

Form ADV – Part 2A

1. Cover Page

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This brochure provides information about the qualifications and business practices of Gluskin Sheff. If you have any questions about the contents of this brochure, please contact us at (416) 681-6000 or 1-866-681-6001 (Toll-Free). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Gluskin Sheff + Associates Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

2. Material Changes

This section summarizes material changes since the last annual update of the Gluskin Sheff Brochure dated September 26, 2014.

On July 1, 2015, Gluskin Sheff, BFAM Holdings Inc. (“BFAM”), a wholly owned subsidiary of Gluskin Sheff and Blair Franklin Asset Management Inc. (“Blair”), a wholly owned subsidiary of BFAM, amalgamated pursuant to Section 177(1) of the Business Corporations Act (Ontario) and continued as one corporation (“Amalco”) under the name “Gluskin Sheff + Associates Inc.”. At the effective time of the amalgamation, all the common shares of BFAM and Blair were automatically cancelled without any repayment of capital in respect thereof and all the common shares of Gluskin Sheff were automatically converted into common shares in the capital of Amalco.

Also, on July 15, 2015 Gluskin Sheff announced the End-of-the-Year Retirement of Bill Webb, Executive Vice-President & Chief Investment Officer and the Pending Appointment of Peter Mann and Peter Zaltz as Co-Chief Investment Officers.

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4. Advisory Business

Gluskin Sheff is one of Canada's pre-eminent wealth management firms serving high net worth private clients and institutional investors. We provide discretionary investment management services to clients in both of these market segments. As of June 30, 2015, we had approximately \$8,516.2 million CAD in client AUM managed on a discretionary basis.

Founded in 1984, the Firm is committed to meeting the needs of our clients – preserving their capital, managing risk and delivering outstanding long-term investment returns through differing economic and market cycles. Gluskin Sheff is a publicly held corporation listed on the Toronto Stock Exchange (symbol: GS). The firm is 26.5% owned by its senior management and employees.

Upon appointing Gluskin Sheff as your discretionary portfolio manager, we, in such capacity, will consider first the suitability of any trade we are conducting on your behalf. For Gluskin Sheff, delivering outstanding client service is as fundamental as delivering strong investment results. Our clients are unique, and so are their needs. This is why we offer customized investment plans to suit each client's specific objectives and risk profile. Our success in developing lasting client relationships is founded on shared values, a thorough understanding of our clients' goals and a keen desire to earn their trust and confidence.

Please advise us if you have any investment restrictions in writing. We will monitor your account according to your requirements.

5. Fees and Compensation

Gluskin Sheff typically has a two-tiered fee structure for all the GS+A Funds and segregated accounts. Account holders pay an annual management fee based on a percentage of the market value of the fund or segregated account, plus an annual performance fee (except where noted). Fees are not negotiable, and do not vary with the size of the account.

We charge a Base Management Fee of between 0.75% and 2.00% per annum on our high net worth private client AUM, depending on the portfolio model in which the assets are invested. Base Management Fees are paid either monthly or quarterly by our clients. Performance Fees are earned and paid once in each 12-month period on all of our portfolio models with Performance Fee components. Our portfolio models with Performance Fee components have either a June 30 or a December 31 performance year end.

Equity Strategies (except as noted) –

- Base Management Fee of 1.5% per annum. Annual Performance Fee of 25% of net returns in excess of 15%. Loss carry forward for one year if returns are less than 10%, with the deficiency added to the 15% performance hurdle for the following year.

Premium Income (including U.S. Equity Fund, formerly U.S. Premium Income) –

- Base Management Fee of 1.0% per annum. Annual Performance Fee of 25% of net returns in excess of 9%. Loss carry forward for one year if returns are less than 5%, with the deficiency added to the 9.0% performance hurdle for the following year.

Alternative Equity Strategies –

- Base Management Fee of 2.0% per annum. Annual Performance Fee of 20% of any positive returns before sales tax. Loss carry forward for one year and must be recovered in the following year before Performance Fees are earned.
- No Base Management or Performance Fees are charged at the “Multi-Strategy” level, all fees are levied at the underlying fund level in which a Multi-Strategy Fund is invested.

Fixed Income and Credit Alternative Investment Strategies –

- Short-Term Bond: No Base Management Fees or Performance Fees.
- Enhanced Bond: Base Management Fee of 0.75% per annum. No Performance Fee.
- Credit Arbitrage, Enhanced Credit Arbitrage, Enhanced Yield and Tactical Fixed Income Funds: Base Management Fee of 1.5% per annum. Annual Performance Fee of 10% of any positive returns before sales tax. Losses are carried forward of one year on all negative returns and must be recovered in the following year before Performance Fees are earned.

