AstonHill CAPITAL MARKETS

CS Trust

Semi-Annual Report

February 28, 2015

MANAGEMENT REPORT OF FUND PERFORMANCE

This semi-annual management report of fund performance for **CS Trust** (the "Fund") contains financial highlights but does not contain the complete semi-annual financial statements of the Fund. **The semi-annual financial statements and accompanying notes are attached to this report.**

You can obtain a copy of the semi-annual financial statements at no cost by writing to Aston Hill Capital Markets Inc. (the "Manager") to the following address: Aston Hill Capital Markets Inc., 77 King Street West, Suite 2110, PO Box 92, Toronto, Ontario, M5K 1G8 or calling 1-800-513-3868 or visiting the Manager's website at www.astonhill.ca or by visiting www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund is an investment fund established under the laws of the Province of Ontario and governed by the Fund's Trust Agreement (the "Trust Agreement") dated September 28, 2010 between the Manager of the Fund and RBC Investor Services Trust (the "Trustee"). The Fund's registered and head office is located at 77 King Street West, Suite 2110, Toronto, Ontario, M5K 1G8. The fiscal year-end of the Fund is August 31. The beneficial interest in the net assets and net income of the Fund is divided into units of two classes, Class A Units and Class U Units. The Fund is authorized to issue an unlimited number of Units of each class. The Class U Units are designed for investors wishing to make their investments in U.S. dollars.

The Fund's investment objectives are to: (i) provide Unitholders with distributions and (ii) provide an investment in the Capital Securities (the 8.125% Perpetual Subordinated Capital Securities, Series 1 issued by HSBC Holdings plc and the 8.00% Perpetual Subordinated Capital Securities, Series 2 also issued by HSBC). The Fund pays distributions if, as and when declared by the Fund from time to time. Distributions, if any, that are paid on the Class A Units will be in Canadian dollars and distributions, if any, that are paid on the Class U Units will be in U.S. dollars. The termination date of the fund is December 30, 2015.

RISK

There were no changes in the risk exposure of the Fund during the year ended February 28, 2015.

For full disclosure of risks associated with an investment in the Fund's units, please refer to the Prospectus dated September 28, 2010 and to the Fund's most recent Annual Information Form. Both are available at www.sedar.com.

RECENT DEVELOPMENTS

International Financial Reporting Standards (IFRS)

The Fund adopted IFRS as published by the International Accounting Standards Board (IASB) as of September 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at September 1, 2013 and throughout all periods presented in its Annual financial statements, as if these policies had always been in effect. Note 16 to the Semi-Annual financial statements dated February 28, 2014 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended August 31, 2014 prepared under Canadian GAAP.

RESULTS OF OPERATIONS

Caution regarding forward-looking statements

The analysis in the document includes forward-looking statements. The use of any of the words anticipate, may, will, expect, estimate, should, believe and similar expressions are intended to identify forward-looking statements. Such statements reflect the opinion of the Sub-Advisor regarding factors that might be reasonably expected to affect the performance and the distributions on Units of the Fund and are based on information available at the time of writing. The Sub-Advisor believes that the expectations reflected in these forward-looking statements and in the analysis are reasonable but no assurance can be given that these expectations or the analysis will prove to be correct and accordingly, they should not be unduly relied on. These statements speak only as of the date of this report. Actual events and outcomes may differ materially from those described in these forward-looking statements or analysis.

Investment Manager's Commentary (as at March 2015)

Fund Performance

The Fund's Class A units returned 4.05% over the six-month period ended February 28, 2015. The period was characterized by slowing growth and continued weak investment in much of the global economy, while some developed countries, notably the United States and the UK, surged ahead. Sovereign debt yields hit record lows in Europe as the European Central Bank embarked on a program of quantitative easing early in 2015. The price of oil collapsed through the fall of 2104 and into 2015, effectively transferring real income from net producers to net consumers of oil. Chinese growth retreated to 7% in the first quarter, its weakest expansion since 2009, adding to the downward pressure on commodities prices. Market volatility increased as the period progressed, boosting opportunities for banks to benefit from trading revenues. Global banks' credit spreads declined marginally, and the five-year CDS spread on HSBC's senior unsecured debt fell from 54 to 43 basis points.

HSBC Series 2 Capital Securities

HSBC's Series 2 capital securities market price fell from US$26.83 to US$26.30 during the period. The Series 2 capital securities will become callable by HSBC on December 15th, 2015 at $25.00. The Group has not expressed an intention to call the securities, and their current price of US$26.28 (as at April 20th) implies that the market does not expect them to be called until at least late 2016, based on the recent prices of similar HSBC issues. HSBC's Series 1 8.125% capital securities, which have been callable at $25.00 since April 15, 2013, remain outstanding and recently traded at US$26.17, also implying a late 2016 or 2017 call date.

We do not expect HSBC make a decision about calling these legacy capital securities, which will count as capital under Basel III until 2022, at least until the total loss absorbing capacity (TLAC) rules for global systemic banks, which promise to be quite complex, are made clear. The Financial Stability Board (FSB), an international body chaired by Canadian Mark Carney and made up of government finance officials, regulators and central bankers, has announced that it expects to have its proposals for TLAC finalized for the G20 leaders summit in Turkey this November. The FSB is responsible for guiding bank regulation and other financial sector policy globally

HSBC Update

HSBC announced full year results for 2014 on February 19th. With reported income pulled down by a difficult fourth quarter for Global Banking and Markets, full-year profit before tax came in at US$18.7 billion, US$3.9 billion shy of 2013. This chastening result disappointed investors and sent the group's common shares down 6% overnight. However, the drop in income resulted principally from lower gains from disposals and reclassifications of business units, along with a continued spate of the fines and penalties that have become a fact of life for global banks. Adjusted profit, which excludes the year-on-year effects of currency exchange rate movements and "significant" items, such as fines, and serves as a key yardstick for management performance, came in at US$22.8 billion, little changed from 2013.

Along with other global banks, HSBC is undertaking structural changes in order to adjust to a rapidly shifting landscape highlighted by increased regulatory scrutiny and the spectre of potentially crippling fines, and has brought the model for operating massively scaled and diversified global banks into question. Group CEO Stuart Gulliver and his management team began their tenure in 2011 with plans to simplify and rationalize the group, and have made significant impact. HSBC has 50,000 fewer employees today than in 2011 and has withdrawn from consumer banking in more than 20 countries, while compliance staff has been more than doubled. Regulatory capital is 60% higher today than in the period leading up to the financial crisis.

As the Group enters its 150th year, the process of shrinking and simplifying HSBC appears to be intensifying. In an analysts meeting following the release of 2014's results, Mr. Gulliver said the Group's operations in Mexico, Brazil, the US and Turkey posed "the biggest problems" and are under review. Money losing retail operations in Turkey (350 branches) and Brazil (850 branches) may be the first to go.

