First Quarter Results | 2019

THREE MONTHS ENDED SEPTEMBER 30, 2018

Gluskin Sheff + Associates Inc. is one of Canada's pre-eminent wealth management firms. Founded in 1984 and serving high net worth private clients and institutional investors, we are dedicated to providing our clients with strong, risk-adjusted returns together with the highest level of personalized client service.

Report to Shareholders

First Quarter Ended September 30, 2018

As at September 30, 2018, Assets Under Management (AUM) was $8.9 billion, approximately 89% of which comprises high net worth clients. AUM decreased by $212 million or 2.3% from June 30, 2018, as a combination of net institutional withdrawals of $170 million and slower summer gross sales resulted in total net withdrawals of $247 million, which was partially offset by positive net investment performance of $35 million.

For the three months ended September 30, 2018, net income was $7.8 million, and represented earnings per share, basic and diluted, of $0.26 and $0.25, respectively. Net income for the three months ended September 30, 2017, was $5.8 million, and represented earnings per share, basic and diluted, of $0.19. Total revenues increased $0.8 million due primarily to an increase in Base Management Fees earned. Total expenses before tax decreased $0.9 million and income tax expense decreased $0.3 million.

Base Management Fees increased to $28.1 million for the three months ended September 30, 2018, versus $26.7 million in the prior period. Average AUM for the period increased to $9.0 billion from $8.9 billion for the same period last year. The average Base Management Fee Percentage for the period increased to 1.24% from 1.19% in the same period last year.

Total expenses decreased $0.9 million from the prior fiscal period. Compensation expense decreased $2.0 million due primarily to lower retirement and severances of $1.0 million, lower RSU amortization of $0.6 million, lower employee benefits of $0.2 million and a decrease in accrued bonuses of $0.2 million. General and Administrative expenses increased by $0.6 million due primarily to higher investment research and technology expenses.

Base EBITDA was $13.5 million, compared with $12.1 million for the year ago period due to higher Base Management Fees and lower operating expenses.

Global stock markets in calendar 2018 have been largely negative, with the notable exception of U.S. The U.S. market has had poor breadth, with 'FAANGM' stocks (Facebook, Amazon, Apple, Netflix, Google, Microsoft), contributing more than 50% of the S&P 500 index return. Closer to home, the Canadian equity market was up marginally through the end of September. Negative macro headlines have provided a consistent and sustained headwind to capital markets in 2018 – with trade wars, geopolitical uncertainty and rising government bond yields still lingering.

We have taken an active approach in concentrating our equity portfolios. We believe fundamental analysis and bottom-up stock picking will be of utmost importance, particularly as broader markets experience far more volatility than in years prior, as we have seen so far in October.

We have maintained our defensive posture across our fixed income and credit strategies. The broader bond universe is negative this year, with rising interest rates acting as a headwind for traditional fixed income investors. All fixed income portfolios have generated positive returns this year, and we are positioned to take advantage of opportunities in the credit market.

We continue to make excellent progress with strategic initiatives directed at providing clients with broader wealth management and wealth planning services. We are confident these services will continue to provide additional value and an enhanced experience for clients, while enabling us to strengthen relationships and gain a deeper understanding of their needs.

We are always looking for creative ways to incorporate our clients' views, thinking and expectations into everything we do and recently engaged a group of clients in a satisfaction survey administered by a third party consulting firm. We were excited to learn from the survey that financial planning, tax planning, and estate planning are highly valued services, reaffirming our strategic direction.

JEFF MOODY

President & Chief Executive Officer
November 14, 2018

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") for the three months ended September 30, 2018, is provided as of November 14, 2018. It should be read in conjunction with the unaudited interim condensed consolidated financial statements, including the notes thereto, of Gluskin Sheff + Associates Inc. for the three months ended September 30, 2018, the audited annual consolidated financial statements, including the notes thereto, of Gluskin Sheff + Associates Inc. for the years ended June 30, 2018, and 2017, and the related MD&As, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless the context indicates or requires otherwise, the terms "Gluskin Sheff," "Company," "Firm," "we," "us" and "our" mean Gluskin Sheff + Associates Inc. and its subsidiaries. Unless otherwise indicated, all dollar amounts in this MD&A are expressed in Canadian dollars.

Financial results, including related historical comparatives, contained in this MD&A, unless otherwise specified herein, are based on the unaudited interim consolidated financial statements for the three months ended September 30, 2018. The Canadian dollar is our functional and reporting currency for purposes of preparing the Company's audited annual consolidated financial statements. Certain totals, subtotals and percentages may not reconcile due to rounding. Certain comparative figures have been reclassified to conform to the current period's presentation.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements with respect to expected financial performance, strategy and business conditions. The words "believe," "anticipate," "could," "estimate," "expect," "intend," "may," "plan," "project," "will," "would," "aim" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Factors which may cause such differences include, but are not limited to, general economic and market conditions, investment performance, global and domestic financial markets, the competitive industry environment, legislative and regulatory changes, technological developments, catastrophic events and other business risks. The reader is cautioned against undue reliance on these forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management currently believes to be reasonable assumptions, we cannot assure that actual results, performance or achievements will be consistent with such statements. The forward-looking statements are made as of the date of this MD&A and will only be updated or revised where required by applicable laws.

NON-IFRS FINANCIAL MEASURES

We measure our business using a number of key performance indicators that are not measurements in accordance with IFRS and should not be considered as an alternative to Net Income or any other measure of performance under IFRS. Non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. We believe that these key performance indicators are important for a more meaningful presentation of our results of operations.

Assets Under Management

Any reference to Assets Under Management ("AUM") is only to our fee paying AUM, on which we charge Base Management Fees or receive Performance Fees and Performance Allocations (collectively "Performance Fees"). Performance fees AUM is calculated by totaling all the fee paying assets we manage. Performance allocations are net profit or net loss allocated to the Company as a General Partner on the funds structured as limited partnerships in the U.S. and Cayman Islands. Our non-fee paying AUM are charged either no or nominal fees. This measure may not be comparable to similar measures presented by other issuers. AUM will change from period to period as clients deposit or withdraw monies, and as their portfolios increase or decrease with net investment performance. We monitor the level of our AUM as it drives our Base Management Fees.

Net Investment Performance
Net investment performance is a key driver of AUM and is at the very core of what we do. Net investment performance is the return that we have achieved for our clients and is calculated as gross investment performance less all fees and expenses. The amount of Performance Fees and Base Management Fees we earn is related to both the level of our AUM and our net investment performance.

Net Additions or Net Withdrawals
AUM fluctuates due to the combination of net investment performance and net additions or net withdrawals (gross additions net of gross withdrawals). The resulting AUM is the basis on which Base Management Fees are charged and to which Performance Fees may be applied.

EBITDA
Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a common measure used in the financial industry by management, investors and investment analysts in understanding and comparing results of companies in the same industry by eliminating the impact of different financing methods, capital structures and income tax rates. Our method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, our EBITDA may not be comparable to similarly-titled measures used by other issuers.

Base EBITDA
Base EBITDA is EBITDA excluding Performance Fees and Performance Fee-related expenses, Founders- related obligations, stock options expense and amortization of restricted share unit ("RSU") awards, less the dollar value of base bonus RSUs to be awarded in respect of the current period and special RSUs awarded in the period. Base EBITDA allows us to measure the earnings generated by the Company excluding any revenue or expenses related to Performance Fees, and any non-cash compensation expenses such as stock options. It also allows us to assess our ongoing business operations, with adjustments to reflect the full base business bonus expense in the period to which it relates, irrespective of the allocation of the bonus between cash and RSUs, as well as by removing expenses that are not related to our core investment management operations, such as expenses related to post-retirement obligations and provisions.

Adjusted EBITDA
Adjusted EBITDA is Base EBITDA adjusted for Performance Fees, Performance Fee bonus and other expenses. The Performance Fee bonus includes the dollar value of RSUs to be awarded in respect of Performance Fees of the current period and excludes amortization of Performance Fee RSUs. Adjusted EBITDA allows us to measure earnings including Performance Fees net of Performance Fee bonuses. It allows us to do so on a basis which reflects the full Performance Fee bonus expense in the period to which it relates, irrespective of the allocation of the bonus between cash and RSUs.

Average AUM
Average AUM for a period is the simple average of the ending AUM for each month in that period. Base Management Fees are driven by the level of AUM and the Base Management Fee Percentage. Therefore, Average AUM is a useful measure in understanding the amount of Base Management Fees earned during a period, and when comparing one period against another.

Base Management Fee Percentage
Base Management Fee Percentage is calculated as the Base Management Fees for the period as a percentage of Average AUM for the period. Base Management Fees are driven by the level of AUM and the Base Management Fee Percentage. Therefore, Base Management Fee Percentage is a useful measure in understanding the amount of Base Management Fees earned during a period, and when comparing one period against another.

