided by Guardian and selected institutional and private clients. The management of Guardian's capital resources is performed through a number of wholly owned subsidiaries. Currently, some of Guardian's financial resources are invested in mutual or pooled funds, including the provision of capital to provide scale to attract third-party investors to Guardian's fund products throughout the world.

Effective risk controls

Investments are also held in marketable equity securities. Risk controls include extensive diversification by asset class and by holdings, and close attention is given to currency diversification. Corporate activities include general corporate, financial, human resources, legal, compliance and development services, provided to the other segments.

Guardian's institutional investment management services are provided by Guardian Capital, GuardCap Asset Management, Alta Capital Management, and Agincourt Capital Management, a Virginia-based fixed-income firm, and Guardian Capital Real Estate. The company serves pension plan sponsors, broker-dealer third-party platforms, insurance company segregated funds, exchange-traded funds and mutual funds, endowment funds, and foundations.

Diverse asset class offerings

Further, the company's capabilities span a range of asset classes, geographic region, and specialty mandates. These entities are the successors to Guardian's original investment management business, which was founded in 1962.

For Guardian, the year 2020 turned out to be a year of extremes, starting with the pandemic hitting all equity markets very hard in March. It then moved to outsized returns for a handful of technology stocks geared to a stay-at-home world, and to an aggressive rotation to value toward the end of the year. Guardian's institutional assets under management were \$42.5 billion at the end of 2020, up from \$27.9 billion at the end of 2019.

The largest contribution to the increase was the \$9.6 billion in American fixed-income assets added from the purchase of Agincourt on closing. Continued stability in the investment teams and organization, and strong client service and business development efforts, supported the business effectively in 2020.

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