The bank continues to pay for past sins, in part a legacy of extraordinary growth over the two decades prior to 2011. Under chairman Sir John Bond between 1998 and 2006, the group took on acquisitions all over the globe as the employee headcount climbed from 136,000 to 330,000. One of these, a Swiss private bank, became the centre of a scandal during 2015's first quarter when a data theft dating to 2007 revealed that it had harboured the accounts of tax evaders between 2005 and 2007. The ensuing firestorm saw Group chairman Douglas Flint and Mr. Gulliver hauled out for televised questioning before the Treasury Select Committee, a group of British MPs out to score points on the road to next month's general election.

HSBC has formally scaled back some of its key strategic performance indicators to account for the new environment: the target for return on equity, which had been 12% to 13%, has been reduced to "greater than 10%"; the costs target, which had been a cost efficiency ratio (costs to revenue) in the mid-50's, is now simply to grow revenues more quickly than costs ("positive jaws" in bank jargon). The metrics that matter to debt investors remain strong: common tier 1 equity was at 11.1% of risk-weighted assets at December 31st; the ratio of customer advances to customer accounts is a conservative 72% compared to a target of less than 90%; and, loan impairments were down to 0.39% of average gross loans and advances from 0.60% in 2013, reflecting tighter lending standards and a supportive economic environment.

Key Performance Measures (Reported Basis)

Key Ratios, %	2013	2014	KPM
Return on average ordinary shareholders' equity[1]	9.2	7.3	> 10%
Cost efficiency ratio	59.6	67.3	n/a
Jaws (underlying)[2]	n/a	-5.8	Positive
Advances-to-deposits ratio[3]	72.9	72.2	< 90%
Common equity tier 1 ratio (end point basis)[4]	10.9	11.1	> 10%

1. On an annualized basis
2. Percentage growth in net operating income before credit provisions less percentage growth in total operating expenses.
3. 9-month 2014 figure excludes repo and reverse repo.
4. Calculated/estimated in accordance with CRD IV.

Credit Strength

The following table shows Moody's and S&P long term debt ratings on a number of the top global banks and is ranked by the February 27th, 2015 price of their 5-year credit default swap (CDS) spreads. The CDS spread gives an indication of how the market perceives the riskiness of each bank's debt, with a lower number showing less risk. HSBC holds the highest Moody's rating (Aa3) in this group, shares the median S&P rating (A), and its CDS spread was the fourth-lowest of the group.

Bank	5-year CDS Spread	Moody's	S&P
UBS AG	42.01	A2	A
Lloyds Bank PLC	42.76	A1	A
Barclays Bank PLC	43.34	A2	A
HSBC Bank PLC	46.06	Aa3	A
Credit Suisse Group AG	50.22	A1	A
BNP Paribas SA	55.64	A1	A+
Credit Agricole SA	55.83	A2	A
Deutsche Bank AG	59.78	A3	A
JPMorgan Chase & Co	63.84	A3	A
Bank of America Corp	65.00	Baa2	A-
Société Générale SA	69.47	A2	A
Banco Santander SA	71.90	Baa1	BBB
Morgan Stanley	73.70	Baa2	A-
Citigroup Inc.	74.71	Baa2	A-
Goldman Sachs Group Inc.	83.97	Baa1	A-

HSBC's capital securities are rated BBB- by S&P following a 2-notch downgrade from BBB+ at the end of the third quarter of 2014. S&P published new criteria for rating bank hybrid capital in September, reflecting the "bail-in" requirements of Basel III and the Bank Recovery and Resolution Directive adopted by the European Parliament in April. Due to an increased likelihood that regulators will demand investors take an earlier role and a greater share of the cost if governments bail out banks, S&P downgraded 94% of legacy tier 1 capital instruments (those dating from before Basel III) issued by European banks, as well as 64% of Basel III compliant instruments. On the same day, S&P downgraded 68 hybrid capital securities issued by Canadian banks.

HSBC Group Overview

Founded in 1865 to finance trade between Asia and the West, today HSBC is one of the world's largest banking and financial services organizations serving some 51 million customers and with assets of US$2.6 trillion at December 31, 2014. HSBC's aim is to be acknowledged as the world's leading international bank. HSBC has an international network of around 6,100 offices in 73 countries and territories in six geographical regions: Europe, Asia-Pacific, the Middle East, Africa, North America and Latin America. HSBC serves personal, commercial, corporate, institutional, investment and private banking clients.

Capital Transactions

The beneficial interest in the net assets and net income of the Fund is divided into two classes of units, Class A Units and Class U Units, with the Class U Units being denominated in U.S. dollars. The Fund is authorized to issue an unlimited number of Units of each class.

During the six-month period ended February 28, 2015, the Fund redeemed 89,939 Class A Units for net payment of $2,085,544. During the same period, the Fund also had redemptions of 7,283 Class U Units for net payment of $184,245 (the Fund redeemed 53,080 Class A Units for net payment of $1,217,865 during the six month period ended February 28, 2014. During the same period, the Fund also had redemptions of 9,785 Class U Units for net payment of $240,833).

Distributions

The Fund pays distributions if, as and when declared by the Fund from time to time. During the six-month period ended February 28, 2015, the Fund declared $3,626,817 in distributions to its Class A Unitholders and $1,781,956 to its Class U Unitholders. The amount $1,162,917 for Class U was reinvested and the Class U Units were consolidated. (During the six month period ended February 28, 2014, the Fund declared $11,390,099 in distributions to its Class A Unitholders and $1,852,537 to its Class U Unitholders. The amount $ 6,806,138 for Class A was reinvested and the Class A Units were consolidated and the amount $1,065,147 for Class U was reinvested and the Class U Units were consolidated).

Recommendations or Reports by the Independent Review Committee

The Independent Review Committee of the Fund tabled no special reports and made no extraordinary material recommendations to management of the Fund during the six month period ended February 28, 2015.