OVERVIEW

Gluskin Sheff + Associates Inc. is a wealth management firm whose primary business focus is managing assets on a discretionary basis for high net worth private clients. We also manage assets for a number of charitable foundations and institutions. We do not consider these different types of clients to be distinct reportable business segments for accounting purposes as we operate a single business with one fundamental philosophy.

Our revenues are derived mainly from Base Management Fees, calculated as a percentage of AUM, and Performance Fees. Performance Fees are comprised of performance fees and performance allocations. Performance fees are calculated annually as a percentage of the change in net asset values (net of Base Management Fees and other expenses) in each of our segregated accounts and private pooled fund vehicles above pre-specified rates of return, or rates of return adjusted for any deficiencies carried forward, as applicable. Performance allocations are net profit or net loss allocated to the Company as a General Partner on the funds structured as limited partnerships in the U.S. and Cayman Islands. Our Performance Fees are calculated annually at June 30 and December 31, depending upon the performance year-end of our segregated accounts and pooled fund vehicles. The Company may also earn Performance Fees upon the redemption of assets or the transfer of assets among portfolios. The Company may earn other income or incur losses from its cash balances and its investments, if any, which include any seeded portfolios, and from the economic research subscriptions.

AUM are impacted by net additions or net withdrawals of client capital, as well as by net investment performance. We seek to enhance our ability to attract and retain such assets by delivering solid investment returns together with a consistently high level of client service.

Gluskin Sheff's expenses include compensation (which contains a bonus component that may fluctuate significantly based upon the overall performance of the Company and the amount of Performance Fees earned), client wealth management, general and administrative and occupancy expenses, as well as the amortization of property and equipment and amortization of intangible assets.

FINANCIAL HIGHLIGHTS

($ in thousands of Canadian dollars, except per share amounts)

ASSETS UNDER MANAGEMENT *($ in millions)*	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017
Assets Under Management – Beginning of period	**$ 9,103**	**$ 8,886**
Net withdrawals	(247)	(30)
Net investment performance	35	67
Assets Under Management – End of period	**$ 8,891**	**$ 8,923**

INCOME STATEMENT INFORMATION	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017	$ CHANGE QTR-ON-QTR
Revenue			
Base management fees	$ 28,125	$ 26,671	$ 1,454
Performance fees	588	1,262	(674)
Other income	634	642	(8)
Reimbursement from pooled funds	945	874	71
Total Revenue	**30,292**	**29,449**	**843**
Total Expenses	**19,465**	**20,391**	**(926)**
Income before provision for income taxes	**10,827**	**9,058**	**1,769**
Provision for income taxes	2,993	3,257	(264)
Net income attributable to shareholders	**$ 7,834**	**$ 5,801**	**$ 2,033**
Basic earnings per share	**$ 0.26**	**$ 0.19**	**$ 0.07**
Diluted earnings per share	**$ 0.25**	**$ 0.19**	**$ 0.06**
Base EBITDA	**$ 13,491**	**$ 12,065**	**$ 1,426**
Adjusted EBITDA	**$ 13,824**	**$ 12,527**	**$ 1,297**

For the three months ended September 30, 2018:

- Net income was $7.8 million, and represented basic and diluted earnings per share of $0.26 and $0.25, respectively. Net income for the three months ended September 30, 2017, was $5.8 million, and represented earnings per share, basic and diluted, of $0.19. Total revenues increased $0.8 million and total expenses before tax decreased of $1.0 million. A lower effective tax rate year-over-year decreased the provision for income taxes by $0.3 million.
- AUM decreased to $8.9 billion as at September 30, 2018, from $9.1 billion as at June 30, 2018, as a combination of net institutional withdrawals of $170 million and slower summer gross sales resulted in total net withdrawals of $247 million, partially offset by positive net investment performance of $35 million. High net worth clients comprise 89% of AUM as at September 30, 2018, versus 87% as at June 30, 2018.
- Base Management Fees increased to $28.1 million this quarter versus $26.7 million in the year ago quarter. Average AUM for the quarter increased to $9.0 billion from $8.9 billion for the same quarter last year. The average Base Management Fee Percentage increased to 1.24% from 1.19% for the same quarter last year.
- Total expenses decreased $0.9 million from the prior fiscal period. Compensation expense decreased $2.0 million due primarily to lower retirement and severances of $1.0 million, lower RSU amortization of $0.6 million, lower employee benefits of $0.2 million and a decrease in accrued bonuses of $0.2 million. General and Administrative expenses increased by $0.6 million due primarily to higher investment research and technology expenses.
- The Company's effective tax rate for the three months ended September 30, 2018, decreased year-over-year to 27.6% from 35.9% due to lower dividends received by the Company on the treasury stock held by the RSU Trusts, which are taxable but not reflected in income for accounting purposes. The effective tax rate also decreased as the cost of treasury shares used

to settle RSUs that vested in the period, was higher than the accounting value of the RSUs vesting, versus a higher accounting value than cost in the year ago quarter. The cost of the treasury shares is deductible for tax purposes while the accounting value is used for accounting purposes and the difference between the amounts is a permanent tax difference.

- Base EBITDA was $13.5 million, compared with $12.1 million in the year ago quarter. The increase was primarily due to higher Base net income, and lower operating expenses.

MARKET OUTLOOK AND BUSINESS ENVIRONMENT

Calendar 2018 to date has proven to be incredibly challenging for investors around the globe, with a continuation of U.S.-China trade tensions, reducing monetary stimulus and slowing global growth have been key reasons for heightened levels of volatility. In these uncertain and volatile times, we are focused on delivering returns while managing down side risk. Our approach to risk management combined with our fundamental, bottom-up investment process should be rewarded as we progress later and later in this investment cycle.

SUMMARY FINANCIAL INFORMATION[1]

($ in thousands of Canadian dollars, except per share amounts and Assets Under Management)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION	AS AT SEP 30, 2018	AS AT JUN 30, 2018	AS AT SEP 30, 2017
Total assets	**$ 124,551**	**$ 139,058**	**$ 163,978**

INCOME STATEMENT INFORMATION	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017
Revenue		
Base management fees	$ 28,125	$ 26,671
Performance fees	588	1,262
Other income	634	642
Reimbursement from pooled funds	945	874
	30,292	**29,449**
Expenses		
Operating expenses	(11,881)	(12,435)
Provision for cash bonus	(3,843)	(4,104)
Amortization of RSUs	(1,585)	(2,160)
Other amortization	(2,156)	(1,692)
	(19,465)	**(20,391)**
Income before provision for income taxes	**10,827**	**9,058**
Provision for income taxes	(2,993)	(3,257)
Net income attributable to shareholders	**7,834**	**5,801**
Other amortization	2,156	1,692
Provision for income taxes	2,993	3,257
EBITDA	**$ 12,983**	**$ 10,750**
Basic earnings per share	**$ 0.26**	**$ 0.19**
Diluted earnings per share	**$ 0.25**	**$ 0.19**
SELECTED ADJUSTED FINANCIAL INFORMATION		
EBITDA	**$ 12,983**	**$ 10,750**
Provision for cash bonus	3,843	4,104
Stock option expense	-	375
Founders related obligations	39	36
EBITDA before compensation adjustment	**16,865**	**15,265**
Base cash bonus	(3,624)	(3,418)
Base RSU bonus	(597)	(680)
Amortization of RSUs	1,585	2,160
Special RSU award[2]	(150)	-
Performance fees	(588)	(1,262)
Base EBITDA	**13,491**	**12,065**
Performance fees	588	1,262
Performance fee cash bonus	(219)	(700)
Performance fee RSU bonus	(36)	(100)
Adjusted EBITDA	**$ 13,824**	**$ 12,527**

Notes:

1. *Certain of the comparative figures have been reclassified to conform with presentation adopted in the current period.*
2. *Represents special RSU awards granted in the period, net of the related bonus effect.*

RESULTS OF OPERATIONS

Overall Performance

For the three months ended September 30, 2018, the Company earned $0.26 and $0.25 per share, on a basic and diluted basis respectively, compared with $0.19 per share, basic and diluted, for the same period last year as net income increased to $7.8 million from $5.8 million. Total revenues increased by $0.8 million, expenses before income taxes decreased $0.9 million and income tax expense decreased by $0.3 million.

Base EBITDA was $13.5 million, compared with $12.1 million in the year ago quarter. The increase was primarily due to higher Base Management Fees and lower cash operating expenses.

Adjusted EBITDA for the three months ended September 30, 2018, increased by $1.3 million to $13.8 million from $12.5 million for the same period last year, due to the $1.4 million increase in Base EBITDA, partially offset by a decrease in net Performance Fees (Performance Fees, net of related bonus expense) of $0.1 million.

Revenue

Total revenue for the three months ended September 30, 2018, was $30.3 million versus $29.5 million in the year ago quarter.