Management and Performance Fees are calculated and paid at the individual fund level. Each fund is responsible for expenses relating to: the purchase, sale and custody of securities held within the fund's portfolio; the offering of its units; interest and borrowing fees; legal, audit, professional and administration fees; record keeping and financial and other reporting costs; as well as other expenses relating to its operations. For our segregated accounts, the above fees and expenses, where applicable, are paid directly by the client and are deducted from clients' assets. Fees are paid in arrears. If a client joins or leaves the firms between billing periods, fees are pro-rated for the period since the last billing.

Clients will incur brokerage and other transaction costs. Please refer to section 12 of this brochure for more information on brokerages practices.

6. Performance-Based Fees and Side-By-Side Management

Gluskin Sheff receives management fees and performance fees by virtue of acting as a portfolio manager. The Firm has adopted a number of policies, practices and procedures to provide guidance regarding acceptable behavior in order to avoid any potential conflicts of interest. There is one overriding principle that governs the behavior of all Gluskin Sheff Personnel:

- “Gluskin Sheff, its officers and its employees must deal fairly, honestly and in good faith with clients at all times”.

Other than employees assets, Gluskin Sheff does not manage Performance Fee assets side-by-side with accounts not charged a Performance Fee.

7. Types of Clients

Gluskin Sheff generally provides investment advice to high net worth investors, including entrepreneurs, professionals, family trusts, private charitable foundations and estates, as well as a select number of

institutions. The minimum investment required to establish a client relationship with the Firm is \$3 million CAD. The minimum amount can be waived at the discretion of the Gluskin Sheff.

8. Methods of Analysis, Investment Strategies and Risk of Loss

Gluskin Sheff's security analysis methods include:

- Charting
- Fundamental
- Technical
- Cyclical

Gluskin Sheff's investment strategies include:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales
- Margin transactions
- Option writing, including covered options, uncovered options or spreading strategies
- Use of derivatives to hedge risk or enhance yield

All investments, including mutual funds and pooled funds, carry the risk of losing money. The value of these investments will fluctuate from day to day, reflecting changes in interest rates, the economic environment, market conditions and company news. As a result, the value of your investments may increase or decrease. Unlike bank accounts or GICs, fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

To finance the purchase of securities using borrowed money involves a greater risk than the purchase of securities using cash resources only. If you borrow money to fund your account with Gluskin Sheff, your responsibility to repay the loan principal and interest as required by its terms and conditions remains unchanged even if your account declines in value.

Listed below are some risks that can affect the value of your investment portfolio in your account and the value of the portfolios of the GS+A Funds (your portfolio and the portfolios of the GS+A Funds are collectively referred to as the "portfolios"). To the extent that your account holds units of a GS+A Fund, the value of the GS+A Fund's portfolio will affect the value of the investment in your account. Investments are subject to loss due to many factors. This includes the possible loss of the entire amount invested. Prior to investing you should consider these risks and any other risks relevant to your personal circumstances and investments.

Commodity risk

Portfolios that invest in commodities such as gold, silver and other precious minerals will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move significantly in short periods of time, including as a result of supply and demand, speculation, international monetary and political factors, government and central bank activity and changes in interest rates and currency values. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Concentration risk

Some portfolios concentrate their investment holdings in specialized industries, market sectors, asset classes or in a limited number of issuers. Investments in these portfolios involve greater risk and volatility than broadly-based investment portfolios since the performance of one particular industry, market, asset class or issuer could significantly and adversely affect the overall performance of the entire portfolio.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into. Portfolios that invest in fixed-income securities are subject to credit risk. Issuers of debt securities promise to pay interest and repay a specified amount on the maturity date. Credit risk is lowest among issuers that have good credit ratings from recognized credit rating agencies. The riskiest fixed-income securities are those with a low credit rating or no credit rating at all. These securities usually offer higher interest rates to compensate for the increased risk. Changes in a counterparty's perceived credit risk can impact the market value of a security even when not in default. Credit risk can also arise from holdings in certain derivatives contracts. If a counterparty or dealer is in default, the portfolio could lose all or any part of a deposit or collateral pledged by the portfolio and held under the control of the counterparty or dealer and any gains made on the contract.