Related Party Transactions

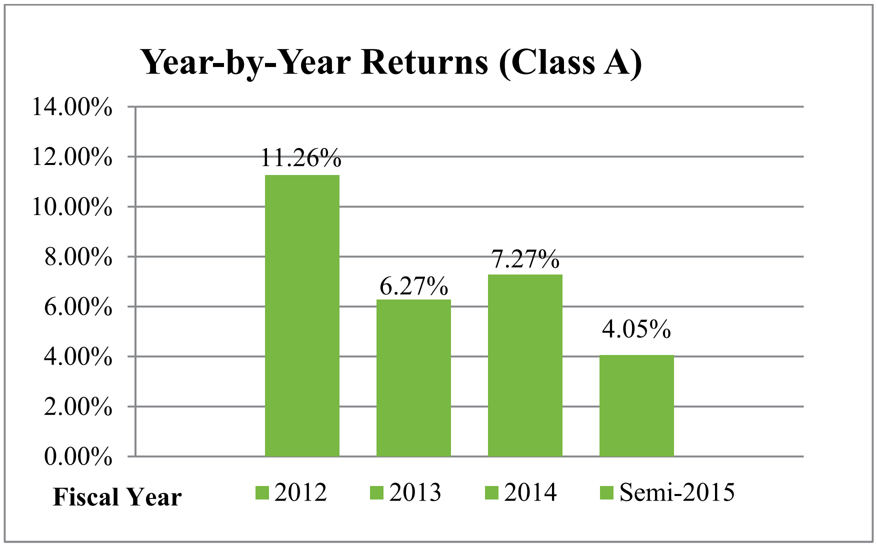
Management Fees

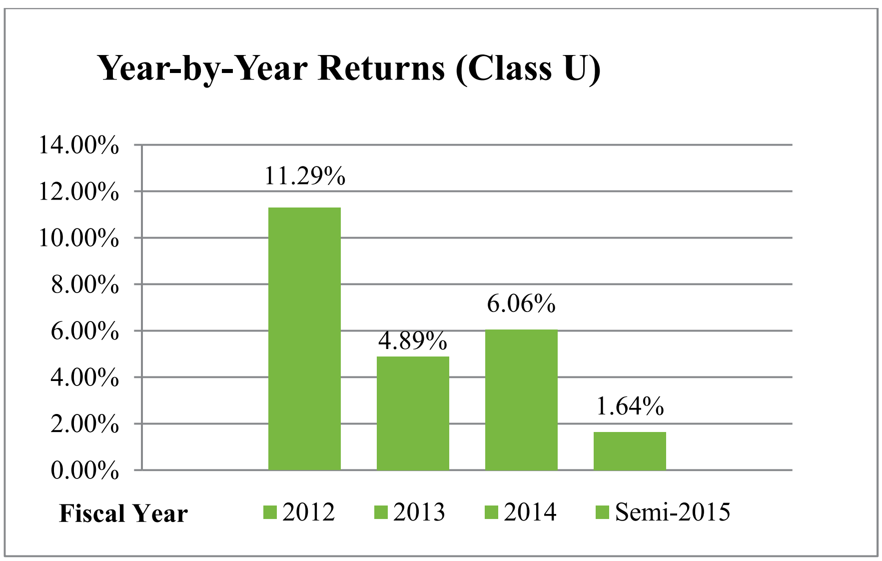
In consideration for management services and investment advice, the Manager receives a management fee from the Fund equal in the aggregate to 0.25% per annum of the applicable Net Asset Value, calculated daily and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund during the six-month period ended February 28, 2015 were $109,326 plus applicable taxes ($152,116 plus applicable taxes during the six-month period ended February 28, 2014).

PAST PERFORMANCE

The following bar charts show the Fund's semi-annual performance of the Class A Units and Class U Units by showing semi-annual returns by fiscal year assuming all the distributions made by the Fund during the six-month period shown were reinvested. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. The bar charts show, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period. Past performance is not necessarily indicative of future performance.





FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to aid in understanding the Fund's financial performance since inception. This information is derived from the Fund's audited annual and unaudited semi-annual financial statements:

Class A:

The Fund's Net Assets per Class A Unit:	February 28, 2015 [2] CAD	August 31, 2014 CAD	August 31, 2013 CAD	August 31, 2012 CAD	August 31, 2011 [1] CAD
Net Assets, beginning of period [6]	**23.27**	**23.41**	**23.61**	**22.77**	**23.56**
Increase (decrease) from operations:					
Total revenues	0.96	1.75	1.64	1.68	1.64
Total expenses	(0.03)	(0.06)	(0.06)	(0.06)	(0.07)
Realized gains (losses) for the period	(0.22)	(0.30)	0.10	(0.04)	0.16
Unrealized gains (losses) for the period	0.21	0.14	(0.03)	0.96	(1.19)
Total increase (decrease) from operations [3]	**0.92**	**1.53**	**1.65**	**2.54**	**0.54**
Distributions:					
From income (excluding dividends)	(0.87)	(0.10)	(0.90)	(1.64)	(0.53)
From dividends	–	–	–	–	–
From capital gains	–	–	(0.10)	–	–
Return of capital	–	(1.66)	(0.62)	(0.05)	(0.82)
Total Distributions [4]	**(0.87)**	**(1.76)**	**(1.62)**	**(1.69)**	**(1.35)**
Net Assets, end of period [5] [6]	**23.32**	**23.27**	**23.41**	**23.61**	**22.77**

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of 4,182,433 Class A Units outstanding as of February 28, 2015 (August 31, 2014 – 4,910,677 units).
(4) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.
(5) This is not a reconciliation between the opening and the closing net assets per unit.
(6) The Fund adopted International Financial Reporting Standards ("IFRS") commencing September 1, 2014. This information for the period August 31, 2014 and going forward is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class A):	February28, 2015 [2] CAD	August 31, 2014 CAD	August 31, 2013 CAD	August 31, 2012 CAD	August 31, 2011 [1] CAD
Net assets (000's)	95,999	97,876	123,339	154,552	158,151
Number of units outstanding	4,117,044	4,206,983	5,268,775	6,555,143	6,931,947
Base Management expense ratio [3])	0.24%	0.26%	0.26%	0.26%	0.26%
Management expense ratio (annualized) [3]	0.24%	0.26%	0.26%	0.26%	0.26%
Management expense ratio before waivers or absorptions (annualized) [3]	0.24%	0.26%	0.26%	0.26%	0.26%
Portfolio turnover rate [4]	0.00%	0.44%	0.96%	1.01%	0.84%
Trading expense ratio [5]	0.01%	0.01%	0.01%	0.01%	0.09%

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.
(4) The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.
(5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Class U:

The Fund's Net Assets per Class U Unit:	February 28, 2015 [2] USD	August 31, 2014 USD	August 31, 2013 USD	August 31, 2012 USD	August 31, 2011 [1] USD
Net Assets, beginning of period [6]	**22.90**	**23.15**	**23.74**	**22.84**	**23.59**
Increase (decrease) from operations:					
Total revenues	0.84	1.54	1.66	1.71	1.68
Total expenses	(0.03)	(0.07)	(0.66)	(0.06)	(0.08)
Realized gains (losses) for the period	0.09	0.58	0.01	(0.21)	0.10
Unrealized gains (losses) for the period	2.64	(0.01)	1.10	1.35	(1.76)
Total increase (decrease) from operations [3]	**3.54**	**2.04**	**2.71**	**2.79**	**0.06**
Distributions:					
From income (excluding dividends)	(0.98)	(0.82)	(0.94)	(1.65)	–
From dividends	–	–	–	–	–
From capital gains	–	–	(0.01)	–	–
Return of capital	–	(0.71)	(0.73)	–	(1.31)
Total Distributions [4]	**(0.98)**	**(1.53)**	**(1.68)**	**(1.65)**	**(1.31)**
Net Assets, end of period [5] [6]	**22.28**	**22.90**	**23.15**	**23.74**	**22.84**