Base Management Fees for the three months ended September 30, 2018, increased year-over-year by $1.5 million to $28.1 million from $26.7 million due to an increase in Average AUM of $0.1 billion to $9.0 billion and an increase in the average Base Management Fee Percentage to 1.24% from 1.19%.

Performance Fees for the three months ended September 30, 2018, was $0.6 million versus $1.3 million in the year ago quarter.

Other income for the three months ended September 30, 2018, was unchanged at $0.6 million versus the year ago quarter.

Reimbursement from pooled funds for the three months ended September 30, 2018, was $1.0 million versus $0.9 million in the year ago quarter.

Expenses

Total expenses for the three months ended September 30, 2018, decreased year-over-year by $0.9 million to $19.5 million from $20.4 million.

Compensation expense for the three months ended September 30, 2018, decreased year-over-year by $2.0 million to $11.0 million from $13.0 million primarily due to lower: retirement and severances of $1.0 million, RSU amortization of $0.6 million, employee benefits of $0.2 million and accrued bonuses of $0.2 million.

A portion of bonuses is paid in the form of RSUs and a portion is paid in cash. The bonus expense reflects the cash component of the current period's bonus and the amortization of RSUs granted in respect of bonus awards from the current and prior years. Bonus RSUs are amortized over approximately four years using a graded vesting methodology, commencing in the year in respect of which the RSUs are granted.

The ratio of the bonuses paid in RSUs versus cash is dependent on the amount of the bonus awarded to each employee, and increases with the size of the award. The total annual bonus amounts are not known until the end of the fiscal year. Therefore, the calculation of bonus expensed in each interim quarter of the Company's fiscal year requires an estimate of the percentage that will be paid in cash versus RSUs. The estimated cash percentage used in calculating the first fiscal quarter's bonus was 86% (September 30, 2017 – 80%).

Client wealth management expenses for the three months ended September 30, 2018, remained unchanged at $0.7 million year-over-year as lower donations expense were offset by increases in the number of client events held.

General and administrative expenses for the three months ended September 30, 2018, increased year-over-year by $0.6 million to $4.8 million from $4.2 million due primarily to higher investment research and technology expenses.

Occupancy costs for the three months ended September 30, 2018, remained unchanged year-over-year at $0.9 million.

Year-over-year, amortization of property and equipment for the three months ended September 30, 2018, remained flat at $0.4 million from the three months ended September 30, 2017.

Amortization of intangible assets for the three months ended September 30, 2018, increased to $1.8 million from $1.3 million year-over-year due primarily to higher derecognition of client relationship intangible assets.

Tax Rates

The Company's effective tax rate for the three months ended September 30, 2018, decreased to 27.6% from 35.9% in the same period last year due to lower dividends received by the Company on the treasury stock held by the RSU Trusts, which are taxable but not reflected in income for accounting purposes.

The effective tax rate also decreased as the cost of treasury shares used to settle RSUs that vested in the period, was higher than the accounting value of the RSUs vesting, versus a higher accounting value than cost in the year ago quarter. The cost of the treasury shares is deductible for tax purposes while the accounting value is used for accounting purposes and the difference between the amounts is a permanent tax difference.

Accounts Receivable

The Company's accounts receivable at September 30, 2018, and June 30, 2018, consisted primarily of amounts attributable to Base Management Fees and Performance Fees.

Dividends

On September 20, 2018, the Company declared a regular dividend of $0.25 per equity share relating to the quarter ended June 30, 2018. This dividend was paid on October 12, 2018, to shareholders of record at the close of business on October 2, 2018.

On November 14, 2018, the Company declared a regular dividend of $0.25 per equity share relating to the quarter ended September 30, 2018. This dividend will be paid on December 5, 2018, to shareholders of record at the close of business on November 26, 2018.

Since going public in May 2006, the total regular quarterly and special dividends are as follows:

	REGULAR QUARTERLY DIVIDENDS	SPECIAL DIVIDENDS	TOTAL
Paid – since inception to September 30, 2018	$ 8.14	$ 9.57	$ 17.71
Declared – in the first quarter of fiscal 2019, paid October 12, 2018	0.25	-	0.25
Declared – in the second quarter of fiscal 2019, payable December 5, 2018	0.25	-	0.25
TOTAL PER EQUITY SHARE	**$ 8.64**	**$ 9.57**	**$ 18.21**

SUMMARY OF QUARTERLY RESULTS

The following quarterly financial information was taken from the Company's unaudited quarterly reports to shareholders. This information is consistent with the audited annual consolidated financial statements of the Company.

SUMMARY FINANCIAL INFORMATION FOR THE LAST EIGHT QUARTERS

($ in thousands of Canadian dollars, except per share amounts and Assets Under Management)

	AS AT DEC 31, 2016	AS AT MAR 31, 2017	AS AT JUN 30, 2017	AS AT SEP 30, 2017	AS AT DEC 31, 2017	AS AT MAR 31, 2018	AS AT JUN 30, 2018	AS AT SEP 30, 2018
Assets Under Management *($ in millions)*	**$ 8,739**	**$ 8,873**	**$ 8,886**	**$ 8,923**	**$ 8,978**	**$ 8,949**	**$ 9,103**	**$ 8,891**

	3 MONTHS ENDED DEC 31, 2016	3 MONTHS ENDED MAR 31, 2017	3 MONTHS ENDED JUN 30, 2017	3 MONTHS ENDED SEP 30, 2017	3 MONTHS ENDED DEC 31, 2017	3 MONTHS ENDED MAR 31, 2018	3 MONTHS ENDED JUN 30, 2018	3 MONTHS ENDED SEP 30, 2018
INCOME STATEMENT INFORMATION								
Revenue								
Base management fees	$ 26,612	$ 26,141	$ 27,058	$ 26,671	$ 27,688	$ 27,382	$ 27,855	$ 28,125
Performance fees	37,431	547	3,922	1,262	28,404	580	1,332	588
Other income	539	606	590	642	636	725	723	634
Reimbursement from pooled funds	875	863	881	874	905	903	915	945
	$ 65,457	$ 28,157	$ 32,451	$ 29,449	$ 57,633	$ 29,590	$ 30,825	$ 30,292
Net income	**24,004**	**6,001**	**5,807**	**5,801**	**19,095**	**6,903**	**5,859**	**7,834**
Base EBITDA	**10,848**	**10,779**	**9,402**	**12,065**[1]	**12,635**[1]	**11,320**[1]	**11,352**[1]	**13,491**
Adjusted EBITDA	**33,236**	**11,105**	**11,747**	**12,527**	**28,758**	**11,661**	**11,119**	**13,824**
Basic earnings per share	**$ 0.80**	**$ 0.20**	**$ 0.19**	**$ 0.19**	**$ 0.63**	**$ 0.23**	**$ 0.19**	**$ 0.26**
Diluted earnings per share	**$ 0.78**	**$ 0.19**	**$ 0.19**	**$ 0.19**	**$ 0.61**	**$ 0.22**	**$ 0.19**	**$ 0.25**

Performance Fees contribute significantly to the variability of income quarter-over-quarter since, from a timing perspective, they are recognized primarily in December (for certain pooled fund vehicles) and June (for other pooled fund vehicles and segregated accounts) and because the level of Performance Fees is dependent on the investment performance of the underlying portfolios.

Note:
1. *Certain of the comparative figures have been reclassified to conform with presentation adopted in the current period.*

SUMMARY OF PORTFOLIO AUM AND PERFORMANCE

For the period ended September 30, 2018
($ in millions of Canadian dollars)

Annualized Net Rates of Return[1]

INVESTMENT STRATEGIES	INCEPTION DATE	AUM $	CALENDAR YEAR-TO-DATE[2]	1 YEAR %	3 YEAR %	5 YEAR %	10 YEAR %	SINCE INCEPTION[11] %
Equity[3]								
Premium Income[5]	JUL 2001	1,484	1.2	5.1	7.3	6.7	8.0	11.5
Canadian Equity[5]	JAN 1991	176	4.2	9.7	11.7	8.7	6.1	11.2
U.S. Equity Fund[10]	AUG 2011	1,102	8.6	13.4	10.0	14.0	–	16.2
U.S. Equity Fund II[10, 11]	FEB 1986	42	9.3	14.6	7.8	12.6	10.4	9.9
Resource Fund	AUG 2009	102	0.5	5.1	12.0	2.3	–	4.5
International[4, 6]	AUG 2008	792	-2.1	2.0	5.3	7.2	6.5	5.6
		3,698						
Equity Alternative								
Enhanced Preferred Share Fund	JAN 2016	126	1.1	2.5	–	–	–	5.5
Global Special Situations Fund	APR 2017	627	6.6	13.2	–	–	–	9.6
		753						
Fixed Income & Credit Alternative								
Tactical Fixed Income II[7]	JUN 2013	1,809	1.9	2.6	4.3	3.8	–	3.7
Blair Franklin Global Credit Fund	MAR 2004	1,441	1.1	1.8	5.3	5.4	9.9	11.1[9]
Enhanced Yield[4, 6]	FEB 2009	246	4.5	4.7	4.6	3.9	–	5.3
Credit Arbitrage[6]	JAN 2009	98	0.7	1.4	3.6	3.1	–	5.2
Enhanced Bond[6]	DEC 2008	355	1.3	2.2	2.8	3.0	–	4.8
		3,949						
Segregated Institutional & Special Mandates[12]		**491**						
Assets Under Management		**8,891**						

