

## GLUSKIN SHEFF + ASSOCIATES INC. ANNOUNCES FIRST QUARTER FISCAL 2017 RESULTS

November 10, 2016

TORONTO, ONTARIO

Gluskin Sheff + Associates Inc. (the “Company”) announced today its results for the three months ended September 30, 2016.

### Financial Highlights:

<i>(unaudited, \$ '000s except for AUM and per share amounts)</i>	3 Months Ended	
	Sep 30, 2016	Sep 30, 2015
Assets Under Management (\$ in millions)	\$ 8,534	\$ 8,233
Revenue:		
Base Management Fees	\$ 26,741	\$ 27,017
Performance Fees	1,310	1,806
Investment & Other Income	542	1,028
Total Revenue	<u>\$ 28,593</u>	<u>\$ 29,851</u>
Net Income attributable to shareholders	\$ 7,364	\$ 7,226
Amortization of Restricted Share Units (RSUs)	2,516	4,028
Other amortization	1,497	1,613
RSU portion of current period's Base bonus	(757)	(795)
Special RSUs	(581)	(863)
Stock option and post-retirement obligation	127	103
Performance fees net of related cash bonus	(889)	(1,228)
Provision for income taxes	3,164	3,157
Base EBITDA	<u>\$ 12,441</u>	<u>\$ 13,241</u>
Basic Earnings per Share	\$ 0.25	\$ 0.24
Diluted Earnings per Share	\$ 0.24	\$ 0.23

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 increased by \$236 million to \$8.5 billion as at September 30, 2016, from \$8.3 billion as at June 30, 2016, due to positive net investment performance of \$306 million, partially offset by

net withdrawals of \$70 million from high net worth clients. Year-over-year AUM increased by \$301 million due to positive net investment performance of \$446 million, partially offset by net withdrawals of \$145 million. \$111 million in net withdrawals were from high net worth clients and \$34 million in net withdrawals were from institutional clients.

Base Management Fees for the three months ended September 30, 2016, decreased year-over-year to \$26.7 million from \$27.0 million as the increase in Average AUM for the quarter to \$8.5 billion from \$8.4 billion for the same quarter last year was offset by the decrease in average Base Management Fee Percentage to 1.25% versus 1.28% for the same period last year.

Performance fees for the three months ended September 30, 2016, were \$1.3 million, compared to \$1.8 million for the three months ended September 30, 2015.

Year-over-year, total expenses decreased \$1.4 million to \$18.1 million from \$19.5 million primarily due to partial recoveries of a charge recognized in the second quarter of fiscal 2016, relating to the tax treatment of certain transactions in two pooled funds, and lower bonus and restricted share unit amortization. These decreases were partially offset by increases in legal fees related to the Founders' arbitration and other consulting fees.

Net income for the three months ended September 30, 2016, was \$7.4 million, and represented earnings per share, basic and diluted, of \$0.25 and \$0.24, respectively. Net income for the three months ended September 30, 2015, was \$7.2 million, and represented basic and diluted earnings per share of \$0.24 and \$0.23, respectively.

Base EBITDA eliminates the effect of Performance Fees, Performance Fee related expenses, Founder retirement obligation expenses, 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. Base EBITDA was \$12.4 million for the three months ended September 30, 2016, compared with \$13.2 million in the year ago quarter due to lower Base Management Fees and other income.

“After one quarter as President & CEO of Gluskin Sheff, I am excited by the opportunities and challenges ahead of us and I feel fortunate to be working with such an exceptional, supportive and dedicated team,” commented Thomas MacMillan, President & Chief Executive Officer. “Together, we will continue to work tirelessly for the benefit of our shareholders and clients.”

Gluskin Sheff + Associates Inc. is one of Canada's pre-eminent wealth management firms, serving high net worth private clients, estates, trusts and institutional investors. Founded in 1984, the Firm is dedicated to providing clients with 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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*This press release may contain forward-looking statements relating to Gluskin Sheff + Associates Inc.'s business and the environment in which it operates. These statements are based on the Company's expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. These risks and uncertainties are discussed in the Company's regulatory filings available on the Company's website at [www.gluskinsheff.com](http://www.gluskinsheff.com) or at [www.sedar.com](http://www.sedar.com). Actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances, except as required by applicable law.*

*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).*