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of 544,540 Class A Units outstanding as of February 28, 2015 (August 31, 2014 – 840,880 units).
(4) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.
(5) This is not a reconciliation between the opening and the closing net assets per unit.
(6) The Fund adopted International Financial Reporting Standards ("IFRS") commencing September 1, 2014. This information for the period August 31, 2014 and going forward is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class U Units):	February 28, 2015 [2] USD	August 31, 2014 USD	August 31, 2013 USD	August 31, 2012 USD	August 31, 2011 [1] USD
Net assets (000's)	12,065	12,570	22,822	25,905	27,576
Number of units outstanding	541,565	548,848	985,942	1,092,786	1,204,766
Base Management expense ratio [3]	0.24%	0.23%	0.26%	0.25%	0.28%
Management expense ratio (annualized) [3]	0.24%	0.23%	0.26%	0.25%	0.28%
Management expense ratio before waivers or absorptions (annualized) [3]	0.24%	0.23%	0.26%	0.25%	0.28%
Portfolio turnover rate [4]	0.00%	0.00%	16.65%	20.44%	2.98%
Trading expense ratio [5]	0.01%	0.01%	0.01%	0.01%	0.09%

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.
(4) The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.
(5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

SUMMARY OF INVESTMENT PORTFOLIO AS OF FEBRUARY 28, 2015

The summary of investment portfolio may change due to on-going portfolio transactions of the Fund. A quarterly update is available at www.astonhill.ca.

Portfolio by Category	**Fair value $**	**% of NAV**
Financials	125,009,891	112.5%
Foreign currency forward contracts	(16,450,061)	(14.8%)
Other liabilities net of other assets	2,505,092	2.3%
Top 25 Holdings		
HSBC Holdings PLC, Series 2, 8.000%, December 15, 2015 (1)	125,009,891	112.6%
Cash	150,825	0.1%
Bought CAD 81,507,860 sold USD 78,200,000, December 15, 2015	(16,450,061)	(14.8%)
Net asset value	**111,064,922**	

(1) First call date.

CS Trust

Financial Statements (Unaudited)
February 28, 2015

Notice to Reader:

These interim financial statements and related notes for the six-month period ended February 28, 2015 have been prepared by Management of Aston Hill Capital Markets Inc. The auditors of the Fund have not audited or reviewed these interim financial statements.

STATEMENTS OF FINANCIAL POSITION (Unaudited)

As at	February 28, 2015 (Unaudited)	August 31, 2014 (Unaudited)	September 1, 2013 (Unaudited)
Assets			
Current assets			
Cash	$ 150,825	$ 146,879	$ 41,504
Short-term investments	-	-	685,505
Financial assets at fair value through profit or loss	125,009,891	114,147,452	148,266,437
Interest and dividends receivable	2,376,615	2,127,237	2,616,825
	127,537,331	116,421,568	151,610,271
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9,145	15,394	16,609
Management fees payable	13,203	23,047	29,481
Derivative contracts	16,450,061	4,872,014	4,150,921
	16,472,409	4,910,455	4,197,011
Net assets attributable to holders of redeemable units	111,064,922	111,511,113	147,413,260
Net Assets			
Class A	95,999,251	97,875,920	123,338,823
Class U	15,065,671	13,635,193	24,074,437
Class U (USD)	USD 12,065,493	USD 12,569,875	USD 22,821,603
Redeemable units outstanding per series (note 5)			
Class A	4,117,044	4,206,983	5,268,775
Class U	541,565	548,848	985,942
Net assets attributable to holders of redeemable units per unit			
Class A	23.32	23.27	23.41
Class U	27.82	24.84	24.42
Class U (USD)	USD 22.28	USD 22.90	USD 23.15

Approved on behalf of the Manager,
Aston Hill Capital Markets Inc.

Director **Director**

STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

For the six-month periods ended February 28		2015		2014
Income				
Interest for distribution purposes	$	-	$	169
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss:				
Dividends		4,548,095		5,575,002
Change in unrealized gain (loss) on investments		14,095,756		5,543,570
Change in unrealized gain (loss) on foreign exchange		8,414		(7,286)
Change in unrealized gain (loss) on derivate contracts		(11,578,047)		(6,382,393)
Net realized gain (loss) on investments		421,899		46,360
Net realized gain (loss) on foreign exchange		224,656		87,778
Net realized gain (loss) on derivate contracts		(1,512,653)		-
Total income (loss)		6,208,120		4,863,200
Expenses				
Management fees (note 9)		109,326		152,116
Harmonized sales tax		15,325		21,201
Broker commission charges (note 10)		4,163		2,266
Audit fees		4,792		4,792
Custodial and other unitholder fees		3,751		3,669
Other fees		1,240		2,151
Interest expense		69		137
Total expenses		138,666		186,332
Increase (decrease) in net assets attributable to holders of redeemable units		6,069,454		4,676,868
Increase (decrease) in Net Assets attributable to holders of redeemable units per series				
Class A Units		3,835,692		2,932,381
Class U Units		2,233,762		1,744,487
Class U Units (USD) (1)	USD	1,929,526	USD	1,641,144
Increase (decrease) in Net Assets attributable to holders of redeemable units per unit (2)				
Class A Units		0.92		0.56
Class U Units		4.10		1.78
Class U Units (USD) (1)	USD	3.54	USD	1.67

(1) (based on average exchange rate for the period)
(2) (based on weighted average number of units outstanding during the period)
(See accompanying notes to financial statements)

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Unaudited)

For the six-month periods ended February 28		2015		2014
Class A				
Increase (decrease) in Net Assets attributable to holders of redeemable units	$	3,835,692	$	2,932,381
Distributions to holders of redeemable units from: (note 8)				
Net investment income		(3,626,817)		(2,591,501)
Capital gains		-		(116,497)
Return on capital		-		(8,682,101)
		(3,626,817)		(11,390,099)
Redeemable unitholder's transactions (note 5)				
Proceeds from issue of units (note 5)		-		-
Distributions reinvested (note 8)		-		6,806,138
Payments on redemption /cancellation of redeemable units		(2,085,544)		(1,217,865)
		(2,085,544)		5,588,273
Change in Net Assets attributable to holders of redeemable units during the period		(1,876,669)		(2,869,445)
Net Assets attributable to holders of redeemable units, beginning of period		97,875,920		123,338,823
Net Assets attributable to holders of redeemable units, end of period	$	95,999,251	$	120,469,378
Class U				
Increase (decrease) in Net Assets attributable to holders of redeemable units	$	2,233,762	$	1,744,487
Distributions to holders of redeemable units from: (note 8)				
Net investment income		(1,781,956)		(1,683,960)
Capital gains		-		(17,641)
Return on capital		-		(150,936)
		(1,781,956)		(1,852,537)
Redeemable unitholder's transactions (note 5)				
Proceeds from issue of units (note 5)		-		-
Distributions reinvested (note 8)		1,162,917		1,065,147
Payments on redemption /cancellation of redeemable units		(184,245)		(240,833)
		978,672		824,314
Change in Net Assets attributable to holders of redeemable units during the period		1,430,478		716,264
Net Assets attributable to holders of redeemable units, beginning of period		13,635,193		24,074,437
Net Assets attributable to holders of redeemable units, end of period	$	15,065,671	$	24,790,701
Total				
Increase (decrease) in Net Assets attributable to holders of redeemable units	$	6,069,454	$	4,676,868
Distributions to holders of redeemable units from: (note 8)				
Net investment income		(5,408,773)		(4,275,461)
Capital gains		-		(134,138)
Return on capital		-		(8,833,037)
		(5,408,773)		(13,242,636)
Redeemable unitholder's transactions (note 5)				
Proceeds from issue of units (note 5)		-		-
Distributions reinvested (note 8)		1,162,917		7,871,285
Payments on redemption /cancellation of redeemable units		(2,269,789)		(1,458,698)
		(1,106,872)		6,412,587
Change in Net Assets attributable to holders of redeemable units during the period		(446,191)		(2,153,181)
Net Assets attributable to holders of redeemable units, beginning of period		111,511,113		147,413,260
Net Assets attributable to holders of redeemable units, end of period	$	111,064,922	$	145,260,079