Notes:

1. *Past performance is not necessarily indicative of future returns. Performance is presented net of fees and expenses and assumes reinvestment of all dividends and income.*
2. *Calendar year-to-date returns are non-annualized.*
3. *Where, for a particular portfolio model, we manage both a pooled fund and segregated accounts, we have measured the performance of whichever has been in operation the longest to represent the overall performance of the portfolio model. AUM reflects all Assets Under Management, both in pooled fund vehicles and segregated accounts.*
4. *The performance presented includes the historical returns of the incubated versions of each respective portfolio, prior to it being offered to Gluskin Sheff clients.*
5. *The returns presented for this strategy represent the returns of a composite of segregated portfolios. The returns of the associated fund are not included in the composite returns.*
6. *The returns presented are those of the GS+A fund, Series A.*
7. *The returns presented are those of the GS+A Tactical Fixed Income Fund II, Series A.*
8. *Calendar year-to-date returns are non-annualized.*
9. *The since inception annualized returns are for the Blair Franklin Global Credit Fund's inception date of March 1, 2004. As of March 1, 2006, the Blair Franklin Global Credit Fund's focus moved to fixed income and the since inception return since that time is 11.9%.*
10. *Effective July 1, 2015, the GS+A U.S. Premium Income Fund was renamed GS+A U.S. Equity Fund and the GS+A U.S. Equity Fund was renamed GS+A U.S. Equity Fund II. Certain changes were made to harmonize the investment strategies and objectives of these funds.*
11. *Up to January 1, 2015, the returns presented are those of the composite of segregated portfolios following the U.S. Equity strategy. On January 1, 2015, the segregated accounts moved to the U.S. Premium Income strategy. On July 1, 2015, the strategy of GS+A U.S. Equity II was harmonized with that of GS+A U.S. Equity Fund, with no hedging of foreign currency. The return of the fund since July 1, 2015, is 7.8% (annualized).*
12. *Includes Institutional Canadian Equity models ($19 million) and institutional mandates managed primarily in accordance with our Premium Income portfolio model ($276 million), our Growth portfolio model ($3 million), and our Credit Arbitrage portfolio model ($76 million), and private client mandates managed primarily in accordance with a combination of our Canadian Equity and Premium Income portfolio models ($4 million), and other special mandates ($113 million). All numbers are approximate.*

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all information required to be disclosed by the Company is recorded, processed, summarized and reported within required time periods and that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management of the Company has ensured that internal controls over DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer by others, and information required to be disclosed by the Company in its interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

Management of the Company has ensured that internal controls over financial reporting ("ICFR") have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no changes in ICFR in the most recent quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

SIGNIFICANT ACCOUNTING ESTIMATES

A summary of significant accounting policies underlying the financial statements is presented in note 1 of the Company's audited annual consolidated financial statements for the year ended June 30, 2018. Accounting policies are an integral part of our financial statements, which are prepared in accordance with IFRS. Understanding these policies is a key factor in understanding our reported results of operations and financial position. Certain critical accounting policies require us to make estimates and assumptions that affect the amount of assets, liabilities, revenues and expenses reported in the financial statements. Due to their nature, estimates involve judgments based on available information. Therefore, actual results or amounts could differ from estimates and the difference could have a material impact on the financial statements. Management has made the following critical accounting assumption and estimates:

Bonus Expense

A portion of the bonus pool is paid in the form of RSUs and a portion is paid in cash. The ratio of bonuses to be paid in RSUs versus cash is dependent on the amount of the bonus awarded to each employee and increases with the size of the award. The total annual bonus amounts are not known until the end of the fiscal year. Therefore, the calculation of bonus expensed in each interim quarter of the Company's fiscal year requires an estimate of the percentage that will be paid in cash versus RSUs. At the end of the fiscal year, the cash bonus expense is adjusted to reflect the actual ratio of bonuses to be paid in cash versus RSUs. RSUs granted in relation to bonus awards for a specified year are granted early in the fiscal year following the year to which the bonus relates. The cost of the RSUs are reflected in salaries and benefits using a graded vesting methodology over approximately four years, commencing at the beginning of the fiscal year to which the award relates.

Deferred Income Tax Assets and Liabilities

Deferred income tax assets are recognized for unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. In addition, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

A deferred income tax liability has been recorded in respect of intangible assets acquired as a result of the acquisition of Blair Franklin.

Goodwill Impairment Test
The determination of cash generating units (CGU) for goodwill impairment purposes requires judgement. As described in Note 4 of the Company's June 30, 2018 audited annual consolidated financial statements, the Company has identified CGUs as individual client accounts, which were grouped together for goodwill impairment assessment and testing purposes.

MANAGING RISKS

Gluskin Sheff is exposed to a number of risks that are inherent in the investment management industry.
The following risks are noted, and they are described in greater detail in the Company's Annual Information Form.
Risk factors related to the Company:

- Changes in the securities markets
- Poor investment performance
- Loss of key employees
- Changes in the investment management industry
- Competitive pressures
- Failure to manage risks in our portfolio models
- Rapid changes in our AUM
- Litigation risks
- Employee errors or misconduct
- Failure to implement effective information security policies, procedures and capabilities
- Failure to implement effective and efficient technologies
- Failure to implement effective and efficient cyber security policies and training
- Failure to develop effective business resiliency plans and information technology recovery plans
- Failure to comply with government regulations
- Failure to maintain adequate insurance coverage on favourable economic terms

The foregoing risk factors are mitigated to the extent possible and practical from a cost and perceived benefit perspective by senior management's direct involvement in the day-to-day operation of the business. Members of senior management meet regularly to address business issues, consider new risks to the business and chart the direction of the Company in terms of new product development, marketing initiatives and strategic direction. Management has regular access to information deemed critical to the ongoing monitoring of the Company's performance and key business metrics in order to consider a change in operational plans or strategic direction as considered appropriate in the circumstances.

The Company also maintains an appropriate system of internal controls and procedures to safeguard assets, control expenses and ensure that financial reporting is accurate and reliable.

The Company believes confidentiality is essential to the success of the business and strives to consistently maintain the highest standards of trust, integrity and professionalism. Account information is kept under strict control in compliance with all applicable laws, and physical, procedural and electronic safeguards are maintained in order to protect this information from access by unauthorized parties.

Due to the Company's reliance on information technology systems for storing, processing and maintaining client and company data, and managing client assets, the Company pays particular attention to cyber security risks. The wealth management industry has also put a focus on cyber risks, including the risk of loss or exposure of client information, fraudulent transactions, hacking or phishing attempts, or attacks that would reduce the Company's ability to continue managing client assets in a timely manner. Cyber breaches could result in reputational harm, trading losses, lost revenues or losses due to unauthorized transactions, among others. The Company's Risk Management Committee, overseen by the Audit & Risk Committee, oversees cyber risks. Cyber security policies and training are in place for all staff. In addition, the Company has an incident response plan in place to respond to a breach, general liability and fraud insurance coverage to cover financial losses due to fraudulent transactions, and cyber insurance to cover data breach related costs.

The Company's investment performance is monitored on an ongoing basis, including a review of trends and activity in the capital markets. The Company has a disciplined investment approach, which is the foundation of its investment philosophy and methodology for investing in capital markets.

Finally, the Company maintains appropriate insurance coverage for general business liability risks. Insurance coverage is reviewed at least annually, or whenever there is a significant change in the Company's operations or risk profile.

CORPORATE GOVERNANCE

The objective of good corporate governance is to enhance value for all stakeholders over the long term by aligning the interests of our Company with the interest of our stakeholders.

The Board of Directors (the "Board") and the Company's management have designed our corporate governance policies and practices to ensure that we are focused on our responsibilities to our stakeholders and on creating long-term shareholder value. Our practices and policies comply with regulations and guidelines established by Canadian securities regulators. We continuously monitor all proposed new rules and modify our policies and practices to meet any additional requirements. The Company has adopted the following significant governance practices:

- As at September 30, 2018, the Board consisted of seven directors, six of whom were independent. The independent directors are not employees of the Company or parties to material contracts with the Company and are only entitled to directors' fees. The Company believes that the size and composition of the Board are well suited to the circumstances of the Company.
- Nancy H.O. Lockhart serves as the Chair of the Board.
- The independent directors meet without management present at the end of each regularly scheduled board meeting. All Board members can and do interact with management on a regular basis.
- There is a minimum share ownership requirement for all non-employee directors. Each of these directors is required to accumulate shareholdings representing two times their annual Director retainer, measured at cost, by the third anniversary of becoming a director. They may elect to receive up to a maximum of 100% (subject to a minimum of 50%) of their fees in the form of DSUs in lieu of a cash payment.
- The memberships of the Audit and Risk Committee and the Compensation, Nominating and Governance Committee, sub-committees reporting to the Board, are exclusively composed of independent directors.
- The Audit and Risk Committee is chaired by V. Ann Davis, FCPA, FCA, who has extensive financial experience, as do the other Audit and Risk Committee members. This Committee assists the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls over financial reporting, and risk management.
- The Compensation, Nominating and Governance Committee is chaired by Paul M. Beeston, CM. This Committee is responsible for administering the Company's compensation policy, for evaluating and nominating qualified Company directors and for developing the Company's approach to corporate governance issues.

RELATED PARTY TRANSACTIONS

There were no changes to the nature and extent of related party transactions entered into by the Company in the three months ended September 30, 2018. For further information, refer to note 6 of the Company's September 30, 2018, unaudited interim condensed consolidated financial statements.

SHARE CAPITAL

The Company has a Normal Course Issuer Bid (NCIB) in place where up to 2,782,596 of the Company's Common Shares, or 10% of the Company's public float as of January 31, 2018, could be repurchased over the twelve month period beginning February 16, 2018 and ending February 15, 2019. The number of Common Shares that could be repurchased pursuant to the NCIB was subject to a daily maximum of 25,219 Common Shares, subject to the Company's ability to make purchases in accordance with the "block purchase exemption" of the TSX rules. Purchases are made at market prices through the facilities of the TSX. Any Common Shares purchased by the Company will be cancelled. During the three months ended September 30, 2018, the Company did not repurchase any Common Shares under the NCIB (September 30, 2017 – no repurchases under previous NCIBs).

During the three months ended September 30, 2018, no stock options were exercised.

The number of issued and outstanding shares includes Common Shares acquired in the open market by various trusts established by the Company for the benefit of the RSU plan participants, which are described in note 10 to the unaudited interim condensed consolidated financial statements for the three months ended September 30, 2018.

The number of outstanding stock options as at September 30, 2018, was 250,000, of which 149,999 were exercisable.

OTHER INFORMATION

Additional information relating to Gluskin Sheff + Associates Inc. is also available on SEDAR at www.sedar.com.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

($ in thousands of Canadian dollars)

	AS AT SEP 30, 2018	AS AT JUN 30, 2018
ASSETS		
Current assets		
Cash	$ 10,652	$ 5,432
Short-term investments (note 4)	18,756	35,883
Accounts receivable (note 6)	12,057	13,566
Income taxes receivable (note 12)	2,139	–
Prepaid expenses and other assets	1,978	1,966
	45,582	**56,847**
Non-current assets		
Restricted cash (note 4, 7 and 10)	3,717	3,592
Prepaid equity forwards (note 4 and 10)	2,834	3,119
Property and equipment	15,265	15,250
Intangible assets (note 2)	17,965	19,767
Goodwill (note 3)	39,188	39,188
Deferred income taxes, net (note 12)	–	1,295
	78,969	**82,211**
Total assets	**$ 124,551**	**$ 139,058**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5, 6 and 10)	$ 10,864	$ 7,566
Dividends Payable	7,616	–
Post-retirement obligations (note 7)	500	500
Accrued bonuses (note 13)	3,995	24,695
Income taxes payable (note 12)	–	906
	22,975	**33,667**
Non-current liabilities		
Long-term liabilities (note 10)	3,755	3,868
Accrued bonuses (note 13)	–	1,111
Post-retirement obligations (note 7)	4,259	4,345
Deferred income taxes, net (note 12)	490	–
	8,504	**9,324**
	$ 31,479	**$ 42,991**
SHAREHOLDERS' EQUITY		
Share capital (note 8)	$ 66,356	$ 66,356
Treasury stock (note 9)	(13,006)	(18,537)
Contributed surplus	19,985	28,513
Retained earnings	23,250	23,248
Accumulated other comprehensive loss	(3,513)	(3,513)
	93,072	**96,067**
Total liabilities and shareholders' equity	**$ 124,551**	**$ 139,058**

The accompanying notes are an integral part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

($ in thousands of Canadian dollars, except per share amounts)

	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017
REVENUE		
Base management fees (note 6)	$ 28,125	$ 26,671
Performance fees (note 6)	588	1,262
Other income (note 5)	634	642
Reimbursements from pooled funds (note 6)	945	874
	30,292	**29,449**
EXPENSES		
Compensation (note 7, 10 and 13)	10,990	12,961
Client wealth management (note 14)	658	654
General and administrative (note 6, 10 and 15)	4,762	4,194
Occupancy (note 16)	899	890
Amortization of property and equipment	354	363
Amortization and derecognition of intangible assets (note 2)	1,802	1,329
	19,465	**20,391**
Income before provision for income taxes	**$ 10,827**	**$ 9,058**
Provision for income taxes (note 12)		
Current income taxes	1,641	160
Deferred income taxes	1,352	3,097
	2,993	**3,257**
Net income attributable to shareholders	**$ 7,834**	**$ 5,801**
Net income attributable to shareholders per Common Share:		
Basic earnings per share (note 11)	**$ 0.26**	**$ 0.19**
Diluted earnings per share (note 11)	**$ 0.25**	**$ 0.19**

The accompanying notes are an integral part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

($ in thousands of Canadian dollars)

	3 MONTHS ENDED SEP 30, 2018					
	SHARE CAPITAL	TREASURY STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL EQUITY
Beginning of period	**$ 66,356**	**$ (18,537)**	**$ 28,513**	**$ 23,248**	**$ (3,513)**	**$ 96,067**
Net income attributable to shareholders	–	–	–	7,834	–	7,834
Amortization of restricted share units (note 10)	–	–	1,585	–	–	1,585
Purchase of treasury stock (note 9 and 10)	–	(4,367)	–	–	–	(4,367)
Vesting of restricted share units (note 9 and 10)	–	9,898	(9,898)	–	–	–
Deferred income tax for dividends-in-kind (note 12)	–	–	(432)	–	–	(432)
Quarterly dividend (note 17)	–	–	217	(7,832)	–	(7,615)
End of period	**$ 66,356**	**$ (13,006)**	**$ 19,985**	**$ 23,250**	**$ (3,513)**	**$ 93,072**

	3 MONTHS ENDED SEP 30, 2017					
	SHARE CAPITAL	TREASURY STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL EQUITY
Beginning of period	**$ 66,356**	**$ (24,511)**	**$ 33,985**	**$ 62,237**	**$ (3,546)**	**$ 134,521**
Net income attributable to shareholders	–	–	–	5,801	–	5,801
Amortization of restricted share units (note 10)	–	–	2,523	–	–	2,523
Forfeiture of restricted share units (note 10)	–	–	(362)	–	–	(362)
Amortization of stock options (note 10)	–	–	375	–	–	375
Purchase of treasury stock (note 9 and 10)	–	(6,883)	–	–	–	(6,883)
Vesting of restricted share units (note 9 and 10)	–	16,455	(16,455)	–	–	–
Deferred income tax for dividends-in-kind (note 12)	–	–	(54)	–	–	(54)
Special dividend (note 17)	–	–	766	(26,646)	–	(25,880)
Quarterly dividend (note 17)	–	–	191	(7,803)	–	(7,612)
End of period	**$ 66,356**	**$ (14,939)**	**$ 20,969**	**$ 33,589**	**$ (3,546)**	**$ 102,429**

The accompanying notes are an integral part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

($ in thousands of Canadian dollars)

CASH PROVIDED BY (USED IN)	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017
OPERATING ACTIVITIES		
Net income attributable to shareholders for the period	$ 7,834	$ 5,801
Changes in restricted cash	(125)	(2)
Adjustments for non-cash items		
Amortization of property and equipment	354	363
Amortization and derecognition of intangible assets (note 2)	1,802	1,329
Change in unrealized foreign exchange gains/losses on cash balances	18	2
Post-retirement obligations (note 7)	39	36
Deferred income taxes (note 12)	1,352	3,097
Deferred share units expense (note 10)	(122)	570
Amortization of restricted share units (note 10)	1,585	2,161
Stock option expense (note 10)	–	375
Change in unrealized (gain)/loss on prepaid equity forward (note 10)	285	(337)
Cash provided by operating activities before changes in working capital items	**13,023**	**13,395**
Net change in working capital items (note 18)	(20,176)	(27,414)
Cash provided by (used in) operating activities	**(7,153)**	**(14,019)**
INVESTING ACTIVITIES		
Purchases of property and equipment	(369)	(110)
Sale of property and equipment	–	–
Purchases of short-term investments	(81,325)	(50,415)
Sales of short-term investments	98,452	89,288
Cash provided by (used in) investing activities	**16,758**	**38,763**
FINANCING ACTIVITIES		
Acquisition of treasury stock (note 9 and 10)	(4,367)	(6,883)
Cash provided by (used in) financing activities	**(4,367)**	**(6,883)**
Change in unrealized foreign exchange gains/losses on cash balances	(18)	(2)
Increase in cash during the period	**5,220**	**17,859**
Cash – beginning of period	**5,432**	**21,685**
Cash – end of period	**$ 10,652**	**$ 39,544**

Supplemental Information		
Income taxes paid	$ 4,686	$ 4,049

The accompanying notes are an integral part of these financial statements.

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2018 and 2017
($ in thousands in Canadian dollars, except per share amounts and options exercise prices)

NATURE OF BUSINESS AND ORGANIZATION

Gluskin Sheff + Associates Inc. and its subsidiaries (collectively, the "Company") provides discretionary investment management services to high net worth private clients and institutional investors in Canada and abroad. The Company is an Ontario incorporated corporation that is listed on the Toronto Stock Exchange ("TSX") and trades under the symbol "GS". Its registered office is at Bay Adelaide Centre, 333 Bay Street, Suite 5100, Toronto, Ontario, M5H 2R2.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed consolidated financial statements were prepared by management in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using the same accounting policies as those used in the Company's audited annual consolidated financial statements for the year ended June 30, 2018 except as stated under "Changes in Accounting Policies". Accordingly, certain financial information and disclosure normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed in these unaudited interim condensed consolidated financial statements.

The unaudited interim condensed consolidated financial statements of the Company for the three months ended September 30, 2018, were authorized for issue by a resolution of the Board of Directors on November 14, 2018.

Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis and historical cost basis, except for certain financial instruments and Deferred Share Units ("DSU"), which have been measured at fair value.

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. In these notes to the unaudited interim condensed consolidated financial statements, all dollar amounts are stated in thousands, unless otherwise noted. Per share amounts and option exercise prices are stated in dollars and cents.

Principles of Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of Gluskin Sheff + Associates Inc., any subsidiaries, other controlled entities, and trusts established for the participants of the Company's Restricted Share Unit ("RSU") Plan. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Since the end of the last reporting period on June 30, 2018, the Company deconsolidated FY2014 RSU Trust and consolidated FY2018 RSU Trust in these unaudited interim condensed consolidated financial statements. The shares owned by FY2018 RSU Trust are accounted for as treasury stock.

Significant Accounting Judgments and Estimates
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the amounts of income and expenses during the reporting periods. Actual results could differ from those estimates and the difference could be material. Management believes that the potential significant areas where judgment is necessarily applied are those which relate to:

(i)Bonus Expense
A portion of the bonus pool is paid in the form of RSUs and a portion is paid in cash. The ratio of bonuses to be paid in RSUs versus cash is dependent on the amount of the bonus awarded to each employee and increases with the size of the award. The total annual bonus amounts are not known until the end of the fiscal year. Therefore, the calculation of bonus expensed in each interim quarter of the Company's fiscal year requires an estimate of the percentage that will be paid in cash versus RSUs. At the end of the fiscal year, the cash bonus expense is adjusted to reflect the actual ratio of bonuses to be paid in cash versus RSUs. RSUs granted in relation to bonus awards for a specified year are granted early in the fiscal year following the year to which the bonus relates. The cost of the RSUs are reflected in salaries and benefits using a graded vesting methodology over approximately four years, commencing at the beginning of the fiscal year to which the award relates.

(ii) Deferred Income Tax Assets and Deferred Income Tax Liabilities
Deferred income tax assets are recognized for unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. In addition, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

A deferred income tax liability has been recorded in respect of intangible assets acquired as a result of the acquisition of Blair Franklin.

(iii) Goodwill Impairment Test
The determination of cash generating units (CGU) for goodwill impairment purposes requires judgment. As described in Note 3, the Company has identified CGUs as individual client accounts, which were grouped together for goodwill impairment assessment and testing purposes.

Changes in Accounting Policies
There were no changes in accounting policies in fiscal 2018.
The Company adopted IFRS 9 *Financial Instruments* ["IFRS 9"] replacing IAS 39 Financial Instruments ["IAS 39"] in its consolidated financial statements, effective July 1, 2018. IFRS 9 provides a new approach for the classification of financial assets, which shall be based on the cash flow characteristics of the asset and the business model of the portfolio in which the asset is held. The impairment model will be an expected credit loss model which will apply to all financial instruments and require more timely recognition of expected losses.

Under IFRS 9, financial assets are classified as either fair value through profit or loss ["FVPL"], fair value through other comprehensive income ["FVOCI"] or amortized cost and financial liabilities are categorized as either FVPL or amortized cost. For financial liabilities designated as FVPL, IFRS 9 requires the presentation of the effects of changes in the liability's credit risk in other comprehensive income instead of net income.

The company classifies its financial assets as fair value through profit and loss ("FVPL"), fair value through other comprehensive income ("FVOCI") and amortized cost according to the company's business objectives for managing the financial assets and based on the contractual cash characteristics of the financial assets. The company classifies its financial liabilities as amortized cost or FVPL.

- Financial instruments classified as FVPL are initially recognized at their fair value and are subsequently measured at fair value at each reporting date. Gains and losses recorded on each revaluation date are recognized in the profit or loss.
- Financial instruments classified as FVOCI are initially recognized at their fair value plus transactions costs and are subsequently measured at fair value at each reporting date.

- Financial instruments classified as amortized cost are initially recognized at their fair value and are subsequently measured at amortized cost using the effective interest method.

The following table presents the types of financial instruments held by the Company within each financial instrument classification under IAS 39 and IFRS 9.

Financial Instrument Type	Classification	
	IAS 39	IFRS 9
Cash and restricted cash	Loans and receivable	Amortized cost
Short-term investments	Available-for Sale	FVOCI
Accounts receivable	Loans and receivable	Amortized cost
Prepaid equity forwards	FVPL	FVPL
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Accrued bonuses	Other financial liabilities	Amortized cost
Dividends payable	Other financial liabilities	Amortized cost

Effective July 1, 2018, the Company retrospectively adopted IFRS 15 *Revenue Recognition* ["IFRS 15"]. IFRS 15 replaces prior guidance, including IAS 18 *Revenue*. The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The new guidance includes a five-step recognition and measurement approach, requirements for accounting of contract costs, and enhanced quantitative and qualitative disclosure requirements. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Prior to the adoption of IFRS 15, reimbursement of certain operating expenses by the Company's pooled fund vehicles to the Company were netted against the expenses in the Company's interim condensed consolidated statements of income and comprehensive income. The retrospective application of IFRS 15 resulted in the recognition of these reimbursed expenses as revenue in the Company's interim condensed consolidated statements of income and comprehensive income. The Company has assessed and determined that there are no other significant impacts resulting from the application of IFRS 15.

Future Accounting Changes

The IASB issued IFRS 16, *Leases*, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees are required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted, but only in conjunction with IFRS 15. The Company is in the process of assessing the impact of IFRS 16 and will adopt the new standard in fiscal 2020.

In June 2016 IASB issued an amendment to IFRS 2, *Share-Based Payments*, addressing (i) certain issues related to the accounting for cash-settled awards, and (ii) the accounting for equity-settled awards that include a "net settlement" feature of employee withholding taxes. This amendment is effective for annual periods beginning on or after January 1, 2019. The Company is currently reviewing new standards to assess the impact they may have upon adoption.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that are expected to have a material impact on the Company.

2. INTANGIBLE ASSETS

Impairment assessment of Client Relationships, Non-Compete Agreements, Technology and Customized Systems & Software

During the three months ended September 30, 2018, amortization of client relationships intangible assets arising from its acquisition of Blair Franklin in fiscal 2014 was $751 (September 30, 2017 - $802). The Company derecognized $884 (September 30, 2017 - $343) of the intangible asset relating to client relationships for client relationships that had terminated during the period and were no longer providing benefit to the Company.

During the three months ended September 30, 2018 amortization of the non-compete agreements and technology arising from its acquisition of Blair Franklin in fiscal 2014 was $64 (September 30, 2017 - $64).

During the three months ended September 30, 2018 amortization of customized systems and software was $103 (September 30, 2017 - $120).

The Company determined that there were no indicators of impairment and that none of these intangible assets were impaired during the three months ended September 30, 2018.

Impairment assessment of Customized Systems & Software Under Construction

As at September 30, 2018, there were no expenditures included in intangible assets for expenditures that have been capitalized in respect of development of systems or software not yet available for use by the Company (June 30, 2018 - none).

3. GOODWILL

During the three months ended September 30, 2018 and 2017, goodwill was assessed for indicators of impairment. There were no indicators of impairment during these periods.

Goodwill is tested for impairment at least annually, which for the Company is during the fourth fiscal quarter of each year.

4. FINANCIAL INSTRUMENTS

Fair Value Measurement

The following tables present the level within the fair value hierarchy for the Company's fair value measurements:

	AS AT SEP 30, 2018		
	LEVEL 1	LEVEL 2	TOTAL
Financial assets			
Cash and restricted cash	$ 14,369	$ –	$ 14,369
Short-term investments	–	18,756	18,756
Prepaid equity forwards	–	2,834	2,834
Total financial assets	**$ 14,369**	**$ 21,590**	**$ 35,959**

	AS AT JUN 30, 2018		
	LEVEL 1	LEVEL 2	TOTAL
Financial assets			
Cash and restricted cash	$ 9,024	$ –	$ 9,024
Short-term investments	–	35,883	35,883
Prepaid equity forwards	–	3,119	3,119
Total financial assets	**$ 9,024**	**$ 39,002**	**$ 48,026**

During the three months ended September 30, 2018 and 2017, there were no transfers between any of the fair value hierarchy levels and the Company did not hold any level 3 financial instruments.

Financial Instruments not carried at Fair Value

The fair values of accounts receivable, accounts payable and accrued liabilities, accrued bonuses and dividends payable approximate their carrying values due to their short-term nature.

5. OTHER INCOME

Details of other income are as follows:

	3 MONTHS ENDED	
	SEP 30, 2018	SEP 30, 2017
Economic research subscriptions	$ 544	$ 502
Interest income	64	124
Foreign exchange income (loss), net	(18)	(2)
Sublease income	20	20
Other income (expense)	24	(2)
	$ 634	**$ 642**

Related unearned income from the economic research subscriptions of $1,019 (September 30, 2017 - $873) is included in accounts payable and accrued liabilities.

6. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has agreements to manage the Company's pooled fund vehicles, where the Company generally acts as the trustee, manager, transfer agent and principal distributor. In the case of those pooled fund vehicles that are limited partnerships, the Company or an affiliate of the Company is the General Partner. Included in the Company's interim condensed consolidated statements of income and comprehensive income for the three months ended September 30, 2018, are Performance Fees of $475 (September 30, 2017 – $1,262) and Base Management Fees of $25,490 (September 30, 2017 – $23,212) earned from the management of the Company's pooled fund vehicles.

Included in the Company's interim condensed consolidated statements of income and comprehensive income for the three months ended September 30, 2018, are performance allocations of $85 (September 30, 2017 - $nil) allocated to the Company as a General Partner on the funds structured as limited partnerships in the U.S.

The Company also recovers expenses incurred on behalf of the pooled fund vehicles relating to the operation of these pooled fund vehicles. For the three months ended September 30, 2018, reimbursement of certain operating expenses by the Company's pooled fund vehicles to the Company totaled $945 (September 30, 2017 – $874). Expenses related to the operation of the pooled fund vehicles are included in: compensation, general and administrative, occupancy, amortization of property and equipment, and amortization of intangible assets.

Included in Gluskin Sheff Research publication expenses in general and administrative expenses for the three months ended September 30, 2018, is $266 (September 30, 2017 – $251) due to an employee as part of a compensation arrangement related to the economic research subscriptions. The corresponding liability is included in accounts payable and accrued liabilities.

Included in the Company's accounts receivable as at September 30, 2018, is $10,039 (June 30, 2018 – $4,604) due from the Company's pooled fund vehicles for Base Management Fees, Performance Fees, Performance Allocations and reimbursement for certain operating expenses. If not collectible, this balance would represent the Company's maximum loss exposure from its interests in these vehicles.

On October 17, 2018, the Company entered into an amended employment agreement with the Company's CEO to include a death benefit of $3.0 million payable to him in the event of death while in the service of the Company. This potential obligation is currently self-insured.

7. POST-RETIREMENT OBLIGATIONS

The following table outlines the continuity for the post-retirement obligation for the three months ended September 30, 2018 and 2017:

	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017
Post-retirement obligations – Beginning of period	**$ 4,845**	**$ 5,246**
Interest expense	39	36
Payments	(125)	(125)
Post-retirement obligations – end of period	**$ 4,759**	**$ 5,157**

The following table details the classification of the post-retirement obligations in the interim condensed consolidated balance sheet as at September 30, 2018 and June 30, 2018:

Post-Retirement Obligations	AS AT SEP 30, 2018	JUN 30, 2018
Current	$ 500	$ 500
Non-current	4,259	4,345
Total post-retirement obligations	**$ 4,759**	**$ 4,845**

8. SHARE CAPITAL

As at September 30, 2018 and June 30, 2018 there were 31,234 common shares outstanding with a stated value of $66,356. Common Shares are non-redeemable and have no par value.

9. TREASURY STOCK

The following table outlines the continuity for the treasury stock for the three months ended September 30, 2018 and 2017:

	3 MONTHS ENDED			
	SEP 30, 2018		SEP 30, 2017	
Treasury Stock	NUMBER OF SHARES (000'S)	STATED VALUE	NUMBER OF SHARES (000'S)	STATED VALUE
Balance – Beginning of period	1,019	$ 18,537	1,098	$ 24,511
Treasury stock purchased	278	4,367	375	6,883
Treasury stock released	(527)	(9,898)	(685)	(16,455)
Balance – End of period	**770**	**$ 13,006**	**788**	**$ 14,939**

10. STOCK-BASED COMPENSATION PLANS

The Company has the following stock-based compensation plans: the Stock Option, DSU, RSU, Employee Common Share Ownership and the Executive Loan Program.

Stock Option Plan

There was no expense related to stock options outstanding included in compensation expense during the three months ended September 30, 2018 (September 30, 2017 – $375).

	3 MONTHS ENDED			
	SEP 30, 2018		SEP 30, 2017	
STOCK OPTIONS	OPTIONS (000'S)	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS (000'S)	WEIGHTED AVERAGE EXERCISE PRICE
Balance – Beginning of period	250	$ 17.04	150	$ 16.62
Options issued	–	–	100	17.67
Options expired	–	–	–	–
Balance – End of period	**250**	**$ 17.04**	**250**	**$ 17.04**

Deferred Share Unit Plan

As at September 30, 2018, the fair value of the prepaid equity forwards were $2,834 (June 30, 2018 - $3,119) with 189,972 notional shares (June 30, 2018 – 189,972), and were included in non-current assets. The changes in the value of the prepaid equity forwards have been recorded to partially offset the DSU mark-to-market amounts and were included in general and administrative expenses in the interim condensed consolidated statements of income and comprehensive income. During the three months ended September 30, 2018, the Company recorded a $285 loss (September 30, 2017 - $337 gain) on the prepaid equity forwards.

During the three months ended September 30, 2018, the Company recorded a negative DSU expense of $122 (September 30, 2017 – $570 expense), including a mark-to-market gain of $363 (September 30, 2017 – loss of $403). As at September 30, 2018, a DSU liability of $100 (June 30, 2018 - $110) was included in current liabilities and $3,755 (June 30, 2018 - $3,868) was included in long-term liabilities in the Company's interim condensed consolidated balance sheet.

	3 MONTHS ENDED	
DEFERRED SHARE UNITS (000'S)	SEP 30, 2018	SEP 30, 2017
Balance – Beginning of period	242	196
Issued during period	16	9
Balance – End of period	**258**	**205**

Restricted Share Units

During the three months ended September 30, 2018, the Company awarded $5,044 (September 30, 2017 – $8,487) in RSUs to employees, plus $217 (September 30, 2017 – $994) of RSUs granted as dividends-in-kind for the aggregate amount of dividends that would have been paid if the RSUs had been Common Shares. The RSU dividends-in-kind awarded were net of a $nil reversal (September 30, 2017 - $37) for prior period RSU dividends-in-kind grants forfeited due to an employee departure during the period.

The amortization related to RSUs that has been included in compensation expense during the three months ended September 30, 2018, was $1,585 (September 30, 2017 – $2,161). The RSU amortization recognized in the three months ended September 30, 2018, was net of a $nil reversal of RSU amortization (September 30, 2017 - $362) recognized in prior periods for RSUs forfeited and includes $7 of accelerated RSU amortization (September 30, 2017 - $430) due to employee departures during the period.

During the three months ended September 30, 2018, $9,898 (September 30, 2017 – $16,455) of RSUs vested and were settled with treasury stock held by the Trusts in the period.

	3 MONTHS ENDED	
RESTRICTED SHARE UNITS (000'S)	SEP 30, 2018	SEP 30, 2017
Balance – Beginning of period	1,080	1,135
Issued during the period	331	536
Vested and settled during the period	(527)	(685)
Forfeited during the period	–	(24)
Balance – End of period	**884**	**962**

Employee Common Share Ownership Plan

Under the Company's Employee Common Share Ownership Plan, employees who meet the eligibility criteria can contribute up to a certain percentage of their annual gross salary by way of payroll deductions. The Company matches a certain percentage of the employee contribution amount, to a defined maximum amount. The Company's contribution of $47 for the three months ended September 30, 2018 (September 30, 2017 – $41), is included in compensation expense.

Executive Loan Program

As part of an agreement with the third party institution providing full recourse loans to eligible employees as part of this program, the Company is required to hold a balance as restricted cash, which is a proportion of the outstanding executives' borrowings. The restricted cash balance fluctuates directly with changes in the outstanding executive loan balances and will

become available upon reduction of the outstanding loan balances. As at September 30, 2018, $717 of restricted cash is held in a segregated account in connection with this loan guarantee (June 30, 2018 - $592).

11. EARNINGS PER SHARE

The following table presents the Company's basic and diluted earnings per share for the three months ended September 30:

BASIC AND DILUTED EARNINGS PER SHARE	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017
Numerator:		
Net income attributable to shareholders	$ 7,834	$ 5,801
Denominator (Number of shares in thousands):		
Weighted average number of shares outstanding – basic	30,236	30,134
Weighted average number of stock options outstanding	3	7
Weighted average number of outstanding RSUs	845	904
Weighted average number of outstanding DSUs	242	196
Weighted average number of shares outstanding – diluted	31,326	31,241
Earnings per share		
Basic	$ 0.26	$ 0.19
Diluted[1]	$ 0.25	$ 0.19

Notes:

1. *For the three months ended September 30, 2018, the computation of diluted earnings per share excluded 200,000 weighted-average options outstanding as their option price exceeded the average market price of the Company's shares (September 30, 2017 – none excluded). The computation of diluted earnings per share also included all weighted-average DSUs outstanding and excluded 37,737 weighted-average RSUs outstanding (September 30, 2017 – all weighted-average DSUs outstanding were included and 478,459 weighted-average RSUs outstanding were excluded).*

12. INCOME TAXES

The Company's income tax expense differs from the amount that would be computed by applying the combined Canadian federal and provincial statutory income tax rate to its net income as a result of the following:

	3 MONTHS ENDED SEP 30, 2018	3 MONTHS ENDED SEP 30, 2017
Income tax provision based on statutory income tax rate, 26.6% (2017 – 26.7%)	$ 2,875	$ 2,420
Increase (decrease) in income taxes resulting from:		
Expenses not deductible for tax purposes	50	140
RSUs – differences between tax deductions and accounting estimates	17	467
Dividends received from the Trusts	51	230
Income tax provision as reported, 27.6% (2017 – 35.9%)	**$ 2,993**	**$ 3,257**

The Company's effective tax rate for the three months ended September 30, 2018, decreased to 27.6% from 35.9% in the same period last year due to lower dividends received by the Company on the treasury stock held by the RSU Trusts, which are taxable but not reflected in income for accounting purposes. Also contributing to the decrease in the effective tax rate was a higher cash cost of treasury shares used to settle RSUs vested in the period relative to the grant price on these RSUs, versus a cash cost lower than grant price in the year ago quarter.

The following table details the components of the Company's deferred income tax assets and liabilities as at September 30, 2018, and June 30, 2018:

	AS AT JUN 30, 2018	Recognized in Income	Recognized in Equity	AS AT SEP 30, 2018
Deferred income tax assets				
Accrued and long term liabilities	$ 1,397	$ (61)	$ –	$ 1,336
Restricted share units	4,006	(1,796)	–	2,209
Restricted share units dividends-in-kind	777	–	(432)	345
Post retirement obligations	1,284	(23)	–	1,261
Actuarial revaluation	18	–		18
Total deferred income tax assets	**$ 7,482**	**$ (1,880)**	**$ (432)**	**$ 5,169**
Deferred income tax liabilities				
Acquired intangible assets	(5,118)	451	–	(4,667)
Property and equipment	(881)	(1)	–	(882)
Prepaid equity forward	(117)	75	–	(42)
Prepaid expense	(71)	3	–	(68)
Total deferred income tax liabilities	**$ (6,187)**	**$ 528**	**$ –**	**$ (5,659)**
Net deferred income tax assets (liabilities)	**$ 1,295**	**$ (1,352)**	**$ (432)**	**$ (490)**

As at September 30, 2018, the Company had $1,707 (June 30, 2018 – $1,707) of unused capital losses realized on the disposition of security holdings, for which no benefit has been recognized in these financial statements. These capital losses do not have any expiry date.

13. COMPENSATION

Included in compensation expense for the three months ended September 30, 2018, are accrued cash bonuses of $3,995 (September 30, 2017 - $3,108), RSU amortization relating to awards of prior fiscal years of $1,374 (September 30, 2017 - $1,900) and RSU amortization relating to awards of the current fiscal year of $211 (September 30, 2017 - $261).

14. CLIENT WEALTH MANAGEMENT

The following table presents the breakdown of client wealth management expenses by nature:

	3 MONTHS ENDED	
	SEP 30, 2018	SEP 30, 2017
Donations	$ 332	$ 425
Media and Marketing	76	68
Travel	93	43
Promotion	157	118
	$ 658	**$ 654**

15. GENERAL AND ADMINISTRATIVE

The following table presents the breakdown of general and administrative expense by nature:

	3 MONTHS ENDED	
	SEP 30, 2018	SEP 30, 2017
Insurance	$ 125	$ 105
Systems development, infrastructure and licenses	1,923	1,198
Research data	820	698
Office services and telecommunications	338	327
Professional fees	68	222
Other consulting	416	460
Regulatory and public company fees	509	618
Sub-advisory fees and other fees	72	70
Gluskin Sheff Research publication expenses	288	269
Other	203	227
	$ 4,762	**$ 4,194**

16. OCCUPANCY

The following table presents the breakdown of occupancy expense by nature:

	3 MONTHS ENDED	
	SEP 30, 2018	SEP 30, 2017
Lease for premises	$ 850	$ 858
Premises maintenance	49	32
	$ 899	**$ 890**

Effective July 1, 2016, the Company entered in to a lease agreement for a portion of the 49th floor in the Bay-Adelaide Centre in Toronto, Canada. The Company's head office currently occupies the 50th and 51st floors of this building. The space on the 49th floor is being sub-leased to a tenant for an amount equal to the Company's lease cost, including common and operating expenses, for this space. The income from the sub-lease is included in Other Income.

17. DIVIDENDS

Dividends Declared

The following dividends were declared by the Company during the three months ended September 30, 2018:

DIVIDENDS DECLARED AND PAID	RECORD DATE	PAYMENT DATE	CASH DIVIDEND PER SHARE	TOTAL DIVIDEND AMOUNT ($000'S)
June 30, 2018 – regular dividend Q4, 2018	OCTOBER 2, 2018	OCTOBER 12, 2018	$ 0.25	$ 7,615
Total Dividends Declared			**$ 0.25**	**$ 7,615**

On November 14, 2018, the Company declared a regular dividend of $0.25 per equity share for the quarter ended September 30, 2018. This dividend will be paid on December 5, 2018, to shareholders of record at the close of business on November 26, 2018.

The following dividends were declared by the Company during the three months ended September 30, 2017:

DIVIDENDS DECLARED	RECORD DATE	PAYMENT DATE	CASH DIVIDEND PER SHARE	TOTAL DIVIDEND AMOUNT ($000'S)
June 30, 2017 – regular dividend Q4, 2017	OCTOBER 3, 2017	OCTOBER 13, 2017	$ 0.25	$ 7,612
June 30, 2017 – special dividend Q4, 2017	OCTOBER 3, 2017	OCTOBER 13, 2017	0.85	25,880
Total Dividends Declared			**$ 1.10**	**$ 33,492**

18. CHANGES IN WORKING CAPITAL ITEMS

The following table presents the breakdown of the net change in working capital:

	3 MONTHS ENDED	
	SEP 30, 2018	SEP 30, 2017
Accounts receivable	$ 1,509	$ (510)
Prepaid expenses and other assets	(12)	88
Income taxes receivable and payable	(3,045)	(3,889)
Accounts payable and accrued liabilities	3,308	(614)
Accrued bonuses	(21,811)	(22,364)
Post-retirement obligation	(125)	(125)
	$ (20,176)	**$ (27,414)**

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Gluskin Sheff

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Gluskin Sheff + Associates Inc.
Bay Adelaide Centre, 333 Bay Street, Suite 5100
Toronto, Canada M5H 2R2
TELEPHONE 416.681.6000
TOLL FREE 1.866.681.6001
FAX 416.681.6060
www.gluskinsheff.com