

## GLUSKIN SHEFF + ASSOCIATES INC. ANNOUNCES FOURTH QUARTER AND FISCAL 2015 RESULTS

September 17, 2015

TORONTO, ONTARIO

Gluskin Sheff + Associates Inc. (the “Company”) announced today its results for the three months and the year ended June 30, 2015.

### Financial Highlights:

<i>(unaudited, \$ '000s except for AUM and per share amounts)</i>	3 Months Ended Jun 30, 2015	3 Months Ended Jun 30, 2014	Year Ended Jun 30, 2015	Year Ended Jun 30, 2014
Assets Under Management (\$ in millions)	\$ 8,516	\$ 7,485	\$ 8,516	\$ 7,485
Revenue:				
Base Management Fees	\$ 27,202	\$ 23,774	\$ 105,950	\$ 87,792
Performance Fees	10,412	54,084	54,961	156,510
Investment & Other Income	603	727	3,555	3,160
Total Revenue	\$ 38,217	\$ 78,585	\$ 164,466	\$ 247,462
Net Income	\$ 12,166	\$ 30,386	\$ 52,311	\$ 106,772
Amortization of Restricted Share Units (RSUs)	3,801	12,357	16,919	16,294
Other amortization	2,101	679	6,513	2,777
RSU portion of current period's Base bonus	(1,324)	(1,717)	(3,853)	(5,152)
Special RSU award	-	-	-	(3,750)
Stock option and post-retirement obligation	135	189	572	1,338
Performance fees net of related cash bonus	(7,895)	(42,030)	(38,333)	(117,441)
Provision for income taxes	4,396	12,129	20,017	40,722
Base EBITDA	\$ 13,380	\$ 11,993	\$ 54,146	\$ 41,560
Basic Earnings per Share	\$ 0.40	\$ 1.05	\$ 1.73	\$ 3.69
Diluted Earnings per Share	\$ 0.39	\$ 1.02	\$ 1.66	\$ 3.60

On August 1, 2014, the Company acquired Blair Franklin Asset Management Holdings Inc., the parent company of Blair Franklin Asset Management Inc. (collectively “Blair Franklin”). These results incorporate Blair Franklin’s results since acquisition, including acquisition and integration costs, and amortization of acquired intangibles. During the three months ended June 30, 2015, Blair Franklin contributed net income of \$1.1 million to the Company’s results, prior to amortization of \$0.9 million related to acquired intangibles. During the year ended June 30, 2015, Blair Franklin contributed net

income of \$5.0 million to the Company's results, prior to one time integration costs of \$0.4 million and amortization of \$3.4 million related to acquired intangibles.

The Company's revenues are derived from Base Management Fees, calculated as a percentage of Assets Under Management ("AUM"), Performance Fees, which are earned when the Company exceeds pre-specified rates of return, and Other Income.

During the quarter, AUM decreased by \$83 million to \$8.5 billion as at June 30, 2015, from \$8.6 billion as at March 31, 2015, due to negative net investment performance of \$25 million and net withdrawals of \$58 million. \$49 million in net withdrawals were from institutional clients and \$9 million in net withdrawals were from high net worth clients. Year-over-year AUM increased by \$1.0 billion due to the acquisition of Blair Franklin AUM of \$636 million, positive net investment performance of \$422 million partially offset by net withdrawals of \$27 million. \$81 million in net withdrawals from institutional clients were partially offset by \$54 million in net additions from high net worth clients.

Base Management Fees for the three months ended June 30, 2015, increased year-over-year to \$27.2 million from \$23.8 million as Average AUM for the quarter increased to \$8.6 billion from \$7.4 billion for the same quarter last year, and the average Base Management Fee Percentage decreased to 1.27% from 1.29%. Base Management Fees for the year ended June 30, 2015, increased year-over-year to \$106.0 million from \$87.8 million as Average AUM increased by \$1.5 billion over the same period, and the average Base Management Fee Percentage remained unchanged at 1.28%.

Performance Fees for the three months ended June 30, 2015, were \$10.4 million, compared to \$54.1 million for the three months ended June 30, 2014. Performance Fees for the year ended June 30, 2015, were \$55.0 million, compared to \$156.5 million for the year ended June 30, 2014.