(See accompanying notes to financial statements)

STATEMENTS OF CASH FLOWS (Unaudited)

For the six-month periods ended February 28	2015	2014
Operating Activities		
Increase (decrease) in net assets from operations	$ 6,069,454	$ 4,676,868
Items not affecting cash:		
Change in unrealized (gain) loss on investments	(14,095,756)	(5,543,570)
Change in unrealized (gain) loss on derivative contracts	11,578,047	6,382,393
Net realized (gain) loss on investments	(421,899)	(46,360)
Changes in non-cash working capital:		
(Increase) decrease in interest and dividends receivable	(249,378)	(101,077)
Increase (decrease) in accounts payable and accrued liabilities	(6,249)	(6,804)
Increase (decrease) in management fees payable	(9,844)	(3,639)
Purchase of investment	-	(517,687)
Proceeds on disposition of investment	3,655,216	1,462,393
Net cash flow provided by operating activities	6,519,591	6,302,517
Financing Activities		
Proceeds from issuance of units	-	-
Distributions paid to unitholder (note 8)	(4,245,856)	(5,371,351)
Payments on redemption of units	(2,269,789)	(1,458,698)
Net cash flow (used in) financing activities	(6,515,645)	(6,830,049)
Net increase (decrease) in cash and short-term investments	3,946	(527,532)
Cash - beginning of year	146,879	727,009
Cash - end of year	$ 150,825	$ 199,477
Supplementary Information		
Interest paid	$ 69	$ 137

(See accompanying notes to financial statements)

SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited)

As at February 28, 2015

Investments	Maturity date	Number of shares / par value $	Average cost $	Fair value $	% of Net assets
Preferred Stock (USD)					
Financials					
HSBC Holdings PLC, Series 2, 8.000% (1)	15/12/2015	3,806,670	106,636,528	125,009,891	112.5%
Total investments (before transaction costs)			106,636,528	125,009,891	112.5%
Transaction costs - Section 3855 adjustment (note 10)			(16,336)	-	0.0%
Total investments			106,620,192	125,009,891	112.5%

Foreign currency forward contracts (2)	Maturity date	Contract price / rate $	Unrealized gain (loss) $	% of Net assets
Bought CAD 81,507,860 sold USD 78,200,000	15/12/2015	0.95942	(16,450,061)	-14.8%
Other assets net of other liabilities			2,505,092	2.3%
Net assets			111,064,922	100.0%

(1) First call date is presented for this security.

(2) The unrealized forward currency contract gain and losses are attributed to and allocated to the Series A.

(See accompanying notes to financial statements)

NOTES TO THE FINANCIAL STATEMENTS (FEBRUARY 28, 2015)

1 GENERAL INFORMATION

CS Trust (the "Fund") is an investment fund established under the laws of the Province of Ontario and governed by the Fund's Trust Agreement (the "Trust Agreement") dated September 28, 2010 between Aston Hill Capital Markets Inc. (the "Manager") and RBC Investor Services Trust (the "Trustee"). The Manager performs or arranges for the performance of management services, including portfolio management services, for the Fund and is responsible for the overall undertaking of the Fund. The Fund's registered office is located at 77 King Street West, Suite 2110, Toronto, Ontario, M5K 1G8. The fiscal year-end of the Fund is August 31.

The beneficial interest in the net assets and net income of the Fund is divided into units of two classes, Class A Units and Class U Units. The Fund is authorized to issue an unlimited number of Units of each class. The Class U Units are denominated and offered in U.S. dollars. The termination date of the fund is December 30, 2015.

The Fund's investment objectives are to: (i) provide Unitholders with distributions; and (ii) provide an investment in the Capital Securities (the 8.125% Perpetual Subordinated Capital Securities, Series 1 issued by HSBC Holdings plc and the 8.00% Perpetual Subordinated Capital Securities, Series 2, also issued by HSBC).

The Fund pays distributions if, as and when declared by the Fund from time to time. Distributions, if any, that are paid on the Class A Units will be in Canadian dollars and distributions, if any, that are paid on the Class U Units will be in U.S. dollars.

2 BASIS OF PREPARATION AND ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and under the historical cost convention basis, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit and loss. The Fund adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at September 01, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 16 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended August 31, 2014 prepared under Canadian GAAP.

The policies applied in these Semi-annual financial statements are based on IFRS issued and outstanding as of April 29, 2015, which is the date on which the annual financial statements were authorized for issue by the Manager.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Funds' accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3 SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The Fund's long position investments in equity securities (if any) and fixed income securities are designated at fair value through profit or loss ("FVTPL") at inception. The Fund's derivatives and investments held short are categorized as held for trading. As a result of such designation and categorization, the Fund's investments and derivatives are measured at FVTPL. The Fund's obligation for Net Assets attributable to holders of redeemable units is presented at approximately the redemption amount. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its published Net Asset Value (NAV). The fair values of the Fund's financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels at the beginning of the period.