Currency risk

Currency risk is the risk that the fair value of securities that are denominated in a currency other than the base currency will fluctuate due to changes in foreign exchange rates. The net asset values of most of our portfolios are calculated in Canadian dollars. Most foreign investments are purchased in currencies other than the Canadian dollar. As a result, the value of those investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. The value of the foreign denominated investments within a portfolio may be worth more or less depending on changes in foreign exchange rates. Some portfolios' net asset values are calculated in U.S. dollars. When buying and selling into and out of such portfolios, the amount paid or received will be affected by the value of the U.S. dollar relative to the value of the Canadian dollar or the currency to or from which the portfolio is converting.

Derivatives risk

Derivatives are financial instruments whose values depend upon, or are derived from, the value of something else, such as one or more underlying investments, pools of investments, indexes or currencies. Derivatives usually take the form of contracts with other parties to buy or sell an asset at a later time. Some portfolios may use derivatives to minimize risk ("hedging") or for non-hedging purposes, including futures, options, warrants, swaps and credit default swaps. Some risks related to derivatives are:

- There is no guarantee that a portfolio will be able to buy or sell a derivative at the right time to make a profit or limit a loss.
- There is no guarantee that the other party will fulfill its obligations. A counterparty could go bankrupt and a portfolio may lose any deposits made.
- Exchanges or regulators could set limits on derivatives that could prevent a portfolio from completing a derivative trade or entering into a derivative contract.
- Hedging strategies may not be effective.
- The derivative may not perform in the predicted manner.

Foreign investment risk

Portfolios that invest in securities of foreign companies will be affected by world economic factors, in addition to changes in foreign currencies values relative to the Canadian dollar. Obtaining complete information about potential investments from foreign markets may also be difficult. Foreign companies may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, prices may fluctuate to a greater degree by investing in foreign equities than if the funds limited their investments to Canadian securities.

Interest rate risk

Interest rate risk is the risk that the fair values of securities fluctuate because of changes in the prevailing level of market interest rates. Interest rates affect the value of fixed-income securities, including bonds, mortgages, treasury bills and commercial paper. These securities will generally rise if interest rates fall and fall if interest rates rise. Therefore, values of portfolios that invest in fixed-income securities will change with fluctuating interest rates. Changes in interest rates may also affect the value of equity securities as investors shift between investment vehicles.

Leverage risk

The use of leverage increases the risk to a GS+A Fund or Segregated Account and subjects the GS+A Fund or Segregated Account to higher current expenses. Also, if the GS+A Fund's or Segregated Account's values drop to the loan value or less, investors could sustain a total loss of their investment.

A GS+A Fund or Segregated Account may utilize different forms of leverage, including borrowing money from banks or other institutions, acquiring securities on margin and entering into derivatives and other transactions with inherent financial leverage. The use of leverage involves increased market exposure as well as interest expense. The use of leverage to increase the GS+A Fund's or Segregated Account's exposure to the portfolio investments may be counterproductive in that the interest expense associated with such leverage may materially exceed the rate of return earned by the GS+A Fund or Segregated Account. Such borrowing and other leverage may result in significant loss of capital. The GS+A Fund or Segregated Account will provide collateral to banks from which it borrows, to brokers through whom it buys securities on margin and to derivative counterparties by registering or pledging the interests or assets of the GS+A Fund or Segregated Account in the names of such banks, brokers or counterparties or their nominees. This procedure exposes the GS+A Fund or Segregated Account to the risk that for whatever reason, including, without limitation, the default, insolvency, negligence, misconduct or fraud of such banks, brokers or counterparties, the GS+A Fund or Segregated Account will not reacquire the ownership of such interests upon the repayment by the GS+A Fund or Segregated Account of such loans. Also, the GS+A Fund or Segregated Account will be unable to reacquire such interests if the GS+A Fund or Segregated Account defaults on such loans, on a margin call or under its derivatives transactions. The GS+A Fund's or Segregated Account's failure or inability to reacquire such interests from the banks, brokers or counterparties in whose name the interests are registered could entangle the GS+A Fund or Segregated Account in protracted litigation and, potentially, result in the complete loss of such interests. While Gluskin Sheff will cause the GS+A Fund or Segregated Account to borrow money only from banks or other institutions it believes to be creditworthy, there can be no

absolute certainty that such institutions will return such interests to the GS+A Fund or Segregated Account upon the repayment of its secured obligations.

Leverage risk also occurs if you have borrowed money in order to invest with Gluskin Sheff. Purchases with borrowed money involve greater risk than a purchase using cash resources only. If you borrow money to invest with Gluskin Sheff, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines. In addition, leverage may impact your ability to deduct losses sustained in the GS+A LP Funds. If you are borrowing to invest, you should contact your tax advisor to determine the impact on your personal circumstances.