Total expenses before tax for the three months ended June 30, 2015, decreased by \$14.4 million from the year-ago quarter. The decrease is due to the effect that the change in the timing of RSU amortization had on fourth quarter 2014 amortization expense, as well as lower bonus expense in the current quarter due to lower Performance Fees earned, partially offset by acquisition related intangible amortization of \$0.9 million, \$1.0 million related to the departure of an employee earlier in the year, and \$0.5 million related to derecognition of intangibles related to the acquisition. The absence of \$1.4 million incurred in the fourth quarter last year for transaction expenses related to the Blair Franklin acquisition was offset by higher data and research service costs and higher legal expenses. Total expenses before tax for the year ended June 30, 2015, decreased by \$7.8 million from the year-ago period, primarily due to an \$18.9 million decrease in cash bonus expense due to lower Performance Fees. Base salaries expense increased by \$5.4 million. This includes \$3.2 million in severance related to employee departures and \$2.2 million due to the inclusion of Blair Franklin employees. Expenses this year include \$3.4 million of amortization and \$0.5 million in derecognition expense relating to intangibles acquired through the acquisition, while last year's expenses included an expense accrual reversal of \$0.9 million.

Net income was \$12.2 million, and represented earnings per share, basic and diluted, of \$0.40 and \$0.39, respectively. Net income for the three months ended June 30, 2014, was \$30.4 million, and represented

earnings per share, basic and diluted, of \$1.05 and \$1.02, respectively. Net income for the three months ended June 30, 2014, includes the effect of a change in the timing of amortization of Restricted Share Units (RSUs). Without this change, net income would have been \$38.3 million, and basic and diluted earnings per share would have been \$1.33 and \$1.29 respectively. The decline in net income relates primarily to lower Performance Fees earned, net of related bonus expense. Net income for the year ended June 30, 2015, was \$52.3 million, and represented earnings per share, basic and diluted, of \$1.73 and \$1.66, respectively. Net income for the year ended June 30, 2014, was \$106.8 million, and represented earnings per share, basic and diluted, of \$3.69 and \$3.60, respectively. The decline in net income relates primarily to lower Performance Fees earned, net of related bonus expense, partially offset by the decrease in other expenses described above.

Base EBITDA eliminates the effect of Performance Fees, Performance Fee related expenses, post-retirement obligations, stock option expense and amortization of RSU awards, and deducts the dollar value of the base bonus RSUs to be awarded in respect of the current period and special RSUs awarded in the period. For the three months ended June 30, 2015, Base EBITDA increased year-over-year to \$13.4 million from \$12.0 million for the three months ended June 30, 2014, due to the increase in Base Management Fees, partially offset by the increase in non-amortization expenses previously described. For the year ended June 30, 2015, Base EBITDA increased to \$54.1 million from \$41.6 million in the year ago period due to the increase in Base Management Fees and the absence of the \$3.75 million charge in respect of the special RSU award granted in the year ago period, partially offset by the increases in non-amortization expenses previously described.

“Looking back on our 2015 fiscal year, we are pleased with our investment performance in the context of a challenging market environment, growth in our Assets Under Management, strong results in our base business, and continued emphasis on disciplined cost control and efficiency throughout our Company,” commented Jeremy Freedman, President & Chief Executive Officer. “Perhaps most importantly, with the addition of Peter Zaltz and the rest of the Blair Franklin Asset Management team, Tom Lewis, and other exceptional talent during the year, and subsequent to our year end, Jeff Burchell, and Dorothea Mell, we have assembled a world-class team, which is the strongest in our 31-year history. This gives me great confidence for the future.”

Gluskin Sheff + Associates Inc. is one of Canada’s pre-eminent wealth management firms, managing over \$8.5 billion on behalf of high net worth private clients, estates, trusts and institutional investors. Founded in 1984, the Firm is dedicated to providing our clients with a world-class experience in the management of their wealth by delivering strong, risk-adjusted returns together with the highest level of personalized client service. The Company's Common Shares are listed on the Toronto Stock Exchange under the symbol "GS". For more information about the Company, please visit our website at [www.gluskinsheff.com](http://www.gluskinsheff.com).

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*Non-IFRS Measures*

*Included in this press release are certain financial terms (including Base EBITDA and AUM) that the Company utilizes to assess the financial performance of its business that are not measures recognized under International Financial Reporting Standards (IFRS). These non-IFRS measures do not have any standardized meanings prescribed by IFRS and should not be considered alternatives to net income or any other measure of performance determined in accordance with IFRS. Therefore, these non-IFRS measures are unlikely to be comparable to similar measures presented by other issuers. For additional information regarding the Company's use of non-IFRS measures, including the calculation of these measures, please refer to the "Non-IFRS financial measures" section of the Company's Management's Discussion and Analysis and its financial statements available on the Company's website and on the SEDAR website located at [www.sedar.com](http://www.sedar.com).*