The fair value of financial assets and liabilities that are not traded in an active market including foreign currency forward contracts are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each measurement date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and others commonly used by market participants and which make the maximum us of observable inputs. Refer to note 15 for further information about the Fund's fair value measurements.

c) Cash

Cash consists of cash in hand, deposits held with and overdrafts.

d) Investment Transactions and Income Recognition

Regular purchases and sales are recognized on the trade date - the date on which the Fund commits to purchase or sell the investment, and any realized and unrealized gains or losses are recognized using the average cost of the investments, which excludes broker commissions. The interest income for distribution purposes shown on the Statements of Comprehensive Income (Loss) represents the coupon interest received by the fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Dividend income is recognized on the ex-dividend date.

e) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities are expensed and are recognized in the Statements of Comprehensive Income (Loss).

f) Foreign currency forward contracts

The Fund may enter into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations. The carrying value of these contracts is the gain or loss that would be realized if the position were closed out on the valuation date and is recorded as an unrealized gain or loss. Upon closing of a contract, the gain or loss is recorded as a net realized gain or loss on foreign currency forward contracts.

g) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

The increase (decrease) in Net Assets attributable to holders of redeemable units from operations per unit in the Statements of Comprehensive Income is calculated by dividing the increase (decrease) in Net Assets attributable to holders of redeemable units from operations per series by the weighted average number of redeemable units outstanding for each relevant series during the period.

h) Valuation of a class

A separate net assets per unit is calculated for each class. The net assets of a class are computed by calculating the class' proportionate share of the assets and liabilities to all classes, less the liabilities attributable only to that class. Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses are allocated proportionately to each class based upon the relative net assets of each class.

i) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

j) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the end of the year. Purchases and sales of investments and income and expenses are translated into Canadian dollars at the exchange rate prevailing on the transaction dates.

Realized foreign currency gains and losses on monetary assets and liabilities other than investments denominated in foreign currencies are included in the Statement of Comprehensive Income in "Net realized gain (loss) on foreign exchange". Unrealized foreign currency gains and losses on monetary assets and liabilities other than investments denominated in foreign currencies are included in the Statement of Comprehensive Income in "Change in unrealized gain (loss) on foreign exchange."

k) Initial fees and expenses

The issue expenses and agents' fees incurred in connection with the initial unit issuance are deducted from the unit capital for accounting purposes.

l) Accounting Standards Issued But Not Yet Adopted

The final version of International Financial Reporting Standard (IFRS) 9, Financial Instruments, was issued by IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund have made in preparing the financial statements:

Classification of Redeemable Units Issued by the Fund

Under Canadian GAAP, the Fund accounted for their redeemable units as equity. Under IFRS, IAS 32 requires that shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability. The unitholders can request cash distributions and therefore the Fund's units do not meet the criteria in IAS 32 for classification as equity. They have been reclassified as financial liabilities on transition to IFRS.

Functional and Presentation Currency

The Fund's investors are mainly Canadian residents, with the subscriptions and redemptions of the redeemable shares denominated in Canadian dollars. The primary activity of the Fund is to invest in Canadian and US securities and derivatives and to offer Canadian investors a higher return compared to other products available in Canada. The performance of the Fund is measured and reported to the investors in Canadian dollar. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

When the Fund holds financial instruments that are not quoted in active markets, fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market markers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding

Classification and Measurement of Investments and Application of the Fair Value Option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make judgments about the classification of financial instruments and the applicability of the fair value option to its investments which are not held for trading. The Manager has determined that the Fund's derivatives are held for trading due to their short term nature. The fair value option has been applied to the Fund's investments in fixed income securities as the investments are managed on a fair value basis in accordance with the Fund's investment strategy.

5 REDEEMABLE UNITS OF THE FUND

The beneficial interest in the net assets and net income of the Fund is divided into two classes of units, Class A Units and Class U Units, with the Class U Units being denominated in U.S. dollars. The Fund is authorized to issue an unlimited number of Units of each class. All Units of the Fund are held by one unitholder.

During the six-month period ended February 28, 2015, the Fund redeemed 89,939 Class A Units for net payment of $2,085,544. During the same period, the Fund also had redemptions of 7,283 Class U Units for net payment of $184,245 (the Fund redeemed 53,080 Class A Units for net payment of $1,217,865 during the six month period ended February 28, 2014. During the same period, the Fund also had redemptions of 9,785 Class U Units for net payment of $240,833).

Changes in outstanding units during the six-month period ended February 28, 2015 and 2014 are summarized as follows:

	Class A Units		Class U Units	
	February 28, 2015	February 28, 2014	February 28, 2015	February 28, 2014
Balance – beginning of period	4,206,983	5,268,775	548,848	985,942
Units issued	–	–	–	–
Units redeemed	(89,939)	(53,080)	(7,283)	(9,785)
Balance – end of period	4,117,044	5,215,695	541,565	976,157

6 CUSTODIAN

Pursuant to the Trust Agreement, RBC Investor & Treasury Services (the "Custodian") also acts as custodian of the assets of the Fund. In consideration for these services, the Fund pays a fee to the Custodian. The Custodian is rated AA- by Standard & Poor's ("S&P") as of February 28, 2015 and February 28, 2014 and September 01, 2013.

7 FUND ADMINISTRATION

RBC Investor & Treasury Services is responsible for certain aspects of the Fund's day-to-day operations, including calculating Net assets attributable to holders of redeemable units, net income and net realized capital gains of the Fund and maintaining the books and records of the Fund.

8 DISTRIBUTIONS

The Fund pays distributions if, as and when declared by the Fund from time to time. During the six-month period ended February 28, 2015, the Fund declared $3,626,817 in distributions to its Class A Unitholders and $1,781,956 to its Class U Unitholders. The amount $1,162,917 for Class U was reinvested and the Class U Units were consolidated. (During the six month period ended February 28, 2014, the Fund declared $11,390,099 in distributions to its Class A Unitholders and $1,852,537 to its Class U Unitholders. The amount $ 6,806,138 for Class A was reinvested and the Class A Units were consolidated and the amount $1,065,147 for Class U was reinvested and the Class U Units were consolidated).

9 RELATED PARTY TRANSACTIONS

Management Fees

In consideration for management services and investment advice, the Manager receives a management fee from the Fund equal in the aggregate to 0.25% per annum of the applicable Net Asset Value, calculated daily and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund during the six-month period ended February 28, 2015 were $109,326 plus applicable taxes ($152,116 plus applicable taxes during the six-month period ended February 28, 2014).

10 INVESTMENT TRANSACTIONS AND SOFT DOLLAR SERVICES

There was $4,163 of broker commissions paid during the year ended February 28, 2014 in connection with portfolio transactions ($2,266 during the year ended February 28, 2014). No contractual arrangements for soft dollar services exist in the broker commission charges.

11 DERIVATIVE CONTRANCTS

Derivative assets and liabilities consist of foreign currency forward contracts which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads.

12 CAPITAL MANAGEMENT

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The Fund's objectives when managing capital is to safeguard the Fund's ability to continue as a going concern, to provide financial capacity and flexibility to meet its strategic objectives, and to provide an adequate return to unitholders commensurate with the level of risk while maximizing the distributions to unitholders.

The Fund does not have any externally imposed capital requirements, and the Manager believes that the current level of distributions, capital and capital structure is sufficient to sustain ongoing operations. The Manager actively monitors the cash position and financial performance of the Fund to ensure there are sufficient resources to meet distributions and redemptions.

13 INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and accordingly, is subject to tax on its investment income, including net realized capital gains, for any calendar year in which its net investment income or sufficient net realized capital gains are not paid or payable to its unitholders as at the end of the calendar year. It is the intention of the Manager that all annual net investment income and sufficient net taxable capital gains, net of capital gains refund available to mutual fund trusts, will be distributed to unitholders on a calendar year basis such that Canadian income taxes payable by the Fund under present legislation will be eliminated. As a result thereof and of the deduction of expenses in computing its taxable income, no provisions for income taxes are made in the financial statements.

The Fund did not have any capital losses or non-capital losses as at tax year ends December 31, 2014 and 2013.

14 FINANCIAL INSTRUMENT RISK

The Fund obtained exposure to the performance of the Portfolio and therefore, the risks associated with an investment in the Fund's units are best defined by describing the financial risks associated with an investment in the Portfolio.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds and short-term notes. Certain equity instruments, such as preferred shares that pay fixed rate dividends, are also sensitive to changes in the level of prevailing market interest rates. Due to their sensitivity to interest rates, the preferred shares held by the Fund are included in the analysis of interest rate risk. The tables below summarize the combined exposure of the Fund to interest rate risk and include the assets and liabilities of the Fund at fair value.

February 28, 2015;

	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
Investments	125,009,891	–	–	–	(16,450,061)	108,559,830
Cash and cash equivalents	–	–	–	–	150,825	150,825
Other assets	–	–	–	–	2,376,615	2,376,615
Liabilities	–	–	–	–	(22,348)	(22,348)
Net assets	**125,009,891**	**–**	–	**–**	**(13,944,969)**	**111,064,922**

August 31, 2014:

	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
Investments	–	114,147,452	–	–	(4,872,014)	109,275,438
Cash and cash equivalents	–	–	–	–	146,879	146,879
Other assets	–	–	–	–	2,127,237	2,127,237
Liabilities	–	–	–	–	(38,441)	(38,441)
Net assets	**–**	**114,147,452**	–	**–**	**(2,636,339)**	**111,511,113**

September 01, 2013:

	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
Investments	6,332,620	141,933,817	–	–	(4,150,921)	144,115,516
Cash and cash equivalents	685,505	–	–	–	41,504	727,009
Other assets	–	–	–	–	2,616,825	2,616,825
Liabilities	–	–	–	–	(46,090)	(46,090)
Net assets	**7,018,125**	**141,933,817**	–	–	**(1,538,682)**	**147,413,260**

As at February 28, 2015, had prevailing interest rates raised or lowered by 1.0%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately $968,000 and $978,000 (August 31, 2014 – $1,397,000 and $1,418,000; September 1, 2013 – $2,948,000 and $3,020,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. The Fund is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. The Schedule of Investments identifies all securities denominated in foreign currencies.

The tables below summarize the Fund's combined exposure to foreign currencies held by the Fund as of February 28, 2015 and August 31, 2014 and September 01, 2013. The tables show sensitivity evaluation due to exposure to the U.S. dollar for the Class A Units only (the Class U Units are denominated in U.S. dollars) as of February 28, 2015, August 31, 2014 and September 01, 2013. Amounts shown are based on the carrying values of monetary and non-monetary assets as well as the underlying principal amounts of foreign currency derivatives such as forward contracts. It also includes amounts borrowed under the Credit Agreement and is shown under "monetary instruments". Other financial assets and liabilities denominated in foreign currencies do not expose the Fund to significant currency risk. The tables below summarize the significant exposure to foreign currencies and the approximate impact on net assets had the Canadian dollar weakened by 5% in relation to these currencies. If the Canadian dollar were to strengthen relative to these currencies, the opposite would occur. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at February 28, 2015:

Currency	Monetary instruments	Non-monetary instruments	Derivative Instruments	Net Exposure	% of Net Assets	Sensitivity (based on devaluation of CAD)
United States Dollar	$ 15,813	$ 112,428,687	$ (97,957,921)	$ 14,486,579	15.1%	$ 724,000

As at August 31, 2014:

Currency	Monetary instruments	Non-monetary instruments	Derivative Instruments	Net Exposure	% of Net Assets	Sensitivity (based on devaluation of CAD)
United States Dollar	$ 73,541	$ 102,707,045	$ (96,802,874)	$ 5,977,712	6.1%	$ 299,000

As at September 1, 2013:

Currency	Monetary instruments	Non-monetary instruments	Derivative Instruments	Net Exposure	% of Net Assets	Sensitivity (based on devaluation of CAD)
United States Dollar	$ 18,850	$ 124,629,927	$ (139,187,776)	$ (14,538,999)	(11.8%)	$ (727,000)

Credit risk

The Fund is exposed to the risk that a security issuer or counterparty will be unable to pay amounts in full when due. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of debt investments and unrealized gain on derivative instruments outstanding with counterparties represents the maximum credit risk exposure as at February 28, 2015, August 31, 2014 and September 01, 2013.

The tables below summarize the Fund's exposure to credit risk as of February 28, 2015, August 31, 2015 and September 01, 2013. Amounts shown are based on the carrying value of debt investments and the unrealized gain on derivative instruments outstanding with counterparties.

Rating	February 28, 2015 (% of Net Assets)	August 31, 2014 (% of Net Assets)	September 1, 2013 (% of Net Assets)
BBB+	112.5%	102.4%	100.6%
A-1+	–	–	0.5%
Total	**112.5%**	**102.4%**	**101.1%**

As at February 28, 2015 and August 31, 2014 and September 1, 2013, no debt securities were contractually past due and no longer meeting interest payment obligations.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Liquidity risk

Liquidity risk is the risk of not being able to meet the Fund's cash requirements in a timely manner and includes the risk of not being able to liquidate assets at reasonable prices. This risk arises mainly from the Fund's exposure to unlimited annual redemptions in any given year; therefore, the Fund invests the majority of its assets in investments that can be readily disposed. In addition, the Fund retains sufficient cash positions to maintain liquidity. All liabilities, with the exception of one foreign currency forward contract, are due within three months.

As at February 28, 2015 Financial liabilities	On demand	less than 3 months	Total
Accounts payable and accrued liabilities	–	9,145	9,145
Management fees payable	–	13,203	13,203
Total	**–**	**$ 22,348**	**$ 22,348**

As at August 31, 2014 Financial liabilities	On demand	less than 3 months	Total
Accounts payable and accrued liabilities	–	15,394	15,394
Management fees payable	–	23,047	23,047
Total	**–**	**$ 38,411**	**$ 38,411**

As at September 1, 2013 Financial liabilities	On demand	less than 3 months	Total
Accounts payable and accrued liabilities	–	16,609	16,609
Management fees payable	–	29,481	29,481
Total	**–**	**$ 46,090**	**$ 46,090**

Market price risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value. The Fund's equity instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

Concentration risk

The following comparative summary represents the securities by asset type and market segment held by the Fund as at February 28, 2015, August 31, 2014 and September 01, 2013:

Portfolio by Category	February 28, 2015	August 31, 2014	September 1, 2013
Foreign Preferred Stock (USD) / Financials	112.5%	102.4%	100.6%
Other assets net of other liabilities	2.2%	1.9%	1.7%
Cash	0.1%	0.1%	0.0%
Short-term investment	–	–	0.5%
Foreign currency forward contracts	-14.8%	-4.4%	-2.8%
Total	**100.0%**	**100.0%**	**100.0%**

15 FAIR VALUE MEASUREMENT

The Fund's assets and liabilities recorded at fair value have been categorized within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (level 3).

The Fund classifies its investments and derivative assets/liabilities into three categories based on the nature of the inputs used to determine their fair value. The categories and the nature of the inputs used in each category are as follows:

Level l: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgement or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Fund obtained exposure to the performance of the portfolio and therefore, the following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at February 28, 2015, August 31, 2014 and September 01, 2013:

Assets at fair value as at February 28, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	125,009,891	–	–	125,009,891
Total	**$ 125,009,891**	–	–	**$ 125,009,891**

Liabilities at fair value as at February 28, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative contracts	–	16,450,061	–	16,450,061
Total	**–**	**$ 16,450,061**	**–**	**$ 16,450,061**

Assets at fair value as at August 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	114,147,453	–	–	114,147,453
Total	**$ 114,147,453**	**$ –**	**–**	**$ 114,147,453**

Liabilities at fair value as at August 31, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative contracts	–	4,872,014	–	4,872,014
Total	**–**	**$ 4,872,014**	**–**	**$ 4,872,014**

Assets at fair value as at September 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	148,266,437	–	–	148,266,437
Short-term investments	–	685,505	–	685,505
Total	**$ 148,266,437**	**$ 685,505**	**–**	**$ 148,951,942**

Liabilities at fair value as at September 1, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative contracts	–	4,150,921	–	4,150,921
Total	**–**	**$ 4,150,921**	**–**	**$ 4,150,921**

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Equities: The Fund's equity positions are classified as Level 1 when securities are actively traded and a reliable quote is observable. Some equity positions are classified as Level 2 as they are less actively traded.

Bonds and short-term investments: Bonds and short-term investments are classified as Level 2 as they are valued using observable inputs, including interest rate curves, credit spreads and volatilities and are not actively traded.

Foreign currency forward contracts: Foreign currency forward contracts for which inputs, including interest rates, forward market rates and credit spreads are observable and reliable or for which unobservable inputs are determined not to be significant to fair value, are classified as Level 2.

There was no transfer among the three levels during the six month period ended February 28, 2015, the year ended August 31, 2014 and September 01, 2013.

16 TRANSITION TO IFRS

The effect of the Funds' transition to IFRS is summarized in this note as follows:

Transition Elections

The only voluntary exemption adopted by the Funds upon transition was the ability to designate financial assets or financial liability at fair value through profit and loss upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Classification of Redeemable Units Issued by the Funds

Under Canadian GAAP, the Fund accounted for its redeemable units as equity. Under IFRS, IAS 32 requires that units of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Funds' units do not meet the criteria in IAS 32 for classification as equity and therefore, have been reclassified as financial liabilities on transition to IFRS.

Reconciliation of investments and comprehensive income as previously reported under Canadian GAAP to IFRS

Equity	**August 31, 2014**	**September 1, 2013**
Equity as reported under Canadian GAAP	$ 114,104,907	$ 148,528,114
Revaluation of investments at fair value through profit or loss	42,545	(261,677)
Net assets attributable to holders of redeemable units	$ 114,147,452	$ 148,266,437

Comprehensive Income for the period ended	**February 28, 2014**
Comprehensive income as reported under Canadian GAAP	$ 4,409,599
Revaluation of investments at fair value through profit or loss	267,269
Increase in Net Assets attributable to holders of redeemable units	**$ 4,676,868**

Revaluation of investments at Fair Value through Profit or Loss

Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with Section 3855, Financial Instruments – Recognition and Measurement, which required the use of bid prices for long positions and ask prices for short positions; to the extent such prices are available. Under IFRS, the Fund measures the fair values of its investments using the guidance in IFRS 13, Fair Value Measurement (IFRS 13), which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread.

Reclassification adjustments

In addition to the measurement adjustments noted above, the Fund did not have any reclassified amounts upon transition in order to conform to its financial statement presentation under IFRS.

17 FINANCIAL INTRUMENTS BY CATEGORY

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the six month ended February 28, 2015 and February 28, 2014;

	Net gains (losses)	
Net gains (losses) on financial instruments at FVTPL	**February 28, 2015**	February 28, 2014
Financial Assets and Liabilities at FVTPL:		
Held for Trading	(13,090,700)	(6,382,393)
Designated at inception	19,298,820	11,245,424
Total financial assets and liabilities at FVTPL	$ 6,208,120	$ 4,863,031

18 OFFSETTING OF FINANCIAL INSTRUMENTS

The Fund entered into various master netting arrangements in connection with its Forward Currency Contracts. These agreements do meet the criteria for offsetting in the Statements of Financial Position and allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table presents the recognized financial instruments that are offset, or subject to enforceable master netting agreements or other similar agreements, as at February 28, 2015, August 31, 2014 and September 01, 2013. The "Net" column shows what the impact on the Fund's Statements of Financial Position would be if all set-off rights were exercised.

As at February 28, 2015

Financial assets and liabilities		**Amounts offset**	**Amounts not offset**			**Net**
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	Cash collateral received	
	$	**$**	**$**	**$**	**$**	**$**
Counterparty						
HSBC	-	(16,450,061)	**(16,450,061)**	-	-	(16,450,061)
Net						**$ (16,450,061)**

As at August 31, 2014

Financial assets and liabilities		**Amounts offset**	**Amounts not offset**			**Net**
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	Cash collateral received	
	$	**$**	**$**	**$**	**$**	**$**
Counterparty						
HSBC	-	(4,872,014)	**(4,872,014)**	-	-	(4,872,014)
Net						**$ (4,872,014)**

As at September 1, 2013

Financial assets and liabilities		**Amounts offset**	**Amounts not offset**			**Net**
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	Cash collateral received	
	$	**$**	**$**	**$**	**$**	**$**
Counterparty						
HSBC	-	(4,150,921)	**(4,150,921)**	-	-	(4,150,921)
Net						**$ (4,150,921)**

CORPORATE INFORMATION

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John Crow
Chairman

C. Scott Browning

Robert Falconer

Joseph H. Wright

Directors and Senior Officers of the Manager

W. Neil Murdoch
Director and Chief Executive Officer

Darren Cabral
President

Eric Tremblay
Director and Chairman

Larry W. Titley
Director

Manager

Aston Hill Capital Management Inc.

Portfolio Manager

Aston Hill Capital Management Inc.

Transfer Agent and Trustee

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