Market risk

Market risk is the risk that the fair value of securities will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in a market. All securities present a risk of loss of capital. The value of equity securities will change based on specific company developments and stock market conditions. Market value also varies with changes in the general economic and financial conditions in countries where investments are made.

Securities lending risk

Some portfolios may enter into securities lending transactions from time to time. In securities lending transactions, a portfolio lends its portfolio securities for a set period of time to borrowers who post acceptable collateral. There is a risk that the other party in the securities lending transaction may not fulfill its obligations leaving the portfolio holding collateral that could be worth less than the loaned securities if the value of the loaned securities increases relative to the value of the cash or other collateral, resulting in a loss to the portfolio.

Short selling risk

A short sale by a portfolio involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the portfolio and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the fund pays interest to the lender. If the value of the securities declines between the time that the fund borrows the securities and the time it repurchase and returns the securities to the lender, the portfolio makes a profit on the difference (less any interest the portfolio is required to pay to the lender). Short selling involves risk. There is no assurance that securities will decline in the value during the period of the short sale and make a profit for a portfolio. Securities sold short may instead appreciate in value creating a loss for a portfolio. The potential size of loss is unlimited. A portfolio may experience difficulties repurchasing the returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a portfolio has borrowed securities may go bankrupt and a portfolio may lose the collateral it has deposited with the lender.

Further information about investing risks at Gluskin Sheff is available in our Investor Guide.

9. Disciplinary Information

Gluskin Sheff may be subject to certain claims and lawsuits from time to time in the course of carrying on its business. Except as to legal proceedings in which Gluskin Sheff may be involved and which, in the opinion of Gluskin Sheff, are not material, Gluskin Sheff is not presently involved in any legal proceedings.

10. Other Financial Industry Activities and Affiliations

Gluskin Sheff receives management fees and performance fees by virtue of acting as a portfolio manager. In addition, Gluskin Sheff carries out other general management, administrative functions, and as a dealer, distribution functions on behalf of the GS+A Group of Funds. For example, Gluskin Sheff acts as trustee, transfer agent and principal distributor on a number of GS+A Funds.

11. Code of Ethics, Participation or Interest in Client Transaction and Personal Trading

The CFA Institute is the leading governing body for investment professionals. Gluskin Sheff requires its personnel to observe and comply with the CFA Institute Code of Ethics and Standards of Professional Conduct and Gluskin Sheff's internal Code of Business Conduct and Ethics. These codes include the Firm's commitment, among other things, to fair dealings with clients, disclosing conflicts of interest, maintaining independence and objectivity and placing clients' interests before its own. Aspects of Gluskin Sheff's internal Code are disclosed to clients through the Investor Guide and Statement of Policies. The full Code is also provided to clients upon request.

Gluskin Sheff has also adopted a Whistleblower Policy which establishes guidance for the receipt of information from Gluskin Sheff Personnel regarding questionable practices relating to, among other things, accounting, auditing, internal controls and trading, and relating to the protection of Gluskin Sheff Personnel from retaliation for such disclosure.

Conflicts of Interest

Under the discretionary authority granted to Gluskin Sheff by you, Gluskin Sheff may acquire for your account units of funds managed by Gluskin Sheff. It is important that you are aware of conflict of interest between your interests and those of Gluskin Sheff, and how, by policy, Gluskin Sheff manages these potential conflicts.

- Neither Gluskin Sheff nor Gluskin Sheff personnel will receive any personal benefits from companies in which we invest client capital or through which we execute transactions.
- Gluskin Sheff personnel are generally restricted from personally purchasing any security that is held in client portfolios, or from trading in securities which we are active.
- Gluskin Sheff votes proxies on behalf of clients on the basis of its assessment of what course of action is in the best interests of clients.
- Client portfolios will not be invested in any company with which Gluskin Sheff or any Gluskin Sheff personnel are not deemed to be at arm's length, except the related or connected issuers as disclosed at gluskinsheff.com.
- Gluskin Sheff will follow the applicable provincial security laws for disclosure.
- Cross trades between two client accounts or between a client account and a GS+A Fund require pre-approval from the Chief Compliance Officer.

Personal Trading Policy

To ensure that no conflict exists between the investment interests of clients and the personal investment interests of Gluskin Sheff personnel, Gluskin Sheff personnel:

- Are generally restricted from personally purchasing any security that is held or contemplated to be held in client portfolios or GS+A Funds, or from trading in securities in which we are active or contemplating activity.
- Must obtain advance approval from the Chief Compliance Officer for any personal securities trades.
- Must declare their security holdings regularly and have such declarations reconciled with reported trading activity.
- Are encouraged to participate in the firm's own investment vehicles.

12. Brokerage Practices

Trade Execution

Gluskin Sheff is committed to ensuring that the best price and best execution on purchases and sales of securities are obtained for its clients. For each security traded, investment staff consider which broker is best suited to achieve the best possible price for clients with the least market impact including all costs associated with the execution of securities in the portfolio of a Gluskin Sheff fund or a client portfolio. Such additional costs may include, without limitation, borrowing costs, trade execution costs and custodial fees.

Use of Client Brokerage Commissions

A portion of client brokerage commissions may be directed to a dealer in return for the provision of research goods and services under written agreements. These goods and services may include investment research, reports and information feeds that we believe assist us in the security selection process for client portfolios. This practice has the potential to create a conflict of interest as it may encourage us to use a certain broker in favour of another. When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. As a result, it is our policy to trade only with brokers who meet our best execution standard, whether or not research goods and services are provided.

In deciding to direct client brokerage commissions to a particular dealer in this manner, we consider a number of factors including whether the dealer can meet our best execution standard. This standard looks at obtaining the best possible price for the trade with the least market impact by considering the dealer's abilities for the particular trade, including whether the dealer has access to liquidity, the speed and accuracy of transaction execution and the price/commissions charged.

We use soft dollar benefits to service our clients' accounts. During the last fiscal year, Gluskin Sheff has received, in exchange for client brokerage commissions, research goods and services consisting mainly of investment research reports, data feeds and other similar services. Upon request, you can obtain the name of any dealer or third party that has provided research goods or services to us during the past year in exchange for such commissions.

Fair Allocation of Investment Opportunities

It is Gluskin Sheff's policy to allocate all trades in securities to its clients on an impartial, fair and equitable basis. No favoritism or discrimination will occur. Grouped trades (block orders) are allocated using an average cost method. When the quantity of a security to be traded is too large to be completed at the same price, all accounts involved will receive the same averaged executed price and commission per share.

There are occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every account (partial fills or initial public offerings). To ensure fairness, each account involved will be allocated a pro-rata portion of the executed order based on their order size/target weighting. Similarly, new issues of a security may be insufficient to satisfy the total requirements of all client accounts and pro-rata apportionment may be unreasonable or inappropriate relative to the account's asset size. In these instances Gluskin Sheff will determine a reasonable method of allocating trades, on a case-by-case basis.

13. Review of Accounts

All accounts are continuously monitored and investment restrictions/constraints are maintained in systems that monitor trading activity. Periodic review meetings are held with clients by our senior Risk Management & Client Service personnel to review progress and to determine whether any material changes to the plan objective are appropriate.

On a quarterly basis, a written statement will be issued to each client with the account status, including the date of each transaction, the type of transaction, name of the security, number of units/shares of the security, price per security, total value of the transaction, name and quantity of each security, market value of each security, total market value of security position, cash balance and total market value of all cash and securities held. Monthly statements are available upon request.

14. Client Referrals and Other Compensation

No referral or other third party compensation arrangements are in place with respect to U.S. clients at this time.

15. Custody

All client accounts are maintained at independent qualified custodians. You will receive quarterly statements both from Gluskin Sheff and your custodian for separately managed accounts. You are urged to compare the account statements you receive from the custodian with your Gluskin Sheff statement.

16. Investment Discretion

As a discretionary investment manager, by signing our account agreement and agreeing to the terms and power of attorney granted to us in the Investor Guide, Gluskin Sheff is given the authority to purchase

and sell any and all securities that Gluskin Sheff deems appropriate for the operation of the client account, subject to any restrictions of which the client may advise Gluskin Sheff in writing. This may include units of existing or future funds managed by Gluskin Sheff, the short sale of securities and option/derivatives securities. This may also include purchasing or selling securities in client account from or to another account or fund managed by Gluskin Sheff.

17. Voting Client Securities

Gluskin Sheff shall vote at its sole discretion given the investment objectives of the investment portfolio in respect of any securities forming part of the investment portfolio unless Gluskin Sheff receives written voting instructions or a written revocation of this authority from a client before any meetings at which voting rights may be exercised. You can contact us to receive information about how we voted your securities or to obtain a copy of our proxy voting policies and procedures.

18. Financial Information

Clients pay their fees in arrears - the requirement to provide the balance sheet for the most recent fiscal year is not applicable. There are no financial issues which would impair Gluskin Sheff's ability to meet our contractual obligations to clients.

19. Requirements for State-Registered Advisers

This part is not applicable as Gluskin Sheff is not registered with any state securities